**Strengthening Protected Area Financing and Management Systems Project, Egypt GEF 3209, PIMS 3668**

**Mid-term Evaluation**

**October – December 2014**

**Region: Arab States, Egypt**

**GEF Operational Program/Strategic Program: Biodiversity/BD1**

**Ministry of Environmental Affairs, Egypt**

***Final Draft***

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# Section II

# Executive Summary

### Project Summary Table

|  |  |
| --- | --- |
| Project Title | Strengthening Protected Area Financing and Management Systems Project, Egypt |
| UNDP Project ID: | 3668 | **Project financing** | *at endorsement (Million US$)\** | *at MTE (Million US$)* |
| ATLAS Project ID: | 00057529 | GEF financing: | 3,616,000 | 744,252 |
| Country: | Egypt | IA/EA own: | 250,000 | 250,000 |
| Region: | Arab States | Government: | 15,066,200 | 8,273,047 |
| Focal Area: | Biodiversity | Other: |  | 495,264\*\* |
| GEF Focal Area Strategic Program: | BD-1 | Total co-financing: | 15,316,200 | 9,018,311 |
| Executing Agency: | Egyptian Environmental Affairs Agency (EEAA) | Total Project Cost **in cash**: | 17,666,000 | 9,762,563 |
| Other Partners involved: |  | ProDoc Signature (date project began): | 01/06/2010 |
|  | Planned closing date: 01/01/2016 | Revised closing date: 01/01/2017 |

\*Figures obtained from the GEF website <http://www.thegef.org/gef/project_detail?projID=3209> CEO Endorsement Document

\*\*Includes monies allocated for spending in 2015

**Project Description**

1. The PA Financing project recognizes that Egypt is strategically situated at the intersection of three continents and its 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, 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. At least one hundred and forty-three species of threatened animals are to be found. Three main categories of persisting threats and associated causes of biodiversity loss have been identified. These are: (i) conversion and/or destruction of natural habitats; (ii) degradation of natural habitats, and; (iii) unsustainable utilization of biodiversity resources. Therefore the protected areas have a potentially critical role to play in reducing the above threats to Egypt’s biodiversity.
2. Egypt’s system of protected areas is vast and is currently divided geographically into five management units: Sinai, Cairo, Western Desert, Red Sea and Upper Egypt. Currently, Egypt’s twenty-seven PAs cover 148,023 km2, or about 15 per cent of the nation’s total land area.
3. This project is following on from a long history of GEF and UNDP support to the Egyptian protected areas system and responding to the largely systemic weaknesses within the system (e.g. lack of strategic and site planning) and the chronic under-financing of the sector. Furthermore it comes at a juncture in biodiversity conservation in Egypt, partly driven by the project’s objectives and partly driven by a desire to address structural weaknesses and financing challenges within the principal and statutory institution tasked with biodiversity conservation (including protected areas) in Egypt; the Nature Conservation Sector (NCS). The restructuring of the NCS as an autonomous authority, *inter alia,* capable of raising and retaining revenues and outside of the constraints of the general civil service constraints recognising that its functions may be better performed as an economic entity, or General Authority.

### Review Rating Table

|  |  |  |
| --- | --- | --- |
| Monitoring & Evaluation | Rating\* | MTR Description |
| M&E design at entry | S | The LFM was reasonable and the standard UNDP-GEF M&E procedures were prescribed. The addition of the triggers and benchmarks were perhaps necessary at the time of producing the Project Document and it is still critical that these are achieved but the timeframe during which they were to be achieved was arguably unrealistic. |
| M&E Plan Implementation | S | M&E was initially poor but it has picked up and is now satisfactory  |
| Overall quality of M&E | S | As above the reporting on the project is reasonable and according to the M&E plan |
| IA & EA Execution | Rating | MTR Description |
| Quality of UNDP Implementation | S | The project has the full involvement and support of the UNDP CO in its implementation amounting to a strong and effective working relationship |
| Quality of Execution - Executing Agency  | S | The NCS and the EPF Board within the EEAA are supporting the project. It is debatable how much change the institution could have achieved during the early years of the project due to the unpredictable circumstances. Although the EPF Board has not made a decisive change to the distribution of the EPF fund to the protected areas it would appear that this is about to be resolved with the reformation of the NCS as a General Authority at which point the EPF will be distributed according to an agreed formula. |
| Overall quality of Implementation / Execution | S | The project is now progressing well and has broad and effective support from the Implementing and Executing agencies. |
| Assessment of Outcomes | Rating | MTR Description |
| Relevance  | R | The project is aligned with both the national objectives and the GEF BD-1 objectives |
| Effectiveness | S | The project is now effectively driving the process of reforming the NCS and finances with a number of notable success such as development of a commercial services plan, a new (to the NCS) bidding system for commercial services within the protected areas which has increased revenues, a degree of revenue re-injection[[1]](#footnote-1) and separation of the Protected Areas Fund (PAF) from the EPF at least nominally in a registry, the EPF Board has decided on a formula for EPF revenue allocation to be included in the Ministerial Decree which is thought to allocate 70 per cent of revenues coming from the protected areas back to the NCS, the identification of additional sources of financing (e.g. the Environmental Projects Fund which is a Ministry of Planning fund), the development of a national Protected Areas Financing Strategy, training of NCS staff in financial planning, audit and reporting and most significantly the preparation of a Ministerial Decree to reform the NCS as an autonomous General Authority |
| Efficiency  | S | Currently budget execution stands at 19.25% which can be justified by the larger national issues surrounding the project during the first three years. However, based upon the project’s design, the PMUs performance thus far and the quality of material produced by the project it is reasonable to state that the project is efficient in its use of resources and this aspect is moderately satisfactory. This rating has to be viewed against the difficulties faced by this project during the first three years. |
| Overall Project Outcome Rating (Impact) | S | The project is likely to have a significant impact upon the finances of the current NCS and any future para-statal General Authority in the event that this is created. However, this must be measured against the risks outlined within this report. |
| Outcome 1 | S | The project is supporting the reform of the NCS and is contributing to the development of national policy particularly related to improved sector performance and financial sustainability |
| Outcome 2 | S | The project has introduced a number of tools and mechanisms which have improved revenue generation and mobilized resources for conservation management |
| Outcome 3 | S | The project has significantly contributed to improved capacities and training of the NCS |
| Sustainability | Rating | MTR Description |
| Financial resources: | ML | The performance of the PAF and the EPF have demonstrated how difficult it is to predict with any certainty the financial resources which will be available in the future. It has demonstrated just how vulnerable the process of reforming an institution can be to externalities.However, the project is, and further intends to develop mechanisms and tools for ensuring financial sustainability |
| Socio-political: | ML | The Project Document appears to encourage a greater participation of local communities in the actual management of the protected areas however, the projects activities (and the Project Document itself) appears to limit these to some income generating activities, although the site management plans appear to have a greater degree of local community inclusion |
| Institutional framework and governance: | ML | Much of the project objective depends upon the reformation of the NCS into an autonomous General Authority. The MTE is more cautious (than the Project Document) given examples from elsewhere when state conservation organizations have reformed as autonomous authorities or similar. While the MTE broadly agrees with the Project Document’s approach it is more cautious about creating an autonomous management body for conservation in Egypt. |
| Environmental : | ML | The project is instituting a number of tried and tested mechanisms (e.g. protected areas entrance fees, concessions, opportunities to develop PES schemes, etc.) which will likely increase the revenues available for conservation. |
| Overall likelihood of sustainability: | ML |  |

**Summary of conclusions, recommendations and lessons**

1. The Protected Areas Financing project has spanned a period of considerable uncertainty in Egypt. This has impacted considerably upon the performance of the project. However, with the removal of this uncertainty in early 2013 the project has begun to perform very well. However, as a result of this it is behind schedule and has had a poor budget execution.
2. The project is highly relevant to biodiversity conservation in Egypt because it is taking a systemic approach and addressing the problem of chronic under-financing of the sector.
3. It is introducing a number of tools and mechanisms to increase revenue generation and mobilise resources within the sector as well as building the capacities of the NCS to improve financial management.
4. Critically it depends upon the reform of the NCS into an autonomous General Authority as a means to fee the organisation from the constraints imposed by the civil service structure and to allow it to be more efficient in generating and retaining revenues.
5. This approach is reasonable but the MTE raises a note of caution based upon the experience of other countries which have gone down this route. While there are very good reasons why it could work it is important to remember that in many instances creating an autonomous organisation for protected areas management and biodiversity conservation has often failed to deliver the anticipated benefits.
6. It is reasonable to state that this project has achieved a **satisfactory** level in its implementation and execution. Despite the many challenges which it faced in the first three years it is now performing well. In particular it has:
* Considerable intellectual capacities to address the challenges of a rapidly evolving institutional environment.
* It is clearly beginning to gather momentum and has the support of the NCS within which it seems to be very closely embedded.
* It appears to have the confidence of high-level decision-makers involved in the sector and the reform of the NCS.
* Importantly it is, and this is impossible to build into any project, *in the right place at the right time*.
* Is providing an important services to the Ministry of Environment, Egyptian Environmental Affairs Agency, and the NCS in navigating the difficult and largely uncharted waters in reforming the institutional framework for nature conservation in Egypt.
* It has developed a number of high quality outputs (e.g. the strategic plan, protected areas system plans and financing plans, etc.) which will contribute to the outcomes and overall objectives.
* It is tackling an issue, finance, which has negatively affected nature conservation and the protected areas system in Egypt for as long as people can remember.
* It has the full involvement of the UNDP CO in its implementation amounting to a strong and effective working relationship.
1. However, it has not:
* Progressed as far as it was anticipated in the project’s design by the time of the MTE,
* It has lost valuable time at the beginning of the project and is now faced with catching up before the project closes in January 2017 which presents a number of risks because it is addressing issues off institutional reform which will take time and will need supporting.

**Recommendations**

**Recommendation 1:** The decision by the Minister as to the future of the NCS (either as a General Authority or remaining as a component of the EEAA) is made quickly and openly communicated to remove any uncertainty. For the purposes of project planning this decision should be communicated to UNDP by the end of November 2014 in order to facilitate the development of the next Work Plan dues in January 2015.

The actual implementation of this decision, if it is in favour of an autonomous authority, can be delayed to allow the NCS and the project to put in place what measures are necessary to ensure that the transition phase is completed with many of the components already in place (it is noted that much of this process is already understood by the NCS but it is would be beneficial to drive through as much of the reform process as practicable before the decision is enacted).

**Recommendation 2:** Should the decision by the Minister be in favour of an autonomous General Authority the project should engage a substantive (part time) external technical assistant to support, in particular, the Chief Executive Officer (CEO). The transition will not be smooth regardless of the best planning in the world and any autonomous authority charged with both economic activity and meeting the larger public good of biodiversity conservation will throw up challenges to which there are not any “text book” answers. An independent external view point will be critical during this process of change.

**Recommendation 3:** The project based upon the decision of the Minister should develop its 2015 work plan in close collaboration with the NCS and depending upon the decision of the future of the NCS. The work plan should be aligned with the outcomes of the projects results framework and be based upon the decision regarding the future of the NCS. Furthermore it should be fully participatory with the NCS.[[2]](#footnote-2)

**Recommendation 4:** The project, depending on the strength of any decision with regards the future of NCS, moves immediately to request an additional 24 month extension making the project’s end date January 2019.

**Recommendation 5:** The project carries out an institutional financial planning exercise ahead of the transformation of the NCS (this is dependent upon the decision on the NCS) using the templates developed during the site system planning to predict the financial needs and develop a plan to address these of an autonomous authority.

**Recommendation 6:** The project should, with the assistance of the NCS begin to track the NCS expenditure as a means to evaluate the project’s impact on mobilising funds for the sector so that these can be compared with the optimum scenario predictions contained in the Project Document during the Final Evaluation.

### Acronyms and Abbreviations

|  |  |
| --- | --- |
| CEO | Chief Executive Officer (GEF) |
| CO | Country Office (UNDP) |
| EEAA | Egyptian Environmental Affairs Agency |
| GEF | Global Environmental Facility |
| LFM | Log Frame Matrix |
| METT | Management Effectiveness Tracking Tool |
| MTE | Midterm Evaluation |
| NCA | Nature Conservation Agency |
| NCS | Nature Conservation Sector |
| NGO | Non-governmental Organisation |
| PA | Protected Area |
| PDF-A | Project Development Fund |
| PIF | Project Identification Form |
| PMU | Project Management Unit |
| PPG | Project Preparation Grant |
| SRF | Strategic Results Framework |
| TDA | Tourism Development Authority |
| ToR | Terms of Reference |
| UNDP | United Nations Development Programme |

# Section III

# 1 Introduction

1. The Midterm Evaluation (MTE) of the Strengthening Protected Areas Financing and Management Systems project[[3]](#footnote-3) took place between October and December 2014. A period of thirty days was provided for the Evaluator to carry out the MTE. This included nine days spent in Egypt.

## 1.1 Purpose of the review

1. The Global Environmental Facility (GEF) recognises that all their projects by their very nature are addressing complex systems and issues. As a result there is a high level of uncertainty when it comes to predicting the outcomes of interventions. Therefore the GEF works through a process of adaptive management on the understanding that project‘s designs and planning processes are invariably based upon a number of assumptions which may, or may not, hold true. Therefore the MTE, as part of the monitoring and evaluation process, is tasked with elements of audit and adaptive management and will necessarily consider:
* The performance of the Project – is it doing what it said it would do?
* The effectiveness of the interventions – having done what it set out to do, is it working?
* The impact of the Project – what are the outcomes now, and in the future, of the Project’s intervention.
1. Through this process the MTE will identify the strengths and weaknesses within the project, identify critical issues and propose remedial actions or changes in the strategy where necessary. Therefore, the MTE is an integral component of the GEF project cycle management and as such is intended not simply to audit the performance but importantly to ensure the project outcomes remain adaptive and experience and lessons shape future project interventions both within Egypt and within the GEF global portfolio.

## 1.2 Methodology

1. The process of evaluation began with a study of the considerable project documentation and background literature that is associated with any UNDP-GEF project prior to the field visits by the MTR and a period of interviews and consultations with key project partners and stakeholders during the in-country mission.
2. The in-country mission consisted of focused meetings and discussions (in person and by electronic communications) with UNDP CO in Cairo, the Project Management Unit within the Nature Conservation Sector (NCS), relevant Departments within the NCS, the Egyptian Environmental Affairs Agency (EEAA), other projects within the sector, and other stakeholders starting with a briefing of the purpose and the *process* of GEF monitoring and evaluation. The subject of these meetings focused on (but was not limited to) determining a number of key questions, based on the project’s intended outcomes, these were expanded by the MTE as deemed appropriate. These included:
* Assessing overall performance against the project objective and outcomes as set out in the Project Document, project’s Logical Framework Matrix (LFM or Strategic Results Framework [SRF]) and GEF increment, and other related documents;
* Assess the effectiveness and efficiency of the project;
* Analysing critically the implementation and management arrangements of the project;
* Assessing the progress to date and achievement of the outcomes;
* Reviewing how appropriate the planned strategies and plans for achieving the overall objective of the project within the timeframe were;
* Assessing the sustainability of the project’s interventions;
* Listing and documenting initial lessons concerning project design, implementation and management;
* Assessing the project relevance to national priorities (including achieving gender equality goals);
* Providing recommendations to strengthen the outcomes, ensure sustainability and provide lessons learned from the process of implementing the project.
1. At the end of the country mission the MTE provided feedback to key project partners and a brief *aide memoire* was left with the UNDP CO and PMU outlining the MTE’s understanding of the project, the strengths and weaknesses, conclusions, critical issues and recommendations.
2. The principle output of the MTE is this report which provides an account of the project, the key findings of the MTE, the analysis and conclusions, key recommendations and documents the relevant lessons resulting from the project’s experience thus far.
3. GEF project evaluation requires the evaluators to provide ratings for the key components of the project on a six-point rating scale ranging from Highly Satisfactory to Highly Unsatisfactory and the likelihood of the project outcomes being sustainable post GEF funding on a similar rating scale ranging from Highly Likely to Highly Unlikely.

## Scope of the evaluation

1. The MTE will consider the contribution of the entire project partners and stakeholders. The ToR will guide the MTE in assessing the projects:
2. Performance; its design and the progress towards results
3. Adaptive management; its work planning, finance and co-financing, monitoring systems, risk management and reporting as well as assessing how much the project has been able to challenge any assumptions made during the design phase based upon experience and understanding and if this has been incorporated into the projects strategy
4. Management arrangements; whether these have been efficient and effective.
5. The MTE will, in accordance with the Terms of Reference (ToR) and in collaboration with the PMU and project partners, analyse the strengths and weaknesses and deliberate on the optimal and most cost-effective strategies for the second part of the project including strategic changes to the project’s intervention, vulnerabilities and risks and an develop agreed way forwards.

