

**Ministry of State for Environmental Affairs
Egyptian Environmental Affairs Agency
Nature Conservation Sector**

**CBD-Report of EGYPT
About Requests Form The COP-9
to Parties
In Respect of Financial Resources
and Mechanism**

4th December 2008



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Acronyms

ABS	Access and Benefit Sharing
BP	Business Plan
CBD	Convention on Biological Diversity
CEO	Chief executive Officer
EEAA	Egyptian Environmental Affairs Agency
GEF	Global Environment Facility
IUCN	International Union for The Convention of Nature
MSEA	Ministry of State for Environmental Affairs
MEAs	Multilateral Environmental Agreements
NCS	Nature Conservation Sector
NCSA	National Capacity Self Assessment
NCSCB	Nature Conservation Sector Capacity Building
NEAP	National Environmental Action Plan
NGOs	Non Governmental Organizations
PAs	Protected Areas

I. Introduction:

- 1- Strategically situated at the intersection of three continents, Egypt's terrestrial and marine habitats support biodiversity of substantial global significance. Even though country terrestrial species diversity is relatively low due to Egypt's general aridity, many species are very narrowly distributed,¹ making habitat conservation crucial to their survival. Marine biodiversity is also significant, with Egypt's Red Sea coral reefs showing considerable endemism. There is also important genetic diversity, including locally adapted plant varieties in the Western Desert oases and locally adapted plant varieties found in isolated oases, on high altitude mountains and across various biogeographical barriers (such as the Red Sea and Nile River). Globally endangered species abound: Egypt hosts at least 143 species of threatened animals, including the highly endangered Slender Horned Gazelle (*Gazella leptoceros*) and the Egyptian Tortoise (*Testudo kleinmanni*). The flora includes 82 threatened species. Egypt represents a vital artery for bird migration, including 39 threatened species, serving as a major flyway for migrating soaring birds and an important wintering ground for waterbirds.
- 2- Egypt has established a network of protected areas where most of the biodiversity hotspots are well covered. The Nature Conservation Sector (NCS) is legally tasked with governing and administering protected areas (PAs) and is also responsible for issues related to biodiversity conservation within the broader landscape. NCS drafts policies, creates programs, undertakes studies, and conducts other activities meant to ensure compliance with habitat and species protection legislation and commitments to international conventions for the conservation of nature.
- 3- Currently, Egypt's 27 PAs cover 150,000 km², of about 15% of the nation's total land area and new areas continue to be added, with three new PAs covering over 53,000 km² created in 2006-2007, including the largest PA in the system, Gilf El Kebir. A system plan was adopted in 1998 calls for a total of 40 PAs covering about 20% of the country's area by 2017. Two of the country's PAs, St. Katherine and Wadi El Rayan, encompass UNESCO World Heritage Sites, while two others, El Omayed and Allaqi, are Biosphere Reserves

II. Financial Needs Assessment:

A. Financial Analysis of the Egyptian Protected Areas System:

1. Protected Areas (PAs) in developing countries receive only a small and non stable fraction of needed funds. In many cases funding is underestimated due to the lack of appropriate mechanisms and planning tools to address the real costs of managing and maintaining natural resources. Therefore protected areas are sending the wrong message to decision makers while managing to survive with the minimum resources available. As a consequence, operating costs as well as urgent investments are often neglected, while many PAs receive no funding at all constituting what is recognized as "paper parks".

The achievement by 2010 of a significant reduction in the current rate of loss of biological diversity will require the provision of new and additional financial and technical resources to developing countries.

2. Table 1 presents expenditures and revenues for Egypt's PA System over the past five years. Even considering a 100% reinvestment of self generated revenues the financial gap to reach a reasonable level of PA management would still be around 75% according to the regional assessment prepared for Mediterranean countries.

Donors have helped to cover some of the financial shortfalls, however their contribution should not be supplementary to governmental allocations but complementary.

Both international cooperation and governmental funding do not seem to meet the core characteristic of PA financial sustainability, which should be stable and long term funding.

Table 1 : Expenditures of protected Areas Over last 5 years (\$ 1000)

Year	2004	2005	2006	2007	2008	Total
Source of Funding						
Government	1903	1672	2992	1278	3002	10847
Donors	2412	4341	4844	4380	4194	17800
After deduct25% TA	1809	3256	3633	3285	3147	15129
Total fund (T)	3712	4928	6625	4563	6149	25977
Revenues (R)	2937	3795	2812	3623	4698	17865
(R/T)	0.79	0.77	0.42	0.79	0.76	
Protectorates Area (1000 km ²)	100	100	100	150	150	--
Expenditures per km ² /year (\$)	37	49	66	30	41	Average 45

3. Table 2 reflects the financial projection for the future five years plan for the national program of nature conservation including actions in-situ and ex-situ funded by the government and encouraged co financing.

