

Report on the Progress of  
Implementation of Tranche 1  
through December 2000

of the  
Egyptian Environmental  
Policy Program (EEPP)

Submitted by the  
Monitoring, Verification, and Evaluation (MVE) Unit  
of the  
Egyptian Environmental Policy Program (EEPP)  
to the  
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## **1.0 Introduction**

### **1.1 Purpose of This Report**

One of the roles of the Monitoring, Verification, and Evaluation (MVE) component of the Egyptian Environmental Policy Program (EEPP) is to prepare regular progress reports on the status of policy reform measures implemented for each tranche of EEPP.

This report covers the third and fourth quarters of the Year 2000 implementation period of Tranche 1 (July-December 2000), and is the first time an implementation progress report has been prepared although a draft version of this report covering the third quarter was prepared and submitted to the Executive Committee in December. In June 2000 MVE prepared the Interim Verification for Disbursement Report covering all progress during the first and second quarters (January-June 2000). This progress report provides an update regarding implementation of Tranche 1 policy measures since the end of the Interim Disbursement period. The final quarter of Tranche 1, January-March 2001, will be covered in the Final Verification Report produced with the end of Tranche 1 (25 March 2001).

The principal differences between the previous Interim Period Verification Report and this Implementation Progress report are that the former concentrated only on the achievement of the means of verification. As there are no means of verification for non-policy measures, these measures were not addressed at all in the interim period report but are covered here.

### **1.2 Contents**

This report is organized in three principal sections from the general to the specific.

#### **1.2.1 Overview of Policy Reform Status including Achievements, Constraints, and Recommendations**

The first section is an overall assessment that summarizes the progress thus far, drawing general conclusions, highlighting achievements and identifying continuing barriers to successful completion of the policy reform agenda. It also includes some recommendations for overcoming these constraints.

#### **1.2.2 Summary Table of Progress and Expectations**

A table is presented summarizing the achievement of the means of verification for Tranche 1 policy measures as well as expectations for the achievement of the remaining means within the Tranche 1 timeframe, the end of March 2001.

#### **1.2.3 Progress by Objective**

For each Tranche 1 objective, MVE provides a detailed assessment of progress on implementation at each programmatic level, including objective, policy measure or non-policy

measure, and means of verification. In Tranche 1 some Objectives have only Policy Measures, some have only Non-Policy Measures, and others have both.

For objectives with policy measures this report includes,

- at the objective level, an overview of the Agency's approach to achieving the objective, the activities that the Agency is undertaking to achieve this objective that supplement those directly related to the policy measure, and analyzes the overall progress toward achieving the objective, which may also be dependent on actions or conditions outside of the EEPP. Then, for
- the policy measures level, a description is given of the agency's approach to this specific policy measure, the activities directly related to this policy measure, and an analysis of the progress toward achieving this specific policy measure, including identification of continuing barriers and constraints. Finally, at the
- means of verification level, the specific actions aimed at producing the relevant product such as a report or the decree or plan are described, an analysis is provided of the process of producing this means or of the results from having produced it for the Interim Report, and, finally, a succinct expectation for achievement is provided such as "expected, not expected by date X, etc."

Non-policy measures are an artifact of the original EEPP Tranche 1 design and negotiation process in which the policy measures under certain objectives were changed to non-policy measures, which are: *"the steps and tools such as studies, analyses, and other technical assistance actions which would benefit partners in accomplishing the policy objectives."* For these objectives with non-policy measures this report describes the actual actions undertaken supporting the objectives (which, in some cases, differ markedly from those in the original MOU) and analyzes the progress toward achieving the objective with these actions. The Interim Report of July 2000 did not report on these non-policy measures so this is the first time they are covered in a progress report.

Objectives with both policy measures and non-policy measures (7 and 12) have the policy measures followed by the non-policy measures each in the formats above. It is expected that the EEPP Tranche 2 policy matrix will not have non-policy measures and the reporting will therefore be more straightforward.

### **1.3 Methodology**

The methodology for this reporting entails assessing progress objective by objective. This assessment serves as a detailed record of progress on each objective and associated policy measure(s), providing the information necessary to make adjustments to the EEPP agenda to assure that objectives for each tranche are achieved.

MVE directly interviewed nearly all EEPP participants, representing all the participating agencies and TA contractors. To prepare for these interviews, MVE studied the work plans, reports, and other materials prepared by these entities to carry out the EEPP agenda. Following this, draft analyses and conclusions were circulated for comment before the final version was prepared.

A draft version of this report through November 2000 was submitted to the Executive Committee in December 2000. No comments were received before the end of the fourth quarter or before the finalization of the report at the end of January. As there were also no submissions

of documentation of the means of verification (discussed below) MVE made other small editing changes to reflect the progress that we did find and distributed this report. MVE continues to closely follow and advise the participating agencies on the preparation of the means of verification.

## 2.0 Overview of Policy Reform Status including Achievements, Constraints, and Recommendations

### 2.1 Overall progress

In the consultations for the preparation of this report MVE learned of significant advances toward achieving the Policy Measures and their related means of verification, certainly since the Executive Committee meeting in June and, in fact, even since the Interim Disbursement report that followed it.

The Interim Disbursement Report said:

*In less than a year of implementation, EEPP already has achieved tangible successes and further significant accomplishments likely will be achieved in the next few months. These accomplishments will be captured at the end of the tranche. The program is off to a good start and is showing progress, though substantial continued effort will be necessary to keep the program on track to fully accomplish Tranche 1.*

*Some measurable progress (verified achievements or first report submission) has been made on nearly all objectives (8 of 9). For policy reforms, 12 of 14 show measurable progress. For means of verification, 16 of 40 have been achieved. Thus, by this last measure, about 40 percent of the expected outcome (assuming all means of verification have the same relative weight) has already been achieved approximately halfway through Tranche 1.*

Since that time there has been more progress toward achieving the non-policy measures (that were not reported on in June) and policy measures and the documentation for the means of verification is in preparation. MVE has consulted extensively with the various preparers and has reviewed preliminary documentation, plans, or other products.

However, while there has been this progress observed since the last disbursement, it should be noted that **no official documentation of the means of verification has been submitted to the MVE since the end of the Interim Disbursement period.** Thus, there is no new progress that can be recorded against the verification means for cash disbursement in these quarters.

As a result, the EEPP is still in the position of having accomplished less than half of the Means of Verification. However, unlike in June, when it was approximately halfway through the tranche, **there are now only two months left.** This is a situation that should be of concern to all the EEPP partners.

While a more formal evaluation of the program will only come after the end of the first tranche, certain preliminary conclusions can be reached and asserted at this stage. These conclusions are presented in this section and explained in greater detail later in this document.

## 2.2 Constraints and Solutions

The delay in accomplishing EEPP Tranche 1 measures may, in part, be due to the constraints that the program has faced. These range from institutional factors outside of the program to design factors in the program itself. Some of these are known and have long been acknowledged while others are new.

The constraints facing individual policy measures are treated in the objective-by-objective review that follows. Those of a more crosscutting nature are highlighted in this section. Comments below on constraints are intended to contribute to improving the program and ensuring that efforts are strengthened so that maximum impact is ultimately attained under EEPP. That EEPP has achieved successes to date is because of the efforts of the EEPP partners (EEAA, TDA, OEP, USAID) and the TA contractors to overcome these constraints. Following is a review of these constraints:

### **Institutional**

There continues to be a need for better coordination between parts of the EEPP program, between different GOE agencies or ministries, and even between parts of the different parts of the program in the same participating agencies. The overall institutional base which is the foundation for policy reform has not yet been established and more capacity building may still be needed in Tranche 2. A problem that MVE has observed within EEPP is that *ad hoc* communication substitutes for a systematic mechanism for updating of progress reporting and other forms of information exchange. One solution suggested is to intensify the joint planning of the program at earlier stages, a practice that can be put into effect in the present Tranche 2 planning. The appointment of a National Coordinator in December 2000 should be productive in this regard.

### **Staff and resources**

There remains a shortage of qualified staff and a lack of resources, particularly financial, devoted to the overall program. The result is that staff members, many of whom have excellent qualifications and a willingness to work with great diligence, are overworked. Those who work full time on EEPP sometimes forget that for others it is one responsibility among many. The solution is to secure more resources for the agencies so that they can hire more well-qualified staff. For Tranche 2 these resources can, in part, be secured from the Tranche 1 cash transfer proceeds. Agencies can then prioritize the use of a portion of these resources towards these essential needs. Another solution that can help remedy this issue during Tranche 2 is for partners to concentrate on fewer policies so that adequate human and financial resources can be dedicated to more thoroughly addressing objectives.

### **Policy programs vs. project assistance**

There remains for some, even at this stage in Tranche 1, an uncertainty of the differences between policy programs and projects. Considerable time and energy have been spent in continually discussing the unique nature of policy programs, as distinct from traditional projectized assistance. Policy programs aim at changing policies and institutional structures and provide TA and cash disbursements (and some training) to accomplish this goal but do not, in general, provide direct physical inputs. Projects usually have specific physical outputs, constructed within a limited timespan. The result is that expectations within EEPP are often not met with respect to the provision of physical inputs (buildings, equipment, etc.).

The ideal situation, of course, is for everyone to fully understand and agree on the nature of EEPP and of the work to be undertaken before starting. It is achieving this understanding that is difficult. Therefore, what is clear is that prior to beginning the actual work, the EEPP partners need to engage in a more participatory process for agreeing on the objectives, policy measures, and means of verification, and workplans. Thus they would agree on what will be done by whom and when earlier on in the program and there would be better understanding and participation. It is recommended that partners hold additional internal meetings in the months ahead to ensure that their staffs involved in EEPP, especially those newly involved in Tranche 2, better understand the nature of the program.

### **Information**

Lack of information and access to information is a continuing constraint for environmental policy reform inside and outside EEPP, including insufficient baseline information data and analysis of available information. In many other cases, the information exists in one entity or report but is not available to other entities or to the public. The lack of a tradition of information sharing is exacerbated by the technical difficulty of dissemination and access. Aspects of information availability are presently under study and are the object of planned work in Tranche 2.

### **EEPP design**

The Agency Task Forces (ATF) and Working Groups (WG) are not working as was envisioned in the original EEPP design. In some cases there are working groups without an ATF, in other cases there are individuals who essentially form an *ad hoc* ATF. In no case however, is the entire ATF/WG/TA contractor structure (which has direct responsibilities for all of the work) functioning smoothly. This design issue should be examined as the work in Tranche 2 is being planned. Working groups and ATFs need to meet regularly enough to ensure coordination and maintain momentum.

*Recognizing the constraints identified above, MVE suggests that, for Tranche 2, the EEPP partners take advantage of the time that still remains within Tranche 1 to carefully analyze the Tranche 2 policy measure proposals now under consideration. Some of these proposals may need to be further clarified. The MVE has resources at its disposal that can be tapped for EEPP policy-related analyses subject to agreement of the pertinent EEPP partner and USAID. These analyses are intended to address cross-cutting or inter-Agency issues and to suggest solutions to constraints identified. However, this function should be viewed as complimentary and not supplanting the responsibilities of technical assistance providers.*

## **2.3 Expectation of Accomplishment of the Means of Verification**

As noted above, to date, the means of verification have only been partially met. Achievement of the means of verification is one indicator of the success of the program and also the way that the program justifies the disbursement of funds.

