



Global Environment Facility

GEF/ME/C.35/Inf. 2
May 26, 2009

GEF Council
June 22-24, 2009

**GEF EVALUATION OFFICE:
COUNTRY PORTFOLIO EVALUATION:
EGYPT (1991—2008)**

(Prepared by the GEF Evaluation Office)

EXECUTIVE SUMMARY

1. This document presents the main conclusions and recommendations of the Country Portfolio Evaluation conducted by the GEF Evaluation Office in Egypt. It is presented to the GEF Council, as a Council information document, for discussion at the Council's June 2009 meeting. A full detailed report will be available on the GEF Evaluation Office web site (www.gefeo.org) in June 2009.

2. Egypt has been a long-standing partner of the Global Environment Facility (GEF), having received GEF financial support since 1991 through a variety of projects and activities in collaboration with the GEF Agencies, government agencies, non-governmental organizations (NGOs) and civil society. From November 2008 to March 2009, the GEF Evaluation Office carried out an evaluation of the GEF support to Egypt for the period 1991–2008. The evaluation was conducted by a team of Egyptian consultants and staff from the GEF Evaluation Office¹.

3. The country portfolio evaluations (CPE) were launched in 2007 following the GEF Council's request that the Evaluation Office assess national GEF-supported activities. Based on the standard terms of reference for CPEs, the evaluation of GEF support to Egypt had the following specific objectives:

- Independently **evaluate the relevance and efficiency of GEF support** in the country from several points of view: national environmental frameworks and decision-making processes, the GEF mandate and achievement of global environmental benefits, and GEF policies and procedures;
- **Assess the effectiveness and results** of completed and ongoing projects in each relevant focal areas; and
- **Provide feedback and knowledge sharing** to (1) the GEF Council in its decision-making process to allocate resources and develop policies and strategies, (2) the country on its participation in the GEF, and (3) the different agencies and organizations involved in the preparation and implementation of GEF support

4. The scope of the Egypt CPE included all 19 national projects for US \$87.87 million, as well as 7 regional projects and 1 global project. In addition, the national component of the Small Grants Programme has received \$4.32 million, thus making the total amount that Egypt has received from the GEF \$92.19 million. All GEF focal areas are to some extent represented in these projects, and the same is true for the three main GEF Implementing Agencies, namely, the United Nations Development Programme (UNDP), United Nations Environment Programme (UNEP), and the World Bank.

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GEF Support to Egypt National Projects by Focal Area

	\$ millions	% of total
Climate Change	66.57	76
Biodiversity	14.01	16
International waters	6.09	7
Multi Focal	0.70	1
POPs	0.50	1
Land Degradation	0	0
TOTAL	87.87	100%
SGP	4.32	
GRAND TOTAL	92.19	

5. One of the challenges facing the evaluation team stems from the fact that there is no GEF country strategy in Egypt, and consequently no specified programmatic objectives, indicators, and targets against which to evaluate the effectiveness and results of the GEF projects. The evaluation therefore considers the objectives and internal coherence of portfolio projects and activities, and how the portfolio has evolved. The evaluation frameworks used for assessing GEF support to Egypt includes the country programs of GEF Agencies, as well as Egypt's national sustainable development and environmental policy, and strategic frameworks and priorities, within which these projects are prepared, approved, and conducted.

6. It is important to note that GEF support within any given area only represents one contribution among others, which is provided through partnerships bringing together several institutions. Granted these circumstances, it is not the intention of the CPE to seek to attribute development or environmental impacts directly to the GEF, but rather to examine the GEF contribution to overall achievements.

7. It is important to recognize that Egypt has played an important role in the international environmental arena for many years with strong participation and contribution to global and regional conventions. Several international organizations, including GEF and UNEP, have been fortunate to have Egyptians at their helms. Egypt and the GEF Evaluation Office had a prior partnership during the organization and implementation of the Alexandria Conference on Climate Change and Development, in May 2008, which coincided with a concerted effort in Egypt to raise further awareness of adaptation issues.

