



# PROJECT IDENTIFICATION FORM (PIF)

PROJECT TYPE: Full-sized Project

THE GEF TRUST FUND

Submission Date:

Re-submission Date:

## PART I: PROJECT IDENTIFICATION

GEFSEC PROJECT ID<sup>1</sup>:

GEF AGENCY PROJECT ID: 3668

COUNTRY(IES): Egypt

PROJECT TITLE: Strengthening the National System of Protected Areas

GEF AGENCY(IES): UNDP

OTHER EXECUTING PARTNERS: National Conservation Sector

GEF FOCAL AREA (S): Biodiversity

GEF-4 STRATEGIC PROGRAM(S): SP1 – PA Financing

NAME OF PARENT PROGRAM/UMBRELLA PROJECT: NA

INDICATIVE CALENDAR	
Milestones	Expected Dates
Work Program (for FSP)	April 2008
CEO Endorsement/Approval	February 2009
GEF Agency Approval	March 2009
Implementation Start	April 2009
Mid-term Review (if planned)	April 2012
Implementation Completion	April 2015

## A. PROJECT FRAMEWORK

Project Objective: Establishment of a sustainable protected area financing system, with associated management structures, systems and capacities needed to ensure the effective use of generated revenues for priority biodiversity conservation needs								
Project Components	Type	Expected Outcomes	Expected Outputs	Indicative GEF Financing		Indicative Co-financing		Total (\$)
				(\$)	%	(\$)	%	
1. Financial resource mobilization	TA/T	<ul style="list-style-type: none"> <li>Increased revenues: 50% increase in annual revenues generated by PA system by end of project</li> <li>Diversified revenues: At least 15 % of revenues are being generated by sources other than user fees; No single site generating more than 50% of PA system revenues</li> <li>Management capacity: Comprehensive system for accounting and monitoring of revenue generation in place by end of year 4</li> </ul>	<ul style="list-style-type: none"> <li>i. Economic valuation of protected area system</li> <li>ii. Establishment of appropriate user fees across the PA system, including transparent and logical fee structuring systems</li> <li>iii. Effective and efficient fee collection systems</li> <li>iv. Marketing and communication strategies for revenue generation mechanisms</li> <li>v. Operational payment for ecosystem services (PES) schemes</li> <li>vi. Operational PA concession. Services and facilities</li> <li>vii. PA training programmes on financial resources mobilization revenue generation mechanisms</li> </ul>	0.98		1.5		2.42
2. Improved business planning and cost-effective management	TA/Dev	<ul style="list-style-type: none"> <li>Business planning: By end of project, at least 50% of PAs are operated according to agreed business plans</li> <li>Alternative management: Community co-management / partnership system tested in at least one PA</li> <li>Management performance: Enhancement of management capabilities of PAs to reach sustainability</li> </ul>	<ul style="list-style-type: none"> <li>i. Institutionalization of site and system level business planning process</li> <li>ii. Systems for monitoring and reporting on management performance,</li> <li>iii. Systems for prioritized allocation of funds across individual PA sites,</li> <li>iv. Models for community co-management / partnership</li> <li>v. Operational, transparent and efficient accounting, disbursement and auditing systems.</li> </ul>	1.6		5.0		6.8

<sup>1</sup> Project ID number will be assigned initially by GEFSEC.