Table 2: The financial needs of 5 year national program for nature conservation (PAs and Biodiversity)

Components and key activities	Total budget
1- Information , Monitoring , Assessment of Biodiversity	
• Survey, Monitoring, and evaluation of resources.	6
• Survey and Assessment of endangered species.	4
• Geographic information maps system of Biodiversity.	3
• Actions against bird flue, invasive species and Biosaftey.	10
Total	23
2- Development of PA network	
• Declaration and managing of new PAs.	15
• Improving the infrastructure of PAs.	25
• Providing PAs with technical and administrative facilities.	10
• Increasing PAs capacity to support economic and social development.	6
• Initiate The Egyptian National Museum.	10
• Enhance the program of captive breeding.	10
• Implementing the strategy of medicinal planets.	8
Total	84
3- Support enabling environment for PAs and Biodiversity	
• Institutional reform and capacity building of nature conservation.	10
• Partnership with stakeholders, local community, NGOs.	5
• Ensure sustainability of donor projects.	10
• Communication, media, marketing and awareness for ecotourism in PAs.	3
• Undertake necessary measures to satisfy international conservations commitments.	10
Total	38
Grand Total	145

B. Conclusions:

1. The current total investment in the Egyptian protected Areas system is almost \$5 million annually (40% Governmental and 60% as donor funds) which indicates that the average invested money per km²/annum is \$45. According to IUCN report to CBD, the average investment per km² in developed countries reaches \$ 1300 while in developing countries is around \$160. The real financial needs of PAs in Egypt would be around \$ 30 million a year.
2. The gab in financial resources has led to irregular expenditure and concentration on some PAs that are supported by donor projects and negligeting other PAs which are turned as paper parks. The second side of the problem is that the protected areas visited by millions of tourists require large expenditures on the expense of others.
3. The generated revenues should reflect the value of protected area and have positive relation to its needs. The revenues system needs to be developed and

PAs should be managed by the business approach based in the real economic benefits to individuals and society in large in order to meet their costs of sustainability.

4. Giving the great dependence of tourist related revenues, it is important to mention that entrance fees for foreigners in Egypt might be among the lowest in the world for the kind of resources and uniqueness of natural values they provide.
5. Financial shortfalls have severe impacts on the level of PA management effectiveness, resulting in biodiversity losses and moreover a structural incapacity to take full advantage of PA resources to generate economic development, employment and poverty alleviation.
6. However financial shortfalls are just one part of the problem. It seems clear that even existing resources are not being deployed and managed effectively. In fact, capacity limitations and barriers in the areas of financial management and financial systems, and PA management effectiveness are closely related.
7. At the same time, the lack of an enabling environment and capacity constraints are limiting PA system and site manager's abilities to design and implement new approaches to improve its financial situation. Together, the issues of mobilizing and managing financial resources frame the challenge of sustainable protected area finance and, ultimately, are key determinants of PA conservation effectiveness.

III. Best Practices for Mainstreaming of Biodiversity:

A. Mainstreaming of Biodiversity Conservation:

- 1- Strategic objective of the environmental policy in Egypt is to introduce and integrate environmental concerns relevant to protecting human health and mainstreaming managing natural resources into all national plans. In addition, it will provide support to the multilateral environment agreements to which the country is a signatory. The Prime Minister has established a national committee on Sustainable Development, formed of MSEA as a lead Ministry, with members of line Ministries, private sector and NGOs. This Committee is to coordinate Sustainable Development Plan. Therefore, it is crucial to mainstream all environmental issues into one single plan. This is being achieved through the National Environmental Action Plan (NEAP) and National Capacities Assessment (NCSA) project. The following is a brief account on what is being achieved and proposed future activities:

- Egypt had prepared its Biodiversity Strategy and Action Plan in 1998. They were approved, based on a consultative process, and sent to the

Ministries of the Planning and Financing to be included in the national plan for funding from the government and donor countries and organizations. In 2002, EEAA approved a National Environmental Action Plan (NEAP), which was also approved by the Prime Minister. NEAP dealt with many environmental issues including water, air, soil, waste, biodiversity conservation and biosafety, protection of the marine environment, desertification, global environmental problems such as climate change, economic issues such as environmental accounting, natural resources accounting and economic incentive tools, and finally social issues including minorities, youth, women and old people.

