

**Danish Ministry of Foreign Affairs  
Egyptian Environmental Affairs Agency**

**Danida  
Egypt**

**REVIEW AND ADJUSTMENT OF PROGRAMME INDICATORS**

**The Environmental Sector Programme**

*Final*

**Review Report**

This report contains  
restricted information  
and is for official use only

May 1:

**PEMCONSULT**  
PEOPLE • ENVIRONMENT • MANAGEMENT

## Abbreviations

ACI	Achieving Cost-Effective Compliance in Industry
ASR	Annual Sector Review
ASRA	Annual Sector Review Agreement
CDA	Community Development Agents
CDBA	Central Department for Branch Affairs
CDECA	Central Department for Environmental Communication and Awareness
CEM	Communication for Environmental Management
CIDA	Canadian International Development Agency
CO <sub>2</sub>	Carbon Dioxide
CP	Cleaner Production
CSC	Component Steering Committee
CTA	Chief Technical Advisor
Danida	Danish International Development Assistance
DEM	Decentralised Environment Management
DFID	Department for International Development (UK)
DKK	Danish Kroner
ECO	Environmental Compliance Office of the FEI
EEAA	Egyptian Environmental Affairs Agency
EEPP	Egyptian Environmental Policy Project (USAID)
EL	Environmental Law No. 4/94
EMG	Environmental Management in the Governorates
EMU	Environmental Management Unit
ESP /ESPS	Environmental Sector Programme / ... Support
ETC	Egyptian Technical Consultants
FEI	Federation of Egyptian Industries
GEAP	Governorate Environmental Action Plan
GOE	Government Of Egypt
LFA	Logical Framework Approach
M	Million
M&E	Monitoring And Evaluation
NGO	Non-Government Organisation
PSU	Programme Support Unit
RBO	Regional Branch Office
RDE	Royal Danish Embassy
RM	Review Mission
SEAM	Support to Environmental Assessment and Management project (DFID)
SMART	Specific, Measurable, Achievable, Reliable, Target/Time defined
SO <sub>2</sub>	Sulphur Dioxide
SPS	Sector Programme Support
TOR	Terms Of Reference
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
WB	World Bank

## INDICATOR TERMINOLOGY

- Outcome** = **The result of reaching a immediate objective**  
*Example:* Increased organisational capacity and better performance result of reaching the immediate objective of “Organisational Capacity Strengthened to be better able to fulfil mandates”. The appropriate **outcome indicator** signals the (immediate) result of the better performance; e.g. in the number of cases solved by the organisation in the mandated area, or a similar measure.
- Effect** = **The immediate follow-on benefit of the outcome**  
*Example:* The benefit of ‘Better performance as signalled by number of cases solved’ is greater compliance with the legislation concerning the mandated area. The appropriate **effect indicator** signals the degree of this compliance; e.g. in number of and amounts invested in mitigation environmental measures, and/or in reduced emissions.
- Impact** = **The contribution of the (Outcome/Effect) to Development Objectives**  
*Example:* Given a development objective of “improving environmental conditions”, the impact of the outcomes/effects is in terms of better air, land, river etc. quality. The appropriate **impact indicator** signals impact resulting from reaching particular immediate objectives.
- Impact may need further specification in terms of effect on e.g. quality of life, health or incomes or particular groups; e.g. the poor or disadvantaged.
- Strategic Indicator** A particularly important indicator that in a comprehensive or overall way signals attainment of crucially important outcomes, effects or impacts.  
*Example:* The cost savings of industrial enterprises by entering cleaner production schemes. This provides basic incentives for lower emissions and can ensure sustainability of cleaner production measures.
- Milestone** = **A milestone marks progress towards objectives.**  
 It marks that a certain important stage in the progress towards an objective has been reached. Good milestones signal irreversible progress in terms of major accomplishments or critical factors overcome.  
*Example:* “Environmental Management Unit recognised as equal cooperation partner by other departments” is a critical milestone for performance, effect and impact of the EMU.
- Performance Indicator** = Marks progress towards the expected results (milestone, outcome, objective) within certain periods (e.g. a year). It is often the attainment of a milestone, but may also be ‘bench-marks’ towards these ends. The focus is on the attainment of results (Danida 1999).  
*Example:* Implementation of annual plans as targeted.

## **Table of Content**

<b>Executive Summary</b> .....	
<b>1 Background</b> .....	
<b>2 Review and Development of the ESP Logframe</b> .....	
2.1 <i>The ESP and its Components</i> .....	
2.2 <i>The Conceptual Basis for the ESP Objectives</i> .....	
2.2.1 Component Development Objectives .....	
2.2.2 The Impact of a Component .....	
2.3 <i>The ESP Component Objectives</i> .....	
2.3.1 The DEM Component.....	
2.3.2 The CEM Component .....	
2.3.3 The EMG Component.....	
2.3.4 The EMU Component .....	
2.3.5 The ACI Component.....	
2.4 <i>The ESP Programme Objectives</i> .....	
<b>3. The ESP Programme Indicators</b> .....	
3.1 <i>The Conceptual Framework</i> .....	
3.1.1 Indicator Identification Methodology .....	
3.1.2 Strategic Indicators .....	
3.2 <i>The Strategic Indicators for the components</i> .....	
3.2.1 Strategic Impact Indicators for the DEM component .....	
3.2.2 Strategic Impact Indicators for the CEM component.....	
3.2.3 Strategic Impact Indicators for the EMG and EMU components .....	
3.2.4 Strategic Impact Indicators for the ACI components:.....	
3.3 <i>The Programme Indicators</i> .....	
3.3.1 The ESP Impact Indicators	
3.3.2 The ESP Performance Indicators	
<b>4. The Monitoring and Reporting Systems</b> .....	
4.1 <i>Check of the ESP/EEAA Monitoring Systems</i> .....	
4.2 <i>Strategic Impact Monitoring</i> .....	
<b>5. Process Action Plan</b> .....	
<b>References</b> .....	

## **Annexes (Separate Volume)**

**Annex 1: Terms of Reference**

**Annex 2: Mission Programme and People met**

**Annex 3: Debriefing Note**

**Annex 4: Workshop Proceedings**

**Annex 5: Component Objectives and Output Summary**

**Annex 6: Indicator Specifications for:**

**6.1: The DEM Component**

**6.2: The CEM Component**

**6.3: The EMG Component**

**6.4: The EMU Component**

**6.5: The ACI Component**

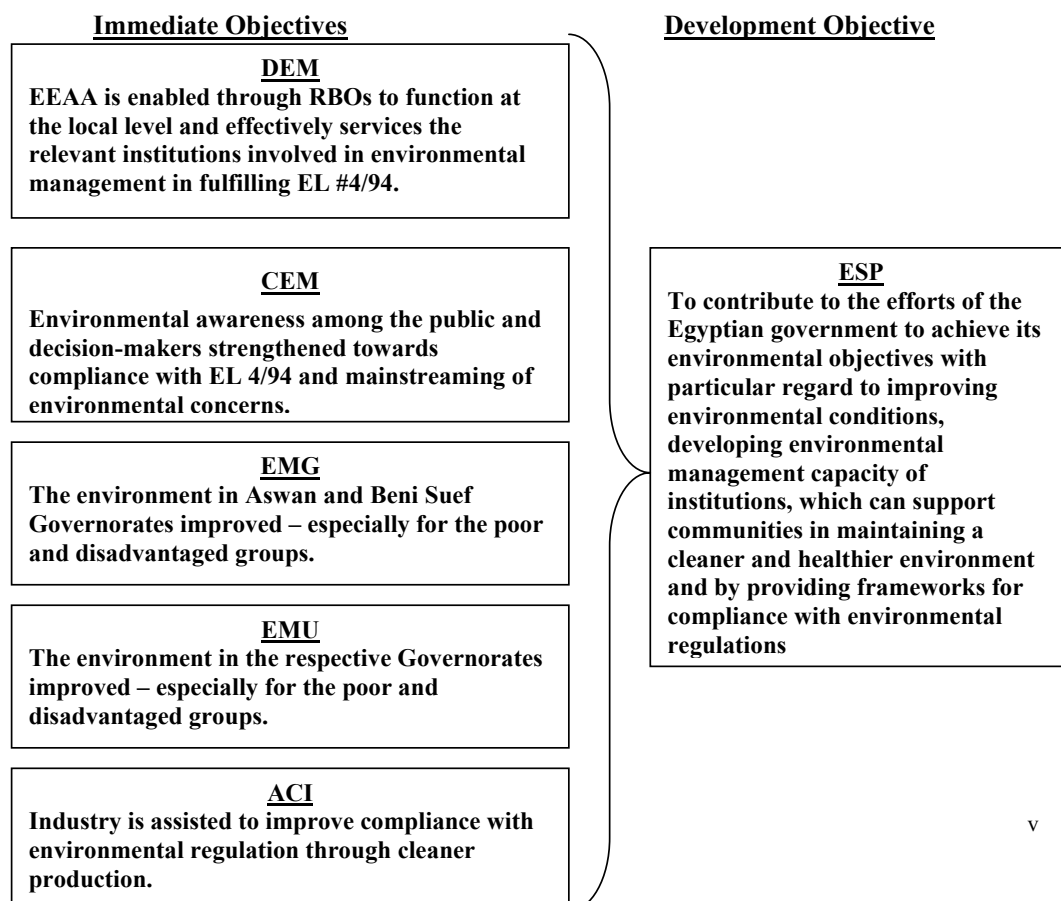
## EXECUTIVE SUMMARY

The Environmental Sector Programme (ESP) Joint Sector Review (JSR) 2003 found that it has become difficult to monitor programme progress, due to the absence of an impact monitoring system for the ESP” (ASRA 2003) and agreed to initiate the development of such a system. The Terms Of Reference (Annex 1) further elaborate the present assignment as a “very specific review and adjustment of the programme logframes and indicators”, which will feed into the next Joint Sector Review (October 2004).

In order to establish a basis for strategic indicator development, the Review Mission (RM) reviewed the Logical Frameworks at the output and objectives level given by the agreed component documents, and also reviewed some suggestions for adjustment of these logframes given by the components. It appears from this analysis that the outputs can lead to the achievement of the immediate objectives.