Based on the MVE investigations and discussions, the overall picture of the Program's progress is one of a relatively slow pace. We believe, however, that current efforts regarding the policy objectives will eventually lead to accomplishment of nearly all of the means of verification by the end of Tranche 1 by the end of March 2001. Of the 24 means still not accomplished at the time of the interim disbursement (60% of the total number) only two cannot realistically be predicted to be achieved. Up to one fourth of these means could be accomplished nearly

immediately if the documentation presently under preparation is expeditiously completed and submitted. Of the other means, some may take until the end of the tranche because of factors outside the direct control of EEPP (agreements with other ministries, for example), or because they are a series of reports whose final number is not scheduled until the end of the tranche. The accomplishment of the remaining means of verification by the end of Tranche 1 would, we believe, require more attention and resources than have been devoted to this to date.

For different reasons, there will likely be one or more means of verification unaccomplished at the end of the tranche. These are identified in Sections 3 and 4 of this report. A decision has been made not to carry these means of verification over into an extended Tranche 1.

The responsibility for achieving means of verification remains a question for discussion for some participants. In all cases, the ultimate responsibility for submitting the documentation regarding a means of verification rests with the GOE as it is the sole entity with a legal relationship with USAID. However, the writing of the particular report or the creation of the workplan or other required item to be submitted is a matter to be worked out in the relationship between the TA contractor and the GOE agency.

MVE offers to continue its policy of providing continuous consultation to submitters throughout the process of creating the required products so that, when officially submitted, these products can fully meet the requirements.

### 3.0 Summary Table of Progress and Expectations

<i>Objective</i>	<i>Focus of Objective</i>	<i>Agency</i>	<i>Policy Reform Measure</i>	<i>Means of verification</i>	<i>Submitted/ Not submitted in Interim Report</i>	<i>Achieved/ Not Achieved in Interim Report</i>	<i>Expectation for remainder of Tranche 1</i>
<b>1</b>	Build capacity of EEAA to provide long term strategic planning and environmental policy formulation and analysis	EEAA					
<b>2</b>	Integrate the environmental dimension in national planning and development programs.	EEAA					
<b>3</b>	Decentralize core environmental management functions to regional, governorates, and local levels.	EEAA		1	<b>Submitted</b>	<b>Achieved</b>	
<b>3</b>		EEAA		2	Not submitted		Expected by end of Tranche 1
<b>3</b>		EEAA		3	Not submitted		Expected by end of Tranche 1
<b>3</b>		EEAA		4	<b>Submitted</b>	<b>Achieved</b>	
<b>4</b>	Establish system for periodic review and modification of air emission standards.	EEAA					
<b>5</b>	Establish and activate a mechanism through which Environmental Protection Fund (EPF) resources are broadly used to support a range of environmental policies and activities.	EEAA	<b>5A</b>	1	<b>Submitted</b>	<b>Achieved</b>	
<b>5</b>		EEAA	<b>5A</b>	2	<b>Submitted</b>	<b>Achieved</b>	
<b>5</b>		EEAA	<b>5B</b>	1	<b>Submitted</b>	<b>Achieved</b>	
<b>5</b>		EEAA	<b>5B</b>	2	<b>Submitted</b>	<b>Achieved</b>	
<b>6</b>	Promote policies that increase the availability and ability to afford equipment, spare parts and inputs for environmental control, and monitoring and pollution prevention.	EEAA					
<b>7</b>	Reduced air pollution and emissions of greenhouse gases due to inefficient use of fossil fuels.	OEP			<b>Submitted</b>	<b>Achieved</b>	
<b>8</b>	MOEA/EEAA and concerned GOE entities develop improved systems and capacity for monitoring, inspection, and testing to ensure compliance with industrial pollution policies.	EEAA					

<i>Objective</i>	<i>Focus of Objective</i>	<i>Agency</i>	<i>Policy Reform Measure</i>	<i>Means of verification</i>	<i>Submitted/ Not submitted in Interim Report</i>	<i>Achieved/ Not Achieved in Interim Report</i>	<i>Expectation for remainder of Tranche 1</i>
9	MOEA/EEAA, in cooperation with industrial stakeholders and relevant GOE entities, develops pollution reduction strategies through higher rate of compliance.	EEAA		1	Submitted	Achieved	
9		EEAA		2	Not submitted		Expected February 2001
9		EEAA		3	Not submitted		Expected February 2001
9		EEAA		4	Not submitted		Expected February 2001
10	Strengthen the capacity of public and private sector to provide consistent and reliable environmental assessment services which will support industrial compliance with environmental policies and regulations.	EEAA					
11	Improve efficiency and performance of the solid waste management systems through a combination of strategic planning, improved administration, greater public awareness, and more active participation of the private sector.	EEAA		1	Submitted	Achieved	
11		EEAA		2	Submitted	Achieved	
11		EEAA		3	Not submitted		Expected February 2001
11		EEAA		4	Not submitted		Expected February 2001
12	Provide protection for the Egyptian Red Sea coral reefs, islands, and linked ecosystems of importance.	EEAA	12A	1	Not Submitted		Not expected before end of Tranche 1
12		EEAA	12B	1	Not submitted		Expected February 2001
12		EEAA	12B	2	Not submitted		Expected February 2001
12		EEAA	12B	3	Not submitted		Expected February 2001
13	EEAA encourages environmentally sustainable development of the Red Sea coast through an improved EIA process.	EEAA		1	Submitted	Achieved	
13		EEAA		2	Not Submitted		Expected February 2001
13		EEAA		3	Not Submitted		Expected February and March 2001
14	Environmental policy monitoring capacity within the TDA is strengthened	TDA	14A	1	Submitted	Achieved	

<i>Objective</i>	<i>Focus of Objective</i>	<i>Agency</i>	<i>Policy Reform Measure</i>	<i>Means of verification</i>	<i>Submitted/ Not submitted in Interim Report</i>	<i>Achieved/ Not Achieved in Interim Report</i>	<i>Expectation for remainder of Tranche 1</i>
14		TDA	14A	2	Not Submitted		Expected February 2001
14		TDA	14A	3	Not submitted		Expected February 2001
14		TDA	14A	4	Not submitted		Expected March 2001
14		TDA	14B	1	<b>Submitted</b>	Series in progress	Expected February and March 2001
14		TDA	14B	2	<b>Submitted</b>	Series in progress	Expected February and March 2001
14		TDA	14B	3	Not submitted		Expected by end of Tranche 1
15	TDA strengthens its capacity to develop and disseminate Best Practices and other environmental programs intended for investors and developers through education and awareness programs	TDA	15A	1	<b>Submitted</b>	<b>Achieved</b>	
15		TDA	15A	2	<b>Submitted</b>	<b>Achieved</b>	
15		TDA	15A	3	Not submitted		Expected February 2001
15		TDA	15A	4	Not submitted		Expected February and March 2001
15		TDA	15B	1	<b>Submitted</b>	<b>Achieved</b>	
15		TDA	15B	2	<b>Submitted</b>	<b>Achieved</b>	
15		TDA	15B	3	<b>Submitted</b>	Series in progress	Expected February and March 2001
15		TDA	15C	1	<b>Submitted</b>	Series in progress	Expected by end of Tranche 1
15		TDA	15C	2	Not submitted		Not expected before end of Tranche 1

## 4. 0 Progress by Objective

<b>Objective 1 (Non-Policy Measure)</b>	<i>Actions supporting Non-Policy Measure</i>	<i>Analysis of progress toward achieving Non-policy Measure</i>
<p><b>Build capacity of EEAA to provide long term strategic planning and environmental policy formulation and analysis</b></p> <p>No disbursement-related policy measures contemplated this Tranche</p> <p><i>EEAA completes a needs assessment and its work plan to meet strategic planning, monitoring, and evaluation requirements.</i></p> <p><i>EEAA initiates a consultative process to update the National Environmental Action Plan (NEAP) including the preparation of a work plan.</i></p> <p>Lead Agency: EEAA</p>	<p>1. Supported by UNDP/Capacity 21, EEAA initiated the process of updating the NEAP in early 1999. The process is being undertaken in continuous consultation with stakeholders and is planned to produce the first draft of the NEAP in early 2001. PSU is seeking ways to support the NEAP process.</p> <p>2. Supported by DFID, in late 1999 EEAA produced a proposal for its newly established Department for Planning, Follow-up and Technical Cooperation. The proposal addressed issues such as function, mandates, and size of staff. Major topics of the proposal addressed issues of strategic planning as well as development of EEAA’s activity plan and internal planning and follow-up issues. A decision by the CEO on adoption and implementation of the proposal is a critical step needed for the further development of the department.</p> <p>3. Supported by DFID/SEAM, EEAA is providing TA to selected governorates to develop and implement GEAPs. DANIDA is planning a similar activity with other selected governorates.</p>	<p>The need to strengthen the currently limited capacity of EEAA to provide strategic planning is apparent from the following:</p> <ol style="list-style-type: none"> <li>1. With the full-time assignment of a Minister for Environmental Affairs, the political importance of EEAA’s role to provide strategy orientation to other Egyptian entities became evident. Considering the steps needed to develop the Policy Directives (1998), the Environmental Strategies of 1997/8 and more recently the Environmental Sector plan as part of the National Program for the Modernization of the Egyptian State (September 2000), EEAA still has a long way to go to fully meet its mandates regarding strategic planning.</li> <li>2. At present there is no systematic way to develop EEAA’s annual plan for its own activity, nor do EEAA departments have their own work plans. Therefore, the link between EEAA’s annual plans and the NEAP of 1992 or the Environmental Strategies of 1997/8 is very weak. Most of EEAA’s activities are of a “fire fighting” nature rather than systematic planned actions.</li> <li>3. Shortage of qualified staff in the recently-established Planning and Follow-up Department as well as limited planning capacity in other departments is one cause of the insufficient planning practices in EEAA. Another is the lack of decision to further establish and make operational a planning and follow-up system.</li> <li>4. Limited institutional and technical support provided by EEAA for institutionalizing GEAP development and implementation and strengthening of EMUs in selected governorates (as in Actions column).</li> </ol>

<b>Objective 2 (Non-Policy Measure)</b>	<b>Actions supporting Non-Policy Measure</b>	<b>Analysis of progress toward achieving Non-policy Measure</b>
<p><b>Integrate the environmental dimensions in national planning and development programs.</b></p> <p>No disbursement-related measures contemplated this Tranche</p> <p><i>EEAA initiates a study to define requirements for area-wide environmental impact assessments (EIAs) and the identification of priority zones.</i></p> <p>Lead Agency: EEAA</p>	<ol style="list-style-type: none"> <li>1. The PSU developed a study addressing conceptual issues of area-wide EIA with special focus on irrigated agriculture. The findings of the study and its significance for EEAA are under study by the EIA department.</li> <li>2. EEAA is preparing a protocol for cooperation with the Ministry of Housing and New Urban Communities (MHNUC). EIA will be one issue of such a protocol. Recently this process came to a halt and further progress requires intervention at a higher level.</li> <li>3. In the course of preparing the NEAP, EEAA is preparing a package of projects investing in the environmental or in capacity building to be implemented by other ministries or the business sector. In this context EEAA is trying to integrate environmental management into national planning and development programs</li> </ol>	<ol style="list-style-type: none"> <li>1. Very limited progress has been achieved so far.</li> <li>2. The approach of selecting two areas (irrigated agricultural projects and new industrial areas) is a welcomed approach to addressing such a complex problem. Lessons learned will help address other areas and ministries. Support by the major stakeholders (i.e. MHNUC) is a major obstacle to implementation of this approach. Another obstacle is the lack of resources and a mechanism to make ministerial cooperation operational.</li> </ol>