Project Objective: Establishment of a sustainable protected area financing system, with associated management structures, systems and capacities needed to ensure the effective use of generated revenues for priority biodiversity conservation needs								
Project Components	Type	Expected Outcomes	Expected Outputs	Indicative GEF Financing		Indicative Co-financing		Total (\$)
				(\$)	%	(\$)	%	
		<u>procedure</u> <ul style="list-style-type: none"><li>Accounting, audit&amp; reporting: Reach International standards systems in place by end of project</li></ul>	vi. Preparing and sustainable management in at least 5 PA					
3. Strengthening legal, regulatory and institutional frameworks	TA / Inst	<ul style="list-style-type: none"><li>PA financing strategy: Comprehensive 5-year financing strategy approved at ministerial level by end of year 3</li><li>NCS operating environment: A long-term institutional solution to NCS problems of financial and management autonomy.</li></ul>	i. Enabling conditions for revenue generation, retention and disbursement ii. Enabling conditions for alternative institutional arrangements (concession, co-management, partnership / private reserves, endowment or trust funds) iii. National PA financing strategy iv. Clearly defined institutional responsibilities for PA management and financing, v. Well-defined staffing requirements and profiles at site and system level, vi. Training and support networks related to management financial planning and other business systems	1.1		1.5		2.6
4. Project management				0.4		1.0		
Total project costs				4.08		9.0		13.08

\* List the \$ by project components. The percentage is the share of GEF and Co-financing respectively to the total amount for the component.

\*\* TA = Technical Assistance; STA = Scientific & technical analysis.

#### B. INDICATIVE FINANCING PLAN SUMMARY FOR THE PROJECT (\$)

	Project Preparation	Project	Agency Fee	Total
GEF				4.08
Co-financing				9.0
<b>Total</b>				13.08

#### C. INDICATIVE CO-FINANCING FOR THE PROJECT (including project preparation amount) BY SOURCE and BY NAME (in parenthesis) if available, (\$)

Sources of Co-financing	Type of Co-financing	Amount
Project Government Contribution	(select)	
GEF Agency(ies)	(select)	
Bilateral Aid Agency(ies)	(select)	
Multilateral Agency(ies)	(select)	
Private Sector	(select)	
NGO	(select)	
Others	(select)	

Total co-financing		
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**D. GEF RESOURCES REQUESTED BY FOCAL AREA(S), AGENCY (IES) SHARE AND COUNTRY(IES): NA**  
**PART II: PROJECT JUSTIFICATION**

**A. STATE THE ISSUE, HOW THE PROJECT SEEKS TO ADDRESS IT, AND THE EXPECTED GLOBAL ENVIRONMENTAL BENEFITS TO BE DELIVERED**

1. Strategically situated at the intersection of three continents, Egypt's terrestrial and marine habitats support biodiversity of substantial global significance. Even though country terrestrial species diversity is relatively low due to Egypt's general aridity, many species are very narrowly distributed,<sup>2</sup> making habitat conservation crucial to their survival. Marine biodiversity is also significant, with Egypt's Red Sea coral reefs showing considerable endemism. There is also important genetic diversity, including locally adapted plant varieties in the Western Desert oases and locally adapted plant varieties found in isolated oases, on high altitude mountains and across various bio-geographical barriers (such as the Red Sea and Nile River). Globally endangered species abound: Egypt hosts at least 143 species of threatened animals,<sup>3</sup> including the highly endangered Slender Horned Gazelle (*Gazella leptoceros*) and the Egyptian Tortoise (*Testudo kleinmanni*). The flora includes 82 threatened species.<sup>4</sup> Finally, Egypt represents a vital artery for bird migration, including 39 threatened species, serving as a major flyway for migrating soaring birds and an important wintering ground for waterbirds. Thirty four Important Bird Areas have been listed to date by BirdLife International.

2. Egypt's system of protected areas (PAs) is divided geographically into five management units: Sinai, Cairo, Western Desert, Red Sea and Upper Egypt. Management of the PA system is the responsibility of the Nature Conservation Sector (NCS), one of three technical sectors within the Egyptian Environmental Affairs Agency (EEAA). The NCS is legally tasked with governing and administering PAs and is also responsible for issues related to biodiversity conservation within the broader landscape. NCS drafts policies, creates programs, undertakes studies, and conducts other activities meant to ensure compliance with habitat and species protection legislation and commitments to international conventions for the conservation of nature.<sup>5</sup>

3. Currently, Egypt's 27 PAs cover 150,000 km<sup>2</sup>, or about 15% of the nation's total land area. New areas continue to be added, with three new PAs covering over 53,000 km<sup>2</sup> created in 2006-2007, including the largest PA in the system, Gifl El Kebir. A system plan adopted by the EEAA in 1998 calls for a total of 40 PAs covering about 20% of the country's area. Two of the country's PAs, St. Katherine and Wadi El Rayan, encompass UNESCO World Heritage Sites,<sup>6</sup> while two others, El Omayed and Allaqi, are also Biosphere Reserves.