CONCLUSIONS

8. GEF activities in Egypt have been instrumental in drawing the attention of decision makers to global and regional environmental issues. To this effect, GEF activities have resulted in national policy changes and mainstreaming, particularly through climate change and biodiversity projects. GEF has also succeeded in contributing to the policy dialogue, for example in the regional international waters projects.

RESULTS AND EFFECTIVENESS

Conclusion 1: GEF support to biodiversity in Egypt has been of strategic importance.

9. GEF has played a major role in the field of biodiversity in Egypt. This is particularly true for the early period of GEF, when donors showed less interest in supporting biodiversity conservation in Egypt. However, this is also true at present, as donors' support in the field of the environment is gradually phasing out.

10. Most of the GEF biodiversity projects in Egypt that have reached completion are enabling activities. In this context, GEF has contributed significantly to developing the institutional capacity within national (Egyptian Environmental Affairs Agency (EEAA) and local (Governorates) authorities and enhancing the national capacities in this field. The activities of GEF has also contributed to raising awareness on biological diversity issues of decision makers outside the environment circles, the awareness of local administration, the media and the public at large. This has resulted in a situation where the issue of biodiversity is currently higher on the political agenda and more visible, and it has allowed some biodiversity projects to generate considerable co-financing from line ministries, NGO's and the private sector.

11. In addition to capacity building, GEF supported biodiversity projects have enabled the development of comprehensive frameworks, such as policies, legislation, and strategic actions plans, including the National Biodiversity Strategy and Action Plan, Wetland Strategy, Integrated Coastal Zone Management plan for the Red Sea, National Capacity Self Assessment, national reports to the Convention for Biological Diversity, and management plans for protected area sites. GEF has introduced a more sustainable model for development of coastal areas by pioneering the concept and requirements of coastal zone planning. A number of biodiversity projects have also initiated a successful model for community involvement and empowerment, decentralization, improved local governance and for incorporating innovative livelihood schemes in conservation activities. The importance of these successful examples, albeit not necessarily fully sustainable, is that they set precedence for biodiversity projects in Egypt through the introduction of new approaches and models. Overtime these practices have become an integral part of the relevant organizations and of biodiversity projects in general.

12. Of the particular GEF supported programs, the Small Grants Programme (SGP), has helped to mobilize local communities and establish the link between the global and the local level benefits. It has supported biodiversity activities in:

- Addressing local environmental and/or sustainable development issues.
- Reaching marginal populations and poorer communities.
- Creating job opportunities and generating income

Conclusion 2: Climate change activities have achieved results, particularly in energy efficiency.

13. Egypt has been successful in accessing GEF funding for climate change activities, and there are projects in each of the GEF climate change strategic priorities, focusing on energy efficiency, sustainable transport, and renewable energy. Following the development of the GEF Climate Change Strategy, adaptation projects have been recently introduced in Egypt. Since Egypt is still developing a national strategy for climate change GEF seems to have been driving the climate change agenda in Egypt. To that effect, GEF has introduced climate change issues to Egypt through building the national capacities in this area.

14. GEF support to enabling activities has contributed to the institutionalize climate change in the Government, and to elevate the issue on the national agenda. A climate change institutional mechanism consisting of a policy making Inter-Ministerial Committee and a Technical Secretariat at EEAA has been established. A climate change policy dialogue has been initiated, and indigenous capabilities in the areas of climate change assessment, mitigation and project development have been enhanced.