<b>Objective 3</b>	<b>Approach</b> by Agency to meeting objective	<b>Activities</b> in addition to those specified by Policy Measure	<b>Analysis</b> of overall progress toward achieving objective
<p><b>Decentralize core environmental management functions to regional, governorates, and local levels.</b></p> <p>Lead Agency: EEAA</p>	<p>The overall approach pursued by EEAA in addressing decentralization is to establish a network of regional branches covering the whole country and gradually delegate to these branches the mandates of EEAA within each region. Local municipalities are to remain the major actor on the local level with technical support and guidance from Regional Branch Offices. (RBOs)</p>	<p>MOEA and EEAA are addressing this issue through the following major activities:</p> <ol style="list-style-type: none"> <li>1. Preparation of a cooperative ministerial protocol with the Ministry of Local Development to support the EMUs and strengthen their work relations with RBOs.</li> <li>2. Staffing and equipping of 5 EEAA RBOs and construction of another 3 RBOs.</li> <li>3. Donor-supported projects (e.g. OSP, EEPP, EPAP, UNDP-C21/SEMA) are providing institutional and technical assistance to make operational the established RBOs and 15 out of the 26 Environmental Management Units. (EMUs) in the Governorates.</li> <li>4. Submission for discussion of a proposal for organization upgrading of EMUs for the Minister of Local Development.</li> </ol>	<p>At EEAA, there is not yet any clear evidence of delegation of powers from the central departments to the regional branches. To date all EIA reviews and most inspection activities (which are two core environment management operations) are undertaken by the central departments either without or with minor participation of the existing RBOs. Enacting Ministerial Decree no 56/2000 (mov.3-1) seems to be delayed awaiting the staffing and training of RBOs. Even for the Greater Cairo branch established in 1996, no formal participation in EIA review and a limited participation in inspection activities (with exception of inspection activities related to public complaints) is taking place.</p> <p>Constraints encountered regarding decentralization within EEAA are, in summary:</p> <ol style="list-style-type: none"> <li>1. Lack of qualified staff on the central and regional levels;</li> <li>2. Weak processes for developing internal work plan with clear roles and responsibilities for EEAA departments;</li> <li>3. No follow-up on implementation of existing work plans; and</li> <li>4. Weak coordination and exchange of information.</li> </ol> <p>At the municipal level, EEAA has delegated the review of EIA for list (A) projects to the municipalities and is providing technical assistance in environmental planning and in some cases <u>inspection</u> equipment to the EMU.</p> <p>Major constraints facing the decentralization process on this level are:</p> <ol style="list-style-type: none"> <li>1. The limited capacity of EEAA to provide TA to</li> </ol>

<b>Objective 3</b>	<b>Approach</b> by Agency to meeting objective	<b>Activities</b> in addition to those specified by Policy Measure	<b>Analysis</b> of overall progress toward achieving objective
			EMUs; 2. Limited qualified staff at the local level; 3. Limited resources and equipment; 4. Organizational weakness of EMU.

<b>Objective 3 Policy Measure</b>	<b>Approach</b> by Agency specific to policy measure	<b>Activities</b> directly related to policy measure	<b>Analysis</b> of progress toward achieving policy measure
<p><b>MOEA/EEAA develops and issues decree approving policies and operational procedures for Regional Branch Offices.</b></p> <p>Lead Agency: EEAA</p>	<p>EEAA, after finishing the first round of staffing and equipping the remaining four of the five newly established branches, is addressing (with support from different donor projects) building the capacity within the RBOs with special focus on major environmental management operations. To the extent possible, and to make the maximum use of the resources available, EEAA is extending its activities to the staff of the EMUs.</p>	<p>Several EEAA donor-supported activities are being implemented that focus on making operational the five established RBOs. These activities provide technical assistance to build capacity within EEAA and its branches. In a few cases limited provision of office and laboratory equipment is being offered. It is expected that these activities will build the capacity of EEAA branches especially in the areas of planning and inspection. In addition, RBO policies and procedures will be established. Most of the training activities implemented are shared by EMU staff from the governorates within the geographical mandates of the branch.</p>	<p>See analysis at objective level</p>

Means of Verification (For PM 3)	Actions toward achievement	Analysis of means of verification implementation	Expectation for achieving means of verification
<p><b>3-1</b>  <b>(a) An executive directive by EEAA-CEO: Detailing RBO main objectives, functions and major tasks and responsibilities;</b>  <b>(b) Describing RBO organizational structure and job description of staff members.</b></p>	<p>Achieved in the interim period of Tranche 1</p>	<p>Actions to implement the RBO decree are still lacking. Despite circulation of this decree to the acting heads of RBO and the central departments of EEAA no dissemination of this information to the lower levels of management and staff has been undertaken. Although work plans produced for two RBOs by OSP did reflect the decree, its thorough implementation remains to be seen. One major constraint is the belief that the RBOs are not yet operational, and thus not yet qualified to undertake their responsibilities. Another is the limited capacity of the central department for RBOs, which is responsible for strategic planning, coordination, and follow-up of RBO activities.</p>	<p>Achieved</p>
<p><b>3-2</b>  <b>An executive directive approving RBO policies with detailed policies attached</b>  <b>3-3</b>  <b>An executive directive by EEAA-CEO approving operational procedures and manuals for RBO major functions (EIA, inspection, monitoring) with procedures and manuals attached.</b></p>	<p>EEAA has very recently begun addressing these issues with support from PSU. It is expected to produce RBO polices and their operational manuals and procedures for major functions in early 2001</p>	<p>The lack of qualified staff (management and technical staff) is one constraint interfering with active planning, follow-up and coordination of RBO activities  Without outside assistance, the limited capacity of the central department of RBOs and its substantial workload overseeing production of operational manuals and policy procedures would be impossible. In early 2000 the OSP was assigned with providing this support but the activity was delayed because there was not enough senior staff in the central department.</p>	<p>(Both ) expected by end of Tranche 1</p>

<b>Means of Verification (For PM 3)</b>	<b>Actions toward achievement</b>	<b>Analysis of means of verification implementation</b>	<b>Expectation for achieving means of verification</b>
<p><b>3-4</b>  <b>Administrative and financial plan for establishing and operationalizing the rest of RBOs approved by EEAA-CEO.</b></p>	<p>The first phase of staffing that established the first five RBOs was implemented. As a result the number of staff increased by more than fourfold (from 30 to 146)  Some equipment for inspection purposes is being provided to these RBOs from EPAP and EEPP.  Building premises for the remaining three RBOs is underway and EEAA is seeking funding to equip them.</p>	<p>Making operational the RBOs is progressing with some difficulties given these constraints:  1. Lack of appropriate manpower policies  2. Lack of a plan to increase EEAA resources.</p>	<p>Achieved in interim phase of Tranche 1</p>

<b>Objective 4 (Non-Policy Measure)</b>	<b>Actions supporting Non-Policy Measure</b>	<b>Analysis of progress toward achieving Non-policy Measure</b>
<p><b>Establish system for periodic review and modification of air emission standards</b></p> <p>No disbursement-related policy measures contemplated for this Tranche.</p> <p><i>EEAA completes an assessment of existing air emissions standards.</i></p> <p>Lead Agency: EEAA</p>	<p>A study titled “Assessment of the Current Air Emissions Standards” was completed during the 4th quarter. The study is conducted by expatriate and Egyptian consultants and will cover the “system” component – and its relevant regulations and organizational issues - and also guidelines for implementing the existing standards. It is expected to be officially submitted for review in February 2001.</p> <p>Another study on “Air Quality Profile of Greater Cairo Region” was developed for the PSU by a consultant and the final version is due February 2001.</p>	<p>The original concept of intervention through establishing an “effective air quality management program” was refocused to 1) conduct an assessment of the current standards as a main introductory point to the “review and modification” process and 2) propose a system or mechanism for review and modification.</p> <p>The approach focused on the urgent need to “revise” the current air emission standards– as indicated in the executive regulations of Law no. 4,1994. The need to revise the standard to address issues such as particulate matter levels and other wide scope issues (i.e. emissions from point sources versus ambient levels) is well established by previous studies such as the Environmental Sector Assessment of 1997.</p> <p>The current activities under this objective complement other ongoing activities within EEPP or within the environmental sector in general such as CAIP, the air quality component in the NEAP initiative and development of the “National Energy Efficiency strategy (NEES). Effective coordination will positively contribute to policy implementation.</p>

<b>Objective 5</b>	<b>Approach</b> <i>by Agency to meeting objective</i>	<b>Activities</b> <i>in addition to those specified by Policy Measure</i>	<b>Analysis</b> <i>of overall progress toward achieving objective</i>
<p><b>Establish and activate a mechanism through which Environmental Protection Fund (EPF) resources are broadly used to support a range of environmental policies and activities.</b></p> <p>Lead Agency: EEAA</p>	<p>EPF operations have tended to focus principally on providing supplementary funds to EEAA's budget. EEAA has taken a decision to gradually decrease the percentage of the fund allocated to support EEAA's budget and increase the amount allocated to non-EEAA activities. In addition, EEAA is seeking to provide more autonomy to the EPF by negotiating its regulations with the Ministry of Finance and activating the EPF committee.</p>	<p>EEAA has continued to strengthen and make operational the EPF through a set of activities, including:</p> <ol style="list-style-type: none"> <li>1. Negotiating the EPF regulations with the Ministry of Finance to obtain more flexibility.</li> <li>2. Implementation of the EPF management committee-approved pilot phase for EPF activities.</li> <li>3. Training EPF staff (with support from Danida/OSP).</li> <li>4 Seeking ways to increase EPF resources.</li> <li>5. Developing economic mechanisms for environmental management.</li> </ol> <p>The last two activities are supported by PSU.</p>	<p>EEAA's actions to gain more flexibility and autonomy for EPF were partially successful. The Finance Ministry approved the new regulations for the EPF giving the EPF management more flexibility. The new regulations were issued by Ministerial Decree no 40/2000. Although other government fund regulations have much more flexibility to manage their resources (e.g. the fund for the protection of the river Nile), the new EPF regulations are sufficient to operate the fund in the first phase of its development. The need to find ways to increase EPF resources is mainly due to the expected increase in the demand for EPF resources from both EEAA and non-EEAA activities. The anticipated EEPP cash disbursements from Tranche 1 will reduce the strain on EPF resources caused by using these resources to supplement EEAA's budget. Over 140 applicants have requested funds from EPF in its pilot phase. The processing of these applications and future applications, as well as the follow-up of approved projects will require the expansion of the limited EPF staff (four at present) as well as further training. Lack of qualified staff could become one constraint to making EPF fully operational.</p>