4. Existing PAs cover an important and largely representative portion of Egypt's biologically significant terrestrial and marine habitats. The network hosts pockets of incredibly diverse and fragile ecosystems, such as the coral reef network of the Red Sea, the mountains of South Sinai, and the entire Gebel Elba region. It includes several important stop over, bottle neck and wintering sites for internationally significant numbers of threatened bird species. Although there are no comprehensive assessments of species representation within the system yet, most biodiversity hotspots are well covered, with the exception of two gaps identified in the Mediterranean coastal desert and northeast Sinai. Using herpetofauna as an indicator, Baha El Din (2001)<sup>7</sup> estimated that 93% of species are represented in the PA network. Thus, on paper at least, the PA system has the potential to conserve a large and representative portion of Egypt's biodiversity, including most of its globally significant elements.

5. Unfortunately, the above conservation outcome is far from assured. Despite the best efforts of the NCS and other governmental and non-governmental actors, environmental degradation and biodiversity losses are continuing to take

<sup>2</sup> Egypt State of The Environment Report 2006.

<sup>3</sup> IUCN 2006. 2006 IUCN Red List of Threatened Species

<sup>4</sup> IUCN 1998. 1997 IUCN Red List of Threatened Plants

<sup>5</sup> Ibid.

<sup>6</sup> [http://whc.unesco.org/en/list/?search=&search\\_by\\_country=Egypt&type=&media=&region=&order=](http://whc.unesco.org/en/list/?search=&search_by_country=Egypt&type=&media=&region=&order=)

<sup>7</sup> Baha El Din, S. M. (2001). The herpetofauna of Egypt: species, communities and assemblages. Unpublished PhD thesis, University of Nottingham,

place within Egypt's terrestrial and marine PAs. Three main categories of persisting threats and associated causes of biodiversity loss have been identified. These are summarized in **Table 1** below, together with their proximate causes.

**Table 1: Threats to PA system biodiversity, by type**

Threat type	Proximate causes / threats
Conversion and/or destruction of natural habitats	<ul style="list-style-type: none"> <li>• Urban, industrial and tourism development within PAs</li> <li>• Quarrying for building materials (e.g. granites, gravel, sand and limestone) within PAs</li> <li>• Land conversion to agriculture within PAs</li> <li>• Drainage and conversion of wetlands within PAs</li> <li>• Coastal infilling within PAs</li> </ul>
Degradation of natural habitats	<ul style="list-style-type: none"> <li>• Uncontrolled pollution from hotels, resorts and associated facilities along the Red Sea, Gulf of Aqaba and Mediterranean coastlines.</li> <li>• Overgrazing, fuel wood collection and charcoal making</li> <li>• Pollution of marine and terrestrial habitats (oil pollution, wastewater, solid and liquid waste disposal, agro-chemical use)</li> <li>• Mineral and petroleum extraction within PAs</li> <li>• Road construction</li> <li>• Unregulated tourism activities (diving, snorkeling, off road vehicle use, etc.)</li> <li>• Off road vehicle use</li> <li>• Alien / invasive species</li> <li>• Over-extraction of freshwater</li> </ul>
Unsustainable utilization of biodiversity resources	<ul style="list-style-type: none"> <li>• Poaching and trapping of wildlife</li> <li>• Uncontrolled hunting, often by high paying expatriates (Gulf Arabs and southern Europeans), including threatened large mammals and other species</li> <li>• Over fishing and unsustainable fishing &amp; collection (e.g. sea cucumber and shellfish collection)</li> <li>• Unsustainable collection of medicinal plants</li> </ul>

6. The normative solution to address the above threats and their underlying causes is an effective and sustainable PA system operated by an **autonomous** NCS that has the financial wherewithal and management capacities needed for its effective management. A PA system which is run on a solid economic basis, well marketed and seen as playing a positive role in the future economic development of Egypt will help secure political and popular support and leverage.