- The NEAP has identified corrective measures to meet the challenges of biodiversity. These include issues related to compliance, strengthening institutional framework, building capacity on biodiversity (e.g. research and monitoring), and preparation of legislation on biodiversity and biotechnology.
- To mainstream Biodiversity Conservation into the National Environmental Action Plan (NEAP), it was agreed that NEAP need to be revised according to three main issues: current status and assessment of biodiversity; corrective measures to be taken, and supportive measures for action. NCS has provided NEAP the current status of biodiversity to be integrated in NEAP. There were: biodiversity information system (database available, networks, websites, data management, assessment), surveys conducted, habitat and ecosystem assessment, endangered and threatened species, economic value of biodiversity, genetic resources, bioprospecting, reference collections, monitoring and research programmes.
- Corrective measures proposed include the following; improve the existing protected area network, use of modern technology in natural resources management, enhance economic studies on biodiversity to generate revenues, and hence self financing of PAs, establish a natural history museum, establish a captive breeding centre, promote a national programme on biodiversity monitoring and research, support pilot projects on sustainable use of biodiversity, NCS institutional reform, and review the existing legislation.
- Supportive measures requested included the following: upgrade (amend) the existing legislation and issue new ones on wildlife and biosafety, implement NCS reform into an authority, partnerships with private sector, enhance implementation of regional and international agreements , provide more funding for nature conservation, and continue political support to nature conservation.

- 2- Moreover, Egypt has the legal framework required to fulfil its commitments of achieving sustainable development, where Law 4\1994 states that EEAA is a coordinating body responsible for mainstreaming the environmental dimensions into other sectors plan. According to article 5 of this law, EEAA is the responsible entity in the country to follow up and monitor the Multilateral Environmental Agreement (MEAs) to which Egypt is a signatory. The current administrative arrangement system does not allow monitoring nor regular fulfilment of the commitments under the conventions. Beside coordination overload, weak monitoring and reporting system are two main constraints for fulfilment of MEAs the lack of technical and administrative capacity to monitor and report effectively on the achievements of the convention and linking national policy issues to the objectives of global conventions.

- 3- The early start up of the National Capacity Self Assessment (NCSA) project in Egypt has shown the importance of MEAs as a tool to mainstream the environmental dimension into other sectoral plants. Through the orientation meetings held with different stakeholders. It was clear the need to have one unified method of tackling the MEAs as an international commitment as well as a national benefit and an opportunity that should be grasped and well utilized. One of the main challenges identified is the capacity of the state institution to manage funds with the aim to improve their utilization for the fulfillment of the national and international obligations (conventions), the capacity to coordinate with other national stakeholders for commitment of the obligation, developing a long term vision that linking these commitments with national priorities and projects, the need to have a monitoring and reporting system that would assist decision makers in assessing their situation in the convention and upon which to take appropriate action.

- 4- After signing\ratifying around 66 separate MEAs, the country is in the process of developing a national strategy for sustainable development and national indicator program that will take into consideration these global environmental commitments. This will require the set-up of an effective coordination mechanism and follow up system on implementation of these obligations. In support of progress towards a sustainable development strategy and mainstreaming environmental dimensions into sectoral plans it is proposed that establishment of a long term vision for each MEAs should be a prerequisite not only to relate implications of the MEAs full implementation on the formulation of national policies, but also to ensure that associated financial resources have maximum leverage.

B. Models of success conservation and sustainable use of biological resources

1. The Spinner dolphin

Several years ago was discovered by divers the Samaday Region, South of the city of Marsa Alam Red Sea governorate That large numbers of dolphins (about 80) large and small, which has led to an increase. The numbers of divers in the region and consequently increased the negative practices of both boats, which arrived in the nearly 40 boats a day and more than 800 diver and Snorkels. These practices were in: Constipation dolphins, and nutrition and the issuance of votes for

harassment. In addition to the presence of boats in Places of Mating dolphins, which led to Samaday fled from the area for two weeks while caught fire in one of the boats located in the region.

Intervened protected area in the Red Sea and coordination with the Red Sea governorate and users in the region were preparing a management plan for the region and the formation of a scientific team to study dolphins, and it was agreed to implement the management plan in 2004. After a year of the implementation of the management plan, the average number of dolphins from 32 to 78 dolphin per day, the environmental monitoring program marked improvement in growth rates of coral reefs, in the region Also increased our knowledge on the behavior of dolphins, The limited number of visitors to only 200 visitors a day, Fees and arrived in 2005 to the first to nearly 3 million pounds, and addition to continuous improvement in Marsa Alam tourism area, during 2006, 2007 The implementation of the management plan and activate the activities of NGO (Abu Salama) Establishment was Especially for dolphins, In partnership with all users of the region which led to the continued presence of Dolphins continuously, reaching about 120 Dolphin during the summer, and successfully conducted studies to determine dolphins mating season, and season to add to the community of young dolphins, and addition to the identification of food dolphins, which consists of fish and some crustaceans and molluscs (squid).