It is noteworthy, however, that four of the five component descriptions do not currently explicitly define Development Objectives. The RM has, in order to accomplish its work, formulated ‘working suggestions’ for Component Development Objectives. These are presented as options with a view to secure that the component development objectives relate directly to the national element being supported by the component. That is, the impact must be felt and ‘indicated’. The working formulations for component development objectives are presented as immediate objectives at the programme level as follows:

### ESP Programme Objectives



For the decentralisation components (DEM, EMG and EMU) this may be summarised as follows: Regional Branch Offices (RBOs) and Environmental Management Units (EMUs) function at the local level and effectively implement the Environmental Law 4/94 with a consequent improvement in the environment in the respective Governorates leading to an improved quality of life especially for the poor and disadvantaged groups” (ESPSD 2005).

It is evident from a glance at this Logical Framework Approach (LFA) objectives structure that it improves the programme framework. It makes the respective components more focused, and more target and impact oriented towards their respective goals. Formal adoption of the formulations is therefore considered beneficial and recommended.

The TOR further specifies the need for “a few key strategic level indicators and not the numerous progress or management level indicators”. This has been targeted using a clear methodology and a step-wise process (section 3.1). This has led to a concept of two levels of **programme indicators** for the ESP:

1. Strategic Impact Indicators (section 3.1.1), and
2. Performance Indicators and Key Milestones (section 3.1.2).

A **Strategic Impact Indicator** is a particularly important indicator that in a comprehensive overarching way signals attainment of crucially important outcomes, effects or impacts. A Performance Indicator signals important progress towards realising the planned impact.

From the perspective of the ESP programme level, and with reference to the developed programme logical framework (section 2.4), the most significant of the identified indicators are the following:

1. **No. of critical compliance and enforcement measures** in active operation by (2004, 2005, 2006, 2007, and 2008) including effective attendance to the so-called “hot-spots”, the number and character of which differ among regions and governorates. The concrete effect of these measures in direct improvement of environmental quality can be monitored and reported. The critical measures and ‘hot-spots’ need to be further defined by each Regional Branch Office (RBO) and Environmental Management Unit (EMU); e.g. in their mandatory emergency, contingency and other plans, which are already required by Decrees. If these critical measures and ‘hot-spots’ are not already identified, a beginning can be made by selecting and profiling the 3-5 seemingly most important issues in each Governorate. The indicator signals achievement of the main contribution of the DEM, and the main contribution of the EMG and EMU components towards the ESP Development Objective.

**The Main Reason for its significance:** The ability of the Egyptian Environmental Affairs Agency (EEAA)/RBOs and EMUs to address critical environmental problems and ‘hot-spots’ signal their performance and contribution towards compliance with Environmental Law 4/94. The indicator measures a core area of the mandate of a very crucial one, which signals that the EEAA/RBO/EMU are using the installed higher capacity towards improved performance in a number of functional areas. The indicator is thus very relevant, effective and efficient as an expression of the impact being achieved.

2. **Public environmental awareness** measured via a combination of survey and media content analysis (already performed in the Central Department for Environmental Communication and Awareness (CDECA). The indicator signals degree of the general public's awareness of critical environmental concerns and It may be segmented by urban/rural, gender, age, education, occupation etc. The influence of that awareness on daily environmental behaviour may be polled at same time.

**The Main Reason for its significance:** The ability of the EEAA/CDECA/RBC EMU to address their mandate areas is thought to be highly dependent on public awareness of the environmental concerns. The indicator measures that awareness result of the CDECA and CEM component outputs and activities. This is not the indicator for their performance, but a core one in terms of the ESP development objective.

3. **The Quantity and Quality of Governorate Environmental Action Plan (GEAP) community-based environmental management projects** by year (2004, 2005, 2007, and 2008) – including measures for their impact on better quality of life, reduction and good governance. The indicator signals the second main contribution of the EMG and EMU components towards the ESP Development Objective.

**The Main Reason for its significance:** The ability of the EMU to promote and facilitate the GEAP processes and community-based environmental management projects with real benefits to the project participants signals a basis for sustainable and fulfilment of Environmental Law (EL) 94/4. The indicator measures a core of the mandate only, but a very crucial one, which the EMU would be unlikely to perform well unless they were capable in a number of fields, thereby demonstrating the use of the increased capacity. The indicator is thus very relevant, effective and efficient as an expression of the impact to be achieved.

4. **The Saving of Y Million Pounds via Cleaner Production Schemes in selected Egyptian Industries by 2004, 2005, 2006, 2007, 2008'**. The indicator expresses total annual savings of the involved enterprises via reduced input use, reduced energy and water, etc. caused by the Clean Production (CP) measures and resulting reduced emissions. It is the main indicator of the ACI component's contribution to the ESP development objective.

**The Main Reason for its significance:** The cost savings of the industrial enterprises from entering clean production schemes provides the basic incentives for lower emissions, etc., and can ensure the sustainability of the cleaner production measures.

**In addition,** a summary estimate of affected people or households by category (poor, vulnerable groups) benefiting from the indicated achievements should be reported. This would include how the Programme has influenced and contributed to poverty reduction, gender equality and good governance. The decentralisation effort should especially be reported in terms of its contribution to good governance.

These four strategic indicators are recommended as the most significant monitoring points for the impact of the ESP and for the achievement of its objectives. They should be reported in each ESP half-yearly Progress Report. Target values still need to be agreed for the indicators.

In addition, **two general performance indicators applicable to all components** are identified. They are (1) Budget Performance: 'Annual Budget Allocated & Expended' and (2) Implementation Performance: 'Degree of Strategic and Annual Work Plans implemented'. These are centrally important management tools and generally signal if important works have or have not been accomplished. The content of these general performance indicators are different from component to component, and it is important they be applied as specified under each component in Annex 6.

It is relevant to stress here, that the two performance indicators relate both to the component own budgets and plans, and to those of the counterpart Egyptian institutions and entities within the national framework, which is being supported by the ESP components. (The normal ESP progress reporting already monitor budget and plan implementation for its components)

In addition, a further 2-4 supplementary strategic indicators and further performance indicators are identified for each ESP component (Section 3). Especially important among these performance indicators are the steps for implementation of the Decentralisation Law of 2001 and the Organisational Development Decree for the Environmental Management Units (EMUs) at the Governorate level.

The RM has finally made a check of the concerned monitoring systems (section 4) and **not** recommend that a separate or new system should be designed and put into operation. The data collection, monitoring and reporting for the defined strategic impact indicators would just add another, unnecessary, burden on to management and staff. It is instead recommended that the reporting on these indicators and their associated performance indicators must enter into the normal progress reporting. In the first instance in the normal Sector Programme Support (SPS) six-monthly progress reporting, which the RM assumes follow the standard Danida Sector Programme Management Guideline, which specifies reporting formats for impact indicators at the objectives level.

There is finally some further work involved in specifying and agreeing target values for impact and performance indicators at the component, regional and governorate levels. Process Action Plan for this (Section 5) estimates that this can be accomplished over 3 months – without undue burdening the involved partners. But the activities mentioned course alternatively be stretched over a longer period, if required.

The accomplishment of these tasks completes the ESP Strategic Impact Monitoring System and makes it ready for feeding into the next Component and Programme Progress Report.



## **1 BACKGROUND**

The ESP Joint Annual Sector Review Agreement 2003, between Danida and the EE. found (ASRA 2003, p. 6) that “it has become difficult to monitor programme progress to the absence of an impact monitoring system for the ESP” and agreed to initiate the development of an impact monitoring system based on already drafted TOR. The TORs (attached in Annex 1) elaborate the present assignment as “a very specific review and adjustment of the programme logframes and indicators”, which must feed into the Joint Sector Review now scheduled for October 2004.

The TOR further specifies the objectives as to:

1. Review of the current ESP components Logframes
2. Develop Impact Indicators for the ESP Programme
3. Develop a Logframe for the (overall) ESP Programme
4. Ensure that EEAA component managers are familiar with the LFA concept and contribute to the updated logframes

This review report therefore contains the following TOR specified outputs (i) review ESP logframe, (ii) impact indicators for the ESP programme, (iii) a proposal for updating the ESP components log frames, and (iv) the proceedings of a one day workshop.

The review report represents the views of the Review Mission (RM), and does not necessarily correspond to the view of Government Of Egypt (GOE) or Danida.

## **2 REVIEW AND DEVELOPMENT OF THE ESP LOGFRAME**

### **2.1 THE ESP AND ITS COMPONENTS**

The Environmental Sector Programme currently consists of five Components and the programme support unit as follows:

1. Decentralised Environment Management (DEM) supporting EEAA Dept. of Affairs and three Regional Branch Offices in capacity building. Budget 2001-7: DKK 21 Million (M).
2. Communication in Environmental Management (CEM) supporting the EEAA of Env. Info. & Public Awareness, Information & Computer Centre, and Relations in their mandated activities. Budget 2002-8 is DKK 20 M.
3. Environmental Management in the Governorates (EMG) supporting capacity in the two governorates of Aswan and Beni Suef, including community-based. Budget 2002-8: DKK 101 M.
4. Support to Decentralisation of Environmental Management in Governorates (EMUs) mainly in 10 Governorates. Budget 2001-7: DKK 50 M (GOE 21 M).
5. Achieving Cost-Effective Compliance (ACI) in Industry with Environmental Regulations (ACI) supporting the Federation of Industries achieving cleaner production. Budget 2001-7: DKK 101 M.
6. The Programme Support Unit. Budget: DKK 24 M.

EPS Total Budget 2001-8: DKK 367 M.

In order to establish a basis for impact indicator development, the RM has reviewed Logical Frameworks at the output and objectives level given by the agreed component documents, and also reviewed some suggestions for adjustment of these logframes given by the components.

It appears from this review that the planned outputs can lead to the immediate objectives. Some revisions are currently ongoing by a separate consultancy for the CEM component and other adjustments are proposed by the ACI and EMG components. These adjustment proposals are not at present at a stage, where they have major implications for the impact indicator developments. Subsequent logframe revisions, if agreed and of any consequence for the impact indicators, may need to adjust the relevant indicators.