7. Major barriers preventing the emergence of the above solution are:

- *The existing system and level of PA financing is wholly inadequate to the task of supporting required NCS activities:* Egypt's baseline system of PA financing operates as follows. Revenues generated by the PA system, which consist mainly of funds collected from visitors to 5 of the 27 PAs, are retained within an Environmental Protection Fund (EPF). Income generated in this manner, while clearly below its potential, is nevertheless fairly substantial. However, EPF funds are not easily available to PA managers in NCS. The EPF supports a wide range of EEAA activities, not just those related to protected areas, and only a nominal fraction of revenues generated by the PAs returns to NCS. Thus, the PA system subsidizes the rest of EEAA. As a result, NCS funding remains low, well below the international spending average on PAs and inadequate to manage Egypt's large PA system.<sup>8</sup> In addition, even those limited funds that are earmarked for NCS are subject to haphazard spending authorizations and disbursement bottlenecks that leave NCS operations in near constant financial uncertainty. Business planning, as a result, is a near impossibility.

<sup>8</sup> NCS /E.E.A.A.5 years financial records, expenditures on PAs (including staff costs) averaged 108 LE (\$19) per km<sup>2</sup> per year, or approximately 11% of the average for developing countries. In order to match regional or developing countries norms, Egypt would need to invest between \$7.4 million and \$15.7 million annually in its national protected area system – a 4-9 fold increase over current expenditure levels. See "A status report on the protected area network of Egypt." NCS, 2003; Management Effectiveness Evaluation of Egypt's Protected Area System. NCS 2006.

- *NCS as an institution has limited capacities and systems needed to effectively implement its mandate:* While NCS currently lacks funds to undertake its critical management and protection tasks, it would likely fail in meeting its conservation goals, even if adequate funding were available, due to its limited capacities, and lack of systems to effectively prioritize, plan, manage and monitor. Technical capacity is particularly limited (both in terms of numbers and quality), especially in relation to the size of the PA network. Most PA management systems established to date remain ineffective due to inadequacy in design, lack of institutional commitment to enforce systems and limited capacity and funding.
  - *NCS has insufficient authority and administrative independence:* A lack of administrative independence prevents the NCS from establishing priorities based on sound technical reasoning. This also makes personnel, financial and administrative management complex and not transparent and subject to haphazard infringements from external sources.
  - *Limited political support to make the PA system a success in the face of competing interests:* Egypt's PA system has struggled to obtain the levels of political support essential to its success in the face of competing interests. While critical, it is argued that this barrier can be addressed through an effective demonstration of what the system can accomplish given adequate financial and human resources and administrative freedom. Government agreement, **in contradiction to its previous policy**, to allocate the entirety of revenues generated by the PA system during the life of the project as project co-financing is a strong indicator that this barrier is being eroded. Continued awareness raising and lobbying efforts will be needed to effect the permanent removal of this barrier.
8. The project will directly target the above-mentioned barriers, which are considered as critical, priority steps in enhancing PA system effectiveness. The normative solution described outline above is seen to have three main elements, each of which will be encouraged through the project:
- a. *Tools and practices for financial resource mobilization:* Egypt's PA system must be able to attract and take advantage of all existing and potential revenue mechanisms within the context of its overall management priorities. Current levels of revenue generation, e.g., from user fees, appear to be well below their potential. In addition, diversified revenue sources such as tourism **services concession** arrangements or even carefully controlled levels of resource extraction, could offer additional sources of revenues and reduce reliance on a single revenue source (user fees). The project will therefore work with NCS to develop and implement tools and practices for enhancing and diversifying revenue sources. This will include updating user fee levels across the PA system (including through 'willingness to pay' studies), establishing effective fee collection systems, marketing and communication strategies, establishing operational **mechanisms concessions** and associated capacity building.
  - b. *Business planning and cost-effective management:* As revenues increase, and are increasingly available for conservation, NCS will need to build its capacities and **develop PA system increase its level of activities** in a manner that is cost-effective. Business planning at both site and system levels will become an increasingly important tool for cost-effective management and will be essential in determining budgetary allocations across individual PAs. Cost effectiveness will be enhanced through factors such as the efficient deployment of human and other resources and avoiding duplication of tasks between individuals, departments and institutions. **Implementation of business planning will mobilize more resources for sustainable management and enhancement capabilities of PAs.** Monitoring of management effectiveness will become an important tool in measuring and improving cost-effectiveness. Finally, co-management / **partnership** arrangements with communities, NGOs and/or the private sector will be tested as cost-effective ways of dealing with capacity gaps where the required skills are not available within NCS.
  - c. *Legal, regulatory and institutional frameworks that support sustainable PA financing:* Legal, regulatory and institutional frameworks governing Egypt's PA financing systems will need to be reviewed and redefined to support efficient and appropriate financial planning and local revenue generation, retention and disbursement by PAs in the interest of improved conservation management. A first step in this direction has been taken during the project preparation, when it was agreed that revenues generated by the PAs would



