BIOFIN
The Biodiversity Finance Initiative

UNDP

# Egypt's

## National Biodiversity Finance Plan

## 2024 – 2030

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## 2024 – 2030


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# ABBREVIATIONS AND ACRONYMS

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|---|---|
| **BER** | Biodiversity Expenditure Review |
| **BFP** | Biodiversity Finance Plan |
| **BIOFIN** | Biodiversity Finance Initiative |
| **CAPMAS** | Central Agency for Public Mobilization and Statistics |
| **CBD** | Convention on Biological Diversity |
| **CBE** | Central Bank of Egypt |
| **CBNRM** | Community-Based Natural Resource Management |
| **CSR** | Corporate Social Responsibility |
| **EEAA** | Egyptian Environmental Affairs Agency |
| **EIA** | Environmental Impact Assessment |
| **ELI** | Environmental Liability Insurance |
| **FDI** | Foreign Direct Investment |
| **EGX** | Egyptian Stock Exchange |
| **FNA** | Financial Needs Assessment |
| **FRA** | Financial Regulatory Authority |
| **GEF** | Global Environment Facility |
| **GBF** | Global Biodiversity Framework |
| **GBF-EAS** | GBF Early Action Support Project |
| **GDP** | Gross Domestic Product |
| **INGOS** | International Non-Governmental Organization |
| **INFS** | Integrated National Financing Strategy |
| **IUCN** | International Union for Conservation of Nature |
| **LIB** | Line-Item Budgeting |
| **MOE** | Ministry of Environment |
| **MOF** | Ministry of Finance |
| **MOPED** | Ministry of Planning and Economic Development |

# ABBREVIATIONS AND ACRONYMS

| | |
|---|---|
| **MW** | Megawatt |
| **NBSAP** | National Biodiversity Strategy and Action Plan |
| **NCCS** | National Climate Change Strategy |
| **NCS** | Nature Conservation Sector |
| **NGOS**, | Non-Governmental Organization |
| **PBB** | Performance-Based Budget |
| **PIR** | Policy and Institutional Review |
| **PPPS** | Public-Private Partnerships |
| **SC** | Steering Committee |
| **SDS** | Sustainable Development Strategy |
| **SDGS** | Sustainable Development Goals |
| **UNDP** | United Nations Development Programme |
| **UNFCCC** | United Nations Framework Convention on Climate Change |
| **VCM** | Voluntary Carbon Market |
| **VVBS** | Verification and Validation Bodies |
| **WBG** | World Bank Group |

# FOREWORD

As we embark on a transformative journey toward sustainability, Egypt stands at a crucial juncture where preserving our rich biodiversity is essential to achieving economic resilience and social well-being. Our ecosystems, abundant with life and cultural value, present growing opportunities for restoration and sustainable management amidst the challenges posed by urbanization, climate change adaptation, and shifting land-use practices. In response, the National Biodiversity Finance Plan (BFP) offers a pioneering framework to safeguard this invaluable natural heritage while driving economic growth and empowering communities.

The BFP presents an ambitious vision for mobilizing resources from public, private, and international sectors, utilizing innovative and inclusive financing solutions. It showcases how conservation and economic development can coexist harmoniously, ensuring the preservation of ecosystems while creating opportunities for local communities. This approach also empowers women and marginalized groups to become active stewards of nature, strengthening Egypt's path toward sustainable development.

Aligned with Egypt's Vision 2030, the Global Biodiversity Framework (GBF), and our National Biodiversity Strategy and Action Plan (NBSAP), this plan reinforces our commitment to inclusive development. By integrating biodiversity into national policies, fostering partnerships, and establishing sustainable financing mechanisms, the BFP lays the foundation for a resilient future in which ecological health supports economic and social prosperity.

However, the road ahead is not without challenges. Bridging the biodiversity financing gap requires collective effort, strategic partnerships, and unwavering commitment. The BFP provides us with a clear roadmap to overcome these challenges, turning obstacles into opportunities for innovation, collaboration, and impactful action.

Together, we can protect our natural heritage while paving the way for sustainable livelihoods, climate resilience, and environmental stewardship. Let us join forces to ensure that Egypt's biodiversity thrives, offering hope and prosperity for future generations.