## 1.4 Structure of the review report

1. This report is structured in three parts:
* **Section 2** provides a description of the project including contextual information which is necessary to understand the key events which have unfolded and have to a large degree shaped the project, its performance and progress and might still effect the overall impact of the project.
* **Section 3** consists of three sub-sections. **Section 3.1** provides the main findings of the evaluation and largely address the architecture of the project; its design, current operational status and management arrangements, etc. **Section 3.2** considers the quality of design and whether the project, as described in the Project Document and any amendments made during the inception phase was fit for purpose. **Section 3.3** considers the projects performance, that is, how well it has been implemented and executed, in short, whether it is doing what it said it would do. **Section 3.4** considers whether the project is having an impact, that is, if it is doing what it said it would…..is it working? Is it actually having any effect on systemic management of the protected areas in Egypt and whether it is improving the financing of the system?
* **Section 4** provides the main conclusions of the evaluation based upon the evidence, reasonable argument and the professional opinion of the Evaluator. This section identifies the strengths and weaknesses of the project against attaining the project’s stated outcomes and objective and proposes remedial actions where necessary to strengthen the project during the second-half of its implementation.
1. The **annexes** provide a detailed record of the evaluation, co-financing and an assessment of the current status of the objective and each outcome.

# 2. Project description and development context

1. The PA Financing project recognizes that Egypt is strategically situated at the intersection of three continents and its 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, 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. At least one hundred and forty-three species of threatened animals are to be found. Three main categories of persisting threats and associated causes of biodiversity loss have been identified. These are: (i) conversion and/or destruction of natural habitats; (ii) degradation of natural habitats, and; (iii) unsustainable utilization of biodiversity resources. Therefore the protected areas have a potentially critical role to play in reducing the above threats to Egypt’s biodiversity.
2. Egypt’s system of protected areas is vast and is currently divided geographically into five management units: Sinai, Cairo, Western Desert, Red Sea and Upper Egypt. Currently, Egypt’s twenty-seven PAs cover 148,023 km2, or about 15 per cent of the nation’s total land area.
3. This project is following on from a long history of GEF and UNDP support to the Egyptian protected areas system and responding to the largely systemic weaknesses within the system (e.g. lack of strategic and site planning) and the chronic under-financing of the sector. Furthermore it comes at a juncture in biodiversity conservation in Egypt, partly driven by the project’s objectives and partly driven by a desire to address structural weaknesses and financing challenges within the principal and statutory institution tasked with biodiversity conservation (including protected areas) in Egypt; the Nature Conservation Sector (NCS). The restructuring of the NCS as an autonomous authority, *inter alia,* capable of raising and retaining revenues and outside of the constraints of the general civil service constraints recognising that its functions may be better performed as an economic entity, or General Authority.

## 2.1 Project start and duration

1. The PA Financing project was first envisaged in 2006 and a Project Development Fund (PDF-A) was approved. However, it was not until February 2008 that a Project Identification Form (PIF) was approved and a Project Preparation Grant (PPG) was awarded in September 2008. The Project Document was approved by the GEF Chief Executive Officer (CEO) in May 2010 and by the UNDP Implementing Agency a month later in June with a five-year implementation period and planned closing date of January 2016.
2. However, due to the political situation in Egypt at that time the project did not start up until March 2011 with the appointment of a Project Manager. An Inception Workshop was held in July 2011 and the closing date for the project was revised until January 2017.
3. In July 2013 there was a change in the Project Managers as a result of *force majeure* followed by a second change (in early 2014). Two mangers were appointed, one technical and one operational and the project now has only one.
4. A key consideration of this is that the project has spanned five fundamentally different operating environments: pre-2010 during the project’s design and start-up, 2011 with the “Arab Spring”, 2012 during the Morsi Government, the 2013 revolutions and in 2014 embedding the reforms taking place since 2013. The evaluation of the Protected Areas Financing project must be measured against these broader national changes taking place and the invariable disruption and inertia that they can create within institutions and in a project environment.
5. It is noted here for reference throughout this report that these events and the changes in the project managers, but mostly the larger national circumstances have impacted to a considerable extent upon the project’s performance during between 2010 and mid-2013.

## 2.2 Problems that the project sought to address

1. The Project Document makes a reasonable assumption that the “*long-term solution for biodiversity conservation of Egypt’s protected areas is an effective and sustainable protected areas (PA) system operated by an autonomous NCS that has the financial wherewithal and management capacities needed for effective management. A PA system which is effective in conserving biodiversity, run on a solid economic basis, well marketed and seen as playing a positive role in the future economic development of Egypt, will be able to secure substantial political and popular support and leverage*”. However, it also identified the following three critical barriers to achieving this as:
2. *The existing governance framework, including legal, regulatory and institutional components, provides inadequate support to sustainable PA financing*: Overall, legal, regulatory and institutional frameworks are failing to provide an adequate enabling environment for sustainable PA financing. In particular the Project Document identified that some aspects necessary for achieving this were either missing or there were substantial. These were:
	* Legal, policy and regulatory support for revenue generation by PAs.
	* Legal, policy and regulatory support for revenue retention and sharing within the PA system.
	* Legal, policy and regulatory support for alternative institutional arrangements for PA management to reduce cost burden to government.
	* National PA financing policies and strategies were weak.
	* Economic valuation of protected area systems were lacking.
	* The government budgeting for PA systems needed improving:
	* A lack of clearly defined institutional responsibilities for financial management of PAs
	* Well-defined staffing requirements, profiles and incentives at site and system level were largely absent.
3. *Existing tools for resource mobilization are operating well below their potential*: Under Egypt’s baseline system, revenues generated by the PA system consist mainly of funds collected from visitors to five of the 27 PAs. From 2005/06 to 2007/08, an average of $3.7 million in revenues were generated annually by the system as a whole; about 70% of these revenues consisted of entrance fees collected at only three of these PAs – Ras Mohamed, St. Katherine and Red Sea Islands. At least nine other PAs have substantial potential for revenue generation, but no institutional framework or mechanisms have so far been established to generate revenues there effectively. Revenues generated through concessions and other sources remain at low levels. The Project Document identified that:
	* There was a limited number and variety of revenue sources used across the PA system.
	* There was a poorly developed and unsophisticated system for setting and establishing user fees across the PA system.
	* The system for fee collection was ineffective.
	* Poor marketing and communication strategies for revenue generation mechanisms.
	* There were no operational PES schemes for PAs.
	* The systems for concessions operating within PAs was poorly developed and inefficient.
	* PA personal lacked the training for revenue generation mechanisms.
4. *Inadequate processes for business planning and cost effective management*: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. Most PA management systems established to date remain ineffective due to inadequacy in design and limited capacity and funding. Together, these factors serve to undermine cost effectiveness. To this end the Project Document identified that:
	* The protected areas site-level management and business planning was weak or none existent.
	* Operational, transparent and useful accounting and auditing systems were lacking.
	* There was no systems for monitoring and reporting on financial and management performance.
	* There was no methods for allocating funds across individual protected areas sites:
	* Training and support networks to enable protected areas managers to operate more cost effectively was a prerequisite for cost-effective management.

## 2.3 Immediate and development objectives of the project

1. Therefore the project proposed a long-term solution for biodiversity conservation of Egypt’s protected areas as an effective and sustainable protected areas system operated by an autonomous NCS that has the financial wherewithal and management capacities needed for effective management. The foundation of the long-term solution, the project surmised, was a sustainable financing system resting on the following three pillars: (i) Legal, regulatory and institutional frameworks that support sustainable PA financing; (ii) Tools and practices for revenue generation and mobilization, and; (iii) Business planning and other tools for cost-effective management. To this end the Project Document provided the following objective:

**Objective:** The establishment of a sustainable protected area financing system, with associated management structures, systems and capacities needed to ensure the effective use of generated revenues for priority biodiversity conservation needs.

1. This was elaborated in an “impact statement”, produced to provide guidance for the PMU on the project’s LFM, which stated:

**Impact Statement:** Protected Areas strengthened to conserve marine and terrestrial biodiversity and scenery to improve economic growth (bio-tourism) poverty reduction (community development) and biodiversity conservation in Egypt.

## 2.4 Expected Results

1. The anticipated results of the project were expressed in three outcomes:

**Outcome 1:** Legal, policy, regulatory and institutional frameworks that facilitate revenue generation, revenue retention and other aspects of sustainable PA financing and management are established and functional.

**Outcome 2:** Levels of financial resource mobilization are adequate to ensure effective conservation-oriented management of Egypt’s PA system.

**Outcome 3:** Business planning and cost-effective management systems are ensuring the effective allocation and management of mobilized resources.

1. These outcomes were summarised in an “outcome statement”, similar to the objective, as:

**Outcome Statement:** Protected area financing and management systems reformed to substantially enhance and sustain financial and technical viability and effectiveness of PAs and biodiversity conservation.

1. Shortly after the project started an international Consultant[[4]](#footnote-4) was engaged to develop a strategy to execute the project. The wording of the indicators was changed (although the subject and basis for the indicator remained the same). These new indicators were more refined than the original Project Document indicators particularly with regards to biological indicators. However, the project has continued to report on the original indicators and used the “new” indicators for guidance.

## 2.5 Baseline Indicators established

1. Baseline indicators were established in the Project Document and have remained largely unchanged. They provide a reasonable indication of the changes necessary to achieve the project’s outcomes and objective and are summarised here below.

## Table 1 Project indicators and baselines

|  |  |  |
| --- | --- | --- |
| Objective / Outcome | Indicator | Baseline |
| Objective | Level and diversity of financing for the PA system | Financing of PAs is below 20% of basic scenarioOnly two predominant sources (government and tourism) in use |
| Levels of live coral coverage in dive sites and non-dive sites | Most Red Sea dive sites are being degraded by heavy and careless diving |
| Flagship species at priority PAs | Flagship species at several priority PAs have been declining (species to be defined) |
| Outcome 1 | National PA financing strategy | No strategy |
| Institutional arrangements | *Ad hoc* arrangements |
| Financial arrangements for re-injection | Generated revenues are co-mingled with revenues from other sources and allocations to NCS are *ad hoc* and minimal |
| Policy regarding re-injection | No policies to guide level of re-injection |
| Institutional structures and human capacities | Minimal human capacities or institutional structure to address issues of financial sustainability |
| Legal and regulatory framework | 41% = 39 out of 95 |
| Outcome 2 | Improved financial sustainability for PAs as measured by the Financial Sustainability ScorecardBusiness planningTools for revenue generation | 41% = 25 out of 6143% = 31 out of 57Total 42% = 95 out of 227 |
| Revenues generated | 2005 – 2008 annual average of $3.7 million |
| Diversified revenues | 95% of revenues generated by fees; Entrance fees at Ras Mohamed generating 53% of total systems revenues |
| Outcome 3 | METT scores | Ras Mohamed = 69Wadi El-Gemal/Hamata = 64St Katherine = 63White Desert = 60Nabq = 59Wadi Degla = 51Red Sea Northern Islands = 47 |
| Business planning | Business plans in 2 – 3 sites, but not operationalManagement plans in several sites, but lacking funds for implementation |
| Alternative management | *Ad hoc*  arrangements |
| Accounting, audit and reporting | Systems in place do not reach international standards |

1. As mentioned in section 2.4 these indicators were rephrased to provide greater understanding and clarity although not used. They are repeated here and it should be noted that the outcome indicators were amalgamated to reflect all three outcomes.

## Table 2 Reformulated indicators and baselines

|  |  |  |
| --- | --- | --- |
| Objective/ Outcome | Indicator | Baseline |
| Objective (Impact Statement) | Tourism economy turnover, value-added, multipliers and direct and indirect employment.New economic activities related to PAsNumber of community beneficiaries, and impact of eco-tourism and PAs on community liveslihoodsStatus of marine and terrestrial biodiversity and habitats | 2m visits to PA annuallyLittle diversification of income sourcesNoneAd-hoc reports |
| Outcomes (Outcome Statement) | Legislation, regulation, and proceduresFunding level (compared to management requirements) and diversity of financing PAs and for the PA system.Effectiveness of management | Few / no formal regulations in placeFinancing of protected areas is below 20% of basic scenario (Current budget of LE17-18m, < 20% basic needs of LE100m)Only two predominant sources (government and tourism) in useAgreement in Project Document$4.8m entrance, $0.3m concession, $0.5m. damages $4.16m per annum (2009)UNDP Financial Sustainability Scorecard: Score: Total 30%* 42% (94 out of 227, 2008 baseline)
* declined by 28% (2011) since Project Document.

GEF/METT: Score < 60% |
|  | Qualifications, experience and performance of staff | 700 staff, but lost 60% of staff with higher education.Salaries 50%+ lower than market rate. |
|  | Habitats conserved:* Levels of live coral coverage in dive sites and non-dive sites
* Populations of large and small fish and marine mammals (and presence of phenomena like shoaling)
* Condition of key terrestrial habitats / plants
* Presence and population trends of terrestrial mammals and birds (including migrations)
 | Some dive sites are being degraded by heavy and careless diving.Fish populations, especially large fish and shoaling, reported to be degraded by inappropriate fishing.Some terrestrial habitats are degraded by livestock and other practicesStatus of large mammals appears to be precarious and declining, with limited monitoring and knowledge. |

## 2.6 Main stakeholders

1. The Project Document developed a fairly exhaustive and ambitious list of stakeholders[[5]](#footnote-5):

## Table 3 Main stakeholders

| **Stakeholder** | **Roles and Responsibilities** |
| --- | --- |
| Nature Conservation Sector (NCS)/ Ministry of Environment  | NCS will be responsible for the overall coordination of the project. It will also be a primary beneficiary of project activities.  |
| Ministry of Tourism | Will participate in agreements on entry fees and tourism related concessions, and participate in identifying additional revenue generating options related to the tourism sector. Will be a member of the Project Steering Committee.  |
| Tourism Development Authority (TDA) | To provide data on tourism development activities in different areas relevant to PAs along with associated EIAs of tourism investment projects which will help identify obstacles and opportunities for project implementation.  |
| Ministry of Petroleum and Mining (including the General Department of Petroleum and the Mining Authority) | To provide information on mining and extraction activities, ensure the application of responsible extraction principles and take the lead in combating oil spills as participation in the protection of the natural resource base within PAs.  |
| National Federation for Tourism Chambers | An important umbrella organization (NGO) which includes the Association for Diving and Marine Sports and an Environmental Affairs Department. This NGO will promote partnerships and communication with other NGOs and private sector actors involved in the tourism industry. Will also ensure that its network of NGOs and private sector partners keeps abreast of developments regarding fees and other project interventions. Will also play a role in identifying additional revenue generating options within PAs.  |
| Private sector | To play an important role as partner in the project. In tourism, this includes hotels, resorts, dive centers, local craft shops and other businesses. In petroleum and mining, private sector companies should apply CSR principles and engage in responsible extraction practices. Telecom companies such as Mobinil and Vodafone also to apply CSR principles.  |
| Authority of Fisheries Resources within the Ministry of Agriculture | To apply regulations with regards to fishing in and around PAs. |
| Local fishing associations  | To apply regulations with regards to fishing in and around PAs and participate in biodiversity conservation through involvement in local ecotourism initiatives.  |
| Environmental and coastal police, the latter affiliated with the Ministry of Defence and the former with the Ministry of Interior | Participate in the enforcement of regulations and aid in responses to environmental accidents.  |
| Governorates  | Governorates in selected pilot area will be represented in all Local Committees and involved in relevant project activities. |
| Municipalities | Municipalities in selected pilot areas will be represented in all Local Committees and involved in relevant project activities. |
| Health and Environment Committee of the People’s Assembly and Shura Council | Can ensure the wide dissemination of the PA system’s contribution to the national economy, shoring up wider support for the project.  |
| National NGOs | Relevant national NGOs will act as important partners in selected PAs, and will be represented on Local Committees.  |
| Local NGOs  | Local NGOs (such as handicraft NGOs such as Fansina in St. Katherine, environmental NGOs such as the Abu Salama Society in Marsa Alam, fishing cooperatives, etc., based in the selected pilot project areas will be invited to local committees and will be encouraged to take an active role in implementing project activities. |
| Representatives of local communities  | Inhabitants of the selected pilot project areas will be made aware of the issues and invited to take part in the decision making process. They will be represented in the local committees and actively involved in the project activities. Their cooperation will be sought in project implementation including, alternative income development (ecotourism, organic agriculture), awareness raising, etc. Heads of local tribes and respected community leaders will be the main counterparts in linking the project objectives and activities to the needs of the people in the project area.  |

# 3. Findings

## 3.1 Project formulation

### 3.1.1 Country ownership/driveness

1. The Project Document provides an exhaustive list of policies and plans which demonstrate a strong commitment to reforming the NCS and developing a systemic approach the management of Egypt’s protected areas and biodiversity conservation at the national level. The most important of these being the National Biodiversity Strategy and Action Plan (NBSAP) which is currently under review and updating but continues to emphasise the need for capacity building, institutional reform and sustainability of the system with particular emphasis on financial sustainability.
2. A further measure of the country ownership of the project and its outcomes can be seen in the changes which have taken place since 2013 and the messages coming from the Cabinet Of Ministers calling for institutional reforms, better functioning government institutions and above all for greater financial sustainability and accountability, on this basis alone the project has considerable national ownership.
3. Within the NCS there is almost unequivocal support for the institutional transformation of the NCS into an autonomous General Authority which is a significant intended outcome of the project.