remain available for use by NCS.<sup>9</sup> Next, priority will be given to remaining urgent changes needed to facilitate project activities, e.g., a set of financial procedures that will enable NCS to program and channel PA revenues to conservation priorities and sites with a minimum of delay and blockage. Finally, as the project demonstrates the effectiveness of its approach, it will develop and seek approval for a comprehensive package of systemic enhancements designed to institutionalize this new approach to PA financing. For example, governance structures, including devolved and co-management / **partnership** arrangements will enable and require the use of effective, transparent mechanisms for allocation, management and accounting of revenues and expenditures. At project end, an effective set of institutional responsibilities will be in place, along with a comprehensive enabling policy and legal environment.

9. The global and national significance of the PA system's biodiversity, its recognized value to the national economy, the nature and severity of ongoing threats to the system, and the persistence of important barriers limiting its effectiveness have led the Government to prioritize the present project for GEF support. By enabling the efficient and sustainable functioning of the national PA management apparatus, the project will help to ensure the long term effective management of globally significant biodiversity resources. Greater institutional capacity will significantly enhance Egypt's compliance with international conventions and commitment, thereby improving the country's contribution to global conservation efforts. A dynamic and responsive PA management authority will, for the first time, tap into the full economic potential of Egypt's natural history resources, establishing PAs as a primary contributor to the country's economy, which will in turn ensure their long term sustainable use and conservation.

#### **B. DESCRIBE THE CONSISTENCY OF THE PROJECT WITH NATIONAL PRIORITIES/PLANS:**

10. The importance of institutional reform and sustainable financing for NCS is highlighted in the National Biodiversity Strategy and Action Plan for Egypt (1998), which is the main policy instrument guiding biodiversity conservation in Egypt over the past decade. The first component in the Action Plan calls for a programme for institutional development and capacity building for nature conservation in Egypt. The National Environmental Action Plan (NEAP) identifies the need for capacity building, institutional reform and sustainability of the PA system as priorities for action. **The President Moubark addressed in his Election Manifesto the need for innovation and decentralization, and the Government Programme emphasized the conservation of natural resources.** The project also contributes towards two of the Government of Egypt's main developmental directives: financial sustainability and introduction of innovative approaches.