It is noteworthy, however, that four of the five component descriptions do not currently have explicitly defined Development Objectives. There appear to be a tacit assumption that the overall ESP Development Objective is also the development objective for each component. This is not, however, in accordance with the SPS conceptual basis, where the component development objectives must describe the expected impact area in terms of the national framework – otherwise the indicators for these impacts may become rather

difficult to define. The RM has, in order to accomplish its work, formulated ‘working suggestions’ for Component Development Objectives. These are presented as optional following, but first a revisit to the conceptual basis:

## 2.2 THE CONCEPTUAL BASIS FOR THE ESP OBJECTIVES

It is an objective of the current review to familiarise the ESP involved parties with LFA concepts and the current design of ESP also appears to merit a re-visit of basic concepts. An overview of major LFA concepts in this indicator development context is therefore provided as follows:

### 2.2.1 Component Development Objectives

The SPS Logical Framework approach is principally structured in three hierarchical levels: **1. The National Sector Framework<sup>1</sup> level. 2. The Programme level, and 3. The Component level.** Each level, **in principle**, has its own Development Objective, Immediate Objectives and Outputs in an integrated fashion as illustrated in Figure 1.

**FIGURE 1: The Component Development Objective**

1	2	3	4	5	6
<b>National level:</b>	Development Objective	Immediate Objectives	<b>Outputs or Elements</b> ↑		
<b>Programme level:</b>		Development Objective	<b>Immediate Objectives</b> ↓	Outputs	(Activities)
<b>Component level:</b>			<b>Development Objective</b>	Immediate Objective	Output

Each column in Figure 1 refers to **identical or almost identical entities**; e.g. the immediate objectives at programme level is identical to the development objective at a component level, and outputs at the programme level are (almost) identical to immediate objectives at the component level.

*The most important link, however, is that the component development objective must link itself directly to the national element being supported by the component<sup>2</sup>. That is, the impact must be felt and ‘indicated’.*

This is the concept, but real-life programme designs are often somewhat different from the model. It is e.g. seldom that the national policies are formulated so concisely, but the principle still stands. The table illustrates a relatively simple concept, but experience shows that the practical applications of it can become blurred.

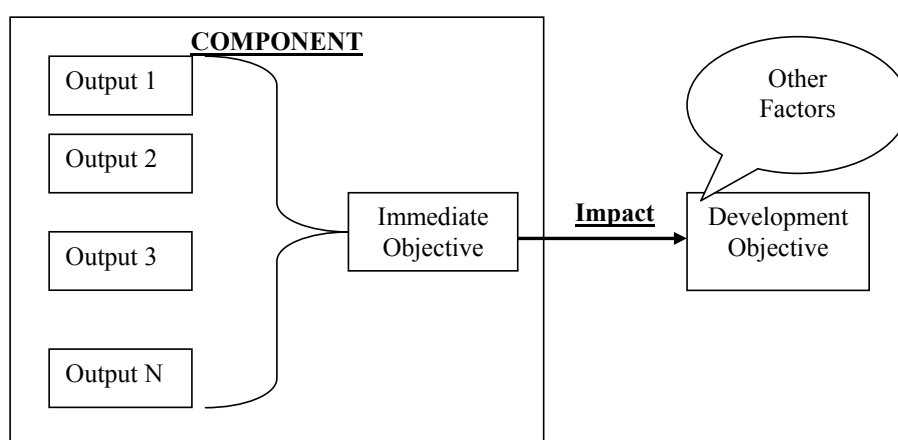
<sup>1</sup> The national sector framework refers to the Egyptian institutions, policies, strategies and plans for the Environment.

<sup>2</sup> Ref: Danida 1998, page 84: “The development objective of the component should be identical to the development objective of the national element”. Danida 2003 further indicates a need for linkages between millennium goals and poverty reduction strategies.

### 2.2.2 The Impact of a Component

A component is designed to contain the required resources and employ a strategy in it to produce a number of outputs and thereby reach one or more immediate objective. The immediate objective must be reached in a way that gives the envisaged impact of component development objective. The concept is illustrated in Figure 2:

**FIGURE 2: The Impact of a Component**



The Figure, among other, illustrates that a number of other factors will influence the attainment of the development objective. It is part of component management responsibilities to design its **implementation strategy** for maximum impact effect, provided that the overall design of the component and programme will allow it. It is nevertheless not usually within a component's possibility to reach the development objective by itself. A number of other determining factors will be at play making it difficult to determine the particular impact of a component.

The above two simplified LFA concepts (2.2.1 and 2.2.2) are very important for a proper understanding of the following logframe review and indicator developments.

## 2.3 THE ESP COMPONENT OBJECTIVES

Below follows a LFA review of each SPS component as per currently agreed component descriptions with 'working suggestions' for component development objectives. The sections below are a summary of the LFA review and only present the objectives level. Summaries for each component, including all outputs, are in Annex 5.

The TOR mentions that “Objectives and outputs may need to be confirmed or revised appropriate”. It is earlier emphasised (ref Inception Report) that revision of Objectives and Outputs is not something an Indicator Review would normally be expected to do – as entities are confirmed in official component agreements and budget appropriations by two governments. Instead it has been agreed with the EPS that the RM will formulate options for further consideration by the next joint sector review.

Another option is to (continue) employing the Programme Development Objective as a Component Development Objective, while yet a third option is to formulate one ‘summary’ development objective for the capacity building components, and a separate development objective for the ACI component.

The overall ESP programme development objective reads as follows:

“To contribute to the efforts of the Egyptian government to achieve its environmental objectives with particular regard to improving environmental conditions, developing environmental management capacity of institutions, which can support communities in maintaining a cleaner and healthier environment and by providing frameworks for compliance with environmental regulations” (Final ESP Document, March 2000).

### 2.3.1 The DEM<sup>3</sup> Component

DEM is structured into 5 sub-components: (i) “a national strategy and action plan for decentralisation of environmental management developed and endorsed”; (ii) “Central Department for Branch Affairs (CDBA) able to undertake its mandatory functions”; “Greater Cairo & Fayoum RBOs”; (iv) “Suez RBO”; and (v) “Assiut RBO” – “strengthened to be better able to fulfil its mandate according to law No. 4/94”. Five outputs are associated to sub-components (i) and (ii) respectively, while each of components (iii-v) has five outputs. The first two sub-components refer to Immediate Objective 1, while the three last RBO related sub-components refer to Immediate Objective 2 (revised DEM Component Description, Final Version, August 2003).

The DEM Component thus has two immediate objectives, but no explicitly formulated development objective. The documents have been reviewed in order to get a basis for formulating such an objective.

- The ESP Document mentions (page 54) that “The vision for this (DEM) component is a situation where regional branch offices are well established and equipped enabling the EEAA to carry out its functions at the local level and effectively service decentralised institutions involved in environmental management”.
- The DEM Component Description mentions (page 8) that “There is an opportunity for improved environmental management throughout the country if the EEAA be strengthened in its efforts to decentralise environmental management and

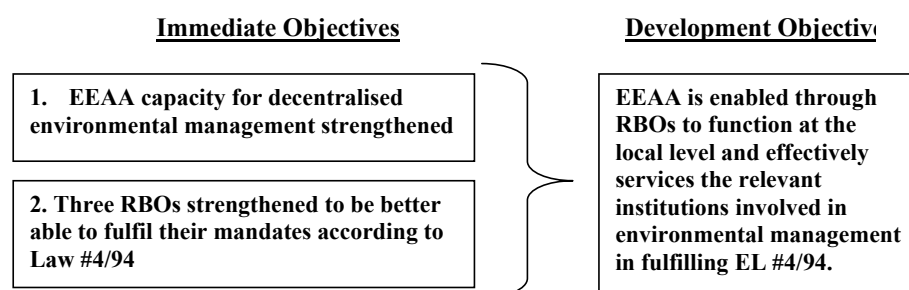
---

<sup>3</sup> DEM = Decentralised Environmental Management

same time be capacitated to oversee enforcement of the environmental laws nationwide, through capacity development both at the central level and in the RBOs. In these regional offices in function the EEAA will be better capacitated to enforce Law No. 4/94. The RBOs should also function as an outreach arm of the EEAA in the governorates, improving the co-operation and providing services on specific issues to the governorates and other decentralised institutions, and thereby improving environmental management efficiency at local level”.

The above two quotations are taken as foundations for the formulation of an explicit Development Objective as illustrated in Figure 3:

**FIGURE 3: The DEM Objectives**



This is the ‘working definition’ for the DEM Development Objective proposed for the further scrutiny of the joint ASR. The suggested development objective has the desirability that the achievement of the immediate objectives is likely to have a substantial impact on it. But also other factors, notably general GOE decentralisation efforts and the degree of GOE focus on environmental issues, will be substantial determining factors in reaching the development objective.

### 2.3.2 The CEM<sup>4</sup> Component

The CEM Component has two immediate objectives, but no explicitly formulated development objective. A team of consultants are currently engaged in restructuring the component, but as this is not yet at a formulation stage, the present review takes its departure in the Final Revised Component Description of July 2003.

The CEM thus currently has two immediate objectives (Figure 4) with five and four associated outputs respectively. Regarding development objectives:

- The ESP Document states (page 59) that “The foremost goal of the component is to help decision-makers, at both national and local levels, selected industries, and Government Organisations (NGO)/Community Development Agents (CDA)

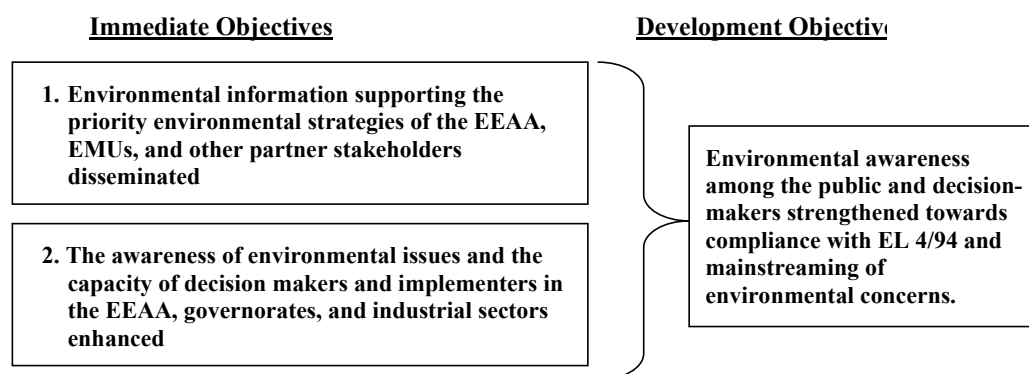
<sup>4</sup> CEM = Communication for Environmental Management

action to improve the quality of life of some of the poorest and most vulnerable groups in Egypt. This will be achieved by involving these groups in a participatory environmental management process, fostering partnerships with local NGOs, co-ordination and collaborative work between the different agencies and segments of the society, and improving availability of and access to environmental information.