2. Sea cucumber

Belong of order sea cucumber to skin Chiquita class An invertebrate animals which Living on the seabed and It has an important role in the marine environment, particularly with regard to food chain in an environment of coral reefs and sandy areas, they feed on organic material suspended in water and Also on the seafloor, And thus help preserve water quality In an environment of coral reefs. Sea cucumber has come to attrition at the global level during the era of Eights because of fishing hunting in all the seas, where the increased demand for food as well as for medical purposes Particularly in Southeast Asia. And begin the search in many countries that do not have economic importance such as the Red Sea countries, including Egypt.

There are many types of sea cucumber in Egypt, some of endemic species, which abundance in the shallow coral reef environment and sea grass (from 86 to 95 cucumber / 100 m²). Sea cucumber fishing started in 1998 by fishermen from outside the Red Sea area where the use of illegal fishing nets, as a result of increasing demand, the divers have begun to be used and therefore the depletion of these important organisms have an important role in the environment, and decreased density in number to about 30 Animal / 100 m². The estimated numbers that have been fished to over 12 thousand animals a year. As a result of this activity, increased incidence of death for non-professional divers adventurers as they hit for more than 30 cases given to the temptation of the high price of sea cucumber an continuously. As a result it was prevented sea cucumber fishing in 2001 and began field studies to determine the vulnerability of the marine environment from sea cucumber fishing practices in both the Gulf of Aqaba and the Red Sea

Field surveys included 34 regions in the Gulf of Aqaba and 82 in the Red Sea region (from Taba to the north and south Shalatin) was identified 22 species recorded, while it has reached to 49 species during the period Eights (loss of biodiversity more than 60%) The border guards together with members of the Protection of Nature to arrest offenders (95 offenses, including 47,500 cucumbers) during 2001 - 2003. Field surveys showed a sharp decline in the number of sea cucumber and reached the 10 individuals / 100 m², and most of the areas were Study and particularly that the work of illegal fishing have become almost free of sea cucumber, compared to about 35 person / m² in protected areas where fishing is not for the sea cucumber.

3. Starfish is a spinal Crown

Starfish crown of thorn Itaatmy to a class of ecinodermata, Characterized by many branches and Ocoake toxic. It is known that feeds on coral reefs. In normal circumstances no more than a few in number animals / 10 p.m. 2, but due to circumstances unknown, sometimes significantly increased in number and accumulates over a few and up to more than 50 star / m², which causes big problems, Where feeding on the living tissue of the coral reefs and therefore death.

During 1994 has been monitoring the cumulative numbers of Starfish crown of thorn, which reached up to 370 people in two areas in Ras Mohammed, And quickly spread in number in different regions. Reached the 13 regions. During 2000 has been monitoring the area in 37 Coral reefs in Ras Mohammed, quickly spread north and arrived To the Dahab and the south of Hurghada (over 30 regions) were monitored over 100 A star Sea, which led to the deaths of many coral reefs The rate of coral loss in more than 40%. Combined intensive efforts in 2001 to remove a Starfish crown of thorn by the protected areas staff and with the participation of NGOs and many of the volunteers in each of the Sharm el-Sheikh, Dahab and Hurghada, with the removal of more than 150 A star Sea, and in 2002 began descending number in its preparation and the Natural equilibrium returned to normal gradually in number, in an environment of coral reefs, which regained its vitality once Further increase their growth rates (about 10 cm / year).

4. Medemia argum (Nakheel Arson)

Joseph Passalacqua when he came to Egypt during the nineteenth century was Intended to raise money through horse trading, but turned into Extraction of the Pharaonic tombs and during attempts to collect some Plants discovered in graves which included the benefits of date palms and Doom and The third type of Doom and similar, which was named by the German world Carl Kent Aerjon on behalf of Nakheel. Albrdiat said that the Aerjon Found in ancient Egypt and that he had planted in the garden of a noble in teba and it was used in the manufacture of hibernation since the papers of the blessed palms and Doom Balah.