<b>Policy Measure 5A</b>	<b>Approach</b> <i>by Agency specific to policy measure</i>	<b>Activities</b> <i>directly related to policy measure</i>	<b>Analysis</b> <i>of progress toward achieving policy measure</i>	
<b>Appointment of the full Environmental Protection Fund (EPF) Management Committee.</b>	<p>The new regulations reorganized the EPF management committee to include:</p> <ol style="list-style-type: none"> <li>1. EEAA/CEO (chairman)</li> <li>2. Two members from EEAA senior management</li> <li>3. EPF manager</li> <li>4. Three members from outside EEAA</li> </ol> <p>The purpose of these changes was EEAA's desire to make EPF meetings easier to arrange.</p>	<ol style="list-style-type: none"> <li>1. The new regulations were issued by Ministerial Decree no 40/2000 and the EPF management committee was reorganized in accordance with the new regulations by Ministerial Decree no 41/2000</li> <li>2. The EPF held a meeting on August 2000. Further meetings are planned.</li> </ol>	<p>Decreasing the numbered members of the EPF committee had no significant impact on the principle of participation from outside EEAA, since the ratio of EEAA members to non-EEAA members has changed only slightly from 5:4 to 4:3.</p> <p>Other changes in the EPF regulations will allow more delegation of power from EEAA /CEO to the EPF. This will streamline EPF operations and decision making.</p> <p>In addition, the EPF management committee will be reorganized every two years.</p>	
<b>Means of Verification (For PM 5A)</b>		<b>Actions</b> <i>toward achievement</i>	<b>Analysis</b> <i>of means of verification implementation</i>	<b>Expectation</b> <i>for achieving means of verification</i>
<b>5A-1</b> <b>A signed ministerial decree by MOEA enacting the financial regulations of the EPF approved by the Ministry of Finance and appointing its management committee.</b>		Achieved during Tranche 1 interim period.	See section above	Achieved
<b>5A-2</b> <b>Minutes of the first meeting of EPF management committee.</b>		Achieved during Tranche 1 interim period.	See section above	Achieved

<b>Policy Measure 5B</b>	<b>Approach</b> <i>by Agency specific to policy measure</i>	<b>Activities</b> <i>directly related to policy measure</i>	<b>Analysis of progress toward achieving policy measure</b>	
<b>Development and adoption by the Committee of the Operations Manual which includes fund policies, administration and personnel procedures, financial management, and project cycle management procedures.</b>	Some 140 applicants, mostly NGOs and some universities and industries requested funding from EPF during its pilot phase. Processing these applications is being undertaken with use of the operations manual developed early 2000. One study tour in Denmark for Two EPF staff members was provided by Danida/OSP and on-the-job training is planned by OSP.	1. Implementation of the EPF operations manual for processing funding applications. 2. Training EPF staff is planned in cooperation with Danida OSP (e.g. general funding operations, project evaluation and follow up). 3. Development of EPF revenue enhancement plan. 4. Assessing potential use of economic instruments. 5. Evaluating EPF awareness campaign. The last three activities are supported by PSU.	Lack of qualified staff could present a real constraint to expanding EPF operations.	
<b>Means of Verification (For PM 5B)</b>	<b>Actions</b> <i>toward achievement</i>	<b>Analysis of means of verification</b> <i>implementation</i>	<b>Expectation for achieving means of verification</b>	
<b>5B-1</b> <b>A copy of the final draft operation manual (ready to be submitted to EPF management committee for approval).</b>	Achieved during Tranche 1 interim period.	See section above	Achieved	
<b>5B-2</b> <b>Minutes of EPF-MC meeting where operations manual was approved.</b>	Achieved during Tranche 1 interim period.	See section above	Achieved	

<b>Objective 6 (Non-Policy Measure)</b>	<i>Actions supporting Non-Policy Measure</i>	<i>Analysis of progress toward achieving Non-policy Measure</i>
<p><b>Promote policies that increase the availability and ability to afford equipment, spare parts and inputs for environmental control, and monitoring and pollution prevention.</b></p> <p>No disbursement-related policy measures contemplated for this Tranche.</p> <p><i>EEAA undertakes technical analysis of equipment needs and cost/availability constraints.</i></p> <p>Lead Agency: EEAA</p>	<p>A study of the “Road Map of Public and Private Sector on Business Opportunities” is under finalization. The study will investigate the current status of the “supply side” or providers of environmental hardware, and determine how they can better respond to current and anticipated demand. It focuses on developing an easily used directory or database of providers of environmental hardware and related services.</p>	<p>The approach has changed. Originally, it focused on “assessing” the needs for environmental hardware (i.e. pollution prevention, inspection, monitoring, testing equipment – the “demand side”. The current approach is targeting – over the long run – promotion of private sector business opportunities in the environmental sector. Accordingly, the proposed activities are oriented toward investigating and identifying potential business opportunities as an access point to formulate and disseminate a guiding “road map” for the private sector. The study is described in “Actions”.</p> <p>Drawing the private sector road map to business opportunities is based mainly on assessing current and future projected needs of the national environmental sector. Identification of these specific needs and their near future prospects is the first step. Analysis of existing market conditions and identification of major barriers and constraints impeding the development of a mature market will focus on local manufacturing issues. Identifying existing economic incentives that could be used is critical. As any changes in environmental policy could stimulate “demand” for environmental hardware, targeting specific priority sub-sectors is important.</p>

<b>Objective: 7</b>	<b>Approach</b> by Agency to meeting objective	<b>Activities</b> in addition to those specified by Policy Measure	<b>Analysis</b> of overall progress toward achieving objective
<p><b>Reduced air pollution and emissions of greenhouse gases due to inefficient use of fossil fuel.</b></p> <p>Lead Agency: OEP</p>	<p>The approach focuses on developing, through a participatory process, a National Energy Efficiency Strategy (NEES) to guide future multi-agency planning and activities. The NEES will also provide a plan to facilitate positive changes to the energy market.</p>	<p>Activities include:</p> <p>1. NEES development The five specialized working groups continued meetings to draft the different components of NEES. A total of about 43 meetings have been held since inception of the process. Six working groups have been establishing to conduct integrated compiling of the outputs of the five groups. EEC through its regular meeting cycle provides the overall guidance to the NEES development process including provision of technical assistance. It is expected that the NEES draft will be finalized and ready for peer review and EEC approval by end of January 2001. Progress is evident at the symposium of “Working Groups accomplishments” which was held in Ras Sidr at 28 and 29 September 2000.</p> <p>2. Re-engineering of OEP The main theme of this intervention is to update the overall technical and managerial capacity of OEP to increase its efficiency and effectiveness in undertaking its mandate of national energy efficiency planning and implementation coordination. In addition to training and capacity building activities, work has focused on “strategic planning initiative” for OEP through an internal participatory process. A strategic management retreat was held in Hurghada in July 2000 to address this issue. Other initiatives within the same context include establishing a new OEP office building as a living model of energy efficiency.</p>	<p>Development of the NEES is central to multi-agency coordination and critical to meeting the Objective. The NEES is nearly complete, but it is too early for tangible activities aimed at reducing air pollution and emissions of greenhouse gases to be assessed.</p>

<b>Objective: 7</b>	<b>Approach</b> by Agency to meeting objective	<b>Activities</b> in addition to those specified by Policy Measure	<b>Analysis</b> of overall progress toward achieving objective
		<p>Outreach transferring the message of energy efficiency widely to all sectors of the society is the third major area of invention. It is based on media campaigns using purposefully prepared materials and publicizing the activities and events of NEES development process.</p> <p>3. Market transformation. Continuing efforts for simulating positive transformation in the energy efficiency market are focusing primarily on the following: stimulating interest and building capacity within private sector entities (potential market makers) that can significantly influence private sector involvement in energy efficiency. This intervention is addressing both sides of supply and demand. The supply side is represented by the EESBA (Egyptian Energy Services Association) and the demand side is represented by the FEI (Federation of Egyptian Industries) as the body that includes the bulk of end users of commercial energy.</p> <p>Supporting financial facilities in forging new approaches and mechanisms for providing financial services for both sides in the area of energy efficiency. This approach is epitomized by the formation of the “Inter-banking Working Group” to investigate different potentials and alternatives.</p> <p>Training for selected institutions of three involved parties (service firms, end users and financial community) through the DT-2 program.</p>	

<b>Policy Measure 7</b>	<b>Approach</b> <i>by Agency specific to policy measure</i>	<b>Activities</b> <i>directly related to policy measure</i>	<b>Analysis</b> <i>of progress toward achieving policy measure</i>
<b>OEP establishes protocol with participating public and private entities for developing national energy efficiency strategy</b>	The framework for implementing this policy measure is built on two major components. The first is developing the national energy efficiency strategy through a participatory mechanism to allow for a guided, integrated, well-coordinated and harmonious implementation by all relevant parties.	OEP activities that took place during the 3 <sup>rd</sup> quarter with support from Nexant, cover five major areas, including: <ul style="list-style-type: none"> <li>• Information integration</li> <li>• Codes and standards</li> <li>• Training and outreach</li> <li>• Public-private partnerships</li> <li>• Quantitative targets</li> </ul>	Building up the NEES is moving ahead using the WGs mechanism. The participatory approach provides good base for the process. However, the institutional arrangements of the EEC and the temporary arrangements of technical assistance available raise concern about NEES' implementation, its legal power and the level of commitment of co-signing parties. It is important to address how NEES will become a ratified document. There remain questions about the level in the GOE at which the strategy will be endorsed and the legal formula of this endorsement. However, making NEES implementation voluntary is still an alternative that needs to be investigated. Selection of a specific option should be incorporated early in the NEES design process.  Ongoing efforts related to the "market transformation" component are advancing especially within the financial community (the inter-banking working group).