#### **C. DESCRIBE THE CONSISTENCY OF THE PROJECT WITH GEF STRATEGIES AND STRATEGIC PROGRAMS**

11. The project objective is to catalyze the institutional, ecological, political and financial sustainability of Egypt's protected area system. This places the proposal firmly within Strategic Objective One. The proposal is being designed based on a thorough understanding of the system's strengths and weaknesses at system and national institutional levels.<sup>10</sup>

12. Strategic Objective One identifies several elements of sustainability which are to be encouraged within a PA systems context. Support to these sustainability elements will include the following:

- *Institutional sustainability* will be strengthened at systemic level through changes in the institutional structure—including greater autonomy—for the PA management authority. It will also be improved through capacity building at institutional and individual levels.
- *Financial sustainability*, which is closely tied in with the institutional aspect, will be strengthened through an emphasis on generation, retention and improved management of financial resources, together with enhanced decision-making responsibilities within the PA management authority over such resources.
- *Political sustainability* will also be enhanced through the institutional work, which will raise the management authority's political profile and reduce its vulnerability to political influences.

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<sup>9</sup> Co-financing for the present project has emerged from this agreement.

<sup>10</sup> This understanding has been greatly aided by co-operation with an ongoing institutional assessment and strengthening project funded by the Egyptian-Italian Environmental Cooperation Program (EIECP). See [www.eiecop.org/ambiente2/program.html](http://www.eiecop.org/ambiente2/program.html)

- *Ecological sustainability* will be enhanced through an emphasis on reducing the system's vulnerability to climate change and by improved capacities for threat mitigation by a strengthened PA management authority.

#### D. OUTLINE THE COORDINATION WITH OTHER RELATED INITIATIVES

13. The ongoing Egyptian-Italian **bilateral and** debt-swap cooperation, particularly the Nature Conservation Sector Capacity Building project (NCSCB), is focused on improving management of PAs as well as providing the institutional capability to effectively manage and monitor them. The IUCN proposal to support Egypt in designating its first marine PA on the Mediterranean coast aims at extending nature protection to vulnerable sites in the north. It will also ensure linkages with Egyptian-Italian cooperation efforts in order to provide EEAA with ample knowledge on specific conservation and institutional needs, and how such needs should be addressed and managed sustainably.<sup>11</sup> The NCS study, conducted through the NCSCB<sup>12</sup> **and technically supported by IUCN** has identified the need to strengthen policy and institutional development in Egypt's Nature Conservation. **Accordingly a proposed reform of NCS to an autonomous general authority was submitted to the Prime Minister office, however has not given the priority.** This proposal is the most recent illustration of the need for the development of the institutional and managerial capacity of the NCS, having also been outlined in several earlier proposals.<sup>13</sup> In addition, multiple donor agencies (EU, USAID, GEF/UNDP, and the Italian Cooperation) have stressed the importance of management planning for PAs by supporting management plans for St. Katherine, Wadi El Gemal, and Wadi El Rayan Protected Areas, respectively.

#### E. DISCUSS THE VALUE-ADDED OF GEF INVOLVEMENT IN THE PROJECT DEMONSTRATED THROUGH INCREMENTAL REASONING

14. The GEF intervention appears to be breathing new life into a long-standing effort aimed at energizing the NCS and the national PA system. In the absence of GEF support, it appears very unlikely that a substantial improvement of the existing situation would take place. In this case, biodiversity losses would be expected to continue at their current substantial rate, and possibly even intensify. The threats discussed above would be unlikely to abate.

15. Under the GEF alternative scenario, Egypt faces an important opportunity to significantly enhance the effectiveness and sustainability of its PA system. By seizing this opportunity, NCS can achieve the levels of financial, institutional, and human capacities needed to begin effectively conserving biodiversity within the substantial boundaries of Egypt's PA system.