15. One particular area in which the GEF climate change support has achieved important impacts was through the Energy Efficiency Improvement and Greenhouse Gas Reductions project. It is estimated that the project has been able to achieve a cumulative reduction of 16.8 million tons CO₂. While the project was far from achieving its initial reduction target of 11.7 million tons of cumulative CO₂ reduction by the planned project completion date, it has continued to achieve CO₂ reductions in the project extension period and has now surpassed the initial target. This is, however, an example of overly ambitious initial targets, commonly found in GEF projects in Egypt and elsewhere. The project has achieved concrete results in other areas as well, which have and are still expected to result in reasonable CO₂ reductions. For example, market transformations have been created in the energy efficient lighting system market, energy service companies (ESCOs) market, and energy efficiency appliances market, and development of sectoral policies and regulations that support project goals have been achieved. These include the development of energy efficiency standards and labels for three electrical appliances, and energy efficiency codes for new residential buildings. Expansion of business and supporting services for energy efficiency has been expanded to nine ESCOs. The government is also now preparing a National Strategy for Improving Energy Efficiency in Egypt. It is clear that energy efficiency is well on its way to becoming mainstreamed.

16. Four relatively new GEF national projects in climate change are currently ongoing or about to start: the Solar Thermal Hybrid project; the Bioenergy for Sustainable Rural Development project; the Sustainable Transport project; and the Adaptation to Climate Change in the Nile Delta through Integrated Coastal Zone Management project. These projects address long awaited actions and provide innovative approaches to national problems that have significant global impacts. Similar approaches have not previously received any substantial support from other donor agencies.

Conclusion 3: International waters projects have laid the foundation for collaboration between countries and demonstrated innovative technologies and approaches for water conservation.

17. The GEF support to international waters projects in Egypt is large in comparison to other countries. In total the evaluation estimates that 15 projects, national and regional, are dealing with international waters issues.

National Projects

18. The international waters projects in the national portfolio have been pilot demonstration projects, which stimulated research in the areas of wetlands engineering and groundwater resources. For example, the Lake Manzala Engineered Wetland project demonstrated a low cost technology capable of treating large bodies of wastewater in Egypt, hence reducing the impact of land-based sources of pollution on the Mediterranean Sea, while addressing the national development challenge of untreated wastewater. The project has treated only a minor fraction of the water flowing to the coastal Lake Manzala but there is widespread consensus among researchers and decision makers that this project has a large potential for replication in Egypt and in countries of the region. However, there have been limited attempts for replication, and no clear vision for dissemination of experience, replication or for the scaling-up of the constructed wetland technology exists at this point.

19. The other national project, Developing Renewable Ground Water Resources in Arid Lands: A Pilot Case – the Eastern Desert of Egypt, has identified sources, extents, and histories of groundwater in alluvial aquifers, as well as estimating prediction of rainfall patterns over the Eastern Desert. The project has also investigated groundwater flow in the alluvial aquifers flooring, one of the main valleys of the Eastern Desert, produced a replicable model in neighboring Middle Eastern and Saharan countries, and contributed to the preservation of freshwater ecosystems in the region. The project has demonstrated the benefits of selecting, designing and approaching research in a way to respond to policy and development concerns. Moreover, the project has successfully managed to link research to development focused on a vital natural resource, ground water. The Eastern Desert project allows the utilization of an un-tapped water resource, that if sustainably managed would reduce the competing demands on the already over-committed Nile waters.

20. In both above mentioned projects, indigenous and local community knowledge has been built into their respective target areas. There have also been even spin-off results and the experiences and knowledge have been, and still are, being transferred to the individuals and institutions in the region.

Regional Projects

21. GEF support has reached all of the main transboundary water bodies in Egypt: Mediterranean, Red Sea, Nile River and Nubian aquifer. The evaluation found that these regional projects have succeeded in:

- Initiating a dialogue between countries of the region, which might not have taken place otherwise. In the cases of the Nile Basin Initiative and the Nubian Aquifer, this is of particular strategic importance to Egypt.
- Supporting regional institutional set-ups, such as that of the Nile Basin Initiative and PERSGA. The likelihood of these mechanisms being sustainable and functional has proven to be quite high, and these regional mechanisms are likely to continue to function after project completion with their own momentum; albeit, with reduced effectiveness, as already been evidenced by PERSGA.