### 3.1.2 Stakeholder participation

1. Inevitably there was always going to be a large and diverse collection of stakeholders involved in a project such as this as a result of the complexity and far reaching implications of a systemic approach. The project in the short time which it has been able to operate (from early 2013 onwards) without interruption or a general inertia which was created during the three years of uncertainty and turmoil has begun developing a broad cross-section of stakeholders. However, possibly the most immediate and important stakeholders are those involved in the complex arrangements surrounding the internal funding of the EEAA and the Environmental Protection Fund. These include the NCS, the protected areas themselves, the EPF and EPF Board, the EEAA and two other GEF projects (NBSAP and the Migratory Soaring Birds project) due to the strategic nature of the Protected Areas Financing project.
2. Section 2.1 noted that the circumstances in the first three years of the project had resulted in an inertia in activities, not just within the project but within the institutional framework and the larger governmental environment. It would seem that this period has now passed and there is increasing stakeholder participation in the project which is both good and needs to be further developed to deeply embed the project’s activities within the institutional reform process which is currently taking place within the NCS as intended in the project’s design.
3. Section 2.6 provides a list of stakeholders from the Project Document.

### 3.1.3 Replication approach

1. The structural reforms being facilitated by the project (e.g. institutional reform and restructuring of the NCS into a General Authority) will be embedded in the institution and thus have far reaching impacts on the management of protected areas and the conservation of biodiversity in Egypt *per se.*
2. However, until these reforms take place the NCS remains financially challenged because it is not fully in control of revenue flows and thus has limited opportunity to roll out the protected areas site-level developments across the whole system. The Project Document stated that:

*“The project will put in place a set of systems, structures and processes that will facilitate (i) resource mobilization; (ii) management effectiveness; (iii) conservation action. Coupled with the legal, policy and institutional reforms promoted by the project, these will constitute the backbone for the replication of the processes established by the project. While the project intends to test novel financial mechanisms at eight sites, these processes are intended to be institutionalized and replicated throughout the PA system.*

*Based on the monitoring and evaluation processes, successful pilots will be retained and a replicability strategy developed at the end of year 3 of the project. Replication of successful experiences is also fostered through the proposed organigram and staff deployment system which will ensure transfer of expertise within the PA system and not only from the center to the field.*

*Financing for replication is expected to be generated through the project itself. Indeed, if the project’s financial projections are proven right, then replication will be an essential element of ensuring that generated funds continue to be spent wisely and cost effectively”[[6]](#footnote-6).*

1. In the event the project’s financial projections have not proven right largely due to two factors. Firstly there has been a significant drop off in visitor numbers which can be attributed to the regional and national security issues and secondly the delay in creating an autonomous General Authority has meant that the distribution of funds from the EPF have been less efficient (from the protected areas perspective) than anticipated.
2. However, the protected areas system plans (site-level), financial planning and accounting are of high quality and there is clear evidence that these will be implemented in other protected areas not directly within the project’s remit. For instance the “Mainstreaming the conservation and sustainable use of biodiversity into the tourism development and operations in threatened ecosystems in Egypt” project[[7]](#footnote-7) currently under development will use these templates in other protected areas.
3. Further evidence of replication can be seen in the use of instruments, such as the standard concession agreement, an existing national concession agreement, which has been used to improve the efficiency and profitability of concessions granted within a protected area. Having been demonstrated through project activities this is now being used in a number of instances to increase revenues and provide a transparent basis for commercial activity within a protected area. Therefore it is reasonable to include that the components of the protected areas system being developed within the project will be replicated across the system providing there are sufficient resources available to do so.

### 3.1.4 Relevance

1. This project is follows on from a long history of GEF and UNDP support to the Egyptian protected areas system responding to the largely systemic weaknesses within the system (e.g. lack of strategic and site planning) and the chronic under-financing of the sector. It comes at a juncture in biodiversity conservation in Egypt, partly driven by the project’s objectives but largely driven by an internal desire to address structural weaknesses and financing challenges within the principal and statutory institution tasked with biodiversity conservation (including protected areas) in Egypt; the Nature Conservation Sector (NCS). The restructuring of the NCS as an autonomous authority, *inter alia,* capable of raising and retaining revenues and outside of the general civil service constraints recognising that its functions may be better performed as an economic entity, or General Authority appears to have been a goal of the NCS for some time.
2. The restructuring of any organisation is not without risks and the project is highly relevant to this process, providing a degree of safety during this period of change.
3. With or without the institutional change the Egyptian protected areas system has the potential to generate substantial revenues and yet it has remained chronically under-financed for many years. This is resulting in a degradation of the natural values of these areas[[8]](#footnote-8) therefore this project is highly relevant at a national, regional and international scale. Therefore the project remains **highly relevant** both within the national context and with its focus on protected areas financial and management sustainability, within the GEF strategic biodiversity programme.

### 3.1.5 Cost-effectiveness

1. The cost-effectiveness of the project is a measure of its *effectiveness* and *efficiency*. While the MTE considers that this project is both effective and efficient this statement needs to be measured against the fact that the project, while it has had some notable successes in the early years (e.g. the development of protected areas system plans, protected areas financial planning and accounting), has not been able to benefit from the greater structural changes envisaged in the Project Document. These have not yet taken place and indeed one must consider that there has only been a short “window of opportunity” in which this could have been achieved, arguably since mid-2013.
2. It is important also to note that some of these structural changes were preconditions on receiving the GEF grant but at the time that the project was starting up it might have been impossible to follow these through (e.g. revenue reinjection, staff profiling, hiring and retention, delegation of management priorities and modalities to protected areas management plans, etc.).
3. Therefore the MTE looks at the efficiency and effectiveness of the project in light of the past eighteen months because this is the period where there has been a degree of stability both institutionally and nationally against which the project can be fairly judged. This is particularly important because much of the project’s outcomes and outputs requires Ministerial-level decisions[[9]](#footnote-9) and quite fundamental institutional reforms which would be extremely difficult to achieve during the first three years of the project due to the disruption first of the “*Arab Spring”*, then the Morsi Government, followed by the revolution and then allowing time for the present government to establish itself and its policies.
4. In this project effectiveness could be measured merely by the effect of project in mobilising finances to the protected areas but this would unfair, particularly if compared to the somewhat optimistic predictions of revenue funds contained in the Project Document. Particularly so when the principal source of protected areas revenues, tourism, has been dramatically reduced during the three years of political instability and are only now recovering.
5. However, it is clear that the project is now effectively driving the process of reforming the NCS and finances with a number of notable success such as development of a commercial services plan, a new (to the NCS) bidding system for commercial services within the protected areas which has increased revenues, a degree of revenue re-injection[[10]](#footnote-10) and separation of the Protected Areas Fund (PAF) from the EPF at least nominally in a registry, the EPF Board has decided on a formula for EPF revenue allocation to be included in the Ministerial Decree which is thought to allocate 70 per cent of revenues coming from the protected areas back to the NCS, the identification of additional sources of financing (e.g. the Environmental Projects Fund which is a Ministry of Planning fund), the development of a national Protected Areas Financing Strategy, training of NCS staff in financial planning, audit and reporting and most significantly the preparation of a Ministerial Decree to reform the NCS as an autonomous *General Authority.* Therefore the project is proving **effective** and in this aspect it can be judged **satisfactory.**
6. The efficiency of the project relates to a measure of how economically resources/inputs (funds, expertise, time, etc.) are converted to results. Currently budget execution stands at 19.25% which can be justified by the larger national issues surrounding the project during the first three years. However, based upon the project’s design, the PMUs performance thus far and the quality of material produced by the project, it is reasonable to state that the project is **efficient** in its use of resources and this aspect is **moderately** **satisfactory.**  This rating has to be viewed against the difficulties faced by this project during the first three years and against the AWP for 2015 which is has a planned expenditure of approximately US$450,000 based upon the outcomes of the new Decree.

### 3.1.6 UNDP comparative advantage

1. UNDP Egypt has had a long relationship with and commitment to the NCS, protected areas and biodiversity conservation in Egypt. Furthermore, it is highly possible that the project would not have been able to progress (albeit in a diminished state) as effectively as it has done during the upheavals experienced during the first two to three years of its implementation without the presence of a country office and supporting staff.
2. In this aspect UNDP has a considerable comparative advantage which is particularly evident in the relationships between the UNDP, PMU, NCS and EEAA. This has also enabled the project to interact with other projects in the UNDP-GEF portfolio (e.g. the MSB project and the NBSAP project) as well as other donor-funded projects (e.g. the Italian Cooperation project). Furthermore these arrangements have allowed this project to share administrative resources between the UNDP-GEF portfolio projects creating further efficiencies. Clearly the PMU has the confidence of the UNDP office and *vice versa* which extends to a professional-personal level which greatly improves efficiency in day to day planning and operations.

### 3.1.7 Linkages between project and other interventions within the sector

1. The PA Financing project follows on from a number of UNDP-GEF funded and other donor-funded projects most of which had ended by the time this project started. The Project Document makes it clear that all of these earlier initiatives directed at protected areas had largely been site-based and therefore this project was a logical development to a systemic approach towards protected areas management in Egypt.
2. The project has made a number of very important linkages between other interventions within the sector. Within the UNDP-GEF portfolio these include the MSB[[11]](#footnote-11) and NBSAP[[12]](#footnote-12) project which are currently ongoing and outside of the GEF framework it has established strong working links with the Italian Cooperation Project.
3. These linkages have resulted in cost sharing and greater efficiencies wherever crossover occurs in areas such as capacity building and training as well as sharing experience. In the case of the Italian Cooperation project this has resulted in considerable leveraged co-financing.
4. Perhaps the most striking feature of this has been the establishment (on the initiation of the PMU) of a working group of the four projects. Supported by the UNDP CO this meets monthly to discuss issues and establish ways in which cooperation can be increased. The establishment of this working group is a considerable achievement on the part of the project and amongst other advantages it has allowed the various UNDP projects to share resources (see section 3.1.6).

### 3.1.8 Indicators

1. A baseline and indicators with targets which provide a reasonable description of the indicators were established in the Project Document allowing the MTE to report accurately both the performance of the project and the impact it is having (see annex 3 for a detailed reporting of outcomes and indicators).
2. Section 2.4 and 2.5 have already discussed the exercise to refine the outcomes and indicators (although these have remained the same in the LFM/SRF) and an important aspect of this has been to phrase the biological indicators in terms of threats to which change can be more easily detected within the timeframe of a project. While the threats will only ever provide a proxy indicator it is still useful and although change cannot be reliably detected at the midterm (nor would it be expected) this will provide a useful measure of impact by the end of the project.
3. In terms of performance of the project in relation to biological indicators it is really the establishment of a long term monitoring programme which can be measured during the project and it is unlikely that any improvements in biological status *per se* can be reliably attributed to the project during its lifetime.

### 3.1.9 Management arrangements and implementation approach

1. UNDP Egypt is the GEF Implementing Agency and the Implementing Partner of the project is the Ministry of State for Environmental Affairs/ Egyptian Environmental Affairs Agency following the UNDP national execution modality. The NCS and the Environmental Protection Fund (EPF) are the key departments within EEAA responsible for project implementation.
2. A Project Board is established with representation from UNDP, MEA, EPF, Ministry of Tourism, Ministry of Foreign Affairs and NGOs. This provides oversight and guidance to the Project Management Unit (PMU) established and located in Cairo to manage the project and provide coordination among stakeholder organizations at central level during the project period.
3. The overall project management is **satisfactory.** As described in **section 3.1.1** the PMU was established and located in Cairo to manage the project and provide coordination among stakeholder organizations at the central level during the project period. As has already been noted the first three years of the project were constrained to a large degree by the larger nation circumstances. The Project Manager (PM) who began the project has become a technical adviser to the project in July 2013 and was replaced by two PMs; one dealing with technical issues and the other operational issues. Due to circumstances unrelated to the project the PM dealing with technical issues has gone on extended leave. However, this does not appear to have adversely affected the project.
4. The PMU consists of the PM, a Technical Adviser, Financial Administrator (this position is shared with two other UNDP-GEF projects), a Technical Officer and an Administrative Assistant.
5. The PMU appears to function well with a high level of technical competence and commitment which is reflected in many ways, for instance; with the Financial Administrator being involved in technical issues and all PMU members have a good understanding of all aspects of the project and considerable intellectual capacities to address the challenges of a rapidly evolving institutional environment. However, the NCS is about to embark on a course to becoming an autonomous General Authority. The MTE has mixed views on this (see section 3.2) and questions whether, with no reflection upon the individuals within the PMU, it will have the technical capacities which are best developed through a prior experience of this process to steer the NCS reform on such a large scale as that found in Egypt. In particular to be able to identify the risks and know if and when they are materialising in order to take appropriate actions.
6. With an equal gender balance in the PMU there are no gender issues within the project’s management. On a broader *project’s impact-*scale there are no critical issues related to gender in as much as the project is addressing protected areas financing. There will be issues related to gender where the project is interacting with local communities but apart from being aware of the issue at this level any specific internal policy would be unlikely to make a significant difference. However, the project has developed a human resources plan for the NCS and the issue of gender is notably absent from this. Arguably if the project were to address gender equality this might be the best place to target resources.
7. The quality of the executive of the Implementing Partners is **satisfactory**. This applies to the NCS and the EPF Board within the EEAA. Although the EPF Board has not made a decisive change to the distribution of the EPF fund to the protected areas it would appear that this is about to be resolved with the reformation of the NCS as a General Authority at which point the EPF will be distributed according to an agreed formula. Arguably this should have taken place much sooner according to the “triggers” and “benchmarks”[[13]](#footnote-13) set out in the Project Document but given the complex set of circumstances (changes in government, etc.) within Egypt between 2011 and 2013 such changes might reasonably have been beyond the control of the Implementing Partners at that time.
8. The project has the full involvement and support of the UNDP CO in its implementation amounting to a strong and effective working relationship. This equates to considerable time inputs, good working relationships with the Implementing Partners and a high degree of trust between them and the UNDP CO which the MTE finds to be **satisfactory**.

### 3.1.10 Coordination and operational issues

1. The very nature and scale of the project intervention makes this an unwieldy and complex project. However, there are no serious coordination and operational issues identified at the midterm. Clearly in the first three years of the project there were some quite serious issues but the MTE takes the view that, due to the circumstances, it is sometimes in the best interest of a project to simply remain in place and avoid making dramatic changes when faced with the uncertainty that existed at the time. This is particularly so in a situation where making comment or any decisive action could be construed as a political act or statement. These uncertainties could not have been foreseen during the project’s design and from around mid-2013 when the new government was installed and stability was returned the project has responded and gained momentum.

## 3.2 Project Design

1. On the whole the project design was a very reasonable, intelligent and well-researched. It identified that the protected areas system in Egypt and biodiversity conservation *per se* was chronically underfinanced and despite numerous donor-funded initiatives these remained essentially site-based and project-driven. As a result there was very little sustainability in the outcomes of these earlier interventions.
2. Therefore the project design concluded that a systemic approach was required to tackle the underlying problem of financing the sector (protected areas and biodiversity conservation). This would need to address, *inter alia;* the legal and regulatory framework, the absence of tools and mechanisms for revenue mobilization and an institutional structure which did not have experience in business planning and cost-effective management.
3. Fundamental to this approach is the restructuring of the NCS from a department within the EEAA to an autonomous institution, effectively a para-statal, General Authority.
4. Once transformed the General Authority would be, at least in theory, freed up from the constraints of general civil service employment restrictions (e.g. salaries could brought in line to reflect responsibilities and management structures of the organisation and protected areas, entering into commercial arrangements with partners, etc.).
5. These are reasonable assumptions and a coherent strategy. However, the MTE considers that there were a number of weaknesses in the strategy. Any plan will have weaknesses in it and this does not necessarily reflect badly on the designers nor does it mean that the plan is flawed. It simply means that there are places where the plan is vulnerable. While this was picked up to some extent by the projects risk matrix it is important to raise these issues here. These are:
* Autonomous para-statal conservation institutions have a mixed history of success which has been characterised more by failures to fulfil their promise than any great success stories. This is not to say that they can’t work, but to point out that so far they have had a chequered history and the few successes have been nested in stable and effective democratic systems with a high-level of public accountability (e.g. the United Kingdom[[14]](#footnote-14)). Within Africa there are only one or two para-statal wildlife agencies that are "profitable". In South Africa SANPARKS, which is in this position because it receives revenue from tourist visiting table mountain, and TANAPA in Tanzania that has Kilimanjaro as its “cash cow” or main source of income.  All others (Kenya - KWS, Zambia - ZAWA, Zimbabwe - Zimparks, Mozambique – ANAC, to name but a few) are deeply in the red and have to rely heavily on donor funding. Moreover, they are generally not independent of government because in most cases the Board is appointed by the Minister[[15]](#footnote-15). In a number of cases (e.g. Mozambique) the Minister capped by decree the level above which salaries could rise to a few per centage points above government rates. In many cases profitability is only achieved by removing protected areas or statutory duties that are unprofitable from the organisation. The implication of these issues will be discussed further in section 4.
* Regardless of whether this is the best course of action or not the project’s design underestimated the time that it would take to reform the NCS. The triggers[[16]](#footnote-16) provided in the Project Document are somewhat ambiguous as they do not mention directly an autonomous organisation and might easily relate in part to the Ministerial Decree enabling the raising of fees from protected areas. Even with the dramatically improved government conditions it has still taken over a year to bring the process to where it is now; which is an almost completed Decree to be signed by the Minister.
* The Project document made specific predications of protected areas income. Although it selected the medium forecast this has still been well above the real income of these protected areas and thus the size of the EPF. While this has been in part due to delays in implementing specific project activities there is no doubt that the current situation, and more particularly the situation in 2012 and 2013, have contributed to this shortfall. While the shortfall could not have been avoided these revenues were included as indicators and also counted as co-financing.
* It is likely that the project’s design underestimated the importance of the EPF and more particularly the contribution of the PAF to the EEAA. This fund has been used to fill the gap between the government subvention and the actual financial needs within the EEAA.
* The skills and experience needed within this project are very particular. It has elements of institutional reform, which is complex within a conservation institution because of its diverse activities and responsibilities, and financial planning, which is also highly complex when related to conservation. Without taking away from the very good work carried out by the project thus far it would have benefited from having a dedicated part time Chief Technical Adviser (CTA) throughout the project.
* Outcome 3 included “support for local community income generating activities and engagement in conservation activities”[[17]](#footnote-17) and this was reflected in the SRF as an indicator; “alternative management” and a target of “community partnership system tested in at least one protected area”. Given the high degree of dependency on protected areas for their livelihoods by local communities in Egypt this issue is important for a number of reasons not least because the protected areas resources, use, management and benefits are still regarded as a common property by many of these communities and therefore they are considerable stakeholders in any intervention intended to commercialise these resources. The fact that Egypt was developing a modest system of community0based natural resource management in St Catherine Protectorate at the time that this project was being designed makes it all the more puzzling that this was largely overlooked.