**H.E. Dr. Manal Awad**
**Minister of Local Development**
**and Acting Minister of Environment**

# ACKNOWLEDGEMENT

The preparation of Egypt's Biodiversity Finance Plan (BFP) was a collaborative effort, made possible through the contributions and guidance of many dedicated individuals and organizations. Their expertise, support, and commitment have been instrumental in shaping this plan.

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The contributions of the BIOFIN Global Team have been invaluable. Mrs. Annabelle Trinidad, BIOFIN Senior Advisor, provided continuous support, insightful guidance, and invaluable comments. Ms. Ozlem Culhaci, BIOFIN Project Management Associate, offered a critical review and thoughtful feedback, particularly on gender and women empowerment aspects. Special recognition is due to Mr. Onno van den Heuvel, BIOFIN Global Director, whose impressive leadership of the BIOFIN initiative and steadfast support of Egypt have been truly inspirational.

The dedication and efforts of all involved have ensured the development of a comprehensive and actionable plan that reflects Egypt's commitment to biodiversity conservation and sustainable development.

# EXECUTIVE SUMMARY

Egypt's National Biodiversity Finance Plan (BFP) for 2024–2030 provides a comprehensive framework to address the critical need for sustainable financing of biodiversity conservation efforts. The plan recognizes biodiversity as essential for economic growth, social equity, and environmental resilience. It aligns Egypt's national priorities in biodiversity financing with the Global Biodiversity Framework (GBF), ensuring effective conservation and sustainable use of the country's rich natural heritage. This vision integrates economic growth, environmental stewardship, and social equity, making biodiversity a vital component of sustainable development.

Egypt's biodiversity is uniquely characterized by its diverse ecosystems and species, ranging from coastal and marine habitats to deserts and agricultural lands. However, these resources face increasing threats from urbanization, climate change, and unsustainable practices. The BFP emphasizes the importance of biodiversity not only as a natural treasure but also as an economic asset. Investments in biodiversity provide diverse benefits, including food security, climate resilience, poverty reduction, and sustainable livelihoods. The plan also integrates gender equity by empowering women in conservation and ecotourism initiatives, which are central to Egypt Vision 2030's goals of inclusive development and quality of life improvements.

The BFP was developed using the Biodiversity Finance Initiative (BIOFIN) methodology, encompassing preparation, baseline reviews, solution prioritization, stakeholder engagement, and action planning. Key reports, including the Biodiversity Finance Policy and Institutional Review (PIR), the Biodiversity Expenditure Review (BER), and the Biodiversity Financial Needs Assessment (FNA) played a central role in preparing this plan and identifying finance solutions. The prioritization process included a systematic screening of potential finance solutions against three key criteria: (a) impact on biodiversity, (b) financial impact, and (c) likelihood of success. This evidence-based approach ensured that the selected solutions were impactful, feasible, and aligned with Egypt Vision 2030's emphasis on sustainable resource use, efficient governance, and economic diversification. Extensive stakeholder consultations with government agencies, private sector actors, local communities, and international organizations further strengthened the plan's foundation.

The FNA identified a financing gap of $291.9 million for the period of 2024-2030, which is required to achieve Egypt's biodiversity objectives as outlined in the National Biodiversity Strategy and Action Plan (NBSAP). To bridge this gap, the BFP prioritizes nine finance solutions tailored to Egypt's socio-economic context and biodiversity objectives. Each solution is aligned with NBSAP, ensuring biodiversity conservation contributes to national development priorities.


Photo by **Mohamed Habib**

The mix of solutions proposed in the BFP ensures a balanced approach by combining government-led initiatives, private sector engagement, market-based mechanisms, and community-based strategies. This comprehensive approach addresses biodiversity conservation holistically, generating revenues, reducing future costs, and delivering long-term conservation outcomes. Importantly, these solutions are in line with Egypt's Integrated National Financing Strategy (INFS) promoting the adoption of a "right-financing" approach that prioritizes the structuring of financial flows over traditional funding mechanisms. By operationalizing the shift from Funding to Financing (F2F), the BFP contributes to a more sustainable and diversified financing architecture for biodiversity to maximize impact and efficiency.

For instance, adjusting **entrance fees for protected areas** and digitizing the collection process not only improves revenue collection but ensures these funds are reinvested into conservation efforts, thereby enhancing the sustainability of protected areas and visitor experiences. Similarly, revising **concession and permit fees for protected areas** and systematizing the investor selection process aligns private sector activities with biodiversity conservation while generating additional revenue. Encouraging **Corporate Social Responsibility (CSR) funding for biodiversity initiatives** mobilizes private sector resources to support projects such as ecosystem restoration and public awareness campaigns.

