



GLOBAL FUND FOR
CORAL REEFS

ANNUAL NARRATIVE REPORT:

Egyptian Red Sea Initiative

January – December 2024

Programme Overview

Programme Title & Project Number		Programme Duration	
Programme Title: Egyptian Red Sea Initiative		Start Date: December 2023	
Programme Number: 00140838		End Date: December 2030	
Programme webpage: [If applicable]			
Programme Location		Co-recipient Organisation/s and Implementing Partners	
Country/ies: Egypt		Implementing Partner/s:	
Priority Coral Reef Site/s:		<ul style="list-style-type: none">• Ministry of Environment (MoE)• Egyptian Environmental Affairs Agency (EEAA)• Hurghada Environmental Protection and Conservation Association (HEPCA)• Abu Ghosoun Community Development• Gorgonia Beach Resort	
<ul style="list-style-type: none">• Wadi El-Gemal-Hamata National Park• The Northern Red Sea Islands Protectorate• Brothers Islands			
Total Approved Budget			
Total GFCR Budget: USD 14.25 million			
[Convening Agent]: USD 14.25 million			
[UNCDF Blue Bridge, if applicable]:			
[Other Co-recipients, if applicable]:			

Programme Description

The Egyptian Red Sea Initiative (ERSI) aims to reduce drivers of coral reef degradation while simultaneously developing new finance sources and mechanisms for reef-positive business and livelihoods. To ensure that the Egyptian Red Sea region's coral reefs continue to provide vital ecological and socio-economic services, the programme will also advance science on coral reef resilience, identify and protect climate refugia, and implement sustainable financing mechanisms for Marine Protected Areas (MPAs) that harbour critical coral reef ecosystems. Through the establishment and operationalization of a new Egyptian Fund for Coral Reefs (EFCR), which will leverage finance for reef-positive businesses that support conservation, economic development, community livelihoods, and enhanced community resilience to climate change, the programme will accelerate the development of reef-positive business models, especially in the ecotourism, sustainable fisheries, and waste management sectors. With additional finance for conservation and investment from the private sector, the programme is expected to leverage at least an additional USD 45 million in grants through the Egyptian Fund for Coral Reefs (EFCR) to support coral reef conservation in the Egyptian Red Sea.

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● Executive Summary

1. Programme Progress Update

- The Egyptian Red Sea Initiative (ERSI) project was signed on 2 September 2024
- The first tranche of funding in the amount of USD 3.1 million was transferred to the UNDP Country Office in Egypt on 10 October 2024.
- Terms of Reference for three posts within the ERSI Programme Management Unit -- Project Manager, Finance Officer and Administrative officer – were advertised in late 2024. However, none of the applicants met the required qualification for these posts
- The three posts were readvertised prior to the end of 2024
- A candidate for the post of Project Manager was selected on 28 January 2025. However, due to a directive from the U.S. Government related to USAID-funded initiatives, UNDP Egypt was instructed to suspend all programme activities (including hiring of staff, programme launch, etc.) until further notice.
- As of 21 February 2025, UNDP Egypt is working with the UNDP Regional Bureau for Arab States (RBAS) to determine if and when the programme can restart implementation

2. 2025 Outlook

Note: Programme objectives, priorities, milestones and deliverables for 2025 can only be determined with accuracy once the programme has restarted implementation. However, based on the approved Full Programme Document, the following activities are expected to be carried out during the 1st year of programme implementation

Programme Initiation / Management

Once the freeze on program funds has been lifted, the following activities will immediately commence:

- Contracts for the project management unit will be finalized (a candidate for the role of program manager has already been selected; Terms of Reference for other program staff will be prepared and advertised quickly), and a program office will be established (either in Cairo or Hurghada)
- A high-level launch event will take place, followed by a Program Steering Committee (PSC) meeting to endorse the workplan and budget for the year. The launch event will likely take place one month after the program has restarted to give time for the program team to develop the year 1 workplan and budget for presentation to the PSC.
- A public outreach campaign will be launched within 3-4 months, in close collaboration with the Ministry of Environment

Outcome 1: Innovative and independent fund for the Egyptian Red Sea established and operational

- Legally establish and operationalize the Egyptian Fund for Coral Reefs, including hiring of the Executive Director and other staff
- Initiate long-term fundraising plan to secure contributions to the EFCR
- Legal and financial establishment of the Coral Reef Business Incubator (CRBI) and setting up a management and operational plan
- First call for proposals issued by the CRBI
- Pipeline identified of at least 10 projects/businesses to receive CRBI technical assistance and/or small grants
- Completed national assessment of opportunities for impactful large-scale investments

- Parametric insurance product for rapid containment of oil or gas discharges from offshore rigs or ships designed
- GFCR blended finance solution for sustainable community ecotourism in and around Wadi El Gemal under implementation
- GFCR blended finance solution for Organic Waste Upcycling for Urban Farming under implementation
- GFCR blended finance solution for Coral Reef Aquaculture for Ecosystem Resilience and Aquarium Trade under implementation

Outcome 2: Enabling environment for coral reef conservation and investment strengthened

- Completed gap analysis and prioritisation of legal and regulatory changes necessary to enable coral reef conservation and investment
- Assessment of coral reef fish stocks in the Egyptian Red Sea and a report on the fishing sector that utilizes these fisheries
- Private sector funding partners identified; business and marketing plans developed; system for CFDW to collect funds / manage from private sector partners established
- Initiate funding strategy, business plan, and finance mechanisms for Green Fins Egypt

Outcome 3: Improved management and finance enable effective conservation of Egypt's Red Sea Coral Reefs

- Ecological assessments to enhance baselines for monitoring, determine sites for potential new or expanded MPAs, and support addressing the drivers of coral reef degradation
- Assessments completed for the programme priority sites of: 1) key drivers of coral reef resilience and degradation; 2) coral reef carrying capacities and impacts of tourism and fishing on coral reef ecosystems; 3) characteristics / locations of climate resilient reefs in the area; and 4) the importance of coral reefs as climate refugia and biodiversity habitat; 5) maps of coral reefs
- Draft management plan for the Great Fringing Reef Protected Area (GFRPA)
- Draft business plan for the GFRPA that includes MPA financing mechanisms
- Establish partnerships to promote the GFRPA and support the financing of the GFRPA Management and Business Plan.
- Desk reviews, interviews, and technical studies / analyses to assess the viability and support for various MPA financing options

Potential Risks / Challenges

- The program may never get under implementation if issues around the use of the program funds are not resolved positively
- The program may face additional challenges if mobilizing USD 50 million in financing for the Egyptian Fund for Coral Reefs given the loss of USAID as an implementation partner and the increasingly challenging outlook for overseas development assistance
- Delays in the start of the program increase the possibility of changes in political priorities or key supportive political leadership
- That the Government of Egypt may not agree to allow for the independent operation of the Egyptian Fund for Coral Reefs