This plant Discovered alive in 1837 when the German Prince Paul Vautamerg the journey of discovery into the Nubian Desert and east Sudan. After a 20-year link between the scientists discovered the benefits of graves By Passalacqua and trees in the Nubian Desert. In the early century twenty commanders has warned the

military garrison in the Sudan groupings Plant palm Aerjon exposed to the risk of over-use and considered among the plant species extinct since the compilation is not the same one has been monitoring the exploratory flights after that.

Discover in 1963, Dr. Lutfi Paul Arjun tree and a few small trees in an oasis Denkul Nubian Desert, and was the first documented live trees Aerjon in Egypt. And after one year monitoring D. Bahey El Din Al-Al Nekhaila Western Sahara region, about 100 km northwest of Oasis Denkul.

After 45 years of discovery in Egypt, the visit was an oasis Denkul If a tree has fallen famous Paul remained a witness to stem the changes in this place. However, small shrubs grew and the number of the clan, including 36 tree and one Trouh.

Returned to visit the region several times during the period from 2000 - 2007 was a study of plant growth rates in the experimental farm unit Environmental Studies and Development at the University of South Valley. In the past year discovered the plant Al-Alaqi Valley Reserve has been grown in the park. Has also been developed and neither those of Karkar and Denkul plan reserves and future studies are currently in preparation for its declaration.

5. Egyptian Tortoise *Testudo kleimmani*: A mult –disciplinary approach to threatened species of conservation

This is a very successful story of species conservation. All efforts made over the last few years were put in one document, and the following is a summary of the findings. The Egyptian Tortoise *Testudo kleimmani* is one of the world's most threatened species, and one of the world's smallest tortoises. Many factors have contributed to its current demise, including habitat degradation (from various causes) and over collection for trade.

The Egyptian Tortoise once roamed the semi desert of Egypt and eastern Libya, but now is almost but extinct from much of its range in Egypt. Luckily, this species is found in two protected area (Zaranik and Al-Omayed), which provide assurance for its future conservation.

Captive breeding successes lead to reintroduction trials, monitoring of released animals and construction of semi – wild enclosures.

The realization that the long-term future of the species depended on its habitats and local residents who share with it the same resources, indicated that clearly that the local community involvement is crucial. Hence, a local community initiative was launched, building on the hand craft skills of the local residents. But perhaps most astonishingly by capitalizing on the keen knowledge of the locals we were able to rediscover a sizable isolated population of the Egyptian Tortoise in Zaranik PA, where they were thought to have been extinct for many years by the scientific community.

The knowledge and research capacity of the local community represented in the community guards working which the PA was further capitalized on in a unique research programme, which gathered extensive ecological observations from wild population solely by community guards. Locals have proven to be excellent field

workers, and collected excellent information, which will contribute significantly to the conservation of the species.

Community based enclosures were built to limit the negative impact of excessive grazing in agreement with locals, who regard these fenced areas as their own property and seek to maintain them. Thus, the local community has become more informed about the Tortoise, has benefited economically and is participating actively in its conservation. Recently, PA rangers have also been trained to monitor the tortoise populations through radio telemetry, to estimate home range and habitat requirements of the species.

In conclusion, the conservation of a single indicator species (even though a small creature) will require extensive and intensive efforts to remedy the root causes for its disappearance. In the process, many socioeconomic issues, ecological factors and political issues might have to be addressed. But not only would the tortoise populations benefit, but also the flora, other threatened species, the ecosystem as a whole would benefit, and most importantly the native Bedouins inhabiting this landscape would also benefit.

IV. New Financing Mechanisms for Mobilization of Resources:

A. NCS Reformed as Institution Process:

1. Institutional Reform of NCS

The NCS Capacity Building Project (NCSCB) worked effectively in 2005 and 2006 in close cooperation with Legal Project to develop NCS towards an autonomous economic institution as a Nature Conservation Authority with defined policy, clear mandate, detailed organizational structure and supporting comprehensive studies. The institution reform study was prepared by national and international consultants with wide range discussions with environmental, managerial and economical experts as well as NCS and PA staff. The study had been concluded that the existing NCS structure is not suitable for the scope of authorized works, international commitments, and expanded geographical areas of protectorates and national responsibilities of biodiversity convention. Besides, NCS suffers from shortage of staff, lack of needed equipment and insufficient financial resources to tackle its mandate, while the primary feasibility study of possibilities of PA generated resources showed it can cover the needs for effective management within five years.