## 3.3 Implementation

1. Notwithstanding the initial problems the project faced during the first three years of its existence the project has been progressing well. However, apart from a few early successes (e.g. the protected areas system plans) this means that most of the progress has been made since early 2013 when the changes brought in by the new government settled down and brought a higher degree of stability within government *per se.*
2. The project document set out a number of “triggers” and “benchmarks”[[18]](#footnote-18) recognising that the project needed to progress in a step-wise manner. These triggers are presented below in table 4 along with the MTE’s understanding of where the project stands with regards to meeting them.
3. These triggers were somewhat *draconian[[19]](#footnote-19)* and in the world of projects arguably at odds with reality. Indeed in the MTE’s experience these would have been sufficient to “kill” most GEF projects. Had they been adhered to in their entirety then the project would likely have been cancelled, or at the very least made rushed judgements, neither outcomes would have served the purpose of the global environmental benefits. In any event they required everything to run according to plan and certainly did not anticipate the chaos and institutional inertia which resulted from the events in 2011 and 2012.

## Table 4 Triggers and benchmarks

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Trigger** | **Benchmark** | **Timing**  | **Response**  | **MTE comment** |
| Issuance of Ministerial Decree | Codification of: Revenue generation Revenue reinjection Staff profiling, hiring and retention Target financing for protected areas Delegation of management priorities and modalities to PA management plans.  | Prior to signature of the Project Document  | Signature of the project document and initiation of the project withheld until issuance of the Ministerial Decree  | A Ministerial Decree enabling protected areas to charge entrance fees (without necessarily providing an “improved service” (this was generally taken to mean that there needed to be infrastructure development etc., to justify the fee) was issued. However, given the complexity and the risks associated with reforming the NCS as a General Authority it would have been unwise to do this without the relative “safety-net” of the project. This Decree is about to be issued. |
| Internal registry system for NCS established within EPF |  | During the first 6 months of the project document signature  | Project board called for if the account is not created 6 months following project document signature  | This has been established in as much as funds paid into the PAF can be disaggregated from any other monies. This is not a difficult task as the PAF is the main source of income to the EPF.The LFM/SRF included a target for this indicator “*Independent NCS account established within EPF by end of project inception period*”. This was not created although there is much greater transparency in the EPF and this will take place with the impending reformation of the NCS. Arguably at the time of the inception and for some time afterwards this would not have been possible anyway due to the government circumstances at that time. |
| Allocation of resources to 8 PA sites according to management /business /operative plans  | Funding allocation commensurate with NCS annual requests aggregating PA needs  | During the first two years of project implementation  | Project Board at end of year 1 will take stock and recommend corrective measures.If during year 2 funding allocations do not meet requirements, project board to be called upon and corrective measures considered, including freezing of the project.  | To some extent this has taken place with an increased flow of funds to protected areas and the EPF Board looking at other sources of funding that can be channelled to the protected areas but the importance of the EPF to the EEAA should not be underestimated and this has taken time. Apparently the new Decree will have a formula for the allocation of the EPF which recognises that the EEAA still has a role in environmental management but as much as 70% of the revenues from protected areas will be returned to the NCS (or NCA as a General Authority once this is formed). |
| Endorsement of National PA financing Policy and System level Management Plan  |  | End of year 2 at the latest | Project board to consider progress 18 months from start of the project Freezing of the project in case both documents are not endorsed by end of year 2.  | The formulation of policy during the first three years of the project was extremely challenging. The policy has been developed now and is under review |
| Investment in PAs according to PA financing Policy and System level Management Plan  | As per projections to be produced during the first year of the project  | As of year 2 | Project Board to consider corrective measure including closing of the project should funding allocations be more than 10% below projections | The PA Financing Policy has been developed. There is still no system-level Management Plan although site plans have been developed for 8 PAs. Investment is starting to take place according to an agreed framework of the NCS. However, this has been constrained by the drop in revenues from the PAs and the challenges of agreeing a formula for the EPF as well as the delays in reforming the NCS as a General Authority. However, this has to be measured against the constraints related to the wider governmental conditions which prevailed through the first three years of the project. |

### 3.3.1 Adaptive Management

1. The project has had to adapt to considerable changing conditions. The events of 2010 to mid-2013 have been noted elsewhere in this report and simply keeping a project moving forwards under these conditions requires some considerable effort which could be equated to adaptive management. While there are examples of the manner in which the project has adapted (e.g. appointing two PMs, sharing administrative resources with other projects, operationalising other sources of funding such as the Environmental Projects Fund to make up for shortfalls in the allocation of the EPF, etc.) and this must be viewed in light of the fact that the project has been most effective since early 2013 when the new governmental changes began to settle down. During this time it has managed to get many of the studies and reviews in place.
2. With the enactment of the Ministerial Decree to transform the NCS into an autonomous General Authority it will enter a phase in which it will need to be highly adaptive because it is essentially entering “uncharted waters”. While there is considerable experience and history of para-statal General Authorities in Egypt; protected areas and biodiversity conservation are extremely complex and differ considerably to most General Authorities which might be tasked with providing a service or addressing a single issue of government responsibility. Conservation encompasses such a broad field that the proposed Nature Conservation Authority will effectively have to construct itself and to a large extent “make it up as it goes along”. Therefore a CTA would be highly advisable during the second half of the project in order to provide a dispassionate and objective point of view to the newly created Authority.

### 3.3.2 Work planning

1. The work planning during the early years of the project reflects the uncertainty and tensions which pervaded at that time and work progressed probably as fast as it could, given the circumstances at the time. Since then the work planning has been more rapid with a series of outputs being produced by the project. However, it remains a painful reminder that any project which requires such wide ranging structural reforms in state institutions will face uncertainties and, inevitably, delays.
2. It might be argued that the passing of Ministerial Decrees were a pre-condition for the GEF funding, which is true. Furthermore, this project had a considerable preparatory phase which should have prepared the institution beforehand. However, such a view ignores the complexity of institutional decision-making and the time necessary to bring about institutional reform, more so as from 2011 the situation was exceptional.
3. Going forward the work planning can either be stepped up (the 2015 AWP is expected already to be US$450,000) to accommodate the current under-spend in the budget or the project requests a further extension to allow necessary changes to become embedded within the institution. While the former might be more expedient from a project accounting perspective the latter is more likely to produce effective and sustainable outcomes.

### 3.3.3 Finance and co-finance

1. Budget execution has been poor. At the midterm budget execution stood at 19.25 per cent (US$ 744,252). This has been reflected in the Project Implementation Reports (PIR) and is largely due to the situation prevailing from 2010 through to early 2013.
2. The challenges of implementing the project during 2011 and 2012 are clearly reflected in the project expenditure in 2010 and 2011.

## Table 5 Budget execution

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Outcome** | **Project document** | **MTE** | **% of total** | **Variation** | **Project spending by year** |
| **2010** | **2011** | **2012** | **2013** | **2014** |
| 1 | 714,900.00 | 82,499.17 | 11.54 | 632,400.83 | 22.97 | 1,312.99 | 36,170.68 | 24,364.21 | 20,628.32 |
| 2 | 746,800.00 | 75,017.50 | 10.05 | 671,782.50 | - | 2,371.96 | 11,595.49 | 21,950.66 | 39,099.39 |
| 3 | 1,794,300.00 | 182,447.24 | 10.17 | 1,611,852.76 | - | 4,451.68 | 88,597.28 | 25,873.55 | 63,524.73 |
| Project Management | 610,000.00 | 404,288.57 | 66.28 | 205,711.43 | - | 51,314.71 | 128,829.77 | 142,589.73 | 81,554.36 |
| Total | 3,866,000.00 | 744,252.48 | 19.25 | 3,121,747.52 | 22.97 | 59,451.34 | 265,193.22 | 214,778.15 | 204,806.80 |

* Budget and expenditure includes GEF and UNDP fund.
* Numbers according to CDR 2010, CDR 2011, CDR 2012, CDR 2013, CDR mid-2014 and expenditure sheet July – September 2014
1. It is not possible to draw any conclusions about specific outcomes because all three outcomes appear to have been affected similarly. The main constraint now is the reformation of the NCS to a General Authority. Once this goes ahead it should be possible for the project to proceed more efficiently. This can be seen in the 2015 AWP which is forecast to be US$450,000 in anticipation of the Ministerial Decree passing before the end of 2014 or in early 2015.
2. Based upon this and the reasons advanced for the delays there is clearly a case for extending the project. A one year extension has already been approved but given the budget remaining it would be advisable to give the project more time to implement the project rather than rush to “get things done”.
3. The co-financing is more complicated. The Project Document established a complex system of co-financing including funds generated by the protected areas and collected in the EPF as co-financing. This appears to include re-injected funds which are also considered as co-financing:

*“A first step in this direction took place during the preparation of the PIF for this project, when it was agreed an equivalent sum to the revenues generated by PAs – which totaled $4.76 million in 2007/08 – would be made directly available as co-financing for the present project.[[20]](#footnote-20) The equivalent of $13.8 million in Egyptian Pounds, (US$1= EGP 5.6), cash co-financing agreed to at the time of PIF signing represents re-injected PAs revenues of approximately $2.3 million per year, which is the equivalent of nearly 50% of 2007/08 PA system revenues. By comparison, during the three-year period from 2005/06 to 2007/08, less than 20% of revenues generated were re-injected”.[[21]](#footnote-21)*

1. When presented in the co-financing table these appear as forecast revenues and not actual revenues, although this point is not made explicitly clear (e.g. of the revenues were not raised then the co-financing commitments could not be adhered to). Furthermore, while the Project Document recognised that the EPF supported a wide range of EEAA activities and not just the protected areas, but it would seem to have underestimated just how important this fund is to the EEAA partly due to its flexibility in funding areas of the EEAA which are not covered by the government subvention but are still critical to its effective operations.
2. Therefore the cash co-financing expected from the EPF was US$ 13,800,000 from re-injected funds or the “*equivalent of nearly 50% of 2007/08 protected areas revenues”.* However, these revenues dropped during between 2010 and 2012. From EGP 30,681,018 in 2009 - 2010 to EGP 17,871,163 (2010 - 2011), EGP 16,535,103 (2011 – 2012) and EGP 19,279,387 (2012 – 2013). Therefore it is important to remember that the co-financing was a forecast and not actual revenues. Any reduction in protected areas revenue was likely to be felt equally hard between the NCS and the EEAA because the latter depends heavily on this fund.
3. However, the project (including the EEAA and the EPB Board) have maintained levels of co-financing as much as possible including identifying other sources of government funds which can be utilised by the project including the Environmental Projects Fund controlled by the Ministry of Planning and private sector co-financing (e.g. in Wadi el Gamal National Park).
4. Therefore during the midterm evaluation the following co-financing has been identified:

## Table 6 Co-financing at MTE

|  |  |  |  |
| --- | --- | --- | --- |
| Source | Type | Amount (US$) | Period |
| Government | Cash | 7,776,783.88 | 2011 $1,341,000 directly by Government2012 $1,290,909 directly by Government2012 $300,033 transferred to project account2013 $1,456,666 directly by Government2014 $1,565,714 directly by Government2014 $1753938.61 transferred to Ministry of Housing2014 $68,521 transferred to project account |
| Private (Veronaland Company & KfW) | Cash | 496,264 | Identified  |
|  | Total | 8,273,047 |  |
| Government | In-kind | 252,000 |  |
|  | Total cash + in-kind | 8,525,047 |  |

1. On this basis the co-financing identified during the MTE (although this is not the midterm of the project because of the delays) amounts to approximately 50 per cent of the co-financing agreed to at the outset of the project. However, not all of this has been utilised from the EPF and re-injected protected areas revenues but comes from other sources leveraged through the project.
2. This is an important point because revenue retention and re-injection is an important principle of what the project is trying to achieve. On the other hand the EEAA has stated that a revenue sharing formula for the EPB has been agreed which will re-inject 70 per cent of the protected areas revenues once the NCS has been reformed as a General Authority. However, this will not occur until the Decree is signed by the Minister.

### 3.3.4 Monitoring systems

1. Project monitoring and evaluation has been conducted in accordance with established UNDP and GEF procedures and has been provided by the PMU and the UNDP Country Office (UNDP-CO) with support from the UNDP/GEF Regional Coordination Unit for Arab States[[22]](#footnote-22). The LFM/SRF provides performance and impact indicators for project implementation along with their corresponding means of verification. The METT, Financial Scorecard and Capacity Assessment Scorecard have been used as instruments to monitor progress in protected areas management effectiveness.
2. In addition to this the progress and performance of the project is monitored through the inception report, PIR, quarterly and annual review reports, the current mid-term and final evaluation to be conducted at the close of the project.
3. The inception report and the early PIR are weak in their reporting although the PIR are now providing an accurate and concise feedback.

## Table 7 Project monitoring and evaluation

| **Type of M&E activity** | **Responsible Parties** | **Budget US$***Excluding project team Staff time*  | **Time frame** |
| --- | --- | --- | --- |
| Inception Workshop  | * Project Coordinator
* UNDP CO
* UNDP GEF
 | 10,000 | July 2011  |
| Inception Report | * Project Team
* UNDP CO
 | None  | June 2011 (4 months after start up). Inception report recognised constraints but was weak in providing workable solutions |
| Measurement of Means of Verification for Project Purpose Indicators  | * Project Manager will oversee the hiring of specific studies and institutions, and delegate responsibilities to relevant team members
 | To be finalized at Inception Phase and Workshop. Indicative cost: 115,000. | Start, mid and end of projectMETT, Financial Scorecard and Capacity Assessment Scorecard |
| Measurement of Means of Verification for Project Progress and Performance (measured on an annual basis)  | * Oversight by Project Manager
* Project team
 | To be determined as part of the Annual Work Plan's preparation. Indicative cost: 8,000 (annually); total: 48,000 | Annually prior to ARR/PIR and to the definition of annual work plans  |
| ARR and PIR | * Project Team
* UNDP-CO
* UNDP-GEF
 | None | Annually-September 2011-August 2012-August 2013-August 2014 |
| Steering Committee | * Project Team
 | None | Yearly-2nd of November 2011-30th of January 2013-12th of February 2014 |
| Quarterly progress reports | * Project team
 | None | Quarterly |
| CDRs | * Project Manager
 | None | Quarterly |
| Issues Log | * Project Manager
* UNDP CO Programme Staff
 | None | Quarterly |
| Risks Log  | * Project Manager
* UNDP CO Programme Staff
 | None | Quarterly |
| Lessons Learned Log  | * Project Manager
* UNDP CO Programme Staff
 | None | Quarterly |
| Mid-term Evaluation | * Project team
* UNDP- CO
* UNDP-GEF Regional Coordinating Unit
* External Consultants (i.e. evaluation team)
 | 40,000 | At the mid-point of project implementation.Currently underway November – December 2014  |
| Final Evaluation | * Project team,
* UNDP-CO
* UNDP-GEF Regional Coordinating Unit
* External Consultants (i.e. evaluation team)
 | 100,000  | At the end of project implementation |
| Terminal Report | * Project team
* UNDP-CO
* local consultant
 | 0 | At least one month before the end of the project |
| Lessons learned | * Project team
* UNDP-GEF Regional Coordinating Unit (suggested formats for documenting best practices, etc.)
 | 18,000 (average 3,000 per year) |  |
| Audit  | * UNDP-CO
* Project team
 | 18,000 (average 3,000 per year)  | Not on a regular basis. Time TBD; Once in 2012 with ‘no findings’ |
| Visits to field sites  | * UNDP Country Office
* UNDP-GEF Regional Coordinating Unit
* Government representatives
 | Paid from IA fees and operational budget  | UNDP CO in regular (weekly) contact with PMU and Implementing PartnersRegional Coordinating Unit one visit in 2011PMU in regular (weekly & daily in some instances) contact with MEA, EEAA, NCS |
| TOTAL INDICATIVE COST (Excl. project team staff time and UNDP staff and travel expense | US $ 349,000 |  |