<b>Means of Verification (For PM 7)</b>	<b>Actions</b> <i>toward achievement</i>	<b>Analysis</b> <i>of means of verification implementation</i>	<b>Expectation</b> <i>for achieving means of verification</i>
<b>A copy of the protocol establishing the participatory mechanism for developing the national efficiency strategy (NEES).</b>	Achieved during Tranche 1 interim period.	Achieved	Achieved

<b>Objective 7 (Non-Policy Measure)</b>	<b>Actions supporting Non-Policy Measure</b>	<b>Analysis of progress toward achieving Non-policy Measure</b>
<p><i>OEP, in cooperation with industry, drafts guidelines for certification and efficiency labeling program for energy consuming commodities and initiates broader public awareness toward the use of energy saving and environmentally friendly equipment.</i></p>	<p>Actions include:</p> <ol style="list-style-type: none"> <li>1. Providing support for transforming the local energy efficiency market for goods and service.</li> <li>2. Supporting market transformation through continuing efforts to stimulate positive change in the energy efficiency market, focusing primarily on the following: Building the capacity of the private sector in energy efficiency. This intervention is addressing both sides of supply and demand. The supply side is represented by EESBA (Egyptian Energy Services Association) and the demand side is represented by FEI (Federation of Egyptian Industries) as the body that includes the bulk of end users of commercial energy.</li> <li>3. Supporting financial facilities in forging new approaches and mechanisms for providing financial services for both sides in the area of energy efficiency. This approach is epitomized by the formation of the “Inter-banking Working Group” to investigate different potentials and alternatives. Training for selected institutions of three involved parties (service firms, end users and financial community) through the DT-2 program.</li> </ol>	<p>The market transformation component is linked to the NEES component in many aspects, including the “public – private partnership”. Further potential to strengthen the two components would increase positive impact.</p>

<b>Objective 8 (Non-Policy Measure)</b>	<b>Approach</b> by Agency supporting Non-Policy Measure	<b>Analysis</b> of progress toward achieving Non-policy Measure
<p><b>MOEA/EEAA and concerned GOE entities develop improved systems and capacity for monitoring, inspection, and testing to ensure compliance with industrial pollution policies.</b></p> <p>No disbursement-related measures contemplated this Tranche.</p> <p><i>EEAA develops guidelines, which identify the priority plants in different industrial sectors for periodic and regular inspections.</i></p> <p>Lead Agency: EEAA</p>	<p>Rather than just developing guidelines or listing plants in different sectors EEAA’s approach is to build an institutional base to support work in this area over the long term. EEAA’s approach addresses the issues of environmental inspection in a very practical and pragmatic way by establishing a special unit (not included in its organizational structure) and staffing it with full-time non-permanent staff. Based on experience thus far, the unit will, in the future, establish its institutional relationship with other entities within and outside EEAA. In addition, MOEA is building a cooperative institutional framework for inspection, among other environmental management initiatives, with other ministries.</p> <p>MOEA / EEAA continued its effort to establish and strengthen the industrial inspection system through addressing the following issues:</p> <p><b>Capacity building:</b> Supported by EPAP, OSP, and PSU the technical capacity of the Environmental Inspection (EI) unit at EEAA is being strengthened through training, development of industrial sector-specific inspection manuals, industrial environmental information management systems, adaptation of industrial inspection manuals to field inspection needs and on-the-job training for sample collections.</p> <p>In the fourth quarter the PSU organized a week-long training course on inspection methods for 45 trainees from the EI Dept and RBOs</p> <p>A technical advisor, arranged by the PSU, provided TA for the EI Dept on improving inspection practices and conducting needs assessments for inspection equipment and hardware to be procured by the PSU.</p>	<p>The steps taken by MOEA/EEAA demonstrate the “stick” or penalty approach in enforcing Law 4. In spite of the many shortcomings in the existing inspection system, there is evidence that environmental inspection activities are expanding and becoming more efficient. The major obstacles facing the development of the inspection system are limited resources (physical and human), legal gaps and lack of workable coordination mechanisms within and between different entities. Overcoming these constraints likely will take beyond the end of this Tranche (or even the end of EEPP). More important is the creation of a base that is capable of developing and progressing.</p>

<b>Objective 8 (Non-Policy Measure)</b>	<b>Approach</b> <i>by Agency supporting Non-Policy Measure</i>	<b>Analysis</b> <i>of progress toward achieving Non-policy Measure</i>
	<p><b>Institutional development:</b> Supported by OSP, EEAA addressed the organizational development of the EI unit and its work relations within other EEAA departments as well as its ties to other GOE entities. MOEA/EEAA signed a protocol for cooperation with the Ministry of Labor and Manpower, but EEAA resource constraints prevent its full implementation. A similar arrangement with the Ministry for Local Development is underway. EEAA staffed the newly established EI department (20 staff members) and is using existing regional lab staff to support in inspection activities.</p> <p><b>Equipment and means of transport:</b> EPAP will provide some inspection equipment to selected RBOs and EMUs. In addition, some EMUs will be provided with means of transportation. EEAA provided means of transport to the EI department and is currently reassessing the needs of the central and regional labs based on the experience gained from ongoing inspection activities.</p> <p><b>Planning:</b> The EI department identified greater Cairo and the Central Delta to be its priority area for the year 2000. Based on the severity of impacts, a polluter list was prepared to guide ongoing inspection activities of industrial establishments with an average of 15-20 covered monthly. EI department plans to expand its activities to tourism, and water and sanitation in 2001.</p>	

<b>Objective 9</b>	<b>Approach</b> <i>by Agency to meeting objective.</i>	<b>Activities</b> <i>in addition to those specified by policy Measure</i>	<b>Analysis</b> <i>of overall progress toward achieving objective</i>
<p><b>MOEA/EEAA, in cooperation with industrial stakeholders and relevant GOE entities, develops pollution reduction strategies through higher rate of compliance.</b></p> <p>Lead Agency: EEAA</p>	<p>The approach adopted by MOEA/EEAA is to provide technical assistance and, whenever possible, funding mechanisms to industrial pollution control activities. In addition, support is being provided for establishing institutional arrangements promoting self-compliance within a participatory framework. This approach together with the approach under Objective 8 (regarding inspection activities) form the basis for the MOEA/EEAA strategy for industry.</p>	<ol style="list-style-type: none"> <li>1. MOEA/EEAA is implementing a program to declare selected new industrial cities environmental friendly. A major component of the program is industrial compliance. The Dutch are partially supporting this program.</li> <li>2. Funding mechanisms for industrial compliance are being offered to both private and public firms by KFW and World Bank.</li> <li>3. With assistance provided by Finida, Swiss Aid and the PSU, EEAA is developing a hazardous waste management framework.</li> </ol>	<p>The overall economic conditions prevailing during the period of the Tranche did impact EEAA's industrial compliance programs. The liquidity and stagnation problem facing the Egyptian economy reduced the willingness of industry to invest in environmental compliance programs, especially in the absence of available economic incentive system and the lack of a developed inspection system. It is expected that the most willing to comply industrial sectors are those who are export-oriented or have proven direct economic return on their environmental investments. The involvement of other sectors requires the development of a sound economic incentive system in addition to a strong inspection system.</p>

<b>Objective 9 Policy Measure</b>	<b>Approach</b> <i>by Agency specific to policy measure</i>	<b>Activities</b> <i>directly related to policy measure</i>	<b>Analysis</b> <i>of progress toward achieving policy measure</i>
<b>EEAA, in association with Investors Group and relevant stakeholders, designs and initiates implementation of the integrated EMS for the Tenth of Ramadan industrial city.</b>	MOEA/EEAA is addressing this policy measure within the context of its program to declare the 10 <sup>th</sup> of Ramadan as an environmental friendly city. The MOEA/EEAA is supporting the stakeholders in 10 <sup>th</sup> of Ramadan in building the institutional structure of Integrated Environmental Management System (IEMS) implementation providing technical assistance and possibly limited financial support to establish an environmental fund for the city.	PSU is directly providing technical support to the 10 <sup>th</sup> of Ramadan BoT in establishing and making operational the IEMS.	Because MHUNC is the ministry most concerned with the administrative management of the new industrial cities, the degree to which the policy measure is achieved will depend on active support from this ministry. Therefore, improving the institutional base for IEMS any further is pending a decision from MHUNC. If the decision is not taken and no alternatives are identified, it is questionable that this PM can be fully achieved.

<b>Means of Verification (For PM 9)</b>	<b>Actions</b> <i>toward achievement</i>	<b>Analysis</b> <i>of means of verification implementation</i>	<b>Expectation</b> <i>for achieving means of verification</i>
<b>9-1</b> <b>Copy of the signed MOU establishing the institutional commitments necessary to implement the pilot EMS (Environmental Management System)</b>	Achieved in Tranche 1 interim period	Achieved	Achieved

<b>Means of Verification (For PM 9)</b>	<b>Actions toward achievement</b>	<b>Analysis of means of verification implementation</b>	<b>Expectation for achieving means of verification</b>
<p><b>9-2 Protocol documenting establishment of 10R Environmental Executive Council (10R-EEC) and its environmental fund and permanent technical office within 10R Board of Trustees (BT) signed by EEAA, 10R-BT, Society of Investors and other participating entities.</b></p>	<p>PSU is directly providing support to achieving this means of verification</p>	<p>The stakeholders of 10<sup>th</sup> of Ramadan reached an agreement on establishing an environment committee attached to the BoT to be the oversight committee for the IEMS, replacing the previously proposed EEC. The stakeholders also agreed to establish an IMES Secretariat, replacing the technical office previously agreed to. These changes do not address the core of the policy measure, but they could still facilitate its achievement by leading to establishment of an institutional set up to implement the IEMS. The proposed changes have been submitted to the Ministers for Environment and for Housing. Approval on the establishment of an environmental fund is pending a decree from the Minister of Housing. The MOEA had approached the Minister of Housing several times on this issue but the decree has not been yet issued. Progress has taken place regarding the Environment Committee as the BoT decided to activate its original Env. Comm. And to reformulate it to include representatives of EEAA. Activation and reformulation – through a resolution in December 2000 – addresses its role in implementing EIMS. The new committee is expected to hold its first meeting in February 2001. It will establish the technical secretariat to resume activities by March 2001. Parallel activities in EMS (support for achieving ISA 14000 are continuing. A sample survey of 120 factories was finalized and an awareness campaign will commence in the next quarter.</p>	<p>Expected February 2001</p>

<b>Means of Verification (For PM 9)</b>	<b>Actions toward achievement</b>	<b>Analysis of means of verification implementation</b>	<b>Expectation for achieving means of verification</b>
<b>9-3 Document indicating official approval by 10R-EEC of 10R EMS technical implementation plan.</b>	PSU is directly supporting the BT of the 10 <sup>th</sup> of Ramadan and working toward achieving the Means of Verification.	Despite the support provided the achievement of the two Means of Verification (9-3 and 9-4) is pending the approval of the responsible Ministries (e.g. Environment and Housing)	Expected February 2001
<b>9-4 An official report documenting organizational arrangements of the 10R-EEC Technical Office to carry out its role in implementing EMS. Annexes attached to include: (1) Staffing; (2) Equipment; (3) Expenditure plan (within an annual budget).</b>	See comments for Means of Verification 9-3	See comments for Means of Verification 9-3	Expected February 2001

<b>Objective 10 (Non-Policy Measure)</b>	<i>Actions supporting Non-Policy Measure</i>	<i>Analysis of progress toward achieving Non-policy Measure</i>
<p><b>Strengthen the capacity of public and private sector to provide consistent and reliable environmental assessment services, which will support industrial compliance with environmental policies and regulations.</b></p> <p>No disbursement-related measures contemplated this Tranche.</p> <p><i>EEAA reviews current environmental lab analysis capabilities, determines projected needs and standards to support future environmental compliance programs, and develops certification procedures for essential services.</i></p> <p>Lead Agency: EEAA</p>	<p>The activities under this objective include two consecutive steps. The first is to determine the need for a “registration system” within EEAA. The current priority is designing a questionnaire to determine their requirements for the proposed system and administering it to different EEAA departments.</p> <p>The second is to prepare a database of certified providers – in selected environmental sectors – as a reference list. EIA and air quality monitoring have been tentatively selected as the sectors.</p>	<p>Although the original policy objective statement targeted public and private sector facilities for capacity building, the original approach for intervention focused on “assessment” of the needs for environmental assessment services, barriers and constraints of services provision. The intervention approach has been further adjusted to address directly the screening, classifying, and quality checks of environmental service providers. The main focus is currently on developing a “registration system” of environmental service providers. The proposed concept aims at securing a certain level of quality of the services provided through qualification controls of “registered” or “certified” providers.</p> <p>Regulating environmental service provision will have a very positive impact on the environmental sector in general. However, the proposed registration system – to be installed within EEAA - should fit within the existing National System of Certification and Accreditation which sets the Egyptian Organization of Standardization (ESO) as the main hub and the competent authority for certification and accreditation. This makes EEAA as a partner – among others – in the proposed regulatory initiative.</p> <p>Support to (1) upgrade environmental compliance capability of environmental labs and (2) develop environmental certification procedures (as indicated in the EEPP policy matrix) has not moved forward since certification guidelines were completed. Preparation of certification procedures has not yet started.</p>