- The Component Description further states under objectives that “Within the Egyptian policy framework the component contributes towards: (a) the implementation of Law 4/94 for the protection of the environment; (b) support institutional capacity development in the Egyptian Environmental Affairs Agency and its RBOs and EMUs in 26 Governorates and (c) support to sustainable environmental management systems”.

The RM has formulated this into a ‘working proposal’ for a CEM development objective illustrated in Figure 4.

**FIGURE 4: Objectives for CEM**



The suggested development objective again has the desirable quality that the achievement of the immediate objectives can have a substantial impact on it. But also other factors, notably other communication efforts and the degree of GOE focus on environmental issues, will be substantial determining factors in reaching the development objective.

### 2.3.3 The EMG<sup>5</sup> Component

The EMG Component has two immediate objectives with seven and five outputs respectively, but no explicitly formulated development objective (Draft Revised Component Description, May 2002). A draft revised Logical framework of February 2004 and a revised updated work plan from September 2004 employs the ESP programme

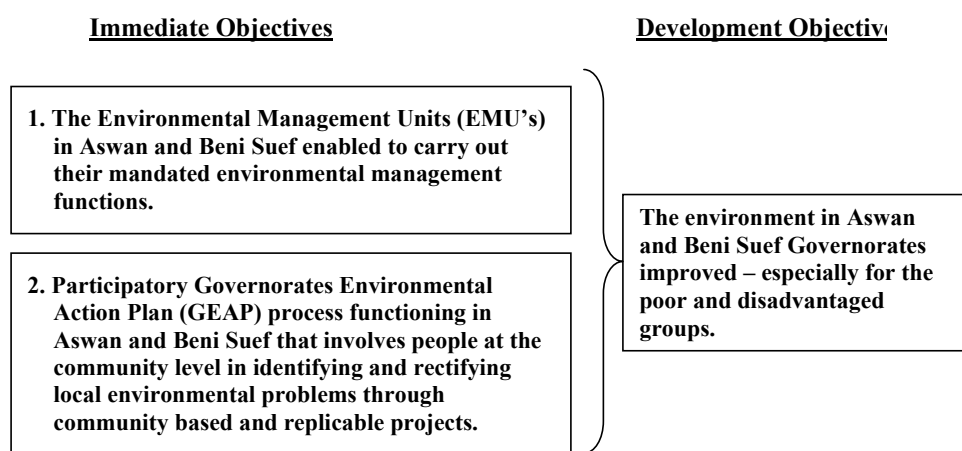
<sup>5</sup> EMG = Environmental Management in the Governorates.

development objective as the Component Development Objective. We are given to understand that these later version has still to be discussed with the joint ASR.

- The ESP Document (page 66) states that “This (EMG) component will focus strengthening environmental management in the Governorates of Aswan and Suef, with the objective of providing technology, infrastructure and strong local institutions to assist the poor in improving and maintaining the quality of the environment in which they live and work. This will be achieved through a structured participatory process for generating a Governorate Environmental Action Plan (GEAP) that will provide a mechanism for mobilising stakeholders and selecting priorities”.
- The Component Description (page 4) states that “The vision of the component is to reach a situation where the environmental conditions of the groups of people in the targeted governorates are improved and the capacity of groups to take environmental improvement actions on their own behalf is strengthened (particularly women’s groups, squatter communities and farmers)”.

The above two quotations are taken as foundations for the formulation of an explicit Development Objective as illustrated in Figure 5.

**FIGURE 5: EMG Objectives**



This ‘working definition’ for the EMG Development Objective is proposed for the scrutiny of the joint ASR. The suggested development objective is somewhat further removed from direct impact - than the DEM and CEM components are from their suggested development objectives. This is because the improvement of the environment will not only depend on EMU actions, but even more on the actions of all sectors and stakeholders.



It is felt that the Development Objective now usefully expresses the intentions and the necessary guidance for what is to be obtained. It is further evident that the GEA community-based processes and projects can have direct impact on environmental conditions especially for the poorer groups – as demonstrated by experiences from other countries.

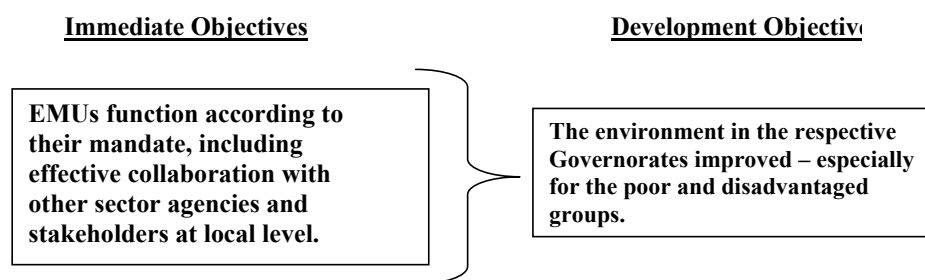
#### 2.3.4 The EMU<sup>6</sup> Component

The EMU component was recently formulated (Draft Final Component Description, 2004) to be financed from unallocated ESP funds, and thus not mentioned in the ESF Document. The component operates in a pilot phase during July 2004- June 2005. The pilot period is to enable EMUs to reach a stage, where capacity for development assistance can be absorbed and become effective. A number of criteria for review at that time were established. The component description formulates one immediate objective with five outputs and uses the ESP programme objective as the Component Development Objective.

- The Component Description (cover page) states: “The expected outcome of the component is that, in Governorates where there is sufficient political willingness and commitment, there will be a large increase in the productivity and effectiveness of the EMUs in their task of leading and promoting local environmental management. This will in turn lead to concrete improvements in the physical environment and in the working conditions within industry and commerce. As a result, the quality of life for the relatively poor people in the rural and second towns of Egypt will be improved. Economic gains will follow from opening up a path towards sustainable development”.

This is the basis for suggesting the following EMU Component Development Objective.

**FIGURE 6: EMU Objectives**



This is the ‘working definition’ of the EMU Development Objective proposed for the further scrutiny of the joint ASR. It is almost identical to the proposal for the EMG Component, and the same remarks and justification referred to in (2.3.3).

<sup>6</sup> EMU = Environmental Management Units in 10-18 Governorates (number to be determined).

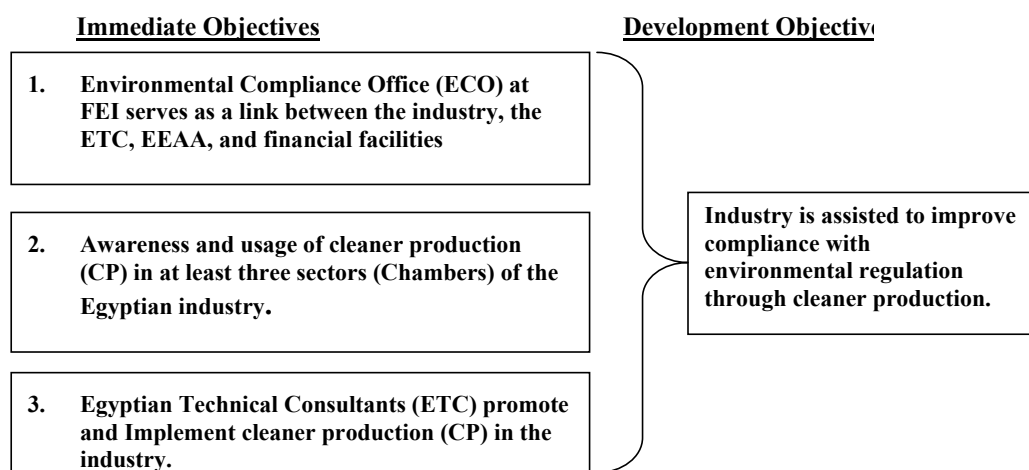
### 2.3.5 The ACI<sup>7</sup> Component

The ACI component was formulated in 2000 (Final Component Description, March 2000) which is the basis for the present review. It is structured into three immediate objectives with two, five and two associated outputs respectively. The document does not form a development objective.

- The ESP Document (page 72) states that: “The objective of the component is to assist industry to improve compliance with environmental regulation through Cleaner Production. At the end of component activities, the FEI will be supported in at least three sectors of industry to be identified during the implementation of the component. The long-term perspective is that each of the major industrial clusters has their own liaison officer at ECO, which will be a focal point for cleaner production information for industry, EEAA and other stakeholders. Egyptian technical consultants have worked with international consultants during the implementation of the component, and at the end, they promote and implement cleaner production (CP) in the industry on their own.
- The Component Description is prepared at the same time and echoes the same

The ACI has recently (August 2004) drafted a revised component description for attachment of the joint ASR for the period 2005-8. The proposal operates with the same three immediate objectives, but has proposed a Component Development Objective, which was formulated during a LFA workshop in June 2004. These objectives are in Figure 7:

**FIGURE 7: ACI Component Objectives**



Formatted: Left, Tabs: 0.5", Left

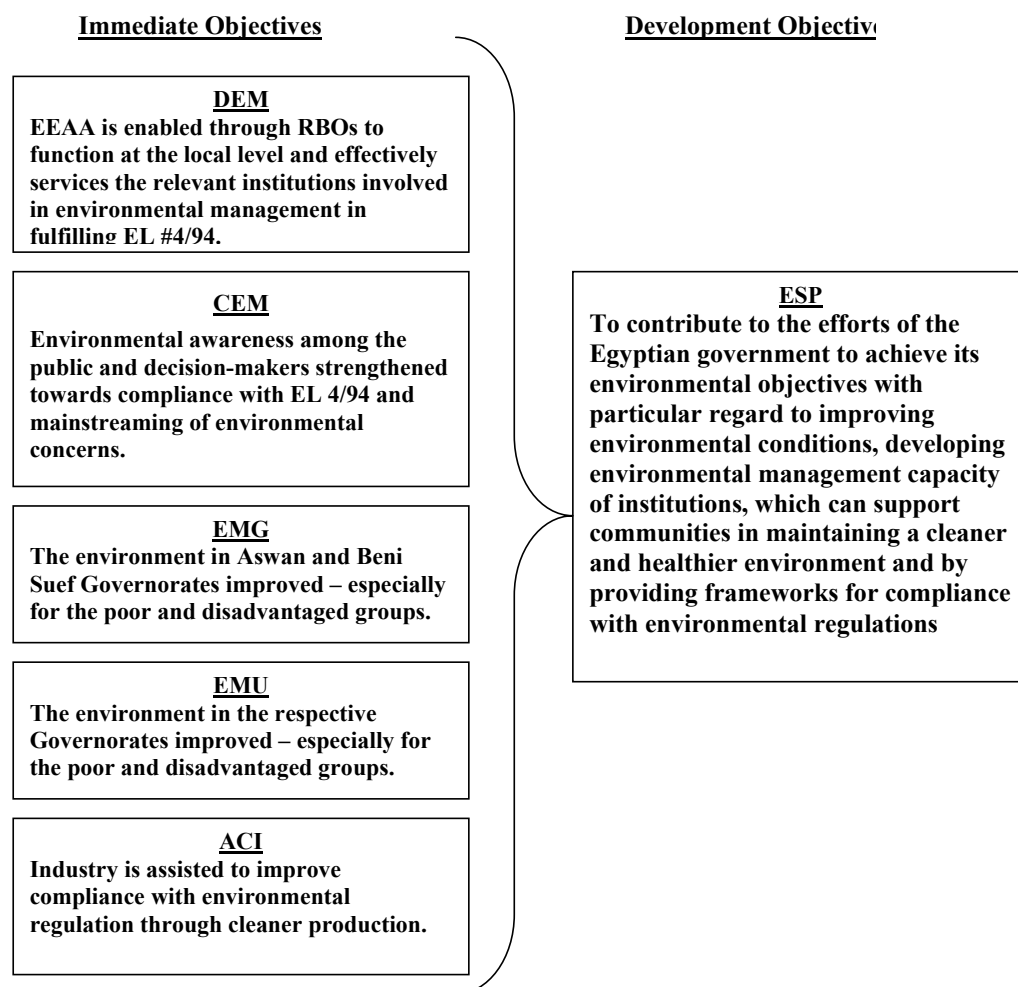
The RM finds that the proposed Development Objectives is appropriate and suggests consideration of the joint ASR.

<sup>7</sup> ACI = Achieving Cost-effective Compliance in Industry with environmental regulations.

## 2.4 THE ESP PROGRAMME OBJECTIVES

The above working formulations for component development objectives are present immediate objectives at the programme level in Figure 8:

**FIGURE 8: ESP Programme Objectives**



It is evident from a glance at this LFA objectives structure that it improves the program framework. It makes the respective components more aware, and more target and oriented towards their respective goals. Formal adoption of the structure is therefore considered beneficial and recommended.

### 3. THE ESP PROGRAMME INDICATORS

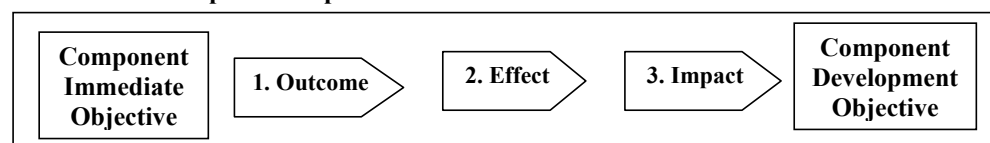
#### 3.1 THE CONCEPTUAL FRAMEWORK

Four of the five ESP Components are engaged in various aspects of Capacity Building within the EEAA and at Governorate level, only one component (ACI) is more concerned with direct reduction of pollution (although the EMG and EMU component make investments as part of the support to GEAPs). The impact of these capacity building efforts may be hard to trace to direct and concrete environmental improvements – even if the assumption is valid, that such capacity building efforts are necessary for environmental improvements. The primary reason for this is that a vast array of factors impact on environmental qualities, while the effect of the institutional capacity building goes indirectly *via improved performance* over influencing other stakeholders before environmental impact can be attained.

##### 3.1.1 Indicator Identification Methodology

The methodology employed, had the following terminology<sup>8</sup> and logic:

**FIGURE 9: Component Impact Indicators**



The methodology employs a simple diagnostic cause-effect model, whereby the outcome reaching component immediate objectives is traced through three principal steps: (i) Outcome, (ii) Effect<sup>9</sup> of the outcome and eventual (iii) Impact on the Component Development Objective. There may be several sub-steps in each of the three principal steps. Especially ‘impact’ has two major sub-steps: (i) the impact on environmental and (ii) impact on general quality of life and on particular target groups; e.g. poor people. The relation of this to indicator identification is as follows:

- **Outcome Indicators:** Assuming that components reach their immediate objectives (a valid assumption at the outset as the means appear to be present), this is expected to show itself by the achievement of certain **outcomes**; e.g. reaching the immediate objective: “*Three RBOs strengthened to be better able to fulfil their mandate according to Law #4/94*” would be expected to result in improved RBO performance in their fields. The improved performance is thus the outcome of reaching the immediate objective.

<sup>8</sup> The main terminology is defined on page ii.

<sup>9</sup> The ‘effect’ may also be called the immediate benefit of an outcome.

These outcomes are the first place for strategic indications and many of the indicators developed are of this type. They are important because they signal to what degree each particular immediate objective has been reached. In organisational capacity building these are usually central indicators of improved organisational performance (e.g. productivity, effectiveness, etc.) in the organisation's mandated areas of operation.

- **Effect<sup>10</sup> Indicators:** These indicators measure the effect and benefits of the outcomes (the improved organisational performance) in the area of operation. In the public sector entities in the ESP context, expected effects/benefits are greater compliance with the environmental legislation, and mainstreaming of environmental concerns into other sectors (e.g. water, health, agriculture, industries, etc.). Some of the identified indicators are of this type.
- **Environmental Impact Indicators:** These are indicators for water, air, land quality and such indicators are often well-defined and sometimes readily available. It will, however, often be difficult to quantify a cause-effect linkage between outcome/effect indicators and a particular value of environmental quality. This is partly a function of too many other influencing factors. About 10 % of the indicators identified are of this environmental impact type (Annex 6).
- **Impact on Target Groups:** This is the impact in micro-and macro-economics, the impact on poverty reduction and in improved quality of life for the population at large as well as for particular groups (e.g. poor, disadvantaged, etc.). These indicators are even more difficult to quantify and attribute for the ESP types of intervention than the direct environmental impacts. It is probably possible, at some cost, to mount studies, which can add insight into this. For now, however, such indicators are only developed for the ACI component, where a direct micro-economic effect can be demonstrated.

The indicators signal that certain outcomes, effects or impacts have been achieved. This implies that an indicator does not necessarily need to describe all of the impact, but only a certain central achievement, which by its very manifestation implies that also the other parts of the objective must have been reached.

### 3.1.2 Strategic Indicators

The TOR specified the need for “a few key strategic level indicators and not the more numerous progress or management level indicators”. This has been targeted using the following step-wise process:

- i. Review of Component Descriptions, identification of key descriptions of expected outcomes, effects and impacts from scanning each of the Component Descriptions and confirmation of the same in discussion with the ESP and Component management and advisers.

---

<sup>10</sup> The term ‘effect’ comes from the problem analysis terminology of the Logical Framework Approach

- ii. Identification of central areas of (i), where strategic indications *should* be made
- iii. Identification of specific indicators for the areas under (ii) with a promising potential.
- iv. Definition, rationalisation and SMART testing of the indicators identified.
- v. Iterative Feed-Back of these indicator definitions to Component Managers and Advisers – first in meetings and secondly in a workshop. About 10-12 indicators were, in this way, developed for each component. (Each indicator has a one-sentence specification, and the set of such descriptions developed for each component reported in Annex 6).
- vi. Selection of the most relevant, effective and efficient indicators, and some of the indicators, for each component as their **Strategic Impact Indicators** (to be systematically monitored).
- vii. Identification of **key milestones and performance indicators** for the items under (vi).

This has led to a concept of two levels of **programme indicators** for the ESP:

1. Strategic Impact Indicators (as mentioned in section 3.1.1), and
2. Performance Indicators and Key Milestones – leading to (1).

The strategic impact indicators are highlighted below. Please note that the terminology at this stage for simplicity names all identified strategic indicators as Impact Indicators irrespective of whether or not they indicate an outcome, an effect or a direct impact in terms of the component development objective. *The type* of indicator is, however, specified for each of the identified strategic indicators.

In addition, **two general Performance Indicators applicable to all components** are identified. They are (1) 'Annual Budget Allocated & Expended (%)', and (2) 'Degree of Strategic and Annual Work Plans implemented'. These are centrally important management tools and generally signal that important works have or have not been accomplished. The content of these general performance indicators are different from component to component, and it is important that they be applied as specified for each component in Annex 6.

### 3.2 THE STRATEGIC INDICATORS FOR THE COMPONENTS

This section firstly highlights the identified strategic indicators specifically for each component and secondly specifies the important performance indicators and milestones towards making the indicators 'blink' and towards impacting on the component development objectives.

### 3.2.1 Strategic Impact Indicators for the DEM component

1. **No. of critical compliance and enforcement measures** in active operation (2004, 2005, 2006, 2007, and 2008) including effective attendance to the so-“hot-spots”, the number and character of which differ among RBOs. The co effect of these measures in direct improvement of environmental quality, and effect on particular vulnerable groups, can and should be monitored and reported. The critical measures and ‘hot-spots’ need to be further defined by each RBO in their mandatory emergency and other plans, which are already required by Decentralisation Decree of 2001.
2. **no. of environmental cases solved** at RBO level by year (2004, 2005, 2006, and 2008). The target value (the number) needs to be defined by and for each RBO.
3. **No. of environmental management protocols** and like measures enacted with other Departments across sectors, and the number (or %) of these protocols implemented – a mainstreaming indicator at the national level. This indicator can be considered optional.