Exploring and integrating **biodiversity-positive carbon credits** into the carbon market creates financial incentives that reward emissions reductions while conserving biodiversity, attracting investment, and benefiting ecosystems. Enhancing the **Performance-Based Budget (PBB)** system integrates biodiversity into government planning, ensuring efficient allocation of resources and fostering accountability. Moreover, **insurance schemes addressing risks to biodiversity** create financial safeguards for ecosystems, incentivizing damage mitigation and restoration. Establishing a road map for **biodiversity offsets within Environmental Impact Assessment (EIA)** policies ensures that any residual impacts on biodiversity from development are adequately compensated, aiming for no net loss and, ideally, a net gain, thereby balancing economic growth with biodiversity preservation. Fostering **Public-Private Partnerships (PPPs)** mobilizes private expertise and funding for large-scale biodiversity initiatives, delivering shared benefits. Lastly, mobilizing **international funding** flow helps bridge financing gaps, enabling the implementation of significant conservation projects and fostering global collaboration.

The BFP outlines specific targets to integrate biodiversity financing into national and sectoral policies, promote sustainable financing mechanisms, and establish robust monitoring and reporting systems for transparency and accountability. It emphasizes engaging stakeholders from government, NGOs, the private sector, and local communities while promoting gender equality and empowering women as key contributors to biodiversity conservation. By offering a structured framework to identify, mobilize, and allocate financial resources while enhancing the capacity of all stakeholders as a cross-cutting aspect of all identified finance solutions, the BFP ensures the successful implementation of the NBSAP's goals and objectives.

As a living document, the BFP is designed to evolve in response to emerging challenges, opportunities, and priorities. This adaptive approach ensures its continued relevance and effectiveness over time. By bridging the financing gap and leveraging innovative solutions, the plan supports Egypt's aspirations for economic prosperity, environmental sustainability, and inclusive development. The Ministry of Environment (MoE) calls on all stakeholders to support this vital initiative, securing a future where Egypt's biodiversity thrives in harmony with economic growth and social well-being.

Photo by **Mohamed Hazem**

# 01. VISION AND INVESTMENT CASE

## 1.1 GLOBAL AND NATIONAL IMPORTANCE OF BIODIVERSITY IN EGYPT

The land area of Egypt is composed primarily of desert (92%) and agricultural land (8%). Despite this, Egypt has a unique and rich biodiversity that contributes significantly to its economy, supports human well-being, and provides critical regulating and supporting services. Egypt is home to a wide variety of ecosystems, landscapes, and both terrestrial and aquatic life forms. Many of its species, including plants, microorganisms, and animals, trace their origins back millions of years.

The nation hosts 22 major habitat groups, including microclimates such as mangroves, coral reefs, mountains, dunes, oases, and wadis. These habitats support a wide variety of plant and animal species, many of which thrive in environments that reflect both tropical and Mediterranean influences. Egypt is home to more than 22,000 species, including 2,365 taxa of vascular plants (2,145 species and 220 infraspecific taxa), classified into 755 genera and 129 families. This represents approximately 0.84% of the global total of 281,621 vascular plant taxa. Additionally, Egypt has 1,500–2,000 species of non-flowering plants, 109 species of reptiles representing 1.25% of the global total of 8,734 species, and over 470 species of birds, which account for 4.70% of the 9,990 bird species worldwide.

The country also has nine species of amphibians, which constitute 0.14% of the global total of 6,515 species. Egyptian mammals number 109 species, representing 2.28% of the world's 5,487 mammalian taxa, and there are over 1,050 fish species in Egypt's waters. This includes marine ecosystems, where the fish species in Egypt make up 3.37% of the world's 31,153 known fish species. Arachnida species in Egypt, numbering approximately 1,565, represent 1.53% of the global total of 102,248 taxa. A preliminary estimate documented around 10,000 insect species in Egypt, accounting for 1% of the global total of 1,000,000 insect taxa. Egypt also hosts 143 internationally significant species categories, along with numerous invertebrate species, including 10,000–15,000 insect species, over 200 coral species, 800 species of mollusks, and more than 1,000 species of crustaceans. Notably, 18 native coral species, highly tolerant to coral bleaching, are regarded as among the best in the world.


Photo by Image House