<b>Objective: 11</b>	<b>Approach</b> by Agency to meeting objective	<b>Activities</b> in addition to those specified by Policy Measure	<b>Analysis</b> of overall progress toward achieving objective
<p><b>Improve efficiency and performance of the solid waste management systems through a combination of strategic planning, improved administration, greater public awareness, and more active participation of the private sector.</b></p> <p>Lead Agency: EEAA</p>	<p>The approach is to develop a national SWM strategy to serve as a guide to governorates and municipalities. The formulation and implementation of SWM plans are a local responsibility, not a national one.</p>	<p>(a) Technical assistance to the Alexandria Governorate to finalize contractual arrangements for a long-term and integrated SWM contract. The contract is a pioneering model of expanding the role of the private sector in SWM.</p> <p>(b) Development of a SWM “Code of Practice” that covers the whole cycle from collection to final disposal as a guide to all involved parties.</p> <p>(c) Provision of technical assistance to selected Governorates. This includes assisting Qaliubiya Governorate in landfill management, assisting Sharqia Governorate in Waste management, and assisting Cairo Governorate in feasibility studies for rehabilitation of dump sites.</p>	<p>The fact that several governorates have begun involving private sector firms in the SWM planning and implementation process is tangible evidence of progress on this Objective. The Alexandria Governorate is making particular progress.</p>

<b>Policy Measure 11</b>	<b>Approach</b> <i>by Agency specific to policy measure</i>	<b>Activities</b> <i>directly related to policy measure</i>	<b>Analysis</b> <i>of progress toward achieving policy measure</i>
<p><b>EEAA, through a national consultation process, develops a national MSW management policy including institutional, technical and economic components, national targets, and recommended options for the segregation, collection, and disposal of the MSW.</b></p>	<p>The approach for this policy measure is to formulate an overall MSW strategy based on effective participatory process. This will allow for consensus and harmonized and coordinated roles in the implementation process – focusing on the role of the private sector.</p>	<p>Activities include:</p> <ol style="list-style-type: none"> <li>1. Incorporating feedback from stakeholders on the strategy statement presented and discussed at the June 2000 symposium in Aswan.</li> <li>2. Approval by the EEAA BOD of the strategy on September 6, 2000 following incorporation of feedback generated in the Aswan symposium.</li> <li>3. Disseminating the strategy to stakeholders, concerned and relevant authorities to solicit further feedback. The list included – but was not limited to – governorates, ministries, public authorities, and NGOs.</li> <li>4. Public dissemination of the strategy through the media. The strategy was briefly presented in the meeting of MOEA and EEAA chief executives with media representatives in Borg Al-Arab, Alexandria.</li> <li>5. Submission of the strategy to the Governors Council headed by the Prime Minister in late 2000 and the approval by this council which recommended contracting the private sector to manage solid waste.</li> </ol>	<p>The SMW strategy establishes a set of national guidelines that governorates and municipalities can use to formulate their own SWM plans. The issue of SWM is primarily a local issue, not a national one.</p>

<b>Means of Verification (For PM 11)</b>	<b>Actions</b> <i>toward achievement</i>	<b>Analysis</b> <i>of means of verification implementation</i>	<b>Expectation</b> <i>for achieving means of verification</i>
<b>11-1</b> A report by EEAA documenting the process of developing the first draft of the national MSW policy through a consultative approach with stakeholders and partners	Achieved during Tranche 1 interim period.	Achieved	Achieved
<b>11-2</b> A copy of the MSW draft policy after incorporating the comments of the stakeholders and partners.	Achieved during Tranche 1 interim period.	Achieved	Achieved
<b>11-3</b> A report documenting a continuation of the process of consultation with key stakeholders and partners, such as NGOs, governorates, local authorities, and the private sector.	The PSU is supporting this.	Current activities by the stakeholders indicate that Means of Verification 3 will be accomplished in February 2001.	Expected in February 2001
<b>11.4</b> A copy of the final MSW policy submitted by MOEA to the Cabinet or the Board of Governors headed by the Prime Minister.	The PSU is supporting this.	Strategy was approved by Governors Council but no date has been set for submission to the Cabinet or Board of Governors..	Expected in February 2001

<b>Objective 12</b>	<b>Approach</b> <i>by Agency to meeting objective</i>	<b>Activities</b> <i>in addition to those specified by Policy Measure</i>	<b>Analysis</b> <i>of overall progress toward achieving objective</i>
<b>Provide protection for the Egyptian Red Sea coral reefs, islands, and linked ecosystems of importance</b>	EEAA is addressing building the capacity of Red Sea protectorate management unit prior to proposing expansion of the protectorate to the Prime Minister. (For these activities see PM 12B below.)	1. EEAA is implementing a program for establishing and making operational its Regional Branch Office in the Red Sea (see Objective 3).  2. EEAA has reactivated the Supreme Committee for CZM, which is mandated to coordinate all activities in the coastal areas, including those in the Red Sea protectorate.	1. As of February 1999, 21 natural protectorates cover about 8% of Egypt. However, given limited resources, EEAA is only able to manage a handful of these. This situation will make any EEAA proposal to expand the Red Sea protectorate politically difficult to justify, particularly if competing activities have a very high economic significance.  2. Lack of resources and qualified staff are major constraints to developing the institutional base required as a precondition to expanding the Red Sea protectorate.

<b>Policy Measure 12A</b>	<b>Approach</b> <i>by Agency specific to policy measure</i>	<b>Activities</b> <i>directly related to policy measure</i>	<b>Analysis</b> <i>of progress toward achieving policy measure</i>
<b>GOE expands the Red Sea Protectorate to include other islands, coral reefs, and linked coastal ecosystems of importance.</b>	EEAA has postponed the implementation of this policy measure until it determines that it has greater management capacity and resources for the protectorate and local authorities.	Activities addressing the building of the management capacity are addressed in 12B below.	

<b>Means of Verification</b> <b>(For PM 12A – 1)</b>	<b>Actions</b> <i>toward achievement</i>	<b>Analysis</b> <i>of means of verification implementation</i>	<b>Expectation</b> <i>for achieving means of verification</i>
<b>12A-1</b> <b>A copy of the Prime Minister Decree expanding the Red Sea Protectorate including coral reefs, and linked coastal ecosystems of importance.</b>	Postponed for reasons stated above.		Not expected before the end of Tranche 1.

<b>Policy Measure 12B</b>	<b>Approach</b> <i>by Agency specific to policy measure</i>	<b>Activities</b> <i>directly related to policy measure</i>	<b>Analysis</b> <i>of progress toward achieving policy measure</i>
<b>EEAA staffs the management unit needed to administer these areas including the provision of basic equipment.</b>	EEAA has taken measures to activate and strengthen its capacity to manage the Red Sea protectorate through addressing organizational issues with PSU help and by increased deployment of EEAA rangers.	PSU is supporting EEAA activities in the Red Sea protectorate in the following areas: 1. Organizational development and planning. 2. Core financial, infrastructure and equipment support. 3. Training and equipment to expand Red Sea EEAA staff. 4. Improved management of mooring system and new installations. 5. Establishing monitoring program and Crown of Thorns (COT) action plan. 6. Collaboration, consultation and public information.	The Nature Protection Department of EEAA is facing serious resource constraints (financial and human) in achieving this policy measure. Despite being able to allocate resources to hire an increasing number of staff and housing facilities, the provision of equipment and transportation is lacking resources. During Tranche 1 the PSU provided significant resources but the source for these in Tranche 2 has yet to be determined.

<b>Means of Verification (For PM 12B)</b>	<b>Actions</b> <i>towards achievement</i>	<b>Analysis</b> <i>of means of verification implementation</i>	<b>Expectation</b> <i>for achieving means of verification</i>
<b>12B-1</b> <b>A copy of an executive directive signed by EEAA CEO, setting relationships between the Southern Region Protectorates unit or other relevant unit with Red Sea protection responsibilities and: 1) Red Sea Protectorate – as well as other affiliated protectorates – and 2) other EEAA departments.</b>	With support from the PSU, EEAA is addressing the preparation of these means of verification.	For Means of Verification 12 B-1 and 12B-2 work is proceeding through cooperation between EEAA The Nature Protection Department and the PSU.	Expected February 2001.
<b>12B-2</b> <b>Copy of annual workplan and annual budget for full-time staff and equipment for the unit and the Red Sea protectorate.</b>	See comments above.	See comments above in 12B-1.	Expected February 2001.

<b>12B-3</b> <b>An official statement from EEAA on real expenditures for staffing and equipment of the Red Sea protectorate indicating differences from the previous situation.</b>	See comments above.	See comments above in 12B-1.	Expected February 2001.
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<b>Non-Policy Measure 12C</b>	<b>Actions supporting Non-Policy Measure</b>	<b>Analysis of progress toward achieving Non-policy Measure</b>
<i>EEAA establishes criteria for the development of a Red Sea Protectorate Management Plan (RSPMP) based upon a consultative process with stakeholders and partners and then initiates the development of the first phase (5-year) of the plan.</i>	<ol style="list-style-type: none"> <li>1. With planned support from PSU, EEAA intends to address the issue of delineation of management zones within the proposed RSPMP.</li> <li>2. To provide a stronger theoretical base for protection, EEAA, in cooperation with TDA, and with TA from RSSTI, is assessing the feasibility of using an ecozone management approach in a selected area of the Red Sea in Tranche 2.</li> </ol>	<p>The first activity is facing some problems in getting approved by EEAA for technical reasons.</p> <p>The ecozone activity will be started in Tranche 2.</p>

<b>Non-Policy Measure 12D</b>	<b>Actions supporting Non-Policy Measure</b>	<b>Analysis of progress toward achieving Non-policy Measure</b>
<i>EEAA designs revenue generating schemes which ensures that adequate funding is made available to finance the RSPMP.</i>	PSU plans to provide support to EEAA in the identification of cost recovery opportunities to sustain RSPMP operations and maintenance.	Work on this is to commence in December 2000.