#### F. INDICATE RISKS, INCLUDING CLIMATE CHANGE RISKS, THAT MIGHT PREVENT THE PROJECT OBJECTIVE(S) FROM BEING ACHIEVED, AND IF POSSIBLE INCLUDING RISK MEASURES THAT WILL BE TAKEN

14. The following risks have been identified, and associated risk mitigation strategy devised:

Risk	Risk rating	Risk mitigation strategy
Limited political <b>will to</b> support for institutional change	Moderate	Meeting with national GEF committee and presentation for HE Minister of Environment to gain clear support early on
Change in leadership in relevant governmental bodies	Low	Ensuring wide support and understanding for the project within concerned institutions
Limited <b>staff and</b> local expertise to carry out implementation	Low	<b>Employment of more staff and raining and on the job training wand capacity building will be a significant project activity</b>
Financial instability and unexpected	Low	Financial outlook for Egypt is stable and any fluctuations are unlikely to

<sup>11</sup> Supporting Egypt in Designating its First Marine Protected Area on the Mediterranean Coast. IUCN, 2005.

<sup>12</sup> NCSCB the bilateral Egyptian Italian project 2006. Suggestions to Strengthen Policy and Institutional Development for Capacity Building and Institutional Support for Nature Conservation Sector. NCSB project document produced for NCS/EEAA.

<sup>13</sup> Gulf of Aqaba EU/ Egypt Cooperation Programme 1995. The Nature Conservation Section of the Egyptian Environmental Affairs Agency: Framework for the Development of Institutional and Managerial Capacity an Essential Element for the Sustainable Future of Natural Protectorates in the Arab Republic of Egypt.

exchange rate fluctuations		affect project activities
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**G. DESCRIBE, IF POSSIBLE, THE EXPECTED COST-EFFECTIVENESS OF THE PROJECT**

15. The baseline situation facing Egypt's PA system presents opportunities for a highly cost-effective intervention. This includes three main factors: (i) the important steps already taken in defining PAs covering an important portion of the country's globally and nationally significant biodiversity, (ii) the low level of inputs currently being directed at the management of these areas, implying that initial inputs, if well prioritized, can achieve high marginal benefits, (iii) the availability of a substantial revenue generation base, meaning that a higher level of funding should be both quickly attainable as well as sustainable, once associated barriers have been removed. (iv) **Increasing contribution of Pas in national economic social development.** The project's approach of focusing on a transformation of the PA financing system, in conjunction with its emphasis on business planning and management effectiveness, represents a strategic use of GEF funds, particularly to the extent that the project's (goal) of a substantial and long-term increase in domestically generated conservation funding, together with higher levels of management effectiveness, are achieved.

**H. JUSTIFY THE COMPARATIVE ADVANTAGE OF GEF AGENCY**

16.

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

**A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S):**

(Please attach the [country endorsement letter\(s\)](#) or [regional endorsement letter\(s\)](#) with this template).

(Enter Name, Position, Ministry)	Date: (Month, day, year)
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(Enter Name, Position, Ministry)	Date: (Month, day, year)
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**B. GEF AGENCY(IES) CERTIFICATION**

This request has been prepared in accordance with GEF policies and procedures and meets the GEF criteria for project identification and preparation.	
Name & Signature GEF Agency Coordinator	Project Contact Person
Date: (Month, Day, Year)	Tel. and Email:
Name & Signature GEF Agency Coordinator	Project Contact Person
Date: (Month, Day, Year)	Tel. and Email:



## Extra words

1. One of the key factors identified for a sustainable Protected Area Network is a sustainable means for revenue generation for the NCS. The concept of revenue generation has been on the table for a time, and a system for self-financing needs to be identified.<sup>14</sup> Self-financing for the NCS is impossible under the current institutional framework, and addressing weaknesses in this framework are vital if this end is to be achieved. Currently only five protected areas are charging admissions fees, and there is much greater potential for revenue generation from PAs, as **shown in business plan which are developing by NCSCB project for Wadi El Rayan and Ras Mohamed National Park**, if resources are properly **developed valued and conserved**.