22. However, evaluations of experience in Egypt and other countries with international waters regional projects in the region have shown the following problems:

- Coordination among national institutions working on these water resources is not always efficient as there is the additional complexity of involving and coordinating a numbers of institutions in each of the countries.
- Dissemination and utilization of information and regional products coming from these projects by the national institutional stakeholders is less than satisfactory.
- Regional projects require a relatively longer time to achieve their objectives and produce tangible results due to the fact that they often set up regional institutions, in addition to the relative weakness of policy tools and national institutions involved especially environmental institutions."
- The capacities and competence of organizations vary considerably in the different countries. This results in capacity building activities being neither appropriate nor useful enough.
- Regional projects without national components do always not provide tangible benefits nor support for national institutions. Their activities are not sufficiently visible, especially when compared to relatively large bilateral projects. Accordingly, these projects do not always receive the needed political attention and support.

Conclusion 4: GEF support to Egypt in the areas of Land Degradation and Persistent Organic Pollutants has been limited.

23. In the area of land degradation, worldwide demand for GEF resources has exceeded the available sources. This is a particular difficult situation for countries like Egypt where land degradation is one of the major challenges in the environmental sector. The only GEF supported pure land degradation project in which Egypt participates is the regional MENARID project. However, this project is in its early stages and so far there is no national component or activities in Egypt. A national project under MENARID was initially planned, but had not materialized at the time of this evaluation.

24. GEF support for POPs projects is recent. However, GEF activities have managed to put this important environmental issue on the Government's agenda. With the assistance of the GEF-funded enabling activity, Egypt prepared its National Implementation Plan (NIP) for the Stockholm Convention on Persistent Organic Pollutants in 2005. The process of preparation of the NIP allowed the Government to address the POPs issues in a structured way, and define the manner in which it intends to fulfill its obligations to eliminate or reduce production of POPs. While the NIP project facilitated collaboration and raised awareness concerning POPs among relevant ministries and authorities, implementation of the plan has yet to be initiated.

Conclusion 5: The long term sustainability of achieved results remains a challenge.

25. Long term sustainability of projects results has been typically undermined in Egypt by inadequate planning and insufficient resource allocation at local level. For example in biodiversity significant challenges remain in the management of protected areas, conservation and enforcement. Actions to involve the private sector to mobilize financial resources are still insufficient.

26. Furthermore, sustainability is often undermined by the challenge of anchoring complex environmental projects and priorities within public structure and institutions. To this end, handover of projects results to their final national institutions destination take place too late in the project cycle to ensure smooth exit strategies. Moreover, national resources are not introduced gradually during project implementation to facilitate gradual phasing out GEF resources. Projects management do not withhold/delay final disbursement upon satisfactory performance of a project in achieving minimum levels of sustainability.

27. Another challenging area for sustainability is that dissemination of project outcomes and outputs to policy makers, executive bodies and the public does not receive adequate attention. Dissemination of results of GEF projects is one of the key tools for achieving sustainability of project results through policy changes, wide scale replication and consequently tangible local and global benefits. A finding that is common to the majority of projects is the insufficient efforts, resources and time devoted to the dissemination of project results. This could be a result of a tendency to view the number of activities carried out and outputs produced as a sign of success, whereas the real project impacts, which might result from dissemination and replication, receive lesser attention.

28. The short operational lifetime of a project (excluding the preparatory time and time when project is still not operational) often limits the degree of dissemination that can be achieved. Typically there is insufficient time and budget allocation for effective dissemination using the resources of the project. In addition, when the project is finally institutionally anchored and handed over, it often lacks the needed financial resources. This leaves the responsibility of widespread dissemination to the very limited resources of the national institution.

29. Similarly, the potential for replicability needs to be better incorporated into project design in order to reap the full benefits of the knowledge and experience generated by projects. One possibility is to introduce the idea of 'second phases' for potentially successful projects dedicated to adaptation and dissemination. This would be particularly important for projects introducing a new technology or system that may need an adaptive follow up phase. Building on the results of the initial phase with the aim to effectively disseminate and replicate projects results and experiences could be more cost-efficient than approving a new project.

