



GLOBAL FUND FOR
CORAL REEFS

ANNUAL NARRATIVE REPORT:
Egyptian Red Sea Initiative
Egypt

January – December 2025



Programme Overview

Programme Title & Project Number		Programme Duration	
Programme Title: Egyptian Red Sea Initiative Programme Number: 00140838 Programme webpage: [If applicable]		Start Date: Project document start date: September 2024 [actual start date: September 2025] End Date: September 2030	
Programme Location		Co-recipient Organisation/s and Implementing Partners	
Country/ies: Egypt Priority Coral Reef Site/s: [Wadi El Gemal, Brothers Islands, Northern Islands]		Implementing Partner/s: United Nations Development Programme	
Total Approved Budget			
Total GFCR Budget: \$14,250,000 Convening Agent: \$14,250,000 [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.

Report submitted by:

United Nations Development Programme
Yomna Mohamed, National Project Manager
yomna.mohamed@undp.org



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I. Executive Summary

1. Programme Progress Update

While the project was signed in September 2024, implementation effectively commenced in the last quarter of 2025 by the hiring of the National Project Manager. This was following delays driven by: (i) uncertainty around the United States Government stance on the use of USAID funding, resolved through a USAID letter to the UN Multi-Partner Trust Fund dated 11 July 2025 confirming funds could be utilized; and (ii) a change in the Minister of Environment in June 2025, requiring renewed government engagement and approvals. The programme continues to navigate leadership transitions following further cabinet/EEAA changes.

Because of the extended gap between project design, signature, and implementation, ERSI initiated stakeholder consultations to refresh and validate the workplan—reconfirming baseline assumptions, aligning with current partner capacity and readiness, and integrating emerging challenges and opportunities since the original design phase.

Despite these delays, ERSI concentrated during Q4, 2025 on two priorities: (1) advancing project governance and operational capacity, and (2) launching preparatory workstreams that de-risk delivery and accelerate progress across priority components—most notably:

- Egyptian Fund for Coral Reefs (EFCR)
- Coral Reef Business Incubator (CRBI)
- High-impact partnership with Hurghada Environmental Protection & Conservation Association (HEPCA) regarding the three solutions namely: Organic Waste Upcycling for Urban Farming, Aquaculture to support Coral Reef Ecosystem Restoration, and Great Fringing Reef Mooring Systems upgrade.

These actions collectively aim to strengthen the programme’s ability to address local drivers of coral reef degradation by shifting from ad-hoc actions to structured systems. Given the delayed start, the reporting period focused on readiness and enabling conditions, with measurable outcomes primarily reflected in institutional set-up, partnership pipeline maturity, and delivery preparedness.

2. Milestones and Adaptations

Milestones (Q4 2025):

- Governance established
 - Hired two PMU team members to operationalize delivery; National Project Manager and Admin & Finance assistant.
 - Established the Project Steering Committee/Project Board for oversight and strategic direction and held 1st meeting in October 2025.
- Workplans revised through stakeholder engagement; particularly workplans for four of the programme solutions (Organic Waste Upcycling for Urban Farming, Aquaculture to support Coral Reef Ecosystem Restoration, Great Fringing Reef Mooring Systems upgrade, and community ecotourism)
 - Conducted key stakeholder consultations to revisit and validate workplans.



- Aligned activities with current partner capacity and readiness.
 - Adjusted sequencing to reflect emerging context affecting specific outputs/solutions.
- Implementation readiness and de-risking (technical preparation)
- Prepared core Terms of Reference / Calls for Proposals (technical scope, requirements, deliverables) for: Egyptian Fund for Coral Reefs (EFCR) consultants, Coral Reef Business Incubator (CRBI), Aquaculture solution, Organic waste management / waste upcycling solution, Mooring system upgrade solution.

3. 2026 Outlook

In 2026, ERSI will move into structured implementation, with emphasis on partner selection, contracting, and on-the-ground delivery aligned to project outcomes. Priorities for 2026 include:

- EFCR: Endorsement of the model, strategy and legal format for the independent fund by the Egyptian Government and laying of the foundation for legal registration (structure, governance set-up steps, and establishment pathway).
- CRBI: Launch the incubator programme and deliver technical capacities for the first pipeline of selected 10 reef-positive enterprises.
- Reef-positive solutions kick-off (and start delivery towards phase 1 targets): commence work on three key co-financed solutions:
 - Aquaculture to support coral reef ecosystem restoration,
 - Great Fringing Reef mooring systems upgrade, and
 - Organic waste management/upcycling to reduce pollution pressures and associated reef impacts.
- Initiate the first prototype for a community ecotourism experience in Wadi El Gemal.
- Identify and contract the partner for delivering a market and feasibility study for a Marine insurance product as part of the programme's support to risk mitigation instruments for reef positive investments.
- Deliver the first/baseline ecological assessment and establish a framework for coral health monitoring with key partners and stakeholders.
- Develop management and businesses plans for the recently declared Great Fringing Reef Protected Area.
- Support strategy of Green Fins Egypt to improve sustainable practices in the tourism sector through private sector finance and engagement.
- Establish the programme's overall Monitoring and Evaluation Strategy and Gender Equality and Social Inclusion (GESI) strategy.

This combination positions ERSI to translate 2025 readiness into tangible delivery, while continuing to manage government transition risks through sustained engagement and clear implementation sequencing.

II. Programme Progress Overview

1. Progress Toward Outcomes and Outputs



Given the strategic importance of Outcome 1 as the programme’s core pathway for addressing the coral-reef financing gap and enabling ERSI’s financial delivery, preparatory work in Q4 2025 concentrated on this outcome. This focus reflected the programme’s initiation phase and the need to prioritize foundational building blocks—particularly EFCR design, incubator readiness, and blended-finance scoping—before the PMU is fully capacitated to run multiple outcome streams in parallel. From 2026 onward, as PMU capacity expands, ERSI will progress concurrently across all outcomes while maintaining momentum on Outcome 1 establishment and capitalization milestones.

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

Output 1.1: Egyptian Fund for Coral Reefs established, capitalized and operational

ERSI reviewed early internal structuring inputs and identified the key “design bottlenecks” that must be resolved to move from concept to an endorsable and implementable fund model. Accordingly, ERSI mapped required expertise and prepared procurement scoping to refine: (i) fund structure options aligned with Egypt’s legal framework and evolving national context; and (ii) a fund strategy that is responsive to current demand/supply for capital mobilization and deployment (pipeline, instruments, and sequencing). This preparatory work is positioning ERSI to submit a consolidated draft fund proposal for Government engagement and endorsement in 2026.

Output 1.2: Coral Reef Business Incubator established that develops, funds, and supports scaling of reef-positive micro, small, and medium-sized enterprises (MSMEs) and other coral-friendly organizations, community initiatives, and businesses that benefit local communities, women, and youth

ERSI completed foundational preparation for launching the incubator by drafting and packaging the required terms of reference and call for proposals to competitively identify an operator/partner, and to define the incubator delivery model, services, and expected results. Preparatory consultations also supported early alignment with ecosystem actors relevant to pipeline development and investment readiness.

Output 1.3: Blended finance opportunities for coral reef-positive businesses successfully implemented in partnership with banks and other finance institutions

(i) an initial scoping and stakeholder mapping exercise to establish baseline understanding of the marine insurance status in Egypt to inform the engagement on the feasibility and design of risk-mitigation instruments; and (ii) workplan refresh and early readiness assessments for priority solutions intended to reduce pressure on reefs through improved waste management and sustainable aquaculture (both reflected in the Prodoc as blended-finance-aligned delivery areas). Identified partner has also started the required capacity assessments and audits as a prerequisite to formalizing agreements.

2. Grants, Investment, and Revenue Mobilised

Given that implementation effectively commenced in Q4 2025 and the programme was in its initiation phase, this sub-section is not yet applicable for the reporting period and will be fully reflected in the next annual report.