A round table was held in partnership with high level advisors, scientists and managers; to discuss the study and solutions, in addition to different presentations to H E the Minister of State for Environmental Affairs, CEO of EEAA and leaders of EEAA. The participants had reached a consensus that the most suitable institution for nature conservation is the establishment of an autonomous General Authority affiliated to MSEA according to the Egyptian law of public sector

reform. This authority will realize decentralization of management, flexibility of works, reaching self financing and achieving sustainable development of PA network and biodiversity. This proposed institution was guided by Presidential Election Manifesto about national reform, the government five years plan and the worldwide trends of PA management that depends on effective business actions and supportive partnership of the stakeholders and communities.

In addition, NCSCB in cooperation with Legal Project had produced another alternative option of establishing a Holding Company which became a new economical institution for many national services and self dependent. The framework and legal background for the company was produced which could secure sufficient financial and technical resources to improve the management system of PAs and biodiversity conservation.

The MSEA undertook the legal measures and official documents in the direction of Nature Conservation Authority establishment by a Presidential Decree, however the process was bended. This ambitious institution is likely to be achieved through the Global Environmental Facility (GEF) Project which is scheduled to start by mid 2009 where NCS institution will be directed toward a self financed decentralized entity is imperative to ensure sustainability of the Protected Areas.

2. Mandate of the Nature Conservation General Authority

- Create and maintain an ecological representation system of wetland, terrestrial and marine PAs to protect the nation' natural values.
- Ensure that PAs are properly governed, effectively managed and sustainably used in support of the local and national economy.
- Make PAs as financially self supporting as possible by optimizing revenue generation, without threatening natural values, which enhance PA protection and management.
- Promote better long term conservation of wild resources outside PAs through supportive regularity mechanisms and pricing structures that offer local people incentives to conserve and manage these resources more sustainably.
- Monitor the status and trends of biodiversity throughout the country with a view to initiate appropriate actions to prevent the dissipation or genetic contamination of valuable species, ecological processes or despoiling of aesthetically attractive scenery.
- Increase awareness among decision makers and public at large of the value of wild resources, the importance of managing them effectively and realize their potential to support the national prosperity.
- Ensure the presence of efficient organization, qualified staff, adequate equipment and sustainable financing to fulfill this mandate and achieve international standards.
- Fulfill Egypt's obligations in terms of international conventions and bilateral or regional agreements relating to nature conservation.

B. NCS Business Planning

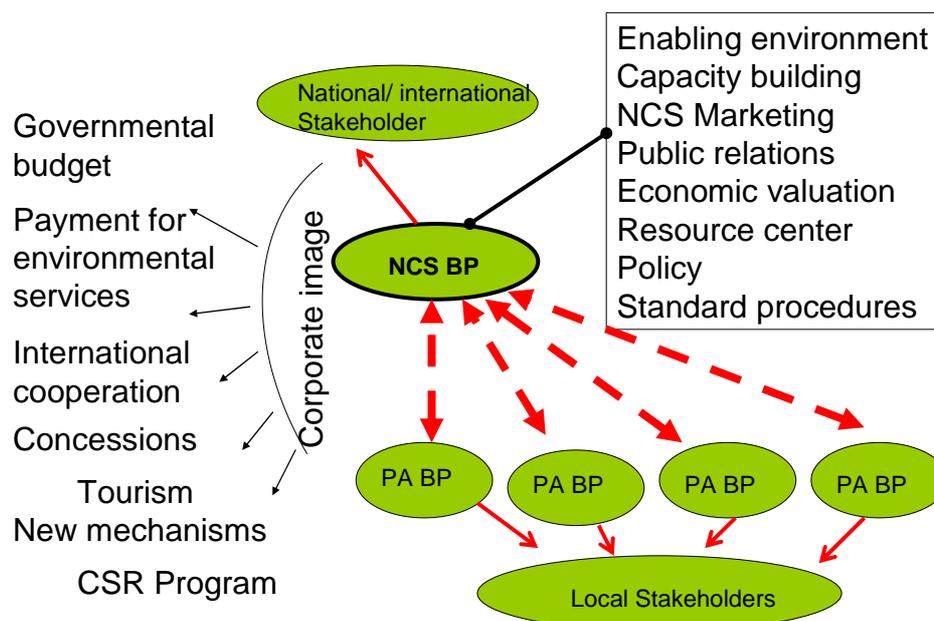
1- Business plan and recourse mobilization

The business planning is a new mechanism in Egypt while it became a wide trend in many countries to achieve financial sustainability of PA system. Financing is one of the key pillars of all conservation efforts and is necessary to ensure effective management and proper protection of the valuable natural resources. The business approach is based on the idea that PAs provide real economic benefits to individuals and society as a whole. These contributions are often neither fully recognized nor compensated. By identifying what are the environmental goods and services provided by a PA and who are the beneficiaries, it is possible to evaluate the value of these benefits and generate payment from them.