30. In recent years the likelihood of sustainability has improved through a shift from a portfolio largely driven by technological approaches to one which today involves more community orientated mechanisms. For example, a promising aspect of the biodiversity portfolio concerns socio-economic project impacts. Recently completed and ongoing projects have recognized the importance of increasing the ecological sustainability of current livelihoods, in addition to raising awareness and building capacity on the local level, and sufficiently managing to engage the local communities. This reflects the significance of local community participation and awareness throughout the project given the shared interests they have in the local ecosystem.

RELEVANCE

Conclusion 6: In general, GEF projects and activities address national priorities and coincide well with the environmental agenda in Egypt.

31. The majority of GEF projects and activities in Egypt address national priorities and aligns well with the national environmental agenda as reflected in policy and legal frameworks, including the National Environmental Action Plan, Law 4/1994 and Law 102/1983 and other relevant policy directives and strategy documents to the extent these priorities are relevant to the GEF focal areas.

Conclusion 7: The GEF support in Egypt has been of particular strategic importance as compared to other Donors in the field of the Environment.

32. In the past 15 years, Egypt has received relatively large official development assistance in the field of the environment. However, GEF has provided support in areas where other donor agencies have to a large extent refrained from supporting, particularly in wetlands' management and biodiversity conservation, energy efficiency, sustainable

transport, biomass energy and POPs. This is particularly true for the early period of GEF, when donors showed less interest in supporting for example biodiversity conservation in Egypt and there was little support for climate change activities. In this respect, GEF is supporting a niche of national environmental challenges that have global benefits. However, this is also true at present, as donors' support in the field of the environment is gradually phasing out.

EFFICIENCY

Conclusion 8: In line with earlier findings of the evaluation of the project cycle, the project preparatory phase in Egypt is often too long, running the risk of altered country priorities as well as GEF priorities by the time of approval and implementation.

33. The GEF project preparation process in Egypt is lengthy due to a combination of factors involving the GEF Secretariat, the implementing agencies and the Government. This corroborates findings of previous evaluations, such as the *Joint Evaluation of the GEF Activity Cycle and Modalities*. The total time from pipeline entry to project start-up takes on an average about 6.4 years or 77 months, which is one of the longest averages when compared to previous CPEs conducted in countries such as South Africa, Costa Rica and the Philippines. A new project cycle was introduced following recommendations of the Joint Evaluation of the Activity Cycle, and 22 months was set as the maximum allowable length for project cycle for projects prepared and approved in GEF-4 (2006-2010). This shorter cycle has yet to materialize in Egypt.

Conclusion 9: Project supervision and/or steering committees need to be more proactive and responsive to address problems and facilitate implementation in a timely manner.

34. GEF projects, as any other ODA projects, often face start-up, implementation or hand-over and sustainability problems. In some cases, these problems stem from over-ambitious or inaccurate project designs that are not always resolved by the project's supervisory or steering mechanisms during project implementation. Moreover, decisions or interventions to facilitate efficient implementation are not always taken in a timely manner. In some cases, adaptive decisions are not made until the mid-term review is carried out, resulting in unjustifiable delays. In other projects, mid-term reviews have been carried out ahead of time in order to resolve a problem or adapt a project design. However, while it can be noted that the GEF implementing agencies and the GEF Unit of EEAA play an important role in attempting to address problems related to delays in implementation, sustainability and project performance at large, these were usually based on individual initiatives. In the case of the SGP, more field follow-up and technical assistance to projects is needed at the different stages of the project cycle.

Conclusion 10: The delivery of functions of the Focal Point mechanism in Egypt has improved since the establishment of the GEF Unit and the GEF National Steering Committee.