**The justification** for selecting these indicators are that they signal an important impact towards the DEM development objective, and at the same time give strong indications of the performance result of strengthening the RBOs and of the effect of the EEAA decentralisation effort. The three indicators are further defined, specified, rationalised and SMART tested in Annex 6.

#### **Performance Indicators**

- a. **The Decree of Decentralisation Implemented by 2006** via the implementation of 19 specific measures of the Decentralisation Decree of 2001. This is a simultaneous outcome signal of reaching the DEM Immediate Objective 1, a contribution to the governance aim, and an important milestone towards contributing to the development objective. It may possibly be construed into a series of 19 sub-performance indicators towards reaching immediate objective 1.

The 19 steps are described in the Ordinance, which provides a detailed one page specification of each step. The DEM Component Management sees the regular implementation of this as of high importance.

- b. **The definition of the critical measures and ‘hot-spots’ for each RBO area.** In order to use the concerned impact indicator, it will be necessary for each concerned RBO to define the hotspots and critical measures items for its area of operation, if not already done. Guidance in this from ESP/EEAA may be required. This can provide a major focus for the RBOs and be instrumental in their improved performance and direct environmental impact – as was intended. This exercise should further identify important performance indicator dates for reaching certain *target values* of the indicator, and will also be an important step in fulfilling the Decentralisation Decree of 2001.

- c. **The definition of target values for indicator 3:** “environmental cases solved” redefined in the same process as for indicator (1).

**In addition**, the RBO are mandated to perform regular monitoring, measurement and surveillance of the Environment in their respective regions. This will presumably include progress indications of water, land, air, river and coastal quality and reports on the same.

### 3.2.2 Strategic Impact Indicators for the CEM component

1. **No. of CDECA<sup>11</sup> productions** (with CEM assistance or as a result of CEM capacity building) and **its usage from distribution statistics**. The indicator signals aggregation of all relevant CEM productions in both number of publications and copies distributed.
2. **Public environmental awareness** measured via a combination of survey and media content analysis (already performed in CDECA). The indicator signals degree of the general public’s awareness of critical environmental concerns and issues. It may be segmented by urban/rural, gender, age, education, occupation. The influence of that awareness on daily environmental behaviour may be possible at the same time.
3. **Impact on school curricula** in terms of environmental content of the curriculum.

The three indicators were suggested by the Workshop of 15 September 2004, and **the justification** for selecting these three indicators, are that they signal an important impact in the CEM development objective. It seems, however, that the exact effect of the CEM component as a whole may not be so easy to isolate by using the three indicators.

The CEM Indicator Test Set in Annex 6 defines two other indicators, which may be likely to yield the specific impact of the CEM component. They are (i) no. of CEM (readers, viewers, etc) estimated by sample survey, and (ii) Number of CEM packages made available and degree of usage obtained from a combination of progress reports and sample surveys. They have the draw-back that separate sample surveys have to be mounted, which will entail some expenses. This is also, however, the case for indicator 1 and to a lesser degree for indicator 3 above. The usage of these indicators should therefore be subject to a management assessment in **cost-effectiveness** terms before final decision on indicator selection.

There are survey and research methods available for assessing the mentioned kind of effects and impacts (e.g. the ones used in market research, TV ratings and polling surveys) including estimation techniques for awareness and its effect on actual behaviour in environmental management. The CEM component may need to make use of such methods.

---

<sup>11</sup> CDECA = Central Department for Environmental Communication and Awareness of EEAA – the counterpart institution to the CEM Component



in connection with specific communication packages or productions, and it is possible could be combined with measurements of the above strategic indicators.

All identified CEM indicators are further defined, specified, rationalised and SMART tested in Annex 6.

### **Important Performance Indicators**

#### **Rationalisation and Decision Ref. Above**

The Component Management and Advisers should assess the merit of the mentioned indicator considerations, and decide on the exact methods and strategic indicators to be used.

#### **Milestones**

Apart from the two general performance indicators relating to budget and implementation performance, no other important milestones are identified for the Component at the objectives level. The important milestones are otherwise all at the process level.

### **3.2.3 Strategic Impact Indicators for the EMG and EMU components**

The strategic impact indicators for the EMG and EMU components are summarised in this section because both components work with capacity building of the EMUs at the Governorate level. Even if the LFA Outputs of the two components are somewhat different, that difference has few implications for the selection of the strategic impact indicators because their objectives are almost identical. The EMG does have a specific immediate objective for the GEAP process aimed at community-based environmental management. That GEAP process is mentioned as output 5 under the EMU component only expected to be reached in stage 3 by some of the EMUs. It is therefore possible this GEAP part should be optional for some of the EMU component.

1. **No. of critical compliance and enforcement measures**<sup>12</sup> in active operation by year (2004, 2005, 2006, 2007, and 2008), including effective attendance at so-called “hot-spots”, the number and character which differ among Governorates. The effect of these measures in concrete improvement of environmental quality and should be monitored and reported. The measures and ‘hot-spots’ need to be further defined in the mandatory disaster contingency plan and other plans for the EMU, which are already required by the EMU related Decree.
2. **No. of other concrete mitigating measures** by year (2004, 2005, 2006, 2007, 2008) for improvements in Air, Water, Land and River Quality. The environment

---

<sup>12</sup> This indicator is virtually identical to the DEM/RBO strategic indicator 1, but here applied at the EMU level. It makes good sense for management reasons to employ this indicator in such a hierarchical way.

effect of these measures could also be estimated and attached to the indicator reporting.

3. **No. of more general compliance & enforcement activities** by year (inspection cases solved, follow-ups, etc.) conducted by each EMU.
4. **Quantity and Quality of GEAP Community-based environmental management projects** by year (2004, 2005, 2006, 2007, and 2008) – including measures for impact on better quality of life, poverty reduction and good governance. (This indicator will initially be considered optional for the EMU Component).
5. **Local Main Streaming Indicator** – measured by the activities and budgets for environmental measures across sectors at the Governorate. The Workshop considered this indicator of secondary strategic importance and it may be optional.

**The justification** for selecting these indicators are that they signal important impact component development objectives, and at the same time give strong indications of performance result of strengthening the EMUs and their effect on environmental management at the Governorates.

The indicators are further defined, specified, rationalised and SMART tested in Annex 1.

#### **Performance Indicators**

- a. **EMU recognised as a Qualified Cooperation partner at the Governorate Level**  
This is a particularly important EMG/EMU performance indicator for reaching the above as the acceptance of the EMUs as a qualified cooperation partner at the Governorate level by other departments, directorates, etc will condition its influence across sectors. This should be monitored and assessed by the High Environment Committee for the Governorate annually.
- b. **Implementation of the Decree<sup>13</sup> for EMUs Organisational Development by year**  
The Guideline for this decree has 8 implementation steps, which could form sub-performance indicators. It includes the up-grading of the EMUs to Departmental Directorate level, which has so far only happened in the Red Sea Governorate, with assistance from the EEPP project supported by USAID – that may be an important precedent. It requires interested top-management support at the Governorate level.
- c. **EMU Pilot: Compliance with ESP Support Criteria**  
A particular performance indicator for the EMU component is that ‘EMUs in 12 Governorates comply with ESP Criteria’. This is an outcome of the on-going 1-year pilot phase, where the aim is to enable EMUs to fulfil certain criteria in order to be eligible for support during the planned full-scale 4-year EMU component implementation. The number “12” was identified by the Component Management.

---

<sup>13</sup> The RM has only accessed this decree and its guideline in draft, and its current approval state is not ascertained.

- d. **The definition of the critical measures and ‘hot-spots’ for each Governorate** order to use impact indicator 1, it will be necessary for each concerned EMU to identify these items for its area of operation, if not already done. If these critical measures and ‘hot-spots’ are not already identified, a beginning can be made by selecting and profiling the 3-5 seemingly most important issues in each Governorate. Guidance from EEAA/ESP/RBO may be required. This can provide a major focus for the EMUs and be instrumental in their improved performance and direct environmental impact as was intended. This exercise should further identify important performance indicators and dates for reaching certain *target values* of the indicator, and will also be an important step in fulfilling the EMU Organisational Development Decree.
- e. **The definition of target values for indicator 2-4** may be defined in the same period as for indicator (1).

**In addition**, the EMUs are mandated to perform regular monitoring, measurement and surveillance of the environment in their respective Governorates. This will presumably include progress indications of water, land, air, river and coastal quality and reports on the same. This may in particular focus on the solid waste management situation, water quality and disposal of sewage water.

#### 3.2.4 Strategic Impact Indicators for the ACI component:

This is the most directly pollution-control oriented ESP component. The ACI indicators have, therefore, been easier to identify and are as follows:

1. **No. of non-compliance cases reduced by X% by 2004, 2005, 2006, 2007, 2008** in the participating enterprises. This is an expression of the degree of compliance with the Environmental Law 4/1994 and thus indicates the Environmental Compliance Office (ECO)/ACI impact on its development objective.
2. **Saving of Y Million Pounds via Cleaner Production Schemes by 2004, 2005, 2006, 2007, 2008**. The indicator expresses the total annual savings of the industrial enterprises via reduced input use, reduced waste, energy and water, etc. caused by the CP measures. It is an indicator for ECO/ACI contribution to its development objective.
3. **Water, Air, Land, Coastal and River Quality improved by reduced emissions of xyz% of SO<sub>2</sub>, PM<sub>10</sub>, CO<sub>2</sub>, Water use reduced by q% per year**. The several indicators measure the quality of the main environmental spheres via emissions for the industrial enterprises participating in ECO/ACI schemes. Priority indicators are those concerned with air quality (SO<sub>2</sub>, PM<sub>10</sub>, CO<sub>2</sub>), and reduction in water usage. Development of a composite index of these indicators may be possible.
4. **Improved occupational health and safety** in participating enterprises ascertained via audits and inspections.

**The justification** for selecting these indicators are that they signal an important impact on the component development objective, and at the same time give strong indications of the performance result of strengthening the ECO/Federation of Egyptian Industries (FEI) and their effect on environmental management at the participating industries<sup>14</sup>.