2. Problems with the overall PA financing system include the following:

- Environmental benefits generated through conservation actions within PAs may not be fully recognized or valued by decision makers, leading to under-investment.
- There is limited technical capacity to valorize PAs and effectively project their potential significant contribution to future Egyptian economic growth. Therefore, a proper valuation of Egypt's natural resources is urgently required to correct this undervaluation.
- Staffing and spending appear to be weighted towards infrastructure and planning, with inadequate attention to conservation.
- Legislative, political and institutional constraints to innovation and cost-effective management.
- Managers are ill equipped and poorly motivated to diversify funding sources or adopt cost effective practices.
- There is a scarcity of technical knowledge to implement potential new mechanisms to improve PA financing.

## Proposed IUCN classification for Egyptian Protected Areas

	Name of Protected Area	Proposed IUCN classification
1	Abu Galum	Protected Landscape
2	Ashtum El Gamil	Managed Resource Protected Area
3	Burullus	Managed Resource Protected Area
4	El Ahrash	Habitat Management Area
5	El Omayed	Managed Resource Protected Area
6	Elba	National Park
7	Hassana Dome	Natural Monument
8	Hurghada Islands	National Park
9	Lake Qarun	Protected Landscape
10	Nabq	Protected Landscape
11	Nile Islands	Managed Resource Protected Area
12	Petrified Forest	Natural Monument
13	Ras Mohamed	National Park
14	Saluga & Ghazal	Habitat Management Area
15	Sannur Cave	Natural Monument
16	Siwa	National Park
17	St. Katherine	Protected Landscape
18	Taba	Natural Monument
19	Wadi Allaqi	National Park
20	Wadi Degla	Protected Landscape
21	Wadi El Assiuti	Habitat Management Area

<sup>14</sup> Management Effectiveness Evaluation of Egypt's Protected Area System. NCS 2006.

22	Wadi El Gemal	National Park
23	Wadi El Rayan	Protected Landscape
24	White Desert	National Park
25	Zaranik	Managed Resource Protected Area
26	Gilf El Kebir	National Park
27	El Dababya	Natural Monument

## IUCN categories of protected areas

**Category Ia: Strict Nature Reserve: wilderness protection area managed mainly for science or wilderness protection** – an area of land and/or sea possessing some outstanding or representative ecosystems, geological or physiological features and/or species, available primarily for scientific research and/or environmental monitoring.

**Category Ib: Wilderness Area: protected area managed mainly for wilderness protection** – large area of unmodified or slightly modified land and/or sea, retaining its natural characteristics and influence, without permanent or significant habitation, which is protected and managed to preserve its natural condition.

**Category II: National Park: protected area managed mainly for ecosystem protection and recreation** – natural area of land and/or sea designated to: (a) protect the ecological integrity of one or more ecosystems for present and future generations; (b) exclude exploitation or occupation inimical to the purposes of designation of the area; and (c) provide a foundation for spiritual, scientific, educational, recreational and visitor opportunities, all of which must be environmentally and culturally compatible.

**Category III: Natural Monument: protected area managed mainly for conservation of specific natural features** – area containing specific natural or natural/cultural feature(s) of outstanding or unique value because of their inherent rarity, representivity or aesthetic qualities or cultural significance.

**Category IV: Habitat/Species Management Area: protected area managed mainly for conservation through management intervention** – area of land and/or sea subject to active intervention for management purposes so as to ensure the maintenance of habitats to meet the requirements of specific species.

**Category V: Protected Landscape/Seascape: protected area managed mainly for landscape/seascape conservation or recreation** – area of land, with coast or sea as appropriate, where the interaction of people and nature over time has produced an area of distinct character with significant aesthetic, ecological and/or cultural value, and often with high biological diversity. Safeguarding the integrity of this traditional interaction is vital to the protection, maintenance and evolution of such an area.

**Category VI: Managed Resource Protected Area: protected area managed mainly for the sustainable use of natural resources** – area containing predominantly unmodified natural systems, managed to ensure long-term protection and maintenance of biological diversity, while also providing a sustainable flow of natural products and services to meet community needs.