1. The LFM/SRF provides a reasonable set of indicators for tracking both the performance and the impact of the project and the METT, Financial Score Card and the METT, Financial Scorecard and Capacity Assessment Scorecard have been used regularly by the project.
2. However, it should be noted that an indicator for the objective included monitoring flagship species in protected areas with a target of “flagship species in PAs of terrestrial biomes recover or maintained”. The inclusion of biological indicators in a project of this duration and within these ecosystems is fairly meaningless. These might be long term indicators and targets but within the lifetime of the project it is not feasible to detect change as a result of the project intervention on these timescales. In instances such as this it better to select a proxy indicator such as measuring the reduction of threats etc.
3. The monitoring and evaluation of the project is critical in ensuring that the management is adaptive. However, an important point to make, and one which the Evaluator has made before in a number of projects encountering similar circumstances (e.g. the prolonged crisis in government), is that at such times there is not much that can be done by the project partners and the UNDP CO. Therefore, it is quite reasonable to simply have the project there until the circumstances change. To try to force change at such times can be counterproductive resulting in poor decisions and unsustainable solutions to problems which might not be easily addressed until there are larger external changes taking place.
4. For example, during 2012 a local Governorate decision was made making it impossible to charge fees in WGNP. Given the circumstances at this time it would have been extremely risky to challenge such a decision, indeed it might have carried some risk to anyone who did question the decision. While the MTR realises that “sitting on one’s hands” until circumstances change is not a view of adaptive management shared by everyone in this instance it seems that it was the right course of action.
5. However, as the governmental situation settled down aspects of adaptive management are apparent between the PIR and subsequent action. For instance there is a recognition that the PMU staffing, given the complex and highly technical nature of the project, needed to be adjusted. The Project Manager became a Technical Adviser and two Project Managers were appointed; one dealing with technical issues and the other with project and administrative issues[[23]](#footnote-23).
6. In other areas the project has used the METT to identify issues and take action. In Ras Mohammed National Park the METT score showed a decline from a score of 69 in 2009, this was due to the considerable reduction in the government budget from $180,000 to $90,000 and the rapid decline in visitors. Probably as a consequence the park lost ten of its highly qualified staff (either moving to other protected areas or taking another job outside Egypt). The visitor’s facilities in the protected area also deteriorated. Immediately, the project took corrective action to overcome this with effective coordination between the EEAA, EPF and UNDP; $1.15 million was released for Ras Mohamed to improve visitor facilities and support the management.
7. Another aspect of this is less visibly documented and involves the iterative process taking place within the EEAA, driven by the project *per se* and facilitated by the PMU. This has been a complex and ongoing discussion as to how the EEAA and the NCS can achieve the outcomes and objectives of the project. For instance when it appears that it was just not possible to meet the financing needs from for the protected areas from the EPF it was still possible to meet some of those financial needs through a different Environmental Projects fund available from the Ministry of Planning. While this still doesn’t address the issue of re-injecting funds it shows a degree of thinking around a problem which is essentially been driven by the project.
8. Importantly the new government in Egypt is placing considerable emphasis on the accountability of governmental institutions and a drive to “get things done”. The project is keying into this process and provides a useful opportunity to embed a culture of monitoring, evaluation and adaptation within the NCS. While this is not immediately obvious from the PIRs (although some examples have been cited above) and it is important to consider that this has only been possible since early 2014 when the larger national situation settled down, the MTR would anticipate seeing more of this dynamic management taking place in the future through the Project Board.
9. The adaptive management process; monitor, evaluate and adapt has to be seen against the backdrop of the first three years of the project in which it was often difficult to make any decision because of the resulting confusion and “institutional stasis”
10. The monitoring and evaluation plan as described in the Project Document was **satisfactory** although the triggers and benchmarks were unlikely to be adhered to**. The implementation of this plan, despite some shortcomings in the early years of the project is now considered** satisfactory and the overall quality of the monitoring and evaluation is now **satisfactory**

### 3.3.5 Risk management

1. The Project Document identified a number of risks which are presented in table 8 below. On the whole the MTE feels that the assessment was a reasonable one and the events of 2011, 2012 and 2013 could not have been foreseen. A political risk was included but it was not at the magnitude of the events that promptly unfolded. It is also important to note that these events are, in the long term, likely to have a positive impact upon the project with greater governmental accountability and a drive to make institutions work. However, in the short term they have exerted a disruptive influence upon the project.
2. The MTE also raises the issue of reforming the NCS as an autonomous General Authority. Tis has been discussed in section 3.1.8 and is reiterated here. There are considerable risks related to this (there are very few examples where similar initiatives have worked as well as was anticipated and a number of spectacular failures) and it is critical that these are fully understood by the project and the NCS if they are to be avoided.

### Table 8 Risk, ratings, mitigation and MTE assessment

| **From Project Document** | **MTE comments** |
| --- | --- |
| **Risk**  | **Risk rating** | **Risk mitigation strategy** |
| **Financial risk:** Tourist sector revenue fluctuations affect revenue generation at PA sites and system. Egypt’s tourist industry has in the past been subject to fluctuating demand. External conditions affecting the industry may have resulting impacts on revenues generated through user fees. | Medium | * Revenue generation efforts will extend beyond user fees to include concessions, together with a series of mechanisms that are ‘new’ to Egypt, thereby ensuring diversification of the system’s revenue generating portfolio and increasing its resilience to financial shocks in specific sectors;
* Financial planning skills will be raised to ensure planning for possible ‘lean’ years;
* Continued State Budget support will provide an additional cushion and will help meet basic PA management costs
 | * The MTE broadly agrees with the rating and the mitigation. However, it should be noted that the almost 50% reduction in protected areas revenues during 2011, 2012 and 2013 should be a salutary warning against complacency.
* While financial planning can ensure against “lean” years it is going to be very difficult for the newly reformed General Authority to build a surplus given that there is a chronic backlog of investment needs.
* While there will be continued State Budget support this is unlikely to increase and thus will be reduced by inflation over time.
 |
| **Strategic risk**: Resource mobilization becomes an end in itself rather than a means to an end | Medium | * Ecosystem and species status monitoring is incorporated at the objective level and also as one of the outcomes of the project. This is intended to ensure resource mobilization is: (i) channelled for conservation, and (ii) does not lead to excessive loads on carrying capacity and impacts on GEBs.
 | * The MTE agrees that this is a reasonable mitigation but cautions that in other countries which have chosen this route this has not always been the case and there is tremendous pressure to demonstrate profitability which will be hard if not impossible to achieve. Greater efficiency and value for money will be easier and many of the statutory duties and even the protected areas will never be profitable through a simple accounting exercise but it is extremely hard to account those greater, non-pecuniary benefits
 |
| **Political risk**: Change in leadership in relevant governmental bodies could have unforeseen impacts, e.g., reducing support for extension or increases of user fees or for re-injection of revenues | Low | * Triggers and benchmarks will ensure that the policy agreements reached during the PPG and Inception Phases remain in place
* The ministerial decree and other policy and institutional instruments pursued under component 1 of the project will ensure the viability of the systems in the face of political changes and pressures.
* The communication and awareness efforts supported by the project will ensure support and understanding for the project within concerned institutions; specifically on willingness-to-pay and other issues associated with elasticity of demand with respect to user fees will enable the proposed changes to be supported throughout the lifetime of the project.
 | * This was indeed the case. The magnitude of these changes could not have been anticipated and it is important to stress that the current situation is generally in favour of the project’s objective with a drive to make government institutions work more efficiently and effectively creating a broad political support.
 |
| **Operational risk**: Limited local expertise to carry out implementation | Low | * For project implementation purposes, a combination of national and international expertise is envisaged to provide the technical competencies and skills necessary. However this external expertise is not deemed sustainable and support will include transfer of knowledge, mentoring and training of NCS staff.
* Training and on the job training / and capacity building will be a significant project activity to instil new skills and competencies within the NCS outfit
* For the long-term, the Ministerial decree will provide additional flexibility to enable NCS to recruit highly qualified staff, in particular in areas that are currently not recognized as relevant expertise for NCS.
 | * The MTE agrees with the mitigation and the project has made good use of excellent national technical expertise, most notably in dealing with issues such as the financing strategy and the establishment of an autonomous General Authority. However, the MTE also notes (section 3.2) that this project is technically highly complex and requires specific skills and more importantly experience which would benefit from a substantive (part time) CTA who has had experience of similar institutional restructuring because conservation is more complex and wide ranging than most other restructuring processes.
 |
| **Financial risk**: Financial instability and unexpected exchange rate fluctuations | Low | * Financial outlook for Egypt is stable and any fluctuations are unlikely to affect project activities;
* As part of the annual reporting, the financial situation of the project will be tracked and project interventions adjusted in accordance with changes/ fluctuations. Such modifications will be reported to the GEF through the PIRs.
 | * The MTE considers this risk to be higher, at least medium, if not high. In 2011, the country inherited a considerable fiscal deficit and gross public debt (domestic and external) which has risen to nearly 100% of GDP by the middle of 2013. The need for fiscal and economic reform, the lack of inward investment in the country as a result of the tensions in the region per se has resulted in very low growth rates. Social frustrations are mounting and the unemployment rate had reached 13% by June 2013. More than 75% of the unemployed are between 15 and 29 years of age[[24]](#footnote-24). Economic growth and employment therefore dominate political thinking and are an overriding factor of government and political decision-making. This is likely to have a profound effect on the project. While this is proving to be positive at the moment a reformed, autonomous NCS would be vulnerable to many of the externalities with less of a “safety net” and there would be considerable pressure to increase profitability in a sector where there are many critical responsibilities which can never be profitable in purely pecuniary terms.
 |
| **Climate change risks**: Egypt is one of the global hotspots in terms of vulnerability to climate change. In particular, coral reefs are suspected (not yet proven bleaching) to be sensitive to climate change and lessepsian migration is partly attributed to the warming of the eastern Mediterranean. Climate change impacts on terrestrial species and ecosystems is yet to be determined.  | Low/Medium | * Climate change risks are likely to affect Egypt’s protected areas individually and as a network over the long term. The ecosystems and species monitoring system will address potential climate change impacts (on corals and migrating bird species in particular) and track changes in species range in terrestrial protected areas.
* While the project is designed to address financial sustainability as a primary objective, this monitoring system will feed into the national PA planning and management framework of the NCS and recommend expansion/modifications to the system as needed.
* Entrance fee levels are intended to reduce visitation impacts on key and vulnerable biodiversity; this management approach is expected to subsequently reduce the vulnerability of such species and ecosystems to external pressures, such as climate change.
* Additional GoE/UNDP interventions in the Red Sea State will provide an analysis of key vulnerabilities and potential adaptation measures.
 | * The MTE agrees with the risk assessment and mitigation statement.
 |

### 3.3.6 Reporting

1. Reporting has been, on the whole good. The inception report was, understandably given the circumstances at the time, weak in providing solutions to the problems identified. However, the MTE notes that, and it is an important point, there might not have been any solutions available at that time given the general confusion and disruption. In the same vein, the PIR for 2011 and 2012 are short on information however in 2013 the reporting picks up and at the midterm it is satisfactory.
2. The project has been under-reporting co-financing but this is because it has not been reporting leveraged co-financing which has been recorded in the MTE.

## 3.4 Progress toward Results

1. At the risk of becoming repetitive, progress was slow during 2011 and 2012. The project did what it could under the circumstances (e.g. the protected areas site system planning and financial planning, etc.). However, the larger structural changes which are critical components of the overall intervention strategy were delayed.
2. However, by the time of the MTE these appear to be taking place and at some considerable pace with the Decree which will create the General Authority out of the existing NCS near completion and ready for signing by the Minister.
3. The progress against objective, outcomes and outputs is provided in detail in annex 3.

### 3.4.1 Attainment of objectives

1. Despite starting in 2010 there has really only been a short window of opportunity since early 2013 when the project could operate at full capacity. This is reflected in the achievement of outputs and outcomes at the midterm point and the poor budget execution. However, these achievements are encouraging and show a determination on the part of the PMU and the Implementing Partners to “get the job done”.
2. Having said that the project is now performing well it is also clear that it will not be able to complete all the tasks in the time remaining. This is compounded by the need to bring about institutional change which can be slow. However, it is critical that the project has more time to support this process rather than rushing to complete in time for the currently planned closure in January 2017. A further two years’ extension (until January 2019) is recommended in order to support the reform process as many of the challenges will only begin with the creation of the autonomous General Authority.

### 3.4.2 Sustainability

1. Sustainability at this point is hard to determine. Based upon similar exercises in other countries there are clearly numerous risks and pitfalls. It would be important to stress that the NCS appears to have the determination to make this work and through the project there is the opportunity to acquire the necessary skills and tools to do so. However, the General Authority will be at its most vulnerable for the first few years and, as discussed in section 3.4.1, this is when the support of a project will be most critical.

#### 3.4.2.1 Financial resources

1. The Project Document states that “*the project interventions are specifically geared to lift barriers preventing the financial sustainability of protected areas management in Egypt. Projections undertaken during the PPG, which build on scenario planning[[25]](#footnote-25) undertaken by the NCS, indicate that at the end of the project 64% of the optimal scenario will be secured”.* It further stated that “*the project also proposes some policy, institutional and legal reforms that will ensure the reinvestment of protected areas revenues into the system, therefore increasing prospects of financial sustainability. However, given that there are risks that these measures may not be implemented in a timely manner, a set of triggers has been appended to the project to ensure the PA system is set on the right track towards financial sustainability”[[26]](#footnote-26)*.
2. As already discussed in section 3.3 had these triggers been rigorously applied the project might easily have been closed at an early stage which would have been counterproductive. It is not clear to what extent the NCS spending is meeting the optimal scenario. However, the “benchmarks and triggers” provided in the Project Document are now largely being met or are about to be achieved.
3. The performance of the PAF and the EPF have demonstrated how difficult it is to predict with any certainty the financial resources which will be available in the future. It has demonstrated just how vulnerable the process of reforming an institution can be to externalities.
4. However, the project is, and further intends to develop mechanisms and tools for ensuring financial sustainability. Therefore the MTE cautiously considers that the sustainability of this aspect of the project is **moderately** **likely** but also cautions that expectations of the reformed NCS should be tempered and the creation of an autonomous General Authority is not without risks which will need to be monitored very carefully.

#### 3.4.2.2 Socio-political sustainability

1. The Project Document states that:
2. *As indicated in the stakeholder engagement plan, resource users and local community groups will be particularly engaged in decision-making processes at sites where they are affected;*
3. *Depending on the situation of each individual protected area, the management plan and approach will involve resource users, local communities and other stakeholders to ensure full consensus on the management approach and proposed measures to conserve and manage protected areas. In addition, new management modalities and co-management approaches will be supported at policy and applied in ways that are acceptable within the Egyptian context.*
4. *A key positive effect of the project will be in terms of the social impact of mining and other extractive and productive activities in protected areas. For example, through the involvement of NCS in the negotiation of concession agreements, tradeoffs and other contracts, it is expected that economic and environmental standards will be better applied and therefore impacts on social groups will be reduced.*
5. *Benefit sharing modalities, with local resource users, local authorities and other stakeholders, will be explored and set up during project implementation. As resource access and economic benefit often constitute primary motivations against protected areas, these two aspects will be duly assessed and mitigated during project implementation.*
6. *Finally, community-based natural resource management approaches, building on the on-going UNDP/GEF project in St Katherine and on the expertise developed within the NCS will be promoted and applied at diverse sites and in particular at sites where local communities constitute resource user groups that may be deprived from access to resources.*
7. While the above assessment deals mostly with what might be broadly termed “the local community” the Project Design did not contain any substantive means to carry out these activities. Indeed it is relegated to one line in the project’s LFM/SRF. Global, and indeed Egyptian, experience has demonstrated that this process requires much more than this sort of statement. The fact remains that a very high proportion of Egypt’s protected areas are an important component of local communities’ livelihood strategies and they are heavily dependent upon these areas.
8. The site level management plans do appear to have addressed this to some extent and arrangements with local communities do appear to be included in these plans and protected areas managers appear to be very supportive and in some instances technically qualified to develop quite sophisticated systems. However, this has not been supported by any broader policy framework (as opposed to individual site management plans) to ensure that these local communities are given greater security where their livelihoods depend upon these areas and their resources.
9. This is an important point because a reformed NCS will be under significant pressure to maximise revenue from the protected areas, the private sector will also apply considerable pressure to legitimately obtain concessions; all of which might further disadvantage these local communities. While there is no evidence that this happening at present it remains a significant possibility and community-based initiatives would need to be more clearly supported in the Project Document to support the statements given above. A concern would be that without a robust policy framework in place a reformed NCS, the private sector and local communities could find themselves competing with each other in the protected areas. Therefore the MTE cautiously considers sustainability of this aspect of the project is **moderately** **likely.**

#### 3.4.2.3 Institutional framework and governance

1. The Project Document is more optimistic about the institutional sustainability. Again, the MTE is more cautious given the earlier comments and examples from elsewhere when state conservation organizations have reformed as autonomous authorities or similar. While the MTE broadly agrees with the Project Document’s conclusions that: “*institutional sustainability will be secured in two ways: (i) as the executing agency for the project, NCS capacities to sustain protected areas management will be directly developed by the project; (ii) institutional sustainability is usually undermined at the end of projects by lack of financing to perpetuate and continue with efforts initiated by projects*”. The MTE has reiterated the risks associated with this approach and can only provide a cautious **moderately** **likely** assessment of institutional sustainability not least because the General Authority is yet to be formed.