The main impact indicators for the component are defined, rationalised and SMART in a detailed specification sheet for each indicator in Annex 6.

### **Performance Indicators**

#### **Determination of Indicator Target Values and Dates**

It was found by the ACI that the quantification of indicators will depend on the base data for the individual companies joining the program, and that it is difficult to define target values at this time, neither in quantity nor in time measures. Therefore, the target values and dates will be worked out later by the component. The ACI is in the process of finalising the development of its database, which will include the necessary data for identified impact indicators.

### **3.3 THE PROGRAMME INDICATORS**

#### **3.3.1 The ESP Impact Indicators**

A **Strategic Impact Indicator** is a particularly important indicator that in a comprehensive or overarching way signals attainment of crucially important outcomes, effects or impacts. From the perspective of the ESP programme level, and with reference to the development programme logical framework (section 2.4), the most significant of the identified indicators are the following:

1. **No. of critical compliance and enforcement measures** in place by year (2005, 2006, 2007, and 2008) including effective attendance to the so-called ‘spots’, the number and character of which differ among regions and governorates. The concrete effect of these measures in direct improvement of environment quality can be monitored and reported. The critical measures and ‘hot-spots’ will be further defined by each RBO and EMU; e.g. in their mandatory emergency contingency and other plans, which are already required by Decrees. If these measures and ‘hot-spots’ are not already identified, a beginning can be made by selecting and profiling the 3-5 seemingly most important issues in each Governorate. The indicator signals achievement of the main contribution of the ESP Development Objective, and the first main contribution of the EMG and EMU components towards the ESP Development Objective.

**The Main Reason for its significance:** The ability of the EEAA/RBOs and EMUs to address critical environmental problems and ‘hot-spots’ signals their

---

<sup>14</sup> The ACI Component currently works in four industrial sectors: (i) Textile; (ii) Food Processing (dairy and sugar); (iii) Engineering (metal-finishing and electro-plating) and (iv) Metallurgy (Iron Foundry).

performance, impact and contribution towards compliance with Environmental Law 94/94. The indicator measures a core area of the mandate only, but a very crucial one, which signals that the EEAA/RBO/EMU using the installed higher capacity towards improved performance in a number of functional areas. The indicator is thus very relevant, effective and efficient as an expression of the impact being achieved.

2. **Public environmental awareness** measured via a combination of survey and media content analysis (already performed in CDECA). The indicator signals the degree of the general public's awareness of critical environmental concerns and issues. It may be segmented by urban/rural, gender, age, education, occupation. The influence of that awareness on daily environmental behaviour may be positive (and signalled) at the same time.

**The Main Reason for its significance:** The ability of the EEAA/CDECA/RBO and EMU to address their mandates areas is thought to be highly dependent on public awareness of the environmental concerns. The indicator measures that awareness as a result of the CDECA and CEM outputs and activities. This is only indicator for their performance, but a core one in terms of the ESP development objective.

3. **The Quantity and Quality of GEAP Community-based environmental management projects** by year (2004, 2005, 2006, 2007, and 2008) – including measures for their impact on better quality of life, poverty reduction and good governance. The indicator signals the second main contribution of the EMG and EMU components towards the ESP Development Objective.

**The Main Reason for its significance:** The ability of the EMU to promote and facilitate the GEAP processes and community-based environmental management projects with real benefits to the project participants signals a basis for sustained and fulfilment of Environmental Law 94/4. The indicator measures a core area of the mandate only, but a very crucial one, which the EMU would be unlikely to perform well unless they were capable in a number of fields, thereby demonstrating the use of the increased capacity. The indicator is thus very relevant, effective and efficient as an expression of the impact to be achieved.

4. **The Saving of Y Million Pounds via Cleaner Production Schemes in selected Egyptian Industries by 2004, 2005, 2006, 2007, 2008'**. The indicator expresses total annual savings of the involved enterprises via reduced input use, reduced waste, reduced emissions, energy and water, etc. caused by the Cleaner Production measures. It is the main indicator of the ACI component's contribution to the development objective.

**The Main Reason for its significance:** The cost savings of the industrial enterprises from entering clean production schemes provides the basic incentive for lower emissions, etc., and can ensure the sustainability of the cleaner production measures.

**In addition**, a summary estimate of affected people or households benefiting from the indicated achievements should also be reported.

These four strategic indicators are recommended as the most significant monitoring for the impact of the ESP and for the achievement of its objectives. They should be reported on in each ESP half-yearly Progress Reports as critical success factors. Target values still need to be agreed for the indicators.

### 3.3.2 The ESP Performance Indicators

The main performance indicators towards achievement of strategic impact are those mentioned under the component descriptions. This is not repeated here. There are, in addition, two general performance indicators:

1. Annual Budget Allocated & Expended (%), and
2. Degree of Strategic and Annual '*Component-related*' Plans implemented'

These two general performance indicators simultaneously act as running impact indicators and running yard-sticks towards overall objectives. They are very specifically described for each ESP Component in Annex 6.1-6.5, where they bear the working title: 'Indicator 1 and 2' respectively.

**It is important** to stress here, that the two general performance indicators relate to (a) the components own budgets and plans, and (b) to those of the counterpart Egyptian institutions and entities in the national framework, which is being supported by the ESP components. (The normal ESP progress reporting should already monitor budget and implementation for its components).

An example from the indicator/milestone definitions for the DEM Component:

- i. **Budgets:** The 'annual budget allocated' is the total Annual Budget amount from GOE and all other sources; including all donor agencies for the CDBA and the RBOs (the DEM supported entities in EEAA). The 'Expended %' is the part of allocated budget actually used in a given year.
- ii. **Plans:** The indicator measures the degree of implementation of the strategic action plan, capacity building plans and annually approved work plans – not in budget but in terms of main implemented activities and outputs reached for the entire year as well as for the three RBOs supported.

Similar specifications for the other ESP components are in Annex 6. The primary reason for separating 'budget' and 'plans' are, that spending the budget does not always result in fulfilment of plans; e.g. if the budgets are principally consumed by pre-fixed expenses.

These performance indicators will provide EEAA Senior Management with two con yard-sticks for the organisation's performance in the specified areas, and at the same monitor the running impact of the ESP and its components in especially their capaci building efforts. They can be measured periodic as required (monthly, quarterly, etc. should be measured at least annually, and preferably half-yearly to coincide with the normal progress reporting schedules. The records to support the reporting on the tw general performance indicators should already be in place, but *a circular* effectuat reporting requirement may be needed.

#### 4. THE MONITORING AND REPORTING SYSTEMS

The Terms of Reference for this review (Annex 1) requires a check of the concerned monitoring systems and a check list for that is provided in the TOR. Following that RM has made a check, which is reported in section 4.1. The time given to the RM was however, rather short and there was insufficient time for a more serious look at the system in operation.

It is clear, however, that the RM does **not** recommend that a separate or new system be designed and put into operation for the data collection, monitoring and reporting of defined strategic impact indicators. This would just add another, unnecessary, burden on management and staff. It is instead recommended that the state of these indicators and associated performance indicators must enter into the normal progress reporting. In the first instance in the normal SPS six-monthly progress reporting, which the RM assumes follows the standard Danida Sector Programme Management Guideline, which specifies reporting formats for impact indicators at the objectives level.

##### 4.1 CHECK OF THE ESP/EEAA MONITORING SYSTEMS

The checking of the monitoring systems concerns is made for both the ESP specifically for the national and EEAA in general by simply answering the provided check list questions as follows:

- 1) *Is the component monitoring based on national systems or is it in parallel? If parallel, what is the prospect and time scale for aligning the two systems?*

Component monitoring is being done by the components, which in turn are connected to the respective entities of the national system. Components are reporting to the respective Component Steering Committees on the component activities.

In the meantime, the different entities (RBO's, EMU's, etc.) are reporting to the respective higher level e.g. General Directorate for Branch Offices, General Directorate for Environment which report to the EEAA management. These reports deal with activities and achievements of the respective Directorates, including these of the concerned ESP components. The Central Department for Environmental Communication and Training is reporting to EEAA management, including for CEM component activities. The ACI component is monitoring its activities and output indicators, etc., and reporting only to the Component Steering Committee and ESP. Success stories are also reported to EEAA.

Emissions on national level are measured by different organizations based on their respective mandates. EEAA is responsible for air quality, noise measures and coastal waters. Nile water quality is the responsibility of the Ministry of Water Resources and Irrigation. It has been suggested that in future, reporting on direct outcome indicators



where no official responsibility is allocated to any authority, the components have to monitor and collect related data internally.

There are efforts to establish an information system within the EEAA through a Canadian International Development Agency (CIDA) assisted project to include all EEAA planning and monitoring information for national and internationally assisted projects, starting with the internationally assisted projects and programs. The system is established and partially functioning, but the ESP components are still not in the system. EEAA is planning to include all internationally assisted projects in the system by 2005.

*2) Are the roles and responsibilities clear and realistic? Who collects the data, who processes the data and reports the indicator values?*

There is still no general, approved and accepted M&E system in place to monitor indicators at a level higher than outputs, neither in EEAA nor in ESP. Responsibilities are thus defined within the ESP components or between them and the national entities responsible for each component. Those have to be agreed upon during developing Monitoring and Evaluation (M&E) for each component and for ESP in general.

However, responsibilities within the aforementioned Information System (when partially functioning) are clear. Programmes, projects and components deliver their LFA's indicators, monitor the achievements, collect data, process it and report (among others to the EEAA Central Department of Information, which make information available to and its top management.

*3) What are the indicator values and monitoring reports used for?*

Progress Reports of the different components are presented to the respective Component Steering Committee and the PSU. The reports are discussed in the relevant committee and should be sent to the International Cooperation Department and to the Planning and Monitoring Department of EEAA.

ESP is using the progress reports to adjust its components activities. The International Cooperation Department and the Planning and Monitoring Department are complaining that reports are not sent regularly to them. Theoretically, both departments should make use of the information for cooperation and integration between different projects and between the projects from one side and different EEAA departments.

The national entities are reporting to their EEAA management. There is no reporting of indicator values and comparisons between expected and achieved values as indicators beyond the output level are still not verified.