<b>Objective: 13</b>	<b>Approach</b> by Agency to meeting objective	<b>Activities</b> in addition to those specified by Policy Measure	<b>Analysis</b> of overall progress toward achieving objective
<p><b>EEAA encourages environmentally sustainable development of the Red Sea coast through an improved EIA process.</b></p> <p>Lead Agency: EEAA/Red Sea Governorate</p>	<p>EEAA addressed improvement of the EIA system through a continuous process, adapting the system to meet the implementation needs through incremental changes to procedures and guidelines. Once the EIA system develops to the point that it is functioning effectively, the practices being used will be formally codified.</p>	<ol style="list-style-type: none"> <li>1. In cooperation with METAP/World Bank, EEAA undertook an assessment of the EIA review system and recommended changes. These changes were approved by EEAA and have been circulated to selected CAAs. Their comments are being incorporated in the new project listing/grouping of the EIA review system. This will be submitted to EEAA BOD for approval after consultation with major CAAs.</li> <li>2. For Objective 14, EEAA and TDA are being assisted by RSSTI in order to develop a Form “B” (scoped EIA) for tourism projects. Tourism projects currently fall under “List C,” therefore requiring preparation of a full EIA.</li> <li>3. EEAA reorganized and activated the Supreme Committee for CZM. One major responsibility of this committee is to approve overall guidelines for EIA coastal development projects.</li> <li>4. EEAA has developed new guidelines for selected activities (e.g. petroleum, power plants)</li> </ol>	<p>The activities planned and implemented will help improve the EIA system. Still, a greater level of improvement will require more activities addressing interaction with the CAAs and the developers.</p>

<b>Objective: 13</b>	<b>Approach</b> by Agency to meeting objective	<b>Activities</b> in addition to those specified by Policy Measure	<b>Analysis</b> of overall progress toward achieving objective
		5. EEAA has introduced direct meetings with developers to give them guidance on specific issues in their EIAs, a practice that until recently was not supported by the EEAA EIA department.	

<b>Policy Measure 13</b>	<b>Approach</b> by Agency specific to policy measure	<b>Activities</b> directly related to policy measure	<b>Analysis</b> of progress toward achieving policy measure
<b>CEO of EEAA issues a policy directive which clarifies the roles and responsibilities for EIA review and approval of coastal projects by various departments within EEAA, the TDA, Governorates, and other relevant authorities and begins enforcement of this policy directive in the Red Sea Governorate.</b>	EEAA addressed the implementation of this policy measure by targeting different levels of the EIA review system as follows: 1. Identifying roles and responsibilities within EEAA itself (Agency level). 2. Activating the Supreme Committee for CZM with a clear mandate to approve guidelines for development projects in the coastal areas. (National level). 3. Establishing an <i>ad hoc</i> mechanism to make operational the EIA review system in the Red Sea (Local level).	Activities fall into the following groups: 1. Activities to produce the means of verification with support of the PSU (see section below). 2. Activities to address practical problems facing the implementation of the EIA review system (i.e. the identification of the setback line). In cooperation with TDA and Red Sea Governorate EEAA has addressed this issue and, based on the guidelines produced, EEAA has requested the assistance of the PSU in the use of GIS to establish setback line.	Questions remain about the practical means of providing the assistance requested by EEAA.

Means of Verification (For PM 13)	Actions toward achievement	Analysis of means of verification implementation	Expectation for achieving means of verification
<p><b>13-1</b>  <b>Copy of the Decree of EEAA CEO identifying the roles and responsibilities for EIA review and approval by various EEAA departments and referring to the roles of different parties involved in the EIA process of Red Sea coastal projects (TDA, Red Sea Governorate) as stipulated in Law 4/94 and its executive regulations and EEAA guidelines on EIA.</b></p>	<p>Achieved in the Tranche 1 interim period.</p>	<p>1. Internal relations between the EIA and other EEAA departments on EIA review have been better established and clarified and, no ambiguity has been observed.  2. The EIA review system has been addressed by the EIA department and proposals have been prepared from comments by CAAs. The updated system will be shortly submitted to EEAA's BOD for approval. (see Obj 12).  3. A new EIA format for tourism projects (Form B) has been developed with TDA and with support from EEP/RSSTI and will be implemented in the near future.</p>	<p>Achieved</p>
<p><b>13-2</b>  <b>A report on the joint committee of EEAA, TDA, and the Red Sea Governorate addressing issues of coastal zone management. The report, based on meeting minutes, will inform the structure and membership of the committee, meetings held, mechanisms for approving decisions, issues addressed, and decisions taken. The focus will be on issues related to EIA resolved by this committee.</b></p>	<p>PSU is providing support in the development of the report.</p>	<p>Information compiled by EEAA is sufficient to produce the verification document.</p>	<p>Expected in February 2001</p>
<p><b>13-3</b>  <b>Quarterly progress reports indicating: a) List of EIAs for coastal projects reviewed by EEAA (first/second/third review); b) List of EIA review results (classified as: approved-approved with conditions-commented on-disapproved).</b></p>	<p>PSU is providing support in putting the information obtained from EEAA's EIA registration system in a format that meets the verification needs.</p>	<p>This activity is delayed despite the existence of a well-functioning registration system for EIA reviews.</p>	<p>1. February 2001 for the first report for Sept. 1999 to October 2000.  2. March 2001 for the report for October to December 2000.</p>

<b>Objective: 14</b>	<b>Approach</b> <i>by Agency to meeting objective</i>	<b>Activities</b> <i>in addition to those specified by Policy Measures</i>	<b>Analysis</b> <i>of overall progress toward achieving objective</i>
<p><b>Environmental policy monitoring capacity within the TDA is strengthened.</b></p> <p>Lead Agency: TDA</p>	<p>Establishing a sustainable and effective environmental monitoring function within TDA depends in large part on creating a more effective EIA system because the information collected to complete the EIAs serves as the baseline upon which to monitor impacts over time.</p>	<p>Supported by RSSTI, TDA is undertaking the following activities:</p> <ul style="list-style-type: none"> <li>• Design and implementation of a management information system which will improve the overall effectiveness of the EIA component and environmental compliance.</li> <li>• Assisting the Tourism Investor Assoc. (TIA) in the development of an action plan for mobilizing the private sector for sustainable tourism development along the Red Sea coast.</li> <li>• Preparation and release of EIA guidelines.</li> <li>• Preparation of framework for IDC EMS.</li> <li>• Strengthening of sustainable tourism awareness.</li> </ul>	<p>Assessment of the overall progress could be summarized as follows: Although only one of seven means of verification relevant to the two designated policy measures is fully achieved, the potential for achieving the rest of the means of verification is high. Quarterly progress reports of the EIA process require limited effort to finalize. These reports have shown continuous improvement. The same applies to quarterly progress reports related to inspection activities. Rapid mobilization of the EMU to undertake the assignments indicated in the means of verification, in parallel to development and implementation of the institutional plan, could enhance delivery of required outputs in due time.</p>

<b>Policy Measure: 14A</b>	<b>Approach</b> <i>by Agency specific to policy measure</i>	<b>Activities</b> <i>directly related to policy measure</i>	<b>Analysis</b> <i>of progress toward achieving policy measure</i>
<b>CEO of TDA issues a decree establishing an environmental monitoring unit, hires or assigns full time staff for the unit, sets work objectives and funding for the unit, and develops an annual work plan.</b>		(see means of verification)	The EMU unit was established on May 2000. Currently, the management and the financial plans are under preparation. They are expected to be delivered by the end of Tranche 1. No significant constraints that may impede achieving this target are envisaged.

<b>Means of Verification; (For PM 14A)</b>	<b>Actions</b> <i>toward achievement</i>	<b>Analysis</b> <i>of means of verification implementation</i>	<b>Expectation</b> <i>for achieving means of verification</i>
<b>14A-1</b> A copy of the signed executive directive (CEO) establishing an Environmental Monitoring Unit and setting work objectives.	Achieved in interim period.	The environmental monitoring unit (EMU) was established in May 2000 by an executive directive of the TDA CEO.	Achieved
<b>14A-2</b> A copy of the officially-approved management plan for the unit including organizational structure, functions and responsibilities, staff set up, staff job description, work procedures, etc., including assigning staff from within TDA or hiring new staff.	A consultant report on environmental data management, including the requirements for the means of verification, is near finalization and due in February 2001.	Current preparation of the EMU institutional plan is based on assessment of TDA mandate and needs for monitoring implementation of environmental impact mitigation measures during site preparation and construction phases. This monitoring system would be a pre-requisite for formulation of a management plan. The institutional plan will include a management plan, organizational structure, staffing and job description, HRD program, and first-year annual work plan and budget.	The final EMU institutional plan is expected February 2001.

<b>Means of Verification; (For PM 14A)</b>	<b>Actions</b> <i>toward achievement</i>	<b>Analysis</b> <i>of means of verification implementation</i>	<b>Expectation</b> <i>for achieving means of verification</i>
<b>14A-3</b> <b>A copy of the officially- approved financial plan showing the annual budget for the full-time staff and equipment in the unit and expenditure by line item.</b>	Staffing will be addressed through the preparation of the management plan above.	(see above)	(The financial plan will be a component of the institutional plan mentioned above) It is expected to be delivered by February 2001.
<b>14A-4</b> <b>A status report indicating unit mobilization, reporting activities and achievements to date.</b>	RSSTI is planing the provision of TA to TDA on design and preparation of the required report as part of its capacity building activities.	As sections of the proposed EMU already exist within TDA, it will be possible to report on activities and achievements at the end of the tranche as they relate to the EMU institutional plan.	Expected March 2001

<b>Policy Measure: 14B</b>	<b>Approach</b> <i>by Agency specific to policy measure</i>	<b>Activities</b> <i>directly related to policy measure</i>	<b>Analysis</b> <i>of progress toward achieving policy measure</i>
<p><b>TDA takes steps to require Red Sea Tourism developers to comply with EIA regulations.</b></p>	<p>The approach of the TDA in addressing this policy measure is upgrading the EIA management capacity through establishing, sustaining, and utilizing an information system for the EIA cycle. The set of means of verification relevant to this policy measure only concern establishing a simple data base of the EIA cycle. Other aspects of the approach are illustrated under “activities directly related to policy measure”</p>	<ol style="list-style-type: none"> <li>1. Preparation of an institutional plan for the Environmental Monitoring Unit as the administrative unit responsible for managing the EIA cycle and environmental compliance within TDA.</li> <li>2. Environmental Screening Form “B” has been finalized and received preliminary approval.</li> <li>3. Review and assessment of existing TDA EIA practices to develop new procedures and guidelines responding to the interlinked roles of TDA and EEAA.</li> <li>4. A consultant report for formulation of environmental monitoring procedures and guidelines relevant to the full EIA cycle is due February 2001.</li> <li>5. TDA is working on preparation of IDC-EIA screening form guidelines.</li> </ol>	<p>Most TDA field inspection activities are associated with monitoring of TDA construction permits, relating to building heights, construction progress, etc. The current inspection activities for EIA compliance are undertaken on an <i>ad hoc</i> basis relating to specific circumstances. This represents an initial base that could be further developed incrementally in the future to a full-fledged environmental inspection system that may even surpass the function of the EIA mechanism.</p> <p>Integration of all components of the whole EIA cycle, starting from review of studies up to inspection, is currently being addressed to improve system effectiveness.</p>