#### 3.4.2.4 Environmental sustainability

1. The project document commented: *“There is always a potential for protected areas financing projects to shift focus from conservation and management to resource mobilization at the expense of natural assets. This is a key reason why one of the outcomes of the project relates to the establishment and adoption by the NCS of social and environmental safeguard measures and monitoring system; similarly, objective-level indicators relate to ecosystem health, species and functions. These element should help to curb potential tendencies to prioritize resource mobilization. In the context of this project, feedback mechanisms and management effectiveness tracking tools will also specifically safeguard natural resources and ensure their sustainability. As and when necessary, in particular for outcomes 2 and 3, environmental and social impact assessments will be undertaken in line with UNDP’s Program and Operations Policies and Procedures (POPP) and Egyptian national legislation, in order to avert negative impacts of investments on ecosystems and species”.*
2. Once again the MTE is cautious in judging the environmental sustainability and would need to understand in more detail the way in which the proposed General Authority will eventually work. As has already been discussed similar initiatives in other countries have, on the whole, not delivered the promised benefits. However, this will only become apparent once it has been operating for some time which is one reason why the MTE is recommending a substantive part time CTA to guide the project and the NCS through this reform process.
3. On the other hand the project is instituting a number of tried and tested mechanisms (e.g. protected areas entrance fees, concessions, opportunities to develop PES schemes, etc.) which will likely increase the revenues available for conservation and therefore its environmental sustainability is considered **moderately likely.**

#### 3.4.2.5 Overall likelihood of sustainability

1. Clearly the MTE has taken a less optimistic view than that of the Project Document of the likely outcomes from this project. This is a judgment based on similar experience in other countries and on the events that have surrounded the project thus far which clearly demonstrate that there are many uncertainties and unknowns which could easily derail this process. A **moderately likely** sustainable outcome is reasonable given the delays and the progress to date and should serve as a cautionary note to those involved that this process will not be an easy one, but the MTE does not rule out it being a successful one.

### 3.4.3 Contribution to upgrading skills of national staff

1. The project has and continues to make a very considerable contribution to upgrading the skills of national staff. This is clearly seen at the level of the protected areas with management planning, record keeping, accounting and (very importantly) financial analysis and planning, it is evident in the training provided to the NCS in terms of financial planning, budgeting, reporting and auditing and by providing high quality technical assistance to the NCS during the process of reforming the organisation.

# Conclusions, Recommendations & Lessons

1. The Protected Areas Financing project has spanned a period of considerable uncertainty in Egypt. This has impacted considerably upon the performance of the project. However, with the removal of this uncertainty in early 2013 the project has begun to perform very well. However, as a result of this it is behind schedule and has had a poor budget execution.
2. The project is highly relevant to biodiversity conservation in Egypt because it is taking a systemic approach and addressing the problem of chronic under-financing of the sector.
3. It is introducing a number of tools and mechanisms to increase revenue generation and mobilise resources within the sector as well as building the capacities of the NCS to improve financial management.
4. Critically it depends upon the reform of the NCS into an autonomous General Authority as a means to fee the organisation from the constraints imposed by the civil service structure and to allow it to be more efficient in generating and retaining revenues.
5. This approach is reasonable but the MTE raises a note of caution based upon the experience of other countries which have gone down this route. While there are very good reasons why it could work it is important to remember that in many instances creating an autonomous organisation for protected areas management and biodiversity conservation has often failed to deliver the anticipated benefits.
6. It is reasonable to state that this project has achieved a **satisfactory** level in its implementation and execution. Despite the many challenges which it faced in the first three years it is now performing well. In particular it has:
* Considerable intellectual capacities to address the challenges of a rapidly evolving institutional environment.
* It is clearly beginning to gather momentum and has the support of the NCS within which it seems to be very closely embedded.
* It appears to have the confidence of high-level decision-makers involved in the sector and the reform of the NCS.
* Importantly it is, and this is impossible to build into any project, *in the right place at the right time*.
* Is providing an important services to the Ministry of Environment, Egyptian Environmental Affairs Agency, and the NCS in navigating the difficult and largely uncharted waters in reforming the institutional framework for nature conservation in Egypt.
* It has developed a number of high quality outputs (e.g. the strategic plan, protected areas system plans and financing plans, etc.) which will contribute to the outcomes and overall objectives.
* It is tackling an issue, finance, which has negatively affected nature conservation and the protected areas system in Egypt for as long as people can remember.
* It has the full involvement of the UNDP CO in its implementation amounting to a strong and effective working relationship.
1. However, it has not:
* Progressed as far as it was anticipated in the project’s design by the time of the MTE,
* It has lost valuable time at the beginning of the project and is now faced with catching up before the project closes in January 2017 which presents a number of risks because it is addressing issues off institutional reform which will take time and will need supporting.

## Recommendations

1. Based upon this understanding the MTE provides has the following recommendations:

**Recommendation 1:** The decision by the Minister as to the future of the NCS (either as a General Authority or remaining as a component of the EEAA) is made quickly and openly communicated to remove any uncertainty. For the purposes of project planning this decision should be communicated to UNDP by the end of November 2014 in order to facilitate the development of the next Work Plan dues in January 2015.

The actual implementation of this decision, if it is in favour of an autonomous authority, can be delayed to allow the NCS and the project to put in place what measures are necessary to ensure that the transition phase is completed with many of the components already in place (it is noted that much of this process is already understood by the NCS but it is would be beneficial to drive through as much of the reform process as practicable before the decision is enacted).

**Recommendation 2:** Should the decision by the Minister be in favour of an autonomous General Authority the project should engage a substantive (part time) external technical assistant to support, in particular, the Chief Executive Officer (CEO). The transition will not be smooth regardless of the best planning in the world and any autonomous authority charged with both economic activity and meeting the larger public good of biodiversity conservation will throw up challenges to which there are not any “text book” answers. An independent external view point will be critical during this process of change.

**Recommendation 3:** The project based upon the decision of the Minister should develop its 2015 work plan in close collaboration with the NCS and depending upon the decision of the future of the NCS. The work plan should be aligned with the outcomes of the projects results framework and be based upon the decision regarding the future of the NCS. Furthermore it should be fully participatory with the NCS.[[27]](#footnote-27)

**Recommendation 4:** The project, depending on the strength of any decision with regards the future of NCS moves immediately to request a 24 month extension making the project’s end date January 2019. The reform process should not be rushed and there are many things, known and unknown, which could derail the process and need to be supported by the project.

**Recommendation 5:** The project carries out an institutional financial planning exercise ahead of the transformation of the NCS (this is dependent upon the decision on the NCS) using the templates developed during the site system planning to predict the financial needs and develop a plan to address these of an autonomous authority.

**Recommendation 6:** The project should, with the assistance of the NCS begin to track the NCS expenditure as a means to evaluate the project’s impact on mobilising funds for the sector so that these can be compared with the optimum scenario predictions contained in the Project Document during the Final Evaluation.

# 5. Annexes

### Annex 1 Terms of Reference

Terms of Reference for Mid-term Evaluation of

UNDP Global Environment Facility (GEF) Project

Strengthening the Financial and Management System of Protected Areas

INTRODUCTION

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, 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. At least 143 species of threatened animals are to be found.

Three main categories of persisting threats and associated causes of biodiversity loss have been identified. These are: (i) conversion and/or destruction of natural habitats; (ii) degradation of natural habitats, and; (iii) unsustainable utilization of biodiversity resources. Protected areas have a potentially critical role to play in reducing the above threats to Egypt’s biodiversity. Egypt’s system of protected areas (PAs) is divided geographically into five management units: Sinai, Cairo, Western Desert, Red Sea and Upper Egypt. Currently, Egypt’s 27 PAs cover 148,023 km2, or about 15% of the nation’s total land area.

The proposed long-term solution for biodiversity conservation of Egypt’s protected areas is an effective and sustainable PA system operated by an autonomous NCS that has the financial wherewithal and management capacities needed for effective management. The foundation of the long-term solution is a sustainable financing system resting on the following three pillars: (i) Legal, regulatory and institutional frameworks that support sustainable PA financing; (ii) Tools and practices for revenue generation and mobilization, and; (iii) Business planning and other tools for cost-effective management.

The project objective is the establishment of a sustainable protected area financing system, with associated management structures, systems and capacities needed to ensure the effective use of generated revenues for priority biodiversity conservation needs. It will achieve this objective by strengthening each of the above pillars as follows:

Outcome 1: Legal, policy, regulatory and institutional frameworks that facilitate revenue generation, revenue retention and other aspects of sustainable PA financing and management are established and functional.

Outcome 2: Levels of financial resource mobilization are adequate to ensure effective conservation-oriented management of Egypt’s PA system.

Outcome 3: Business planning and cost-effective management systems are ensuring the effective allocation and management of mobilized resources.

OBJECTIVES OF THE EVALUATION

This mid-term evaluation is initiated by UNDP Egypt and will be conducted in accordance with established UNDP-GEF procedures two years into the project process.

The overall purpose of the evaluation is to assess the efficacy of the project, identify potential project design problems, assess progress towards the achievement of objectives, identify and document lessons learned, and to make recommendations to improve the project.

The Mid-Term Evaluation serves as an agent of change and plays a critical role in supporting accountability. Its main objectives are:

1. To strengthen the adaptive management and monitoring functions of the Project;
2. To ensure accountability for the achievement of the UNDP/GEF objective;
3. To enhance organizational and development learning;
4. To enable informed decision-making;

The mid-term review will assess the overall performance of the project against the baseline data set at the beginning of the project.

1. **Evaluation Audience**

This Mid-Term Evaluation of the UNDP/GEF Project is initiated by UNDP as the GEF Implementing Agency. It aims to determine progress being made towards the achievement of outcomes and will identify course corrective actions, if needed.

It aims to provide managers with strategy and policy options for more effectively and efficiently achieving the project’s expected results and for replicating the results. It also provides the basis for learning and accountability for managers and stakeholders.

The Evaluation will highlight issues requiring decisions and actions; and will present initial lessons learned about project design, implementation and management.

1. **Scope of the Evaluation**

The scope of the evaluation is expected to cover the following:

* Review of the status of the project activities and the possibility of achieving all the outcomes in the given timeframe, taking into consideration the speed at which the project is proceeding. Review of the effectiveness of the project implementation and the use of its financial resources, including adaptive management applied for the revision of the project implementation mechanisms and other actions to overcome the obstacles identified during the implementation of the project,
* Review the current monitoring procedures and methodologies in place,
* Assessment of co-financing and leveraged resources,
* Provide recommendations for actions necessary for the long-term sustainability and replicability of the project achievements,
* Provide recommendations on any changes needed arising from project deficiencies or changed circumstances (e.g. policy environment, climate finance instruments, technology prices and availability), including the finalization of a concrete action plan to address the eventual pending needs or possible corrective action.

Project concept and design

The evaluator will assess the project design. He/she should review the problems addressed by the project and the project strategy, encompassing an assessment of the appropriateness of the objectives, outcomes, outputs, planned activities and inputs as compared to cost-effective alternatives. The executing modality and managerial arrangements should also be judged. The evaluator will assess the achievement of indicators and review the work plan, planned duration and budget of the project.

Implementation

The evaluation will assess the implementation of the project in terms of quality and timeliness of inputs and efficiency and effectiveness of activities carried out. Also, the effectiveness of management as well as the quality and timeliness of monitoring and backstopping by all parties to the project should be assessed. In particular, the evaluation is to assess the Project team’s use of adaptive management in project implementation.

Project outputs, outcomes and impact

The evaluation will assess the outputs, outcomes and impact achieved by the project as well as the likely sustainability of project results. This should encompass the following:

Attainment of objectives and planned results:

* Evaluate how, and to what extent, the stated project objectives are being achieved; taking into account the “achievement indicators”. In addition, the evaluator will assess the indicators matrix for its utility for determining sustainability and replicability impact.

Achievement of outputs and activities:

* Assess the scope, quality and usefulness of the project outputs produced so far in relation to its expected results.
* Assess the feasibility and effectiveness of the work plan in implementing the components of the project.
* Assess the quality, appropriateness and timeliness of the project concepts, project proposals, progress reports with regard to:

In addition to a descriptive assessment, all criteria should be rated using the following divisions: *Highly Satisfactory*, *Satisfactory*, *Marginally Satisfactory*, *and Unsatisfactory* with an explanation of the rating.

1. **DELIVERABLES**

The main product expected from the Mid-Term Evaluation is a comprehensive report following the structure in Annex I and including the Table attached in Annex II on the assessment of co-financing.

1. **EVALUATION METHODOLOGY**

An outline of an evaluation approach is provided below. However, it should be made clear that the evaluator is responsible for revising the approach as necessary. Any changes should be in line with international criteria and professional norms and standards. They must be also cleared by UNDP before being applied by the evaluator.

The evaluation must provide evidence-based information that is credible, reliable and useful. It must be easily understood by project partners and applicable to the remaining period of project duration.

The mid-term evaluation will be based on information obtained from reviewing relevant documents to the project such as the project document, project brief, Annual Project Reports /Project Implementation Reports (APR/PIR), minutes of Project Board Meetings, Project Technical Reports and minutes from relevant meetings.

The evaluator should also rely on information gathered through meetings and interviews with target beneficiaries and project staff including government officials and/or consultants. Interviews should include the Egyptian Environment Affairs Agency, UNDP and key stakeholders. The methodology that will be used by the evaluator should be presented in the report in detail. It shall include scrupulous information on documentation review, interviews held; field visits; participatory techniques and other approaches for the gathering and analysis of data.

The evaluation should provide as much gender-disaggregated data as possible.

The methodology to be used by the evaluation team should be presented in the report in detail. It shall include information on:

* Documentation reviewed;
* Interviews;
* Field visits;
* Questionnaires;
* Participatory techniques and other approaches for the gathering and analysis of data.

Although the evaluator should feel free to discuss with the authorities concerned on all matters relevant to his/her assignment, he/she is not authorized to make any commitment or statement on behalf of UNDP, the GEF or the project management.

1. **IMPLEMENTATION ARRANGEMENTS**

UNDP Egypt will contract the consultant and be responsible for liaising with the project team to set up stakeholder interviews, arrange field visits, and coordinate meetings with the Government Officials. The Project Management Unit will provide the evaluator will relevant project documentation and will accompany the evaluator in the meetings, as deemed necessary. The draft report shall be reviewed by the UNDP Regional Technical Advisor.

1. **TIMING AND DURATION**

In total, the evaluation time frame is 45 days, incorporating circulation of initial reports for comments. The evaluation consultancy will be for 16 working days within a period of 45 days and the activities of the evaluator are broken down as follows:

|  |  |
| --- | --- |
| **Activity** | **Timeframe**  |
| Desk review | 3 working days |
| Meetings with the stakeholders  | 7 working days |
| Writing draft report | 4 working days |
| Finalization of the evaluation report (incorporating comments received on first draft) | 2 working days |

1. **REQUIRED QUALIFICATIONS**

The Mid-Term Evaluation will be carried out by an independent international consultant who has not participated in the project preparation and/or implementation and does not have any conflict of interest with project related activities. This may apply equally to evaluators who are associated with organizations, or entities that are, or have been, involved in the delivery of the project. Any previous association with the project, the Executing or National Implementing Agency or other partners/stakeholders must be disclosed in the application.

If selected, failure to make the above disclosures will be considered just grounds for immediate contract termination, without recompense. In such circumstances, all notes, reports and other documentation produced by the evaluator will be retained by UNDP.

The independent international consultant will be responsible for drafting and finalizing the report.

General requirements:

* Advanced university degree in a subject related to natural resources management;
* A minimum of 10 years of experience in multifarious projects in the field of Protected Areas management, preferably as an international consultant.
* Familiarity with International laws and regulations related Protected Areas and Biodiversity conservation.
* Experience in environmental policy implementation and familiarity with biodiversity conservation activities;
* Previous experience in evaluation for international development agencies, preferably for UN and/or GEF projects
* Recent experience with result-based management evaluation methodologies;
* Experience applying SMART indicators and reconstructing or validating baseline scenarios;
* Competence in Adaptive Management, as applied to conservation or natural resource management;
* Conceptual thinking and analytical skills;
* Excellent English communication skills; strong writing and analytical skills coupled with experience in monitoring and evaluation techniques;
* Previous involvement in and understanding of, UNDP and GEF procedures is an advantage and extensive international experience in the fields of project formulation, execution and evaluation is required.

APPLICATION PROCESS

Applicants are requested to send in electronic versions:

1. current and complete C.V. in English with indication of e-mail address and phone contact
2. price offer indicating the total cost of the assignment (including the daily fee, per diem and travel costs) by 17 August 2014, to:

heba.helmy@undp.org with copy to amany.nakhla@undp.org

Due to the large number of applicants, UNDP regrets that it is unable to inform unsuccessful candidates about the outcome or status of the recruitment process.