*4) What is the cost of data collection and processing (money and time inputs) and how are these resources budgeted and allocated?*

From the aforementioned description, it could be concluded that the roles and responsibilities regarding monitoring of high level indicators are still open at EEAA.

as ESP level. Thus, there are no estimations for the cost of data collection and processing existing. No efforts were done neither at the national level at EEAA, or at ESP level for this purpose

*5) What are the incentives to make the system work?*

This may need to be further examined.

*6) Is there a feedback loop to the end beneficiaries?*

EEAA has no feedback system to inform end beneficiaries. This is done if asked for an ad hoc basis. There is also no official feedback system for the end beneficiaries at ESP except the discussions taking place in the CSCs. End beneficiaries are not addressed per se, but only if represented in the CSCs. Regarding higher impact indicators, no measures are taken by the components and there is no reporting on this level yet.

## **4.2 STRATEGIC IMPACT MONITORING**

### **The Strategic Monitoring and Reporting System**

It is proposed that no separate monitoring system for this be established, but that the reporting on the strategic impact indicators, and the associated performance indicators and milestones, instead must be reported on in the regular ESP Six-Monthly Component Programme Progress Reports, which should be forwarded to appropriate authorities at EEAA.

For the narrower ESP programme management, performance monitoring should focus

- Budget performance monitoring via budget controls at component level.
- Implementation performance via progress reporting focusing on outputs and objectives.
- Strategic monitoring of critical success factors in the national framework. These critical success factors are the performance indicators identified in this report.

For the ESP, critical success factors for reaching programme objectives are especially whether or not: (i) the GOE Decentralisation Directives for RBOs and EMUs are being implemented as planned, (ii) the environmental critical areas and 'Hot Spots' are being addressed in the different governorates, (iii) approved strategic and operating plans of host institutions are being implemented, and (iv) the necessary national budgets are allocated and effectively/efficiently used – as described in this report.

It is further proposed that this regular reporting should be built into the information supplied to the EEAA Management Information System, when that becomes available. In this way the component based monitoring will become more aligned to and contribute to the development and robustness of the national system.

It is clear that there is still some work in further identifying target values (by year) for strategic impact indicators, and in identifying the exact content of some of the indicator milestones for each Governorate and Component as mentioned under section 3.3. Once these specifications have been completed, however, the indicator and milestone values would be readily available from respective records, databases, in some cases (e.g. from particular surveys). There is thus no extra data collection foreseen, and the management concerned with report preparations can access the required data directly.

### **Roles and Responsibilities**

Component progress reporting is normally the responsibility of the component management assisted by the concerned advisers. This is even more relevant for monitoring and reporting on strategic indicators and milestones, and should thus continue as before. This is also the case at the programme level.

### **Use of Indicator Values and Monitoring Reports**

The reports would be submitted to the higher authorities as per normal practice. It is recommended that the higher authorities thoroughly review the same reports and act in concert with the concerned managements and advisers for a discussion of the progress, state of the indicator and milestone values obtained, and agreed remedial actions, if required. This may seem an ‘obvious’ recommendation, but experience shows that it is often not sufficiently adhered to.

### **Data Collection and Processing Costs**

There are some costs involved at the EMUs, RBOs, and component levels in further refining and attaching target dates and values to the indicators. There may be further costs in the mentioned conducting of surveys for the CEM component. Records and data also need to be maintained to be able to yield the respective indicator and milestone values. It appears, however, that the large majority of these records would be required for documentation purposes in any case. The Strategic Impact Indicator needs may have forced these requirements to the surface sooner rather than later, but the real addition required because of the indicators appears to be rather limited.

In particular for the performance indicators on implementation of the Decentralisation Decree and the EMU Institution Building Decree actual management reviews at the component or governorates may be required. This would, however, be required in any case as a management function irrespective of whether or not this should be reported as a strategic indicator. An ‘extra’ cost does therefore not accrue here either.

### **Incentives to make the System Work?**

The only incentive provided are the satisfaction of good performance and results, and improved career prospects, which may attach itself to this.

### **Feed-Back to Beneficiaries**

The Strategic Indicator System does not have a build-in systematic feed-back loop to group beneficiaries, which is understood as the Egyptian people at large in general and particular groups engaged or benefiting from the ESP in particular. It is clear, however, that achievement of the indicated targets and objectives can and should be publicised via the CEM activities.

## 5. PROCESS ACTION PLAN

The following Process Action Plan assumes that the Joint Annual Sector Review will focus on the implementation of the proposed component development objectives, strategic indicators and performance indicators, etc – perhaps with some modifications and adjustments.

The plan then outlines the processes to be accomplished in order to make the proposed indicators and performance indicators operational.

The first part of the plan involves the DEM, EMG, EMU components, concerned RI and EMUs as follows, while it is also assumed that the CDBA and the Programme Support Unit (PSU) will be involved and provide support all phases:

No.	Time	Activity	Responsible
1	September 2004	Indicator Review and draft Report finalisation.	Review Team and
2	1-15 October 2004	Submission of Draft Report, Receipt of comments, and Final Report.	Review Team and ESP/EEAA/Dan
3	15-30 October 2004	Adjustment and approval of proposed component development objectives, strategic indicators and performance indicators etc.	Joint Annual Sector Review
4	November 2004	Identification of 'hot-spots' and critical compliance & enforcement measures by governorates, ref. Programme Indicator 1.	DEM, EMG, EMU components, concerned RBOs and EMUs
5	November 2004	Further specification for three component indicators (i) 'environmental cases solved', (ii) 'other concrete mitigating measures' and (iii) 'general compliance & enforcement activities', if required (in the same process as under (4)).	DEM, EMG, EMU components, concerned RBOs and EMUs
6	December 2004	Identification of baselines and planning of Target Values for the indicators under (4-5) above for end of 2004, 2005, 2006, 2007 and 2008 by Governorate (rolling annual adjustments). Establish record-keeping.	DEM, EMG, EMU components, concerned RBOs and EMUs
7	Nov-Dec. 2004	Establish timetables for implementation of the Decentralisation and EMU Institutional Development Decrees, if not already done.	DEM, EMG, EMU components, concerned RBOs and EMUs

The second part of the plan involves the CDECA, CEM, ACI and PSU as follows:

<b>No.</b>	<b>Time</b>	<b>Activity</b>	<b>Responsibil</b>
8	November 2004	Assessment and Decision as regards choice and methodology for CEM impact indicators.	CDECA, CEM a
9	December 2004	Establish records, survey processes and frequency. Contract for surveys as decided.	CDECA, CEM a
10	November 2004	Finalise ACI database development; including for strategic indicator records.	ECO/ACI
11	December 2004	Identification of baselines and planning of Target Values for the indicators under (10) for end of 2004, 2005, 2006, 2007 and 2008.	ECO/ACI
12	Jan-Feb 2005	Further specifications for programme impact indicator 3: 'The Quantity and Quality of GEAP Community-based EM Projects, ref. Indicator specifications in Annex 6. Attachment of target values and dates.	PSU, EMG, EM components and concerned EMU:

In total 12 steps. It is assessed as possible to accomplish these tasks within two months described in the plan, without the components mentioned being unduly burdened here. The activities mentioned can of course alternatively be stretched over a longer period if required. The Process Action Plan may be updated to suit another period by simply changing the months mentioned.

The accomplishment of these tasks completes the ESP Strategic Impact Monitoring and makes it ready for feeding into the next Component and Programme Progress Report.

## REFERENCES

Ref. & Year	Title
ASRA 2003	"Joint Annual Sector Review Agreement", Danida, EEAA, April 2003.
Danida 2004	"Danish Development Policy", <a href="http://www.um.dk">www.um.dk</a> , April 2004.
Danida 2003	"Programme Management Guideline", Danida, August 2003.
Danida 1999	"Manual for Output and Outcome Indicator System", Danida, Nov. 1999.
Danida 1996	"Logical Framework Approach", Danida, February 1996.
EEAA/UNDP	"The National Environmental Action Plan", Jan. 2002.
EEAA 2001	"Policies and Procedures of EEAA Regional Branch Offices", EEAA/EEPP, March 2001.
EEAA 2002	"Guidelines (Draft) Implementing the Draft Decree of EMUs Organisational Development", EEAA.
EEAA/EEPP	"Strategic Plan of EEAA 2002 – 2007", 3 vols. (in Arabic), June 2002.
ECF 2004	"Financing of Sustainable Development 2002-2003", Export Credit Facility, Carl Bro, Copenhagen, March 2004.
EMG 2003	"Revised LFA Analysis", draft, February 2003.
EMG 2004	"Up-dated Work Plan for EMG, phase II 2005-7", draft, Sep. 2004.
ESP 2000.1	"Danish Support to the Environment Sector, Egypt", Final sector Programme Support Document, Danida, March 2000.
ESP 2000.2	"Achieving Cost-Effective Compliance in Industry with Environmental Regulations", Final Component Description, Danida, March 2000.
ESP 2002	"Environmental Management in the Governorates", Draft revised component Description, May 2002.
ESP 2003	"Decentralized Environmental Management", Revised Component Description, Danida/EEAA, August 2003.
ESP 2004.1	"Support to Decentralisation of Environmental Management in Governorates and EMUs", Draft Final Component Description, Danida/EEAA, April 2004.
ESP 2004.2	"Communication for Environmental Management", Final Revised Component Description, July 2004.
ESP 2004.3	"LFA Planning Workshop", Beit el-Kahira, Danida /EEAA, June 2004.
ESP 2004.4	"Outline Sustainability Review...", Danida/EEAA, June 2004.
ESP 2004.5	"Pilot Project of... Decentralisation of Environmental Management in Governorates and EMUs", July 2004.
ESP 2004.6	"Achieving Cost-Effective Compliance in Industry .. 2005-8", Draft II Component Description, August 2004.
ESPSD 2005	"Adjusted Sector Programme Support Document", Final Draft, May 2005.
SEAM 1998	"Environmental action Plan, Dakahleya Governorate", SEAM/DFID Dakahleya Governorate, January 1998.
From 2004	"Indicators", Power Point presentation, Henrik From, Carl Bro a/s 2004.
WB 2003	"Egypt Poverty Review", Policy Research Paper, World Bank, June 2003.
WB 2004	"Egypt Country Brief", World Bank, February 2004.