3. Implementation Challenges and Lessons Learned

During 2025, implementation challenges were primarily linked to the programme’s initiation phase. First, timeframe for mobilizing the PMU due to standard recruitment and onboarding cycles, and because ERSI



requires profiles able to work credibly across conservation, sustainable finance, and policy/partnership coordination. **Lesson learned:** prioritize personnel with strong transferable skills and complementary backgrounds and use different recruitment modalities.

Second, the programme’s multi-component and multi-partner design required additional time to align sequencing, roles, and delivery pathways across different streams. This reinforced the need to avoid premature roll-out before assumptions and capacities are validated. **Lesson learned:** start with workplan revision and structured consultations with stakeholders and potential partners to confirm feasibility, align capacity and readiness, and identify the strategic priorities to launch first.

Third, identifying implementation modalities that are both effective and fully aligned with UNDP policies required both time and careful internal review before finalizing ToRs and launching procurement/advertisement—for example, where the programme aims to catalyze reef-positive entrepreneurship and MSMEs through mechanisms that can resemble grant-like support. **Lesson learned:** draw early on lessons from other country office experiences working on GFCR projects and leverage regional/global expertise to find the right balance between implementation effectiveness, accountability, and policy compliance.

4. Emerging Risks

Potential further changes in cabinet and political leadership, which could affect decision timelines and cause implementation delays. Given the programme’s reliance on close coordination and endorsement processes with government counterparts, any leadership transition may require additional time to re-establish alignment, reconfirm priorities, and secure approvals for key milestones.

Escalation of regional geopolitical and security risks, which could affect the issuance of security clearances and restrict access to certain sites, particularly for field-based monitoring, assessments, and technical missions. Given the programme’s reliance on periodic fieldwork and, in some cases, the engagement of external experts and specialized teams, any tightening of security procedures or delays in obtaining approvals may disrupt implementation timelines.

III. Solutions

1. Overview of Progress and Composition of Solution Portfolio

In 2025, ERSI’s solutions portfolio was primarily in pipeline revision and implementation readiness, as project effectively commenced in Q4 2025. The focus during the year was therefore on (i) confirming the solutions validity, (ii) revising baseline conditions and delivery feasibility with stakeholders, and (iii) preparing technical scopes and partnership modalities to accelerate delivery in 2026. The six solutions reflected in the ProDoc remain the reference portfolio, with progress concentrated on moving priority solutions from “concept/design” to “procurement/partnering readiness.” Below are summaries of the six solutions.

1) Egyptian Fund for Coral Reefs (EFCR)

EFCR is the programme’s flagship sustainable finance mechanism: a conservation fund designed to support long-term coral reef conservation and sustainable use in Egypt’s Red Sea potentially through (i)



grants (including recoverable grants) for conservation and early-stage reef-positive ventures, and (ii) blended finance tools to mobilize private capital.

2) Coral Reef Business Incubator (CRBI)

CRBI is designed as a hybrid incubator/venture-studio/accelerator and technical assistance facility, addressing reef degradation by building a viable pipeline of reef-positive enterprises and community initiatives. It is intended to serve both the GFCR programme and—once established—the EFCR, using instruments such as grants/prizes, technical assistance, reimbursable grants/forgivable loans, and potentially equity/convertible debt to support reef-positive MSMEs and local entrepreneurs (with a focus on women and youth).

3) Sustainable community ecotourism in and around Wadi El Gemal

This solution targets sustainable tourism as both a reef-protection and livelihoods pathway: improving community-linked ecotourism models in and around Wadi El Gemal in ways that reduce pressure on reefs while generating local value and more resilient income streams. However, the initial programme design and implementation planning were based on existing concession agreements with key partners involved in co-financing discussions, including at Hankorab, where this arrangement is no longer in place. As a result, the workplan and experience design for this solution are being revisited to reflect the updated operational context. While the intervention can still deliver strong impact and contribute to the intended targets, this adjustment is expected to delay the initiation of activities, as implementation will no longer follow the original design assumptions.

4) Organic Waste Upcycling for Urban Farming

A circular economy and waste-management solution intended to reduce land- and sea-based pollution pressures affecting reefs by improving organic waste management and enabling reuse/valorization pathways (e.g., upcycling organic waste to support urban farming around Hurghada and along the Great Fringing Reef zone).

5) Coral reef aquaculture for ecosystem resilience and aquarium trade

A mariculture-based solution aimed at reducing pressure on reefs (e.g., live harvest) while enabling restoration and alternative livelihoods. Phase I focuses on work-planning and piloting cultivation/potentially release for reef-relevant species, developing market linkages (aquarium buyers), and preparing a business plan to guide longer-term financing and potential scale-up.

6) Great Fringing Reef mooring systems upgrade

An ecotourism pressure-reduction solution that strengthens the existing mooring network to prevent anchor damage and manage high visitation sites.

4. Objectives and Milestones for 2026

1) Egyptian Fund for Coral Reefs (EFCR)

In 2026, ERSI will prioritize advancing EFCR from design to an endorsable fund model—finalizing the technical design package and submitting a consolidated draft proposal for Government engagement and endorsement, while laying the foundations for the legal registration pathway

2) Coral Reef Business Incubator (CRBI)

In 2026, ERSI will complete the partner selection and mobilization required to operationalize the CRBI, launch the programme and start the first incubation cycle—starting with a first cohort of approximately

10 reef-positive startups/MSMEs and community initiatives supported through a structured package of technical assistance, with a focus on opportunities for women and youth.

3) Reef-pressure reduction solutions: Aquaculture, Organic Waste Upcycling, and Mooring Systems Upgrade

In 2026, ERSI will realign delivery plans for the aquaculture, organic waste upcycling, and mooring systems solutions with the responsible partner(s), building on updated baseline observations and any required audits/capacity assessments and contractual prerequisites, and then initiate implementation. This includes launching the aquaculture and waste workstreams to reduce land- and sea-based pressures on reefs and commencing the mooring systems upgrade to reduce anchoring impacts, alongside the associated management arrangements needed for sustained operation and maintenance.

4) Sustainable community ecotourism in and around Wadi El Gemal

In 2026, ERSI will redesign the sustainable tourism solution to reflect the current protected area context and implementation feasibility, identify and formalize the relevant partner(s), and initiate implementation of an improved sustainable tourism experience that strengthens community benefits while reducing pressures on reef and coastal ecosystems in and around Wadi El Gemal.

2. Support and Financing

No grants were disbursed by ERSI during the reporting period, as it covered only the initial three months of programme implementation and the required procedural and administrative preparations were not yet completed. Nevertheless, three solutions were financed during the reporting period by the co-financing partner, HEPCA, in accordance with agreements established during the programme design phase.

- For Organic Waste Upcycling for Urban Farming: 20,000 USD
- For Aquaculture to support Coral Reef Ecosystem Restoration: 15,000 USD
- For Great Fringing Reef Mooring Systems upgrade: 400,000 USD

3. Challenges and lessons learned

Given that implementation effectively commenced in Q4 2025 and the programme was in its initiation phase, these sub-sections are not yet applicable for the reporting period and will be fully reflected in the next annual report.

IV. Facilities and Conservation Trust Funds

1. Design Overview

ERSI's programme-level financing and capacity-building architecture is anchored in two interconnected mechanisms: the Egyptian Fund for Coral Reefs (EFCR) and the Coral Reef Business Incubator (CRBI). EFCR is intended as a conservation fund to provide long-term, sustainable financing for Red Sea coral reef conservation and reef-positive development. Its design embeds core potential strategies: (i) grants (traditional and recoverable) for conservation actions and early-stage reef-positive businesses; (ii) and support for and potential deployment of blended finance tools to mobilize private capital for scaling reef-positive activities.

The Coral Reef Business Incubator (CRBI) is intended as a combined venture studio/incubator/accelerator and technical assistance facility that prepares and strengthens reef-positive businesses and initiatives from early concept through growth stage. It is intended to be financed initially by ERSI/GFCR and subsequently through EFCR once established, creating a coherent pathway where the incubator supports pipeline maturation and EFCR provides catalytic and scalable financing.