35. Since the establishment of the GEF Unit and the National Steering Committee the project approval process is more systematic and follows clear priorities, and the GEF project proposals have become more country-driven. The diversity of representation in the GEF National Steering Committee has proved successful and has quite firmly rooted the Committee in the relevant ministries. However, the evaluation found that there is no national GEF framework that reflects a vision and draws a roadmap for GEF activities in Egypt. The GEF does not require countries to have this framework.

36. Coordination and collaboration between GEF projects was found weak, in particular for regional and global projects. The ownership of, and commitment to, GEF regional and global projects, especially those with no national components, are relatively weak and are most often limited to narrow circles of those individuals and institutions directly involved in these projects. This could be attributed to a number of reasons. Development of regional and global projects often taken place without sufficient involvement of national institutional stakeholders. Also global and regional projects do not usually produce any short term tangible results, which may yield visibility. Therefore, the buy-in from national executive bodies to global and regional projects is still typically weak. Focal points of regional and global projects could facilitate coordination through improved dissemination of products such as reports, case studies and project experiences.

OBSERVATION

37. It is suggested that a comprehensive and updated database of GEF activities in Egypt be developed and maintained. The database should cover all projects and activities in Egypt as well as include all documents relevant to the projects such as project documents, evaluations, verifications etc. This database should be shared and maintained by and between all the GEF partners, including the GEF Secretariat, GEF operational focal point and the implementing agencies.

RECOMMENDATIONS

Recommendation to the GEF Council

Recommendation 1: The GEF Council should address the significant gap of available resources in Land Degradation to support key challenges facing countries like Egypt.

38. The possibility of additional allocations for activities in the field of land degradation should be further explored. There is widespread demand in Egypt for activities in the area of land degradation.

Recommendation to the Government of Egypt

Recommendation 1: Prepare a GEF national framework in order to enhance the strategic use of GEF funds.

39. The GEF support could become more strategic and effective if the GEF Unit and National Steering Committee would prepare a national GEF framework, in particularly with GEF5 in mind. This should be fully supported by the Government to ensure full buy-in and integration with national strategies. Such a framework would include a national vision and strategic plan for future GEF activities in Egypt. The framework would ensure a planned program rather than a set of projects. This could attract the involvement of the private sector.

Recommendation 2: Improve the overall effectiveness of the GEF support.

40. The improvement of the overall effectiveness of the GEF support could be accomplished in various ways:

- The GEF Unit should work towards enhancing the coordination and collaboration of the institutions active in GEF projects, particularly including the regional and global projects. Furthermore, it could enhance the possibilities of synergies between the projects in the different focal areas, as well as with the SGP.
- The National Steering Committee should have a more enhanced supervisory function as well as an explicit mandate to tackle sustainability issues of projects.
- The GEF Unit could play a more central role in the integration and dissemination of GEF project outputs and outcomes. The planned GEF national website would be a significant step in that direction. However, for efficient dissemination to take place, the human and financial resources of the GEF Unit need to be substantially improved.

41. The effectiveness of GEF regional activities need to be enhanced through a number of measures, including, but not limited to:

- Enhancing the visibility of the regional projects and their activities so that they raise the attention of the decision makers. The realms that are influenced by the regional projects should be expanded beyond the relatively limited environmental circles in the countries.
- Emphasizing the early involvement of national stakeholders in project design and preparation.
- Ensuring that the design of capacity building and training components of projects takes into consideration the disparity in capabilities and capacities of individuals and institutions in the different countries of the region.
- Utilizing the competent institutions and individuals in the region to undertake capacity building and training activities.

42. The SGP should play a role in paving the way and preparing for medium-size projects (MSPs) and full-size projects (FSPs), as well as following-up on and utilizing their products and results. To this end, a stronger link between FSP/MSP and the SGP could be established. More importantly, GEF activities at large would be more effective and sustainable with the involvement and linkage to SGP. Where this kind of collaboration has taken place on an ad-hoc and rather limited scale, it has already created successful results.