UNDP is an equal opportunity employer and all qualified candidates are encouraged to apply

### Annex 2 Itinerary & persons interviewed

|  |  |  |
| --- | --- | --- |
| Day  | Time  | Activity |
| SUN 2 November  | 9 AM – 9:30 AM  |  Welcome , PMT |
| 9:30 AM \_ 11 AM |  PMU Meeting , including :* Project Implementation, Dr. Adel Soliman, **Project manager**
* Introducing the project staff
 |
|  11 AM \_ 12:30 PM  | Project budget &expenditures , Mr. Ahmed Abdel Maksoud, **Project financial manager**  |
| 12:30 PM \_ 1:30 PM  |  Lunch Break  |
| 1:30 PM \_ 3 PM  | Meeting with : * ENG. Ahmed Abou Soud ( **CEO, EEAA**)
* Dr. Mohamed Tallat (**NCS Director** )
* NCS Management (**PAs regions directors**)
 |
| MON 3 November  | 9 AM \_ 1 PM  | Meeting with Ms. Amany Nakhla **(UNDP)**  |
| 1 PM \_ 2 PM  | Lunch Break  |
| 2 PM \_ 4 PM  |  Meeting With :* Dr. Moustafa Fouda **( Project Advisor)**
* Dr. Khaled Allam **( Project Manager, National Biodiversity Strategy & National Plan)**
* Dr. Yousria Hamed **( Project Manager, Support Egypt’s Protected Area )**
* Dr. Ossama El-Gebaly, **( Project Manager, Soaring birds project)**
 |
| TUE 4 November  | 9 AM \_ 10,30 AM  | Protected Areas sustainable financing policy& strategy , Mr.Ahmed Shehata, (**Project consultant**) |
| 10,30 AM \_ 12 PM  | Commercial service plan:* Planning and management, Mr.Ahmed Shehata
* Social and Economics, Dr. Hassan Sweliam
 |
| 12 PM \_ 1 PM  | Lunch Break  |
| 1 PM \_ 3 PM  | Proposed protected Area general Authority, Mr. Ahmed Shehata |
| WED 5 November |  9 AM \_ 3 PM  | EEAA Financial sector , meeting with : * Mr. Gamal Ibrahim ( **Director, Financial Sector**)
* Mrs. Tahra El Hefnawy **( General Manager of Foreign Project Department)**
* EPF Director
 |
| THU 6 November  |  9 AM \_ 12 AM  |  Travel to Marsa Alam  |
| 12 PM \_ 4 PM  | * Visiting WGNP sites
* Meeting with WGNP staff:
* Mohammed Gad **( West Red Sea PA sector manager)**
* Mohamed Ali **(WGNP** **Manager)**
* Mousa Ahmed **(WGNP Finance and Admin Officer)**
* Meeting WGNP new Staff
 |
| FRI 7 November | 9 AM \_ 11 AM  | Field visit to WGNP Attraction Sites  |
| 11 AM \_ 3 PM  | Filed visit (Skeit Roman Sites ) |
| 3 PM \_ 4 PM  | Meeting with Private sector ( Gorgonia Resort Owner )  |
| SAT 8 November  | 10 AM \_ 1 PM  | Back to Cairo  |
| 1 PM \_ 2 PM  | Lunch Break  |
| SUN 9 November  | 9:30 AM \_ 10:00 AM  | Local Community / product development, Dr. Rania Helal , **National** **Consultant** |
| 10:00 AM \_ 10:30 AM  | Media coverage, Mr. Ahmed Abdelhakem , **Media senior officer, EEAA** |
| 10:30 AM \_ 11 PM | Public Awareness, Dr. Wael Reda, **Youth unit Director, EEAA** |
| 11 PM \_ 3 PM  | * MTR Summary Presentation Mission, Dr. Francis
* Recommendations
 |

### Annex 3 Objective and outcomes, indicators and ratings

|  |  |  |  |
| --- | --- | --- | --- |
| Objective | Indicator | Results (November 2014) | MTE rating |
| 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 | Level and diversity of financing for the PA system | $2m was allocated as a governmental budget and $1.9m was allocated to PAs as co-financing for the project toward optimal scenario of PA management. In cooperation with “Support protected Areas” project, under Italian cooperation, $ 0.1m was allocated for upgrading the PAs infrastructure, equipment and staff capacities. The financial reports of Nature Conservation Sectors also show the increase of PA revenues generated from 18.5m LE in 2013 to 24.3m LE. This year. PAs financing strategy was prepared at national level and was discussed and approved at a stakeholder’s workshop attended by high-level H.E. Minister of Environment.Necessary measures was taken to develop the NCS institutional capacities including the establishment of the General Administration of Financial Affairs at NCS HQ, Administrative, and Financial Units at PAs regions, in addition to the Economics and Finance Unit. | Satisfactory |
| Levels of live coral coverage in dive sites and non-dive sites | A task force was formed to implement monitoring program for coral reef coverage at dive sites within PAs. The task force set action plan for the monitoring program and NCS took necessary actions to get all permits to use the Red Sea Discovery boat at South Sinai for implementing this program. It is expected to start mid of August 2014.Visitor management training was organized at South Sinai PAs where a visitor satisfactions questionnaire was applied to measure visitor satisfactions on perceived value and quality, visitor expectations and actual experience, which can be used as indicator on the ecosystem health (coral reef) at the dive sites. | Satisfactory |
| Flagship species at priority PAs | An integrated monitoring program for flagship species at PAs was prepared in full coordination with NCS.Shark species was also identified as flagship species at Red Sea PAs. Shark data collected by national scientists may be as reliable as data collected using automated tools. Shark populations are declining globally, and scientists lack data to estimate the conservation status of populations for many shark species. From these points, A comprehensive training workshop on using the integrated monitoring program for flagship species at PAs was designed and implemented at both marine and terrestrial for 10 days at South Sinai Training Centre with full participation of PAs researchers to set a list of Flagship species at priority PAs. Integrated monitoring program for identified flagship species at PAs was designed during the workshop to be done at both marine and terrestrial species starting from late November 2014.The training was a good opportunity to assist in building capacities of PAs team on biodiversity conservation and the sustainable use of Egypt’s natural resources. Its goal was to facilitate more rapid detection, communication, and response to significant biodiversity-related trends and pressures.This training helped also in harmonizing and enhancing PAs team monitoring efforts, thereby improving the ability to detect and understand significant trends on flagship species; Reporting to, and communicating with, key decision makers and stakeholders, thereby enabling effective conservation and adaptation responses to changes in flagship species in Egypt’s PAs | Satisfactory |
| Outcome | Indicator | Results (November 2014) | MTE rating |
| Outcome 1: Policy, regulatory and institutional frameworks that facilitate revenue generation, revenue retention and other aspects of sustainable PA financing and management are established and operational | National PA financing strategy | PAs financing strategy was prepared at national level and was discussed and approved at a stakeholder’s workshop attended by high-level H.E. Minister of Environment, in presence of 80 participants, representing the Ministries of Environment, Tourism, Petroleum, Finance, Agriculture, International Cooperation, Foreign Affairs, and Ministry of Planning, in addition to universities, research centres, representatives of Private sector, NGOs and the local community. The strategy considered as an important part of NCS overall strategy.It presents a framework for Protected Areas financing policy and strategy with diverse funding resources, effective financial administration, enabling environment, mainstreaming and capacity building programs. | Satisfactory |
|  | Institutional arrangements | New articles (32, 45 and 46) were drafted and were successfully included in the country’s new constitution. These articles regulate protection of Natural Resources, effective management of Protected areas, and sustainable use of natural resources towards sustainable development.The proposal of the establishment of new NCA was updated and submitted to H.E. the Minister of Environment.The Law 102 of 1983 on Protected Areas of Egypt was also updated based on the comments of cabinet of ministers. The new law will facilitate the establishment of new NCA.A range of alternatives has prepared for development of the institutional system of NCS (Unit Economics and Finance - General Department of Administrative and Financial Affairs) | Satisfactory |
|  | Financial arrangements for revenue re-injection | Necessary steps have been taken to allocate a sub-account under the Environmental Protection Fund (EPF) for PAs revenues. The EPF has determined special items of PAs revenues to be placed in a separate database so that it can be followed-up on a regular basis. | Somewhat late but satisfactory |
|  | Policy regarding re-injection | The financial needs of the target Protected areas were determined based on the integrated management system for 5 years. A minister decision was taken to provide the allocation of financial resources to priority PAs as follows: * $ 0.4m LE for WGNP.
* $ 1.9m LE to South Sinai PAs (5 PAs)

A ministerial decree has prepared to establish a stabile policy for PAs revenue re-injection. | NB – these are essentially targets – should have just been re-injection then targets…Satisfactory |
|  | Institutional structures and human capacities | The needs of human resources required for PAs in the financial disciplines were determined where 6 financial specialists have provided to WGNP. An integrated training program was organized for all PAs financial officers (30 specialist) & PA managers on financial aspects including: Financial planning and budgeting Audit systems Financial Reporting Management of environmental funds | Satisfactory but needs to develop a financial plan for new General Authority |
|  | Legal and regulatory framework | According to Law no. 89 for 1998 on regulating tenders and bidding, although this law was issued in 1998 but it has only been used in tendering process. Therefore, NCS with full support of the project prepared a request for proposal (RFP) format to be used according to this law. The second chapter of this law is regulating the bidding process, through a fair and competitive way. The first RFP was prepared for WGNP visitor centre, this was for the first time and as a result the offers show 5 times increase of revenues comparing with old system used for the same place and concession.53% - 50 out of 95,PAs Financial strategy,Apply bidding systemRaising PA staff capacities on auditing for PA finances,PAs integrated management system that include financial data | Satisfactory |
| *Outputs* | *Results (November 2014)* | *MTE rating* |
| *Output 1.1: Economic valuation of protected area systems (ecosystem services, tourism-based employment, etc.) are conducted.* | IUCN Contract has been let | Outputs are not rated |
| *Output 1.2: National PA financing policies and strategies developed.* | National PA Financing Strategy |  |
| *Output 1.3: Effective and efficient institutional responsibilities for financial management of PAs established.* | MP system plans with accompanying financial plans, capacity building for basic accounting and financial planning has taken place, financial needs of operational and recurrent costs of 8 PAs (4 more to be done this year). Institutional cultural change from administration to financial planning is evident.Still needs a financial plan for the General Authority to be put in place as soon as possible. |  |
| *Output 1.4: Improved governmental budgeting and allocation of funds for PA systems.* | Use of EPA – project has managed to separate the PAF from the EPF although allocation from the EPF is still limited but greater than before. EEAA has also activated additional financial instruments (e.g. the Business Projects Fund from the Ministry of Planning value of approximately 1.8 million US$ for 2013-2014 and 2 million US$ for 2014-2015) |  |
| *Output 1.5: Improve policy and regulatory environment for revenue generation by PAs* | PAs can now charge entrance fees and can set and update fee rates. Project has also established the ability to use national bidding processes to increase competitive bidding and attain higher revenues for concessions (e.g. visitor center at Wadi El Gamel). This will be further utilised and established at Wadi Ryan to let the visitor center, eco-lodge and restaurant). |  |
| *Output 1.6: Improved policy and regulatory environment support for revenue retention and sharing within the PA system.* | In progress the EPF Board will conduct separate meetings for the PAF. An agreement will be reached as to how much money will be retained for the PAs according to the Ministerial Decree which will set the formula for allocating/re-injecting EPF funds. This is currently thought to be a ratio of 70-30 PAs-EEAA. The NCS is in a much better position to acquire finances from the EPF due to the improved financial planning. |  |
| *Output 1.7: Improved legal, policy and regulatory environment for alternative institutional arrangements, including concession and other partnerships.* | This is entirely the creation of an autonomous authority. Currently the best entity for achieving this has been described in the PA Financing Policy and Strategy as a General Authority. The Minister has expressed his support and the Decision to declare this authority has been developed and is awaiting approval very soon. |  |
| *Output 1.8: Well-defined staffing requirements, profiles and incentives at sites and system levels.* | Staff requirements have been determined at the site level in 8 PAs and there is a system planning process to do this in other PAs. At the institutional level this still needs to be further defined with job descriptions. Incentives will be addressed through the allocation of the EPF and the establishment of a General Authority. |  |
| Outcome | Indicator | *Results (November 2014)* | *MTE rating* |
| Outcome 2: Levels of financial resource mobilization are adequate to ensure effective conservation-oriented management of Egypt’s PA system | Improved financial sustainability for Pas as measured by the:1. Financial Sustainability Scorecard
2. Business planning
3. Tools for revenue generation
 | 56% - 34 out of 61 67% - 38 out of 57 Total 54% - 122 out of 227 | Satisfactory – METT, Financial Scorecard and capacity suffered during 2010 - 2013 |
|  | Revenues generated | The total Revenues generated by PAs system 2012-2014 were approximately $11 million | As above |
|  | Revenues re-injected | Revenues re-injected into PA system over 3-year of the project total of $13.24 million. In 2014 the total revenues re-injected into PA system was about US$ 5.1 million including (2 Gov + 0.9 external projects + 1.9 Gov/investment projects + 0.3 EPF). | As above, however, in principle a greater share of the revenue should have come from the EPF |
|  | Diversified revenues | Commercial services plan has developed for one PA which determined 9 different sources of revenues with approximately revenues of $7 million over 10 years in addition to $10 million as new assets and 420 Job opportunities. The plan is also being developed for the other 7 targeted PAs (Ras Mohamed & WRPA in 2014). TOR was also prepared for concession at one PA with approximately revenues of $5 million over 10 years. | Satisfactory |
| *Outputs* | *Results (November 2014)* | *MTE rating* |
| *Output 2.1: Strategy and action plan to increase the number and variety of revenue resources developed.* | Commercial Services Plan – already demonstrated through bidding process in Wadi El Gamel and to be rolled out in 4 more PAs |  |
| *Output 2.2: Marketing and communication strategies for revenue generation mechanisms in place.* | Commercial Services Plan serves this purpose to some extent but this is yet to be done and should wait until the issue of the General Authority has been resolved/initiated. |  |
| *Output 2.3: Setting and establishment of appropriate user fees at pilot PAs.* | Visitor satisfaction and willingness to pay has been carried out in 2 PAs (Wadi El Gamel and Abu Galum). This has established a process for setting fees but would benefit from further development. |  |
| *Output 2.4: Efficient fee collection systems in place.* | The project has discussed with the Ministry of Administrative Development to establish an electronic fee collection system for PAs. This will be followed up. |  |
| *Output 2.5: New and / or improved concessions operating at pilot PAs.* | Yes – new bidding system and changed old regime so that it is more transparent and competitive. |  |
| *Output 2.6: Innovative revenue mechanisms designed and operational.* | Described in the Commercial Services Plan but still to be operationalized. |  |
| *Output 2.7: PA training program on financial resources mobilization provided.* | Training carried out 3 times and continuous “in-service” training |  |
| Outcome | Indicator | *Results (November 2014)* | *MTE rating* |
| Outcome 3: Business planning and cost-effective management systems are ensuring the effective allocation and management of mobilized | METT scores | METT developed for three-targeted PAs shows Improved management effectiveness in some PAs due early intervention from the project and other PAs that really need urgent corrective actions from the project.The project has identified the gaps in those PAs and rapid intervention has made where the necessary financial requirements allocated, as well as the adoption of management system for those PAs to overcome these challenges.Ras Mohamed – 58: METT score at Ras Mohamed shows a decline from a score of 69 in 2009, this was due to the considerable reduction in the government budget from $180000 to $90 000. In addition, to lose, 10 of highly qualified staff left either moved to another PAs or have another job outside Egypt. The visitors facilities in the PA also deteriorated reflected in huge shortfall in the number of visitors. Immediately, the project took corrective action to overcome this impairment through effective coordination with EEAA, EPF and UNDP where $1.15 million released for Ras Mohamed to improve visitor facilities and support PA management.Wadi El-Gemal/Hamata – 70: METT score at WGNP shows improvement at management effectiveness through raising the capacity of the park rangers and support them with a range of training courses in financial affairs and visitor management as well as assist in the rehabilitation of buildings and improve visitors’ facilities.St. Katherine – 56: METT score at SKP shows significant drop at PA management as many of PA staff moved from PA and it is located at remote area with no facilities are available to assist the management | Satisfactory – METT, Financial Scorecard and capacity suffered during 2010 - 2013 |
|  | Business planning | CSP has provided template……WGNP done Ras Mohammad needs update Bus plan….Commercial Services Plan was developed for Egypt’s PAs to implement the Park’s Management Plan and to provide both short and long-term managerial direction for the commercial use of parkland and resources.It clarifies the types and systems of management and maintenance services for the PA which are consistent with the nature and value at the short and long term in order to achieve the objectives of the PA and preserves natural resources as well as provides its visitors enjoy. It ensures the compliance with environmental laws and protected regulations. This plan takes into account these services are rational in their establishment and operation within the framework of a PA management system and uses of protected lands, including assists on the efficiency of performance, based on the specific methods and guidelines for action and follow-up, monitoring and accounting. It assists in providing appropriate financial resources for PA to achieve sustainable funding for its activities, and integrate with other PA plans for (management, investment, human resources, etc.). It is also used to communicate with stakeholders, marketing, media and awareness programs.First plan was prepared for WGNP, which shows the types and levels of commercial activities that are necessary and appropriate for the Park and define how those activities will be managed. The plan was prepared with the involvement of commercial operators, public agencies, local community, interest groups and the public at key stages of the planning process. It includes a design of the appropriate operational guidelines and documentation for commercial activities procedures in line with national laws and regulations. | Satisfactory |
|  | Alternative management | A program for community development was initiated aiming at improving the standard of living for community members in targeted PAs, which helps also to provide many opportunities for community members to integrate in the PA management activities, as well as help in providing job opportunities for them to achieve the goals of sustainable development. The first phase of trainings started at (WGNP and WRPA) on the following topics:• develop environmental products • marketing of products that are developed | Moderately satisfactory, this is not what was described in the Project Document although the project design did not provide any real activities for this other than management planning |
|  | Accounting, audit and reporting | An integrated training program was organized for all PAs financial officers (30 specialist) & PA managers on financial aspects including: * Financial planning and budgeting
* Audit systems
* Financial Reporting
* Management of environmental funds
 | Satisfactory |
| *Outputs* | *Results (November 2014)* | *MTE rating* |
| *Output 3.1: Site-level planning tools at 8 priority PAs developed and implemented* | Done with Management Systems in 8 PAs and will be rolled out to a further 4 PAs. |  |
| *Output 3.2: Operational, transparent and efficient accounting and auditing systems at priority PAs and central system levels in place.* | Training and awareness carried out on auditing system. System will be developed in second half of project. Progress made on improved understanding of PAF and EPF, etc. |  |
| *Output 3.3: Systems for monitoring and reporting on financial and management performance developed and implemented.* | To be developed in second half of project. |  |
| *Output 3.4: Well tested methods for allocating funds across individual PAs and objectives developed, revised and implemented.* | System Management Plans will allow prioritization of spending and project will be developing an institutional financial plan |  |
| *Output 3.5: Implementation of system-level management plan at priority and other sites* | In progress and will increase momentum with creation of General Authority |  |
| *Output 3.6: Training and support networks to enable PA managers to operate more cost-effectively and deliver client-oriented services.* | Training carried out and on-going progress |  |
| *Output 3.7. PA related BD 2010 indicators for Egypt operational and feedback mechanisms with financing and management established.* | Replaced by 2020 indicators. Project working closely with the project to upgrade the NBSAP and PMU is a Member of the NBSAP Committee to develop indicators and establishing indicators and mechanism to monitor through project related mechanisms (e.g. site specific flagship species and critical indicator species). |  |