<b>Means of Verification: (For PM 14B)</b>	<b>Actions toward achievement</b>	<b>Analysis of means of verification implementation</b>	<b>Expectation for achieving means of verification</b>
<p><b>14B-1</b>  <b>Quarterly reports indicating total number of Red Sea tourism development projects initiated since signing of EPPP MOU.</b></p>	<p>The first quarterly report (March 2000) was submitted in June 2000. Comments on report format suggested that further improvements are needed in future reports. June, September, and December reports have not yet been submitted.</p>	<p>Major comments on the first report (incorporating both means of verification 1 and 2) include:</p> <ol style="list-style-type: none"> <li>1. Simplified explanation of the cycle of receiving studies, internal review, transfer to TDA etc., is needed including clear operational definition of terminology used.</li> <li>2. The outcome of TDA internal review needs to be separately listed.</li> <li>3. Dates of construction permit approval or issuing should be indicated.</li> <li>4. Some sort of analysis of the total numbers incorporated in the report is needed to provide for assessment of the situation. The same applies for indicating the different constraints and actions recommended to overcome them.</li> </ol>	<p>June, September, and December 2000 reports are expected in February 2001. March 2001 report is expected as scheduled.</p>
<p><b>14B-2</b>  <b>Quarterly reports indicating total number of Red Sea tourism development projects for which TDA required the preparation of EIA.</b></p>	<p>The information for these quarterly reports is incorporated above.</p>	<p>(see above)</p>	<p>(see above)</p>
<p><b>14B-3</b>  <b>Quarterly reports on inspection activities at construction sites that included monitoring for EIA compliance.</b></p>	<p>RSSTI is providing TA to TDA in the preparation of the reports.</p>	<p>Inspection functions are addressed by an Environmental officer of TDA in cooperation with its field office. The required reports will inform on these activities as well as those undertaken by the newly established EMU once functioning.</p>	<p>Expected by end of Tranche 1</p>

<b>Objective: 15</b>	<b>Approach</b> <i>by Agency to meeting objective</i>	<b>Activities</b> <i>in addition to those specified by Policy Measure</i>	<b>Analysis</b> <i>of overall progress toward achieving objective</i>
<p><b>TDA strengthen its capacity to develop and disseminate best practices and other environmental programs intended for investors and developers through education and awareness programs.</b></p> <p>Lead Agency: TDA</p>	<p>The main features of the agency approach are:</p> <ol style="list-style-type: none"> <li>1. Making the needed institutional arrangements (establishing the Policy Implementation Unit).</li> <li>2. Monitoring and seeking feedback on the planning and management of the PIU.</li> <li>3. Dissemination of best practices and outreach to target groups (i.e. investors, developers) to encourage adoption of environmental best practices.</li> </ol>	<p>Additional activities are enhancing adoption of best practices through:</p> <ol style="list-style-type: none"> <li>1. Preparation of Eco-lodge design and construction guidelines.</li> <li>2. Preparation of generic environmental assessment guidelines for the resort/hotel sector.</li> <li>3. Preparation of EMS guidelines for both the resort/hotel and the IDC sectors.</li> <li>4. Development of general guidelines for deep range lodging, and spa and health resorts</li> <li>5. Provision of technical assistance for target groups (i.e. resorts and hotels) in areas related to environmental best practices such as model environmental audits for hotel properties and EMS demonstrations.</li> </ol>	<p>Building and strengthening the capacity of developing and disseminating best practices is highly dependent on three main factors:</p> <ol style="list-style-type: none"> <li>1. Technical material and its overall quality</li> <li>2. Planned and organized outreach to target groups</li> <li>3. Effectiveness of management in monitoring, and adjusting the ongoing activities to continuously upgrading technical materials and fine tuning the dissemination effort.</li> </ol> <p>Currently, there is tangible progress in the development of technical material, though most of the targeted outputs are still under preparation. The same applies to dissemination activities. These must be sustained to keep pace with proposed outputs (i.e. Eco-lodge guidelines, Deep Range/Mountain Tourism guidelines).</p>

<b>Policy Measure 15A</b>	<b>Approach</b> <i>by Agency specific to policy measure</i>	<b>Activities</b> <i>directly related to policy measure</i>	<b>Analysis</b> <i>of progress toward achieving policy measure</i>
<b>CEO of TDA issues a decree establishing a Policy Implementation Unit (PIU), hires or assigns full time staff for the unit, and develops an annual work plan.</b>	The overall approach is to establish the PIU and develop adequate capacity for the PIU to perform its designated functions.	(see means of verification)	The PIU was officially established by TDA decree in June 2000. The Unit institutional plan (work plan and financial plan) has been finalized and preliminarily approved by TDA. Office space has been allocated and staffing of positions is underway.

<b>Means of Verification (For PM 15A)</b>	<b>Actions</b> <i>toward achievement</i>	<b>Analysis</b> <i>of means of verification implementation</i>	<b>Expectation</b> <i>for achieving means of verification</i>
<b>15A-1</b> <b>An executive directive establishing a policy implementation unit.</b>	Achieved during Tranche 1 interim period	Achieved	Achieved
<b>15A-2</b> <b>A document reporting PIU organizational information such as: objectives, policy framework, administrative organization, main functions and activities, staff job description, and finalized arrangement for hiring and - or assigning from within TDA – full time staff based upon the executive directive.</b>	Achieved during Tranche 1 interim period.	Achieved	Achieved
<b>15A-3</b> <b>PIU approved annual work and financial plan including financial resources allocated, work procedures and communication/interactions with other departments within TDA; detailed components of training, technical assistance, awareness building, etc., for investors and developers.</b>	The draft annual work and financial plan (within an overall institutional plan) was finalized and is currently under final review.		Delivery of the annual work and financial plan – following the approval of TDA CEO – is expected by February 2001.
<b>15A-4</b> <b>Quarterly progress reports documenting activities implemented according to work plan.</b>	The Work Plan and Financial Plan have been drafted and received preliminary approval. The PIU is carrying out activities.	Although the Work Plan has not yet been officially approved the PIU will report on the activities it has carried out in implementing its plan.	First quarterly report will include activities completed through the end of December 2000. Delivery is expected by February 2001.

<b>Policy Measure 15B</b>	<b>Approach</b> <i>by Agency specific to policy measure</i>	<b>Activities</b> <i>directly related to policy measure</i>	<b>Analysis</b> <i>of progress toward achieving policy measure</i>
<b>TDA takes steps to disseminate the “Best Practices” manual and monitor compliance.</b>	The approach covers three principal areas: 1. Establishing the technical base (manuals) 2. Conducting dissemination activities 3. Monitoring and feedback related to the policy implementation function (PIU unit).	(see means of verification)	Although the “Best Practices” manual was disseminated and relevant outreach activities to target parties has been accomplished, the process continues. Regular upgrading of the manual and follow up outreach efforts are still needed. The quality of the best practices monitoring and reporting process still needs improvement.

<b>Means of Verification (For PM 15B)</b>	<b>Actions</b> <i>toward achievement</i>	<b>Analysis</b> <i>of means of verification implementation</i>	<b>Expectation</b> <i>for achieving means of verification</i>
<b>15B-1</b> <b>An official document indicating that best practices manual is finalized, endorsed by CEO and disseminated to relevant parties.</b>	Achieved during Tranche 1 interim period	Achieved	Achieved
<b>15B-2</b> <b>Quarterly progress reports indicating implemented activities of building awareness, training and technical assistance of developers, general public, community, etc, (courses, workshops, seminars, awareness campaigns) and other relevant activities.</b>	Achieved during Tranche 1 interim period	Although this mean of verification is considered “achieved”, reporting regularly on ongoing relevant activities of best practice dissemination recommended. Such a report on the third and fourth quarters of 2000 is expected February 2001	Achieved
<b>15B-3</b> <b>Half-year “Best Practices monitoring report” recording: list of projects adopting one or more of best practices (according to classifications such as construction, waste treatment, etc.) and providing a general assessment of efforts to disseminate best practices and their eventual actual results.</b>	The first report submitted on June 2000 covering the period of July 1, 1999 – December 31, 1999. The second report has not been submitted. It will be reformatted according to comments on the first report (see Interim Period Verification for Disbursement	Through assistance from RSTTI and MVE, TDA is making improvements to this report.	The second report is expected by February 2001. The final report is expected at the end of the tranche.

	Report (June 2000). Upcoming reports will focus on differentiation of BP adoption at the three levels of design, construction, and operation.		
<b>Policy Measure 15C</b>	<b>Approach</b> <i>by Agency specific to policy measure</i>	<b>Activities</b> <i>directly related to policy measure</i>	<b>Analysis</b> <i>of progress toward achieving policy measure</i>
<b>TDA begins allocating Red Sea coastal land to Eco-lodge developers.</b>	The TDA approach for this policy measure is based on establishing the technical base for land allocation (i.e. environmental sensitivity maps, criteria) before actually allocating land to developers. This technical base also includes “Eco-lodge guidelines” (policy measure 15-B) as a tool for assessing Eco-lodge applications, their approval criteria and eventually monitoring compliance.	<ol style="list-style-type: none"> <li>1. Continuation and expansion of the Ecozoning exercise to identify appropriate land areas.</li> <li>2. Finalization of the Eco-lodge technical base.</li> <li>3. Providing technical support to developers applying for Eco-lodge projects.</li> </ol>	The process of building the technical base is ongoing and will be an indispensable base for achieving this policy in future tranches. The decision to build technical capability before actually allocating land is sound. A major initiative for extended Eco-zoning at the regional level is the focus of Tranche 2.
<b>Means of Verification (For PM 15C)</b>	<b>Actions</b> <i>toward achievement</i>	<b>Analysis</b> <i>of means of verification implementation</i>	<b>Expectation</b> <i>for achieving means of verification</i>
<b>15C-1</b> <b>Half year status report including illustrative maps and attached descriptive document indicating environmental criteria used for designating areas for future Eco-lodge development (enforced – optional) and the areas so designated.</b>	The first report (July 1, 1999 – December 31, 1999) was submitted in June 2000. The next report covering the time span of January 1, 2000 to June 30, 2000, and later reports have not been submitted. They will be formatted according to agreed upon amendments of the first report. These reports depend on the Strategic Development Plan (SDP) being prepared by consultants and currently expected in February 2001.	Comments on the first report mentioned that some information was missing, some information was unclear, and that the report organization and presentation should be improved. TDA is undertaking the needed improvement. There is no major constraint that may impede achieving this means of verification before the end of Tranche1.	Reports are expected March 2001.

<p><b>15C-2</b>  <b>Half year status report on areas actually allocated to developers for Eco-lodge development and on developers actual compliance with TDA Eco-lodge construction criteria and guidelines.</b></p>	<p>The final draft of the Eco-lodge guidelines has been finalized. It, along with the SDP, represents the base for identifying, sorting Eco-lodge applications, and making subsequent land allocation decisions.</p>	<p>Implementation of this means of verification is dependent on finalizing the SDP and Eco-lodge guidelines. Considering the limited time span before the end of Tranche 1 this means of verification is behind expectations. However, TDA is undertaking the ecolodge work deliberately. It is possible that the original schedule contemplated in the MOU was not realistic.</p> <p>The potential for achieving this mean of verification within the limited remaining time of Tranche 1 is low. However, compiling information on the current status of individual Eco-lodge projects applications that have already been allocated land areas, and other documentation, might be considered as partial achievement of this means of verification.</p>	<p>Not expected before end of Tranche 1</p>
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