Together, EFCR and CRBI are expected to strengthen coral reef resilience by (i) expanding the investable pipeline of reef-positive solutions, (ii) de-risking early-stage implementation through catalytic instruments and technical assistance, and (iii) enabling sustained financing that complements public resources.

2. Progress and Challenges

Current status (end-2025): Both EFCR and CRBI remain under development, reflecting that implementation effectively commenced in Q4 2025. The reporting period therefore emphasized start-up actions, governance mobilization, stakeholder alignment, and technical preparation for the design and procurement phases rather than operational deployment.

EFCR (design and establishment pathway): Building on existing structuring work completed during programme preparation, ERSI initiated a structured design track to move EFCR toward an endorsable and implementable fund model. This included reviewing initial structuring inputs, identifying priority design bottlenecks (structure feasibility, sequencing, and governance implications), and packaging the required scopes for specialized support aligned with the fund's intended operating model—grant-making (including recoverable grants), blended finance enablement, and financing the CRBI as a pipeline engine.

CRBI (pipeline and capacity-building facility): ERSI advanced CRBI's operational readiness by preparing the technical foundations needed to launch a competitive selection process for an incubator operator. This aligns with the prodoc design that positions CRBI as a venture studio/incubator/accelerator and technical assistance facility using a range of instruments (e.g., prizes/grants, technical assistance, reimbursable grants/forgivable loans, and potentially equity/convertible debt within the EFCR set-up) to support reef-positive MSMEs and local entrepreneurs, with intentional inclusion of women and youth.

V. Enabling Environment

1. Policies at National and Sub-National Levels

ERSI's structured work on enabling policies has not yet commenced during this reporting period, given project start date. Policy and institutional strengthening activities are planned to be advanced during Phase 1 (Months 1–18). The Program intends to initiate work on the following policies during 2026:

- Legal and regulatory frameworks related to the management and conservation of coastal and marine environments
- Support improved management and promote sustainable practices in the fisheries sector

A key policy-relevant highlight in 2025 was the Government's announcement regarding the Great Fringing Reef Protected Area (GFRPA). ERSI initiated early discussions with the Government counterpart



regarding conceptualization of long-term vision for the GFRPA and the type of management and business planning process envisaged under the programme design.

3. Complementary Initiatives

During 2025, ERSI initiated coordination with complementary UNDP initiatives—specifically the UNDP Egypt IRRF and the BIOFIN project—around the emerging workstream on marine insurance. These exchanges were part of ERSI’s early mapping and conceptualization efforts to build on existing technical capacity, lessons learned, and networks already developed under UNDP portfolios, with the intention of accelerating progress toward a more tangible insurance-related pathway in 2026. This collaboration will be strengthened in 2026 as ERSI moves into structured implementation and begins advancing the programme’s risk-mitigation and blended-finance instruments in parallel with the EFCR design pathway.

VI. Gender Equity and Social Inclusion (GESI)

The programme’s GESI actions have not yet commenced and will be reflected through implementation progress in the next reporting cycle. In 2026, ERSI will operationalize the programme’s GESI commitments reference to the ProDoc, including: conducting a gender analysis to understand gender-differentiated roles, needs, constraints, and opportunities in relation to coral reef conservation. GESI will also be embedded directly into key programme mechanisms—most notably the Coral Reef Business Incubator (CRBI).

VII. Partnerships

Partnership work during the reporting period focused on realignment, feasibility confirmation, and capacity revalidation with core partners to enable structured implementation in 2026.

A central partner and Government counterpart is the Egyptian Environmental Affairs Agency (EEAA) / Ministry of Environment, particularly the Nature Conservation Sector (NCS) as the responsible authority for protected areas and the long-term stewardship of reef assets. In Q4 2025, ERSI prioritized re-engagement with EEAA/NCS to align the programme’s vision and intended mechanisms (including the EFCR, protected area-linked solutions, and sustainable tourism approaches) with current institutional priorities, operating realities, and decision-making pathways following leadership transitions.

In parallel, ERSI focused on re-aligning with Hurghada Environmental Protection & Conservation Association (HEPCA) as a key implementation partner for three priority solutions (aquaculture, organic waste management/upcycling, and mooring systems upgrade). Since some elements of HEPCA’s solution work have evolved since the ProDoc design phase, ERSI’s engagement during the reporting period emphasized validating the current baseline, confirming implementation feasibility, and identifying any updated capacity requirements and prerequisites or budget revisions needed before formalizing agreements and commencing implementation.

ERSI also initiated consultations to advance the redesign of the sustainable tourism component by engaging prospective stakeholders directly connected to priority sites, including Abu Ghosoun NGO (community interface) and Gorgonia Resort (private sector). These early discussions aimed to ground the



sustainable tourism solution in current protected area conditions and stakeholder incentives, and to identify realistic partnership modalities for implementation in 2026.

VIII. Monitoring and Evaluation (M&E)

ERSI's full Monitoring & Evaluation (M&E) system has not yet been operationalized. During the reporting period, M&E-related efforts were limited to targeted initiation activities needed to enable implementation—specifically, revisiting baseline conditions for three priority solutions (aquaculture, organic waste upcycling, and mooring systems) and initiating the capacity assessments and required audits as a prerequisite for formalizing Responsible Party arrangements with HEPCA, in line with UNDP's compliance and assurance requirements.

Entities responsible for M&E and roles: UNDP, as the Convening Agent, will lead the overall M&E function—setting the results framework tracking approach, ensuring alignment with GFCR indicators and tools, consolidating partner reporting, and using evidence to support management decisions and follow-up. Responsible partners (e.g., HEPCA) will be accountable for solution-level monitoring and reporting against the indicators and reporting requirements agreed during contracting, including providing timely implementation updates, and results evidence. Government counterparts, particularly EEAA/NCS, will be engaged as needed for alignment on site-based monitoring priorities and the use of evidence for decision-making.

Capacity gaps identified during initiation relate primarily to the need for a dedicated RBM/M&E coordination capacity within the PMU. To address this, ERSI has initiated recruitment for a dedicated Results-Based Management (RBM) specialist. Once onboarded in 2026, ERSI will start developing a comprehensive M&E Strategy and will coordinate with UNEP to ensure alignment with GFCR indicators.

IX. Programme Management

1. Decisions and Resolutions by Governance Body:

ERSI convened its first Steering Committee/Board meeting on 28 October 2025 to formally launch the governance structure, present the programme objectives/components, and review the draft 2026 Annual Work Plan (AWP) and next steps. The meeting brought together a broad set of government, governorate, private sector, and civil society stakeholders (including Ministry of Environment, the Egyptian Environmental Affairs Agency, the United Nations Development Programme, the Ministry of Foreign Affairs, the Ministry of Planning, Economic Development and International Cooperation, the Red Sea Governorate, the Ministry of Tourism and Antiquities, the Hurghada Environmental Protection and Conservation Association, the chamber of diving and water sports, and the Egyptian Hotel Association), reflecting an inclusive cross-sector platform for oversight and coordination. The Steering Committee reaffirmed EFCR as the programme's central sustainability vehicle and agreed to treat fund-related work as a priority, commissioning the needed legal and financial advisory expertise; in parallel, it confirmed the need to identify and engage the incubator implementation partner(s) to ensure CRBI becomes operational once the workplan is endorsed.

2. Work Plan & Budgetary Adjustments:

ERSI initiated stakeholder consultations to revise the workplan and sequencing to reflect updated baselines, current partner capacity and readiness, and emerging context. The revisions primarily involve rephrasing activities and adjusting budget allocations to ensure feasibility and protect delivery momentum across priority components. The updated workplan and budget are being finalized for submission for the Steering Committee’s review and approval.

3. Operational Adjustments:

Operational adjustments in Q4 2025 centered on PMU mobilization, including hiring the National Project Manager and the Admin & Finance Assistant, as the initial core capacity to move the programme from signature to implementation readiness.

4. Operational Challenges & Mitigation

During the reporting period, the programme faced some challenges related to the longer-than-expected recruitment timeline for needed positions. In response, the team has been exploring alternative hiring and engagement modalities to ensure that critical functions can be mobilized as efficiently as possible within applicable rules and procedures.

In addition, the project has required careful consideration of the most suitable financing and implementation mechanisms. As different delivery modalities carry different policy and procedural requirements, additional preparatory work has been needed to assess options and identify the approach best suited to achieving programme targets. This remains an ongoing challenge, particularly where tailored implementation arrangements are needed, and will continue to be addressed in the next reporting period through further analysis, coordination, and planning.

An additional operational challenge relates to the convening of the project Steering Committee, which brings together multiple stakeholders and government representatives in reflection of the programme’s complexity and cross-sectoral nature. While this composition is important to ensure strategic alignment, ownership, and effective oversight, it also creates practical challenges in identifying suitable arrangements and convening all members in a timely manner. The team has therefore been working closely with counterparts to identify an approach that accommodates institutional requirements and stakeholder availability, while maintaining momentum on key decisions and governance processes

5. Replenishment

Given that implementation effectively commenced only in Q4 2025 (for reasons described earlier in the report), ERSI anticipates the need for a one-year extension for Phase One (until March 2027) to preserve delivery feasibility.

X. 2026 Objectives

1. 2026 Objectives

The programme’s priorities will concentrate on three integrated workstreams that directly enable delivery across outcomes: (i) establishing the pathway for a sustainable financing mechanism (EFCR), (ii) launching the Coral Reef Business Incubator as the pipeline engine (CRBI), and (iii) commencing



implementation of priority reef-positive solutions (aquaculture, organic waste management/upcycling, mooring systems upgrade, and ecotourism).

What are the three most significant milestones for 2026 (e.g., pipeline development, funding, policy)?

Egyptian Fund for Coral Reefs (EFCR): endorsed fund design and establishment pathway launched. ERSI will finalize the fund's technical design package and submit a consolidated draft proposal for Government engagement and endorsement, while advancing the practical steps toward legal registration (structure, governance set-up steps, and sequencing for operationalization).

Coral Reef Business Incubator (CRBI): operational launch and first cohort supported. ERSI will complete selection and contracting of the incubator partner/operator, launch the programme, and incubate the first cohort (targeting ~10 reef-positive startups/MSMEs and community initiatives) through a structured package of technical assistance and catalytic support, with intentional inclusion of women and youth.

Reef-positive solutions: delivery mobilized across priority interventions. ERSI will formalize delivery arrangements with the responsible partner(s) and initiate implementation of the aquaculture, organic waste upcycling, and mooring systems upgrade solutions, alongside redesigning and formalizing the ecotourism partnership model to fit current protected area context and then commencing implementation.

What strategies or approaches will be applied to achieve these objectives in 2026?

- ERSI will advance EFCR through a structured co-design process with the key stakeholder groups required for an endorsed and implementable fund model—namely Government counterparts, potential donors/investors, and the pipeline of investable reef-positive opportunities. This approach will ensure the fund design is not developed in isolation but is grounded in (i) policy and legal feasibility, (ii) realistic capitalization prospects, and (iii) deployable instruments aligned with pipeline needs. The co-design process will also support early buy-in on sequencing, governance set-up steps, and the establishment pathway toward legal registration.
- ERSI will competitively identify an implementation partner with a proven track record in similar incubator/accelerator programme delivery and demonstrated capability to conduct market scanning, pipeline mapping, and solution landscaping as early deliverables. This is intentionally sequenced so that CRBI's initial outputs feed both: (i) a credible CRBI pipeline for incubation and technical support, and (ii) tangible inputs into EFCR design (e.g., what is investable, what instruments are needed, and what de-risking is required). CRBI will be implemented by the selected partner in close collaboration with UNDP, ensuring alignment with GFCR and UNDP expectations, delivery quality, and the provision of the technical assistance package needed for reef-positive enterprises—particularly those led by or benefiting women and youth.
- ERSI will deploy a co-financing strategy that channels grant support through capable local actors who have relevant operational experience and existing delivery presence in the Red Sea. The emphasis in 2026 will be to formalize agreements, confirm baseline conditions and delivery prerequisites, and then initiate implementation—using ERSI funding to scale proven or ongoing interventions, reach more beneficiaries, and strengthen the reef-positive impact and sustainability of the solutions.

How did these objectives contribute to achieving programme outcomes?



These strategies intentionally prioritize Outcome 1 because it is the programme’s core pathway for closing the coral-reef financing gap and enabling ERSI’s overall financial delivery—bringing together the establishment of the Egyptian Fund for Coral Reefs (EFCR), the operationalization of the Coral Reef Business Incubator (CRBI) as the pipeline engine, and the roll-out of the priority reef-positive solutions that sit under the same outcome. In addition, activities under Outcomes 2 and 3 will proceed in a complementary manner to enable these priorities—through strengthening the enabling environment, coordination, and management systems that support effective delivery, scale, and sustainability.

XI. Communication, Visibility and Knowledge Management

Structured programme communications were not initiated during the reporting period. In 2026, ERSI will commence communications and knowledge management through the recruited dedicated Communications and Knowledge Management Officer (joined 18- dec- 2025), the development of a programme communications strategy and action plan, and the set-up of ERSI digital channels to systematically promote programme efforts, results, and outcomes, strengthen stakeholder engagement, and support transparent reporting and learning.



Annex A – Co-financing Table

HEPCA was identified as a key implementing and co-financing partner for three priority solutions under the programme: **Organic Waste Upcycling for Urban Farming**, **Aquaculture to support Coral Reef Ecosystem Restoration**, and the **Great Fringing Reef Mooring Systems upgrade**. These interventions were included in the programme design as part of the solutions portfolio aimed at advancing reef-positive investment and implementation, with HEPCA contributing grant co-financing alongside its technical and operational role. During 2025, this co-financing contribution helped advance early implementation of these solutions in line with the programme’s design assumptions and partnership framework.

#	Co-financing partner / source	Source type	Instrument	Status	Amount (since programme start)	Amount (in 2025) USD	Notes (FX rate, valuation method, assumptions)
		(public / private / philanthropic / multilateral / other)	(grant / loan / equity / guarantee / other)	(committed / contracted / received)			
1	HEPCA - Great Fringing Reef Mooring Systems upgrade (equipment & capacity building)	Other	Grant	Committed	400,000	400,000	
2	HEPCA - Aquaculture to support Coral Reef Ecosystem Restoration (equipment)	Other	Grant	Committed	15,000	15,000	
3	HEPCA - Organic Waste Upcycling for Urban Farming (trucks)	Other	Grant	Committed	20,000	20,000	



Annex B – Programme Milestones by Activities

Deliverable or Milestone	Target Date of Completion	Status	Supporting Text
Outcome 1: Innovative and independent fund for the Egyptian Red Sea established and operational			
Output 1.1: Egyptian Fund for Coral Reefs established, capitalized, and operational			
Activity 1.1.1: Establish and operationalize the Egyptian Fund for Coral Reefs (EFCR or the “Fund”), including both grant and blended finance mechanisms, to enhance access to capital for coral reef conservation and for reef-positive sustainable enterprises			
Legally establish and operationalize the Egyptian Fund for Coral Reefs, including hiring of the Executive Director and other staff	March, 2027	On Track	Initiated Contracting process for specialized experts / consultants
Completed plan for transferring relevant ERSI program functions to the EFCR Secretariat			
Activity 1.1.2: Establish and implement a long-term fundraising plan to secure contributions to the Fund adequate to cover operating costs, provide blended finance, and grants for reef-positive investments for a 25+ year horizon			
Completed long-term fundraising plan to secure contributions to the EFCR	March, 2027	On Track	Initiated Contracting process for specialized experts / consultants
1.1.3: Provide grants to community organizations, NGOs and other organizations that support reef positive activities			
To be identified for phase 2 of the project	Phase 2	No change / progress in 2025	Activity will start in Phase 2
Output 1.2: Coral Reef Business Incubator established that develops, funds, and supports scaling of reef-positive micro, small, and medium-sized enterprises (MSMEs) and other coral-friendly organizations, community initiatives, and businesses that benefit local communities, women, and youth			
Activity 1.2.1: Identify and select a contracted partner to manage the Coral Reef Business Incubator (CRBI)			
Partner selected and contracted	January 2026 (updated to March 2026)	Delayed	<ul style="list-style-type: none"> Conducted an initial Market analysis to identify potential applicants and market capacity. Request for proposal developed.
Activity 1.2.2: Establish and operationalize a Coral Reef Business Incubator (CRBI) and identify an initial pipeline of reef-positive investment opportunities.			



Deliverable or Milestone	Target Date of Completion	Status	Supporting Text
<ul style="list-style-type: none"> • 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 • At least \$200,000 in technical assistance and/or small grants provided to selected companies to allow entrepreneurs to focus on and effectively develop their reef-positive businesses / projects 	March, 2027	delayed	Will start once partner contracted in 2026

Output 1.3: Blended finance opportunities for coral reef-positive businesses successfully implemented in partnership with banks and other finance institutions			
Activity 1.3.1: Partner with banks and other finance institutions to create market sensitive concessional finance options for reef-positive businesses			
<ul style="list-style-type: none"> • Completed national assessment of opportunities for impactful large-scale investments • Protocols for grant and blended finance issuance developed in partnership with commercial banks 	March, 2027	On track	<i>No change/progress in 2025</i>
Activity 1.3.2: Develop innovative risk mitigation instruments such as financial guarantees or insurance products to encourage responsible private investment in reef-positive enterprises			
Parametric insurance product for rapid containment of oil or gas discharges from offshore rigs or ships designed and operating	March, 2027	On track	Stakeholder mapping initiated. With emphasis on available UNDP capacities under IRFF and BIOFIN
Activity 1.3.3: Sustainable community ecotourism in and around Wadi El Gemal			
GFCR blended finance solution for sustainable community ecotourism in and around Wadi El Gemal under implementation	March, 2027	Revised	Due to change in context since Prodoc design, redesign is needed for the solution with key partners such as Red sea protectorate, Abu Ghosoun community, and Gorgonia resort among others being mapped. Initial co-design consultations and stakeholders mapping initiated



Activity 1.3.4: Organic Waste Upcycling for Urban Farming			
GFCR blended finance solution for Organic Waste Upcycling for Urban Farming under implementation	March, 2027 (updated to August 2027)	Delayed	Contracted process initiated for HEPCA as responsible party with precontracting audits and assessments. Other national clearances are required being a civil society organization that would delay start date.
Activity 1.3.5: Aquaculture to support Coral Reef Ecosystem Restoration			
GFCR blended finance solution for Coral Reef Aquaculture for Ecosystem Resilience and Aquarium Trade under implementation	March, 2027 (updated to August 2027)	Delayed	Contracted process initiated for HEPCA as responsible party with precontracting audits and assessments. Other national clearances are required being a civil society organization that would delay start date.
Outcome 2: Enabling environment for coral reef conservation and investment strengthened			
Output 2.1: Policy frameworks and institutional coordination strengthened for coral reef finance and conservation			
Activity 2.1.1: Strengthen policy, legal and regulatory frameworks related to the management and conservation of coastal and marine environments			
Completed gap analysis and prioritisation of legal and regulatory changes necessary to enable coral reef conservation and investment	March, 2027	On track	<i>No change/progress in 2025</i>
Activity 2.1.2: Strengthen enforcement systems and institutional capacities to implement policies, laws and regulations regarding productive sector practices in coastal and marine environments			
• Completed gap analysis and prioritisation of institutional capacity to implement legal and regulatory changes	March, 2027	On track	<i>No change/progress in 2025</i>
Output 2.2: Productive sectors (e.g. fisheries, tourism, waste management) transition to reef-positive models through improved management and enhanced awareness and behavioural changes			
Activity 2.2.1: Support improved management and promote sustainable practices in the fisheries sector			
Assessment of coral reef fish stocks in the Egyptian Red Sea and a report on the fishing sector that utilizes these fisheries	March, 2027	On track	<i>No change/progress in 2025</i>
Activity 2.2.2: Support improved management and promote sustainable practices in the tourism sector			



To be identified for phase 2 of the project	Phase 2	No change / progress in 2025	Activity will start in Phase 2
Activity 2.2.3: Support improved management and promote sustainable practices to reduce solid waste flows into the marine environment			
To be identified for phase 2 of the project	Phase 2	No change / progress in 2025	Activity will start in Phase 2
Activity 2.2.4: Support strategy of Green Fins Egypt to improve sustainable practices in the tourism sector through private sector finance and engagement			
<ul style="list-style-type: none"> • Private sector funding partners identified; business and marketing plans developed; system for CFDW to collect funds / manage from private sector partners established • Completed funding strategy, business plan, and finance mechanisms for Green Fins Egypt 	March, 2027	delayed	Contracting the responsible party (reef world foundation) as identified on collaborative advantage bases is expected to be delayed, since a prodoc revision is needed to add them as responsible party which requires steering committee chair to approve and steering committee to endorse

Output 2.3: Knowledge management and learning improve evidence-based decision making on coral reef finance and conservation			
Activity 2.3.1: Monitoring and Evaluation of program impacts			
<ul style="list-style-type: none"> • Programme M&E strategy completed for impact monitoring and data collection • Assessments completed to establish baseline data for monitoring of program impacts 	March, 2027	revised	<i>No change/progress in 2025</i>
Activity 2.3.2: Engage with GFCR Global REEF+ Knowledge Management & Finance Platform and other global coral reef learning mechanisms			
To be identified for phase 2 of the project	Phase 2	No change / progress in 2025	Activity will start in Phase 2
Activity 2.3.3: Transmit lessons learned under the ERSI program to the Egyptian Fund for Coral Reefs (EFCR)			
To be identified for phase 2 of the project	Phase 2	No change / progress in 2025	Activity will start in Phase 2

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

Output 3.1: Capacity to monitor coral reef conditions increased to support effective national and local decision making and investments in reef conservation



Activity 3.1.1: Ecological assessments to enhance baselines for monitoring, determine sites for potential new or expanded MPAs, and support addressing the drivers of coral reef degradation in the Egyptian Red Sea			
<ul style="list-style-type: none"> • 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 	January, 2027	On track	<i>No change/progress in 2025</i>
Activity 3.1.2: Collaborate with existing coral reef science, mapping and monitoring programs in the region to strengthen coordination and technical capacities for coral reef monitoring and inform decision-making			
Egyptian government and other partners have increased technical capacities for coral reef monitoring	March, 2027	On track	<i>No change/progress in 2025</i>
Activity 3.1.3: Establish partnerships with local communities and private sector partners to enhance existing coral reef health monitoring programs			
To be identified for phase 2 of the project	Phase 2	No change / progress in 2025	Activity will start in Phase 2
Output 3.2: Management & Business Plan developed and implemented for the “Great Fringing Reef Protected Area”			
Activity 3.2.1 Develop a management & business plan for the ‘Great Fringing Reef Protected Area’ based on extensive consultation and engagement with key affected parties			
<ul style="list-style-type: none"> • Completed management plan for the Great Fringing Reef Protected Area (GFRPA) • Completed business plan for the GFRPA that includes MPA financing mechanisms 	October, 2027	On track	International consultant identified, will go through security clearance and contracting in 2026
Activity 3.2.2. Strengthen capacity of EEAA, HEPCA and other partners (local NGOs and community associations) to secure financing and implement the management and business plans for the Great Fringing Reef Protected Area			



To be identified for phase 2 of the project	Phase 2	No change / progress in 2025	Activity will start in Phase 2
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Output 3.3: Innovative finance mechanisms for MPAs and other marine conservation approaches operationalized			
Activity 3.3.1: Assess, develop and implement financing mechanisms for MPAs, community-based conservation areas, and other marine conservation approaches (OECMs)			
<ul style="list-style-type: none"> ● Establish partnerships to promote the GFRPA and support the financing of the GFRPA Management and Business Plan. ● Completed desk reviews, interviews, and technical studies / analyses to assess the viability and support for various MPA financing options 	March, 2027	Delayed	<i>No change/progress in 2025</i>
Activity 3.3.2: Great Fringing Reef Mooring Systems upgrade			
Great Fringing Reef Mooring Systems upgraded for priority sites	March, 2027 (updated to August 2027)	delayed	Contracted process initiated for HEPCA as responsible party with precontracting audits and assessments. Other national clearances are required being a civil society organization that would delay start date.



Annex C – Solution Case Study Template

Because the ERSI programme only began implementation in late 2025, there are no case studies to provide at this time.



Annex D – GESI Action Report

The programme was still developing its Gender Equity and Social Inclusion (GESI) Action Report as of 31 December 2025. However, gender-related activities during 2025 included the following:

Mechanisms or processes in place to ensure meaningful participation and representation of diverse groups (women, youth, ethnic minorities, persons with disabilities etc) in activities implementation.

- The draft SESP identifies a number of measures to support the meaningful participation of diverse groups, including women, youth, vulnerable groups, and project-affected local communities, through the planned Stakeholder Engagement Plan / Social Inclusion Plan, gender analysis, and measures to strengthen women’s participation in decision-making, access to information, training, and project opportunities. These measures are currently reflected in the SESP and are expected to be operationalized during 2026 through the project’s gender strategy/action plan and related safeguarding instruments.

The perspectives, needs and priorities of diverse groups have been taken into account in decision-making processes during implementation

- During implementation, efforts were made to ensure that diverse stakeholders were invited to and represented in decision-making spaces, including the Steering Committee. This included representation of local communities through local NGOs, participation of women among key government counterparts, and engagement of private sector actors. In addition, during the consultation field visit undertaken to inform the revision of the workplan, women from the local community were directly consulted, and women-led activities were visited to help ensure that local perspectives and priorities were reflected in the updated workplan.

Identification of specific risks related to gender-based violence, exploitation, discrimination, or exacerbation of existing inequalities

- Based on the current draft SESP, the main gender-related risk identified is the potential discrimination against and exclusion of women—particularly women from affected local communities—from participation in project design and implementation, access to opportunities and benefits, and decision-making processes. The SESP checklist also flags the risk of discrimination against women as relevant, while the specific question on gender-based violence/sexual exploitation and abuse remains unconfirmed in the draft and is not yet identified as a confirmed risk

Channels for raising concerns related to safeguarding issues

- A grievance mechanism is currently under development at the Country Office level, and the project is expected to be integrated into this broader mechanism once finalized.



Annex E – Safeguards

Part 1. The Social and Environmental Risks Checklist has been provided as a guide to re-screen programme risks as programmes operate in a dynamic environment. For responses with a “Yes” expand on the mitigation measure.

- Below is the draft SESP checklist, with currently identified risks and mitigation. This is work under progress and is set to be completed Q2 2026.

Part 2. Has any grievances been registered through the Convening Agent or implementing partner grievance mechanism in relation to the GFCR programme? Yes/No. If Yes, explain the situation and how it has been addressed.

- No

Part 3. How are you promoting your organisation’s grievance mechanisms when engaging with communities and partners? Does the programme incorporate safeguard screening during sourcing, investment appraisal, and monitoring?

- The country office is developing a grievance mechanism that the ERSI programme will be tied to.

Part 4. Describe the management structure within the implementation team and procedures followed (or planned) for handling grievances related to programme implementation.

- Yet to be developed

Checklist Potential Social and Environmental Risks		
<p>INSTRUCTIONS: The risk screening checklist will assist in completing the Offline SES Preparation Tool and the Online SESP. Answers to the checklist questions help to identify potential risks related to programming activities. Identified risks require further review in the screening process. The “Risk Events” column presents relevant risks in summarized form. Refer to the SES toolkit, including Guidance Notes for various SES Standards, for further guidance on addressing screening questions.</p>		
Overarching Principle: Leave No One Behind Human Rights		Risk Events and Codes
P.1	Have local communities or individuals raised human rights concerns regarding the project (e.g. during the stakeholder engagement process, grievance processes, public statements)?	Risk of human rights violations (P1.1)
P.2	Is there a risk that duty-bearers (e.g. government agencies) do not have the capacity to meet their obligations in the project?	Risk associated with the limited capacities of duty bearers to meet human rights obligations (P1.2)
		Y/N
		Yes
		Yes



P.3	Is there a risk that rights-holders (e.g. persons affected by programming activities) do not have the capacity to claim their rights?	Risk associated with the limited capacities of rights-holders to claim their rights (P1.3)	Yes
<i>Would the project potentially involve or lead to:</i>			
P.4	adverse impacts on enjoyment of the human rights civil, political, economic, social or cultural) of the affected population and particularly of marginalized groups?	Risk of adverse impacts on civil, political, economic, social, or cultural rights (P1.4)	Yes
P.5	inequitable or discriminatory impacts on affected populations, particularly people living in poverty or marginalized or excluded individuals or groups, including persons with disabilities? <i>Note: Prohibited grounds of discrimination include race, ethnicity, sex, age, language, disability, sexual orientation, gender identity, religion, political or other opinion, national or social or geographical origin, property, birth or other status including as an indigenous person or as a member of a minority. References to "women and men" or similar is understood to include women and men, boys and girls, and other groups discriminated against based on their gender identities, such as transgender and transsexual people.</i>	Risk of inequitable or discriminatory impacts on affected populations (P1.5)	No
P.6	restrictions in availability, quality of and/or access to resources or basic services, in particular to marginalized individuals or groups, including persons with disabilities?	Risk of restricting access to resources or basic services (P1.6)	Yes
P.7	exacerbation of conflicts among and/or the risk of violence to affected communities and individuals?	Risk of exacerbating conflicts (P1.7)	No
Gender Equality and Women's Empowerment			
P.8	Have women's groups/leaders raised gender equality concerns regarding the project, (e.g. during the stakeholder engagement process, grievance processes, public statements)?	Gender equality concerns raised by women's groups/leaders (P2.8)	No
<i>Would the project potentially involve or lead to:</i>			
P.9	adverse impacts on gender equality and/or the situation of women and girls?	Risk of adverse impacts on gender equality (P2.9)	No
P.10	reproducing discriminations against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits?	Risk of discrimination against women (P2.10)	Yes
P.11	limitations on women's ability to use, develop and protect natural resources, taking into account different roles and positions of women and men in accessing environmental goods and services? <i>For example, activities that could lead to natural resources degradation or depletion in communities who depend on these resources for their livelihoods and well being</i>	Risk of limiting women's access to natural resources (P2.11)	No
P.12	exacerbation of risks of gender-based violence, including sexual exploitation and abuse of women and children? <i>For example, through the influx of workers to a community, changes in community and household power dynamics, increased exposure to unsafe public places and/or transport, cash-for-work programs, etc.</i>	Risk of gender-based violence, including sexual exploitation and abuse (P2.12)	???
Accountability			
<i>Would the project potentially involve or lead to:</i>			
P.13	exclusion of any potentially affected stakeholders, in particular marginalized groups and excluded individuals (including persons with disabilities), from fully participating in decisions that may affect them?	Risks of potential exclusion of affected stakeholders (P3.13)	Yes



P.14	grievances or objections from potentially affected stakeholders?	Risks of stakeholder grievances (P3.14)	Yes
P.15	risks of retaliation or reprisals against stakeholders who express concerns or grievances, or who seek to participate in or to obtain information on the project/portfolio?	Risks of retaliation or reprisals against stakeholders (P3.15)	No
Sustainability and Resilience (Note: Screening questions regarding risks associated with sustainability and resilience are generally encompassed by the Standard-specific questions below. Where there is a high degree of uncertainty regarding potential risks of programming activities, the following question may assist with further risk identification)			
P.16	Does the project include activities with unknown design parameters for which potential SES risks cannot yet be determined and will require further activity-level screening and potential assessment for risks associated with sustainability and resilience?	Generic sustainability and resilience risks associated with activities with unknown design parameters (P4.16)	No
Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management			
<i>Would the project potentially involve or lead to:</i>			
1.1	adverse impacts to habitats (e.g. modified, natural, and critical habitats) and/or ecosystems and ecosystem services? <i>For example, through habitat loss, conversion or degradation, fragmentation, hydrological changes</i>	Risks to habitats and/or ecosystems and their services (S1.1)	Yes
1.2	activities within or adjacent to critical habitats and/or environmentally sensitive areas, including (but not limited to) legally protected areas (e.g. nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities?	Risks to critical habitats (S1.2)	Yes
1.3	changes to the use of lands and resources that may have adverse impacts on habitats, ecosystems, and/or livelihoods? (Note: if restrictions and/or limitations of access to lands would apply, refer to Standard 5)	Biodiversity risks associated with land-use/ecosystem changes (S1.3)	Yes
1.4	risks to endangered species (e.g. reduction, encroachment on habitat)?	Risks to endangered species (S1.4)	No
1.5	exacerbation of illegal wildlife trade?	Illegal wildlife trade risks (S1.5)	
1.6	introduction of invasive alien species?	Risks of introducing or spreading invasive alien species (S1.6.)	No
1.7	adverse impacts on soils?	Risks of soil degradation (S1.7)	No
1.8	harvesting of natural forests, plantation development, or reforestation?	Forestry/plantation-related risks to biodiversity (S1.8)	No
1.9	significant agricultural production?	Agriculture-related risks to biodiversity (S1.9)	No
1.10	animal husbandry or harvesting of fish populations or other aquatic species?	Animal husbandry or fish harvesting risks to biodiversity (S1.10)	Yes
1.11	significant extraction, diversion or containment of surface or ground water? <i>For example, construction of dams, reservoirs, river basin developments, groundwater extraction</i>	Surface or ground water use risks (S1.11)	No
1.12	handling or utilization of genetically modified organisms/living modified organisms? <i>Note: See the Convention on Biological Diversity and its Cartagena Protocol on Biosafety.</i>	Risks of release/spread of genetically modified organisms (S1.12)	Yes
1.13	utilization of genetic resources? (e.g. collection and/or harvesting, commercial development)? <i>Note: See the Convention on Biological Diversity and its Nagoya Protocol on access and benefit sharing from use of genetic resources</i>	Genetic resources benefit sharing risks (S1.13)	No
1.14	adverse transboundary or global environmental concerns?	Transboundary environmental risks (S1.14)	No



Standard 2: Climate Change and Disaster Risks		
<i>Would the project/portfolio MYWP potentially involve or lead to:</i>		
2.1 areas subject to hazards such as earthquakes, floods, landslides, severe winds, storm surges, tsunamis or volcanic eruptions?	Hazard/disaster-related risks (S2.1)	No
2.2 outputs and outcomes sensitive or vulnerable to potential impacts of climate change or disasters? <i>For example, through increased precipitation, drought, temperature, salinity, extreme events, earthquakes</i>	Risks due to sensitivity to climate change or disasters (S2.2)	Yes
2.3 increases in vulnerability to climate change impacts or disaster risks now or in the future (also known as maladaptive or negative coping practices)? <i>For example, changes to land use planning may encourage further development of floodplains, potentially increasing the population's vulnerability to climate change, specifically flooding</i>	Maladaptation risks (S2.3)	No
2.4 increases of greenhouse gas emissions, black carbon emissions or other drivers of climate change?	Risks of increased GHG emissions (S2.4)	No
Standard 3: Community Health, Safety and Security		
<i>Would the project potentially involve or lead to:</i>		
3.1 construction and/or infrastructure development (e.g. roads, buildings, dams)? (Note: the GEF does not finance programming activities that would involve the construction or rehabilitation of large or complex dams)	Construction-related risks (S3.1)	No
3.2 air pollution, noise, vibration, traffic, injuries, physical hazards, poor surface water quality due to runoff, erosion, sanitation?	Emissions, noise, traffic, hazards and effluent risks (S3.2)	No
3.3 harm or losses due to failure of structural elements of the programming activities (e.g. collapse of buildings or infrastructure)?	Safety risks due to failure of project structural elements (S3.3)	No
3.4 risks of water-borne or other vector-borne diseases (e.g. temporary breeding habitats), communicable and noncommunicable diseases, nutritional disorders, mental health?	Risks of water/vector-borne diseases (S3.4)	No
3.5 transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)?	Risks associated with hazardous or dangerous materials (S3.5)	No
3.6 adverse impacts on ecosystems and ecosystem services relevant to communities' health (e.g. food, water purification, natural buffers, nutrient cycling, spiritual values, etc.)?	Health risks due to impacts on ecosystems/ecosystem services (S3.6)	No
3.7 influx of project workers to targeted areas?	Risks associated with influx of project workers (S3.7)	No
3.8 engagement of security personnel to protect facilities and property or to support project activities?	Risks associated with engagement of security or enforcement personnel (S3.8)	No
Standard 4: Cultural Heritage		
<i>Would the project potentially involve or lead to:</i>		
4.1 activities adjacent to or within a Cultural Heritage site?	Risks to cultural heritage sites (S4.1)	Yes
4.2 significant excavations, demolitions, movement of earth, flooding or other environmental changes?	Risks of unknown archaeological heritage damage (S4.2.)	No
4.3 adverse impacts to sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)? (Note: portfolio MYWPs/projects intended to protect and conserve Cultural Heritage may also have inadvertent adverse impacts)	Risks to tangible and intangible forms of cultural heritage (S4.3)	No
4.4 alterations to landscapes and natural features with cultural significance?	Risks to landscapes with cultural significance (S4.4)	No



4.5	utilization of tangible and/or intangible forms (e.g. practices, traditional knowledge) of Cultural Heritage for commercial or other purposes?	Risks of inappropriate utilization of intangible and tangible cultural heritage (S4.5)	No
Standard 5: Displacement and Resettlement			
<i>Would the project potentially involve or lead to:</i>			
5.1	temporary or permanent and full or partial physical displacement (including people without legally recognizable claims to land)?	Physical displacement risks (S5.1)	No
5.2	Economic displacement risks / economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions – even in the absence of physical relocation)?	Economic displacement risks (S5.2)	Yes
5.3	risk of forced evictions? <i>Forced eviction is defined here as the permanent or temporary removal against their will of individuals, families or communities from the homes and/or land which they occupy, without the provision of, and access to, appropriate forms of legal or other protection. Forced evictions constitute gross violations of a range of internationally recognized human rights.</i>	Risk of forced evictions (S5.3)	No
5.4	impacts on or changes to land tenure arrangements and/or community-based property rights/customary rights to land, territories and/or resources?	Risks of impacts on community-based rights to land, territories or resources (S5.4)	No
Standard 6: Indigenous Peoples			
<i>Would the project potentially involve or lead to:</i>			
6.1	areas where indigenous peoples are present (including project area of influence)?	Risks associated with activities taking place where indigenous peoples are present (S6.1)	No
6.2	activities located on lands and territories claimed by indigenous peoples?	Risks associated with activities taking place on lands, territories claimed by indigenous peoples (S6.2)	No
6.3	impacts (positive or negative) to the human rights, lands, territories, natural resources and traditional livelihoods of indigenous peoples (regardless of whether indigenous peoples possess the legal titles to such areas, whether the programming activities are located within or outside of the lands and territories inhabited by the affected peoples, or whether the indigenous peoples are recognized as indigenous peoples by the country in question)? <i>If the answer to screening question 6.3 is “yes”, then Standard 6 requirements apply, and the potential significance of risks related to impacts on indigenous peoples must be Moderate or above.</i>	Risks to rights, lands, territories natural resources and traditional livelihoods of indigenous peoples (S6.3)	No
6.4	the absence of culturally appropriate consultations carried out with the objective of achieving FPIC on matters that may affect the rights and interests, lands, resources, territories and traditional livelihoods of the indigenous peoples concerned?	Risk that activities will take place without meaningful, effective informed participation of indigenous peoples (S6.4)	No
6.5	the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples?	Risk of utilizing/developing indigenous peoples resources without agreement and/or agreed benefit sharing (S.6.5)	No
6.6	forced eviction or the whole or partial physical or economic displacement of indigenous peoples, including through access restrictions to lands, territories, and resources? <i>Consider, and where appropriate ensure, consistency with the answers under Standard 5 above</i>	Risk of forced eviction or physical/economic displacement of indigenous peoples (S6.6)	No



6.7	adverse impacts on the development priorities of indigenous peoples as defined by them?	Impacts on development priorities of indigenous peoples (S6.7)	No
6.8	risks to the physical and cultural survival of indigenous peoples?	Risks to physical and cultural survival of indigenous peoples (S6.8)	No
6.9	impacts on the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices? <i>Consider, and where appropriate ensure, consistency with the answers under Standard 4 above.</i>	Risks of impacts on cultural heritage of indigenous peoples (S6.9)	No
Standard 7: Labour and Working Conditions			
<i>Would the project potentially involve or lead to: (note: applies to portfolio MYWP, project and contractor workers)</i>			
7.1	working conditions that do not meet national labour laws and international commitments?	Risks of substandard labour & working conditions (S7.1)	No
7.2	working conditions that may deny freedom of association and collective bargaining?	Risks to freedom of workers association and collective bargaining (S7.2)	No
7.3	use of child labour?	Child labour risks (S7.3)	No
7.4	use of forced labour?	Forced labour risks (incl. in supply chains) (S7.4)	No
7.5	discriminatory working conditions and/or lack of equal opportunity?	Risks of discriminatory working conditions (S7.5)	No
7.6	occupational health and safety risks due to physical, chemical, biological and psychosocial hazards (including violence and harassment) throughout the project life-cycle?	Occupational health and safety risks (S7.6)	Yes
Standard 8: Pollution Prevention and Resource Efficiency			
<i>Would the project potentially involve or lead to:</i>			
8.1	the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or transboundary impacts?	Risks of pollutants release (S8.1)	No
8.2	the generation of waste (both hazardous and non-hazardous)?	Risks of inadequate waste management (S8.2)	No
8.3	the manufacture, trade, release, and/or use of hazardous materials and/or chemicals?	Risks associated with handling of hazardous materials (S8.3)	No
8.4	the use of chemicals or materials subject to international bans or phase-outs? <i>For example, DDT, PCBs and other chemicals listed in international conventions such as the Montreal Protocol, Minamata Convention, Basel Convention, Rotterdam Convention, Stockholm Convention</i>	Risks associated with materials subject to international bans or phase-outs (S8.4)	No
8.5	the application of pesticides that may have a negative effect on the environment or human health	Risks associated with the use of agrochemicals (S8.5)	No
8.6	significant consumption of raw materials, energy, and/or water?	Risks associated with consumption of raw materials, energy, and water (S8.6)	No



Annex F – Programme-Specific Results Framework

The table below presents the original results framework annexed to the project document. In light of changes in context since signature, including the aforementioned delay in programme start, the results framework will be reviewed in 2026, specially indicators that yet needed consultation with implementing partners for relevance and feasibility. Any revisions deemed necessary will be submitted to the Project Steering Committee for endorsement. It should also be noted that the reporting period was largely focused on preparatory and enabling work, as outlined earlier in the report, and this progress is not yet fully captured through the current indicator targets.

Solution	Indicator	Baseline	Phase I Target (18-months)	Midterm Target*	Target by 2030	Notes
Solution #1 - Egyptian Fund for Coral Reefs	Amount of capital raised in addition to the initial US\$5 million.	\$0	\$0	\$5 million	\$50 million	
	# ha of reef protected/reef resilience improved	0	TBD	TBD	99,899 ha	Estimated total area of coral reefs within the programme area of the Egyptian Red Sea
	# of direct employment created in sustainable businesses for communities dependent on coral reef ecosystem	0	0	20	200	
	# of indirect beneficiaries based on the population that is dependent on reefs for protection from climatic events and for economic outputs.	150,000	1% growth	2% growth	4% growth	
	Revenue generated by community organizations	\$0	\$50,000	\$150,000	\$300,000	
Solution #2 - Coral Reef Business Incubator	# of persons directly employed in new sustainable businesses in communities dependent on coral reef ecosystems (at least 50% women or youth)	0	0	30	90	
	# of enterprises supported		10	30	60	
	Amount of outside financing generated	0	0	\$1,000,000	\$5,000,000	



Solution #3 - Sustainable community Ecotourism in and around Wadi El Gemal	# of visitors engaged in non-coral reef activities	150/yr	1,000/yr	2,000/year	3,000/year [GG1] [BA2]	
	# of visitors made aware of reef-positive practices, as measured by participation in Green Fins briefings	0	4,135/year (through 3 dive operators)	5,800/year (through 4 dive operators)	6,700/year	
	# of persons directly employed in sustainable businesses within local communities	0	10	30	50	
	Revenue generated by community organizations / community ecotourism providers	0	TBD	TBD	TBD	
Solution #4 - Organic Waste Upcycling for Urban Farming	Volume of organic waste redirected to the production of compost	75 MT/day (wet weight) (50% of total)	150MT/day (wet weight) (100% of total)	200MT/day (wet weight) (100% of total)	300MT/day (wet weight) (100% of total)	
	Quantity of compost produced	0	30MT/day (Dry weight)	90MT/day (Dry weight)	150MT/day (Dry weight)	
	Yield of sellable plants grown in the greenhouse and hydroponic pilot unit	0	10,000 m2 cultivated	50,000 m2 cultivated	1,000,000 m2 cultivated	
	# of persons directly employed from among local communities dependent on coral reef ecosystems	0	10	50	1,000	
	Positive impact on coral reefs	0 ha	0 ha	50,612 ha	50,612 ha	
Solution #5 - Aquaculture to support Coral Reef Ecosystem Restoration	# ha of reef resilience improved	0	1,000	2,000	5,000	
	# of persons directly employed in the aquaculture program	0	5	20	50	
	# of young giant clams and reef fish returned to the Red Sea coral reefs[1]	~500	10,000 individuals	20,000 individuals	50,000 individuals	
	Amount of revenue generated	TBD	US\$40,000	US\$100,000	US\$1,000,000	
Solution #6 - Great Fringing Reef Mooring Systems upgrade	# of Mooring systems installed for larger vessels	0	10	60	500	
	# of tourism boats using new mooring system on daily basis	0	80	480	4,000	
	Payments received by tour boats collected by Red Sea Protectorates and received by HEPCA for use in maintaining / upgrading mooring systems	TBD	TBD	TBD	TBD	



	# of staff and volunteers trained through the project to install and monitor mooring systems (target is 10 jobs for the local community)	0	10	20	30	
	Area of coral protected at target dive sites with mooring systems	0	10 sites (area tbd)	60 sites (area tbd)	500 sites (area tbd)	
	# of tour boat staff receiving training on use of mooring systems, proper visitation practices, etc.	0	50	500	1000	

[1] Estimates for the number of fish and clams returned to the sea are based on HEPCA’s experience over the past several years. Estimates of coral larvae returned to the sea will have to be determined during the programme’s initial implementation phase as this will be a new activity for HEPCA.

[GG1] More important is the revenue generated that is re-invested in management of the protected area

[BA2] The revenue generated under this Solution is revenue for sustainable community ecotourism, i.e. for local community ecotourism providers and/or the community association partner. This solution is not about generating revenue for the National Park, although the park will see some increase in visitors and therefore visitor entrance fees, but this will be quite small as compared to the expected revenues for the community organizations / tourism providers