Through years 2006 and 2007 the NCSCB project started by financial analysis of NCS budgets and revenues generated by PAs through the last 5 years, compared that with the needs and the general norms of expenditures in PAs of Developing Countries which showed the gap between financial resources and proper management of PAs system in Egypt. Two PA business plans have been developed as models to be tested and evaluated. Along with that a comprehensive study is going on about the process of BP at the central level of NCS which will be a base for the GEF project.

NCS business plan pursues to guide an integrated process to ensure long term and stable funding for the Egyptian Protected Areas System. It should be conceived as a master plan for NCS sustainability considering the different social, economic and political issues affecting PA conservation in the country.

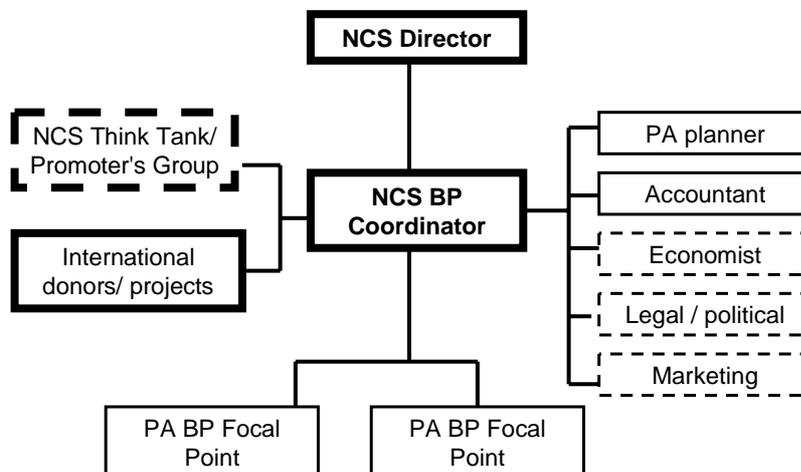
Graph 1 : NCS Business Plan Framework



2- The Expected Results from Implementation of NSC Business plan

- An appropriate set of policies and laws that enable PA Business Plans to generate, retain, manage and invest funds.
- To build a formal long term group to provide assist NCS with technical, political and financial support (Promoter's Group/ NCS Think Tank)
- Awareness of protected area values and knowledge about sustainable financing mechanisms influences policy and practice in Egypt.
- Institutional and legal framework to allow opportunities for local communities and private actors
- Build a stable funding portfolio, going beyond conventional mechanisms and including multiple funding sources, as a key element of PA financial stability and sustainability.
- Introduce business planning, as a means of encouraging NCS at both system and site levels to think broadly about their long-term expenditure needs and revenue prospects, and thereby obliging them to align the two in a realistic way.
- Manage and administer funds in a way that promotes cost efficiency and management effectiveness, allows for long-term planning and security, and provides incentives and opportunities for PA managers.
- Ensure that there is sufficient human capacity to use financial tools, as a key strategy for improving PA financial sustainability.
- An important step has been taken trough the NCS Capacity Building Project in terms of raising awareness and generating the preliminary capacities for a national business planning process. As a result of this, a National Business Planning Team has been established incorporating protected areas focal points to move the process at two parallel levels. A specific person has been appointed as a BP National Coordinator with the commitment to full time dedication, and the mission to start developing a resource center for business planning.
- These results lead to a preliminary structure that ensures the necessary support and human capacities to prepare the NCS BP

Graph 2 : Structure for NCS Business Planning Process



V. Initiatives To Achieve Resource Mobilization Goals

A. GEF Project: Strengthening the National System of Protected Areas

The project indicative financing is \$ 13 million (4 million \$ from GEF and 9 million \$ from co- financing). It is planned to be started by the mid of 2009.

1. Project Objective:

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

2. Major barriers affecting financial mobilization

- The existing system and level of PA financing is wholly inadequate to the task of supporting required NCS activities: Egypt's baseline system of PA financing operates as follows. Revenues generated by the PA system, which consist mainly of funds collected from visitors to 5 of the 27 PAs, are retained within an Environmental Protection Fund (EPF). Income generated in this manner, while clearly below its potential, is nevertheless fairly substantial. However, EPF funds are not easily available to PA managers in NCS. The EPF supports a wide range of EEAA activities, not just those related to protected areas, and only a nominal fraction of revenues generated by the PAs returns to NCS.
- NCS as an institution has limited capacities and systems needed to effectively implement its mandate: While NCS currently lacks funds to undertake its critical management and protection tasks, it would likely fail in meeting its conservation goals, even if adequate funding were available, due to its limited capacities, and lack of systems to effectively prioritize, plan, manage and monitor.
- NCS has insufficient authority and administrative independence: A lack of administrative independence prevents the NCS from establishing priorities based on sound technical reasoning. This also makes personnel, financial and administrative management complex and subject to infringements from external sources.

3. The project main components

- Tools and practices for financial resource mobilization: Egypt's PA system must be able to attract and take advantage of all existing and potential revenue mechanisms within the context of its overall management priorities. Current levels of revenue generation, e.g., from user fees, appear to be well below their potential. In addition, diversified revenue sources such as tourism services concession arrangements or even carefully controlled levels of resource extraction, could offer additional sources of revenues and reduce reliance on a single revenue source (user fees). The

project will therefore work with NCS to develop and implement tools and practices for enhancing and diversifying revenue sources.

- Business planning and cost-effective management: As revenues increase, and are increasingly available for conservation, NCS will need to build its capacities and develop PA system. Cost effectiveness will be enhanced through factors such as the efficient deployment of human and other resources and avoiding duplication of tasks between individuals, departments and institutions. Implementation of business planning will mobilize more resources for sustainable management and enhancement capabilities of PAs. Monitoring of management effectiveness will become an important tool in measuring and improving cost-effectiveness.
- Legal, regulatory and institutional frameworks that support sustainable PA financing: Legal, regulatory and institutional frameworks governing Egypt's PA financing systems will need to be reviewed and redefined to support efficient and appropriate financial planning and local revenue generation, retention and disbursement by PAs in the interest of improved conservation management a comprehensive package of systemic enhancements designed to institutionalize this new approach to PA financing. For example, governance structures, including devolved and co-management / partnership arrangements will enable and require the use of effective, transparent mechanisms for allocation, management and accounting of revenues and expenditures.

B. Draft of Law on Access and Benefit Sharing:

1. Introduction

- The value of medicinal plants and the associated traditional knowledge have raised concerns about the protection of the intellectual property rights of the local community. The aim is to achieve equal benefit sharing for the outcomes and revenues resulting from the utilization of this knowledge commercially.
- Until now, the local communities have not been able to claim the right to prevent others from using their natural resources and traditional knowledge related to medicinal plants. The communities could use the Intellectual Property Rights (IPR) to protect their medicinal plants and associated knowledge by the application of claiming their "prior art".

2. Objective

- In the logical framework of the Medicinal Plants Conservation Project, the fourth outcome entitled "MAP conservation and management enabling environment strengthened" aims to define and regulate the local community's rights to access their natural resources and to share the benefits of the management thereof. This will be achieved through drafting a national legislation of "Access and Benefit-Sharing (ABS)"

3. Progress

- In order to achieve this objective, the Ministerial Decree No. (5) of 2007 dated 01/13/2007 has been issued for formation of a scientific legal committee representing various organization related to access of genetic resources and traditional knowledge and the equitable sharing of the benefits of the management thereof, since then twenty seven committee meetings have been held, where were the following:
 - A. Reviewing of all national and international legislation on regulating access to genetic resources and associated traditional knowledge and the equitable sharing of benefits arising from utilization, and how to achieve access for the sharing of benefits arising from the sustainable use
 - B. Four different international related legislations were discussed (Ethiopia, India, Namibia & South Africa) to identify themes and key elements against these laws formulated. A comparative study of these legislations was prepared and reviewed.
 - C. A national conference was held with knowledge owners, Ashabin, healers, Hakims and relevant experts to monitor their opinions in the patterns of law available in the national or international studies. 50 members participated in the conference, ten members of the Committee of Intellectual Property Rights and fifteen of the relevant expert and fifteen of the owners of knowledge heritage, Ashabin, wise and the Attarin from different throughout Egypt and ten of the local Leadership of St. Katherine and representatives of the media. The conference came out with a number of recommendations and outputs which have been considered in the drafting of the national legislation for Access and Benefit Sharing.
 - D. The first draft of the national ABS law was prepared and has been discussed in a national conference with the different stakeholders and ministries involved where participants reviewed draft articles and put their proposals and comments which have been taken into account when drafting the Second draft.
 - E. The second draft of the national ABS law was prepared and sent to the Minister of Environment to circulate it to all the stakeholders and ministries involved to get their opinion in this draft, in order to put the final draft of the national ABS law and present it to the Ministry of Justice for review.

VI. Resource Mobilization Focal Point:

Nature Conservation Sector – Egyptian Environmental Affairs Agency