### Annex 4 List of documents reviewed

UNDAF

CPAP

Project Document

Inception workshop report

PIR 2010, 2011, 2012, 2013, 2014

Project Board meeting minutes

Studies completed by the project

UNDPGEF 2012 Evaluation Guidelines

### Annex 5 Relevant mid-term tracking tools (METT, FSC, Capacity scorecard)

Attached separately

### Annex 6 Co-financing table

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Co-financing(Type/****Source)** | **IA own Financing(mill US$)** | **Multi-lateral Agencies (Non-GEF)****(mill US$)**  |  **Bi-laterals****Donors (mill US$)** | **Central Government(mill US$)** | **Local Government(mill US$)** | **Private Sector(mill US$)** | **NGOs(mill US$)** | **Other Sources\*****(mill US$)** | **TotalFinancing(mill US$)** | **Total at MTE****Disbursement(mill US$)** |
|  | **Proposed** | **Actual** | **Proposed** | **Actual** | **Proposed** | **Actual** | **Proposed** | **Actual** | **Proposed** | **Actual** | **Proposed** | **Actual** | **Proposed**  | **Actual** | **Proposed** | **Actual** | **Proposed** | **Actual** | **Proposed** | **Actual** |
| Grant |  |  |  |  |  |  | 13,800,000 | 8,273,047 |  |  |  | 496,264 |  |  |  |  |  |  | N/A at MTE | 8,769,311 |
| Credits |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Loans |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Equity  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| In-kind  |  |  |  |  |  |  | 1,266,200 | 252,000 |  |  |  |  |  |  |  |  |  |  |  | 252,000 |
| Non-grant Instruments**\*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other Types**\*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **TOTAL** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

### Annex 7 Ratings description

|  |  |  |
| --- | --- | --- |
| ***Ratings for Outcomes, Effectiveness, Efficiency, M&E, I&E Execution*** | ***Sustainability ratings:***  | ***Relevance ratings*** |
| 6: Highly Satisfactory (HS): no shortcomings 5: Satisfactory (S): minor shortcomings4: Moderately Satisfactory (MS)3. Moderately Unsatisfactory (MU): significant shortcomings2. Unsatisfactory (U): major problems1. Highly Unsatisfactory (HU): severe problems | 4. Likely (L): negligible risks to sustainability | 2. Relevant (R) |
| 3. Moderately Likely (ML):moderate risks | 1.. Not relevant (NR) |
| 2. Moderately Unlikely (MU): significant risks1. Unlikely (U): severe risks | ***Impact Ratings:***3. Significant (S)2. Minimal (M)1. Negligible (N) |
| *Additional ratings where relevant:*Not Applicable (N/A) Unable to Assess (U/A |

### Annex 8 Consultants code of conduct form



### Annex 9 Comments on first draft and MTR response

Comments by the PMU and UNDP CO on the first draft were limited to correcting inaccuracies in figures, dates etc., and providing additional information which were all accepted by the MTR. There were no significant discrepancies between the PMU, UNDP CO and the MTR.

However, the Regional Technical Coordinator provided the following comments after the Final Draft had been submitted[[28]](#footnote-28).

|  |  |  |
| --- | --- | --- |
| **Person commenting & reference in document** | **Comment** | **MTR response** |
| **RTA Point 1** | While the MTR follows the expectations laid out in the ToR, the ToR was not created using the standard MTR template, and therefore the draft report does not follow the June 2014 UNDP-GEF MTR Guidance<<http://gef.undp.org/uploads/H-Jk1_dCXqGqaPG4BlccvA/Guidance_for_Conducting_Midterm_Reviews_of_UNDP-Supported_GEF-Financed_Projects_Final_June_2014.pdf>>. We therefore suggest to send the UNDP-GEF MTR guidance and ask the Country Office/evaluator to consider this guidance when finalizing the MTR report.  Since the ToR does not reference the new guidance, so we cannot ‘insist’ on a reformulation of the report along the lines outlined in the UNDP-GEF MTR guidance but we can recommend it. We have attached the standard MTR template for future use. | The MTR complied with the ToR provided. However, adjustments have been made to the final report to include:* Rating scales – the rating scales follow those in the new guidance but are applied to the components of the report as per the ToR. Annex 7 (new ratings description) has been added.
* Signed code of conduct form.
* Audit trail (Annex 9, this table)

The MTR has not included:* The evaluation matrix. The document provides a reasonable account of the reasoning and methodology behind the MTR and retrofitting the evaluation questions would give the impression of each question having been put to the project in a “tick-box” fashion, which that they were not, the assessments, observations and conclusions were drawn from lengthy and numerous discussions with project partners and stakeholders and not in a mechanical fashion as the table would indicate.
 |
| **RTA Point 2**  | We note that one of the main recommendations in the MTR is a 12 month project extension. Please note that it is not guaranteed that a project extension will be granted.  There are new rules regarding project extensions and they are generally not allowed unless a strong case can be made that significant progress will be made in the final years of project implementation.  The UNDP-GEF Executive Coordinator must approved all project extensions. Perhaps this information can be relayed to the consultant, and she/he may decide if they want to take this into account when creating the final report. If this recommendation remains in the final report, then as an RTA you can include a comment in the management response as to whether you agree with the recommendation to extend the project, and the steps that will be followed to seek approval to extend the project. | The MTR understands the seriousness and difficulties involved in recommending an extension and therefore this recommendation was not made lightly. It is based upon two issues:* The wholly unprecedented and to a large extent unpredictable events which took place between 2011 and 2013. While many GEF projects take place in a dynamic socio-political atmosphere, this project was largely about institutional reform leading to greater efficiencies and financial sustainability within the statutory conservation agency in Egypt. As such, the disruption to government during this period were extraordinary and prolonged. The impact of these events on the institutions was profound and resulted in an inertia beyond the influence of the project. The project has recovered well but it would be hazardous to try to finish the project during the current allotted time period. It is not unusual for events like this to impact on a project and in my opinion there is not much a PMU can do except go into a “holding pattern” until the circumstances change. This is adaptive management by any measure and trying to force progress under these circumstances owes more to project expedience rather than any rationale response to unpredictable events outside the projects sphere of influence. Indeed the reverberations of 2011 are still being felt across the region with tragic consequences and are far from over.
* The MTR has raised concerns about the creation of a semi-autonomous General Authority. While the MTR does not state that this is necessarily the “wrong” course of action it highlights just some of the risks involved. This view (of the MTR) is not universally held and there can be considerable benefits from having a semi-autonomous statutory conservation organization. However, under any circumstances this is a complex process and would benefit from the sustained support of a project which can provide external and impartial experience to process. Many of the decisions are outside the ordinary decision-making framework of conservation issues and therefore it cannot be safely assumed that this can be achieved in the remaining time period. Furthermore, if the General Authority is created (which seems highly likely) then it will need considerable support while it establishes itself.
 |
| **RTA Point 3** | We recommend in section '3.3.4 Monitoring Systems’ that the consultant also analyze how the project’s monitoring and evaluation is leading to effective decision making by the project board and project management.  At the moment this section seems to be focused primarily on reporting – in particular in meeting reporting requirements - and it would be interesting to assess how the project team could better use the M&E information in adaptive management. | **Now reads from para 97 to 103:**1. The monitoring and evaluation of the project is critical in ensuring that the management is adaptive. However, an important point to make, and one which the Evaluator has made before in a number of projects encountering similar circumstances (e.g. the prolonged crisis in government), is that at such times there is not much that can be done by the project partners and the UNDP CO. Therefore, it is quite reasonable to simply have the project there until the circumstances change. To try to force change at such times can be counterproductive resulting in poor decisions and unsustainable solutions to problems which might not be easily addressed until there are larger external changes taking place.
2. For example, during the period of the Morsey Government in 2012 a local Governorate decision was made making it impossible to charge fees in WGNP. Given the circumstances at this time it would have been extremely risky to challenge such a decision, indeed it might have carried some risk to anyone who did question the decision. While the MTR realises that “sitting on one’s hands” until circumstances change is not a view of adaptive management shared by everyone in this instance it seems that it was the right course of action.
3. However, as the governmental situation settled down aspects of adaptive management are apparent between the PIR and subsequent action. For instance there is a recognition that the PMU staffing, given the complex and highly technical nature of the project, needed to be adjusted. The Project Manager became a Technical Adviser and two Project Managers were appointed; one dealing with technical issues and the other with project and administrative issues[[29]](#footnote-29).
4. In other areas the project has used the METT to identify issues and take action. In Ras Mohammed National Park the METT score showed a decline from a score of 69 in 2009, this was due to the considerable reduction in the government budget from $180,000 to $90,000 and the rapid decline in visitors. Probably as a consequence the park lost ten of its highly qualified staff (either moving to other protected areas or taking another job outside Egypt). The visitor’s facilities in the protected area also deteriorated. Immediately, the project took corrective action to overcome this with effective coordination between the EEAA, EPF and UNDP; $1.15 million was released for Ras Mohamed to improve visitor facilities and support the management.
5. Another aspect of this is less visibly documented and involves the iterative process taking place within the EEAA, driven by the project *per se* and facilitated by the PMU. This has been a complex and ongoing discussion as to how the EEAA and the NCS can achieve the outcomes and objectives of the project. For instance when it appears that it was just not possible to meet the financing needs from for the protected areas from the EPF it was still possible to meet some of those financial needs through a different Environmental Projects fund available from the Ministry of Planning. While this still doesn’t address the issue of re-injecting funds it shows a degree of thinking around a problem which is essentially been driven by the project.
6. Importantly the new government in Egypt is placing considerable emphasis on the accountability of governmental institutions and a drive to “get things done”. The project is keying into this process and provides a useful opportunity to embed a culture of monitoring, evaluation and adaptation within the NCS. While this is not immediately obvious from the PIRs (although some examples have been cited above) and it is important to consider that this has only been possible since early 2014 when the larger national situation settled down, the MTR would anticipate seeing more of this dynamic management taking place in the future through the Project Board.
7. The adaptive management process; monitor, evaluate and adapt has to be seen against the backdrop of the first three years of the project in which it was often difficult to make any decision because of the resulting confusion and “institutional stasis”
 |
| **RTA Point 4** | In addition to the annexes already listed, following the UNDP-GEF MTR Guidance, the annexes in the final report should additionally include the following (see attached for these supporting documents for reference):    \*   The evaluative matrix used by the evaluator when they undertook interviews (evaluation criteria with key questions, indicators, sources of data, and methodology, and assumptions): two different templates are attached    \*   The ratings scales/definitions used: note, the rating scales in the attached document are different than the 4 point rating scale asked for in this project's MTR ToR (which is not the accurate standard 6 point rating scale), therefore it is most likely different than the rating scales the consultant used. We assume the consultant used the standard TE rating scales for this MTR, so we have attached these as well. Regardless of which scales were used, please have the consultant include the full scale used in the final version of the report    \*   Signed UNEG Code of Conduct form    \*   Annexed as a separate file: Audit trail from received comments on draft MTR report | The evaluation matrix is not retrofitted to the report (see response to first RTA point).Annex 7 now provides a ratings description (see response to first RTA point).Annex 8 is the signed code of conduct.Annex 9 This table |

1. It would appear that the Project Document/design underestimated the importance of the EPF to the EEAA and therefore the ability of the EEAA to allocate funds to the protected areas because of the deficit this would leave in the EEAA budget [↑](#footnote-ref-1)
2. The project has already developed this relationship with the strategic planning [↑](#footnote-ref-2)
3. Hereafter referred to as *the PA financing project* or *the project.* [↑](#footnote-ref-3)
4. This Consultancy also developed the objective and outcome statements above. [↑](#footnote-ref-4)
5. Source Project Document [↑](#footnote-ref-5)
6. Project Document, section 2.7, p. 51 [↑](#footnote-ref-6)
7. GEF PMIS #: 5073; UNDP PIMS #: 4590 [↑](#footnote-ref-7)
8. A comprehensive account of the conservation importance of Egypt and the protected areas system is provided in the Project Document, p. 4 – 6. [↑](#footnote-ref-8)
9. For instance the Ministerial Decree to allow protected areas to levy entrance fees without necessary providing a defined service (this Decree was enacted but in the case of Wadi el Gamal NP it was over-ruled during the Morsi Government and thus WGNP has not been able to charge entrance fees). The Ministerial Decree to transform the NCS into an autonomous General Authority has not yet been signed but its signature was imminent at the time of the MTE. [↑](#footnote-ref-9)
10. It would appear that the Project Document/design underestimated the importance of the EPF to the EEAA and therefore the ability of the EEAA to allocate funds to the protected areas because of the deficit this would leave in the EEAA budget [↑](#footnote-ref-10)
11. Mainstreaming Conservation of Migratory Soaring Birds into Key Productive Sectors along the Rift Valley / Red Sea Flyway [↑](#footnote-ref-11)
12. National Biodiversity Planning to Support the implementation of the CBD 2011-2020 Strategic Plan in Egypt Project [↑](#footnote-ref-12)
13. Project Document, Section IV, Part III, p72. [↑](#footnote-ref-13)
14. This model is one in which the agency is able to keep revenues generated but a shortfall will be made up by government spending. This has the effect of creating greater accountability for conservation spending and not necessarily profitability in purely financial terms. [↑](#footnote-ref-14)
15. Similar to what Sir Leo Pliatsky described in his 1980 *Report on Non Departmental Public Bodies* as “*a body which has a role in the processes of national government, but is not a government department, or part of one, and which accordingly operates to a greater or lesser extent at arm’s length from ministers*.” [↑](#footnote-ref-15)
16. Project Document, Section IV, Part III, p72. [↑](#footnote-ref-16)
17. Project Document, p39 [↑](#footnote-ref-17)
18. Project Document, Section IV, Part III, p72. [↑](#footnote-ref-18)
19. A term derived from the 7th Century Athenian law maker *Draco* who concluded most offences by prescribing the death penalty [↑](#footnote-ref-19)
20. Co-financing for the present project has emerged from this agreement. [↑](#footnote-ref-20)
21. Project Document, p.30 [↑](#footnote-ref-21)
22. The MTE has only identified one visit from the RCU to the project in 2011 [↑](#footnote-ref-22)
23. During the MTR the Project Manager for technical aspects of the project was on extended leave and it would appear that now the project could manage with only one Project Manager having overcome the backlog of work resulting in the earlier. [↑](#footnote-ref-23)
24. Source: World Bank: <http://www.worldbank.org/en/country/egypt/overview> and UNDP Egypt Country Programme and Action Plan 2013 - 2017 [↑](#footnote-ref-24)
25. The MTE is not clear whether this was *scenario planning* as practiced in the CBNRM component of the MPCP or refers to the baseline, optimal and best case scenario for protected areas financing. [↑](#footnote-ref-25)
26. Project Document p. 50 [↑](#footnote-ref-26)
27. The project has already developed this relationship with the strategic planning [↑](#footnote-ref-27)
28. For the record the MTR understands that the RTA was provided with the MTR ToR by the UNDP CO in advance of the evaluation. [↑](#footnote-ref-28)
29. During the MTR the Project Manager for technical aspects of the project was on extended leave and it would appear that now the project could manage with only one Project Manager having overcome the backlog of work resulting in the earlier. [↑](#footnote-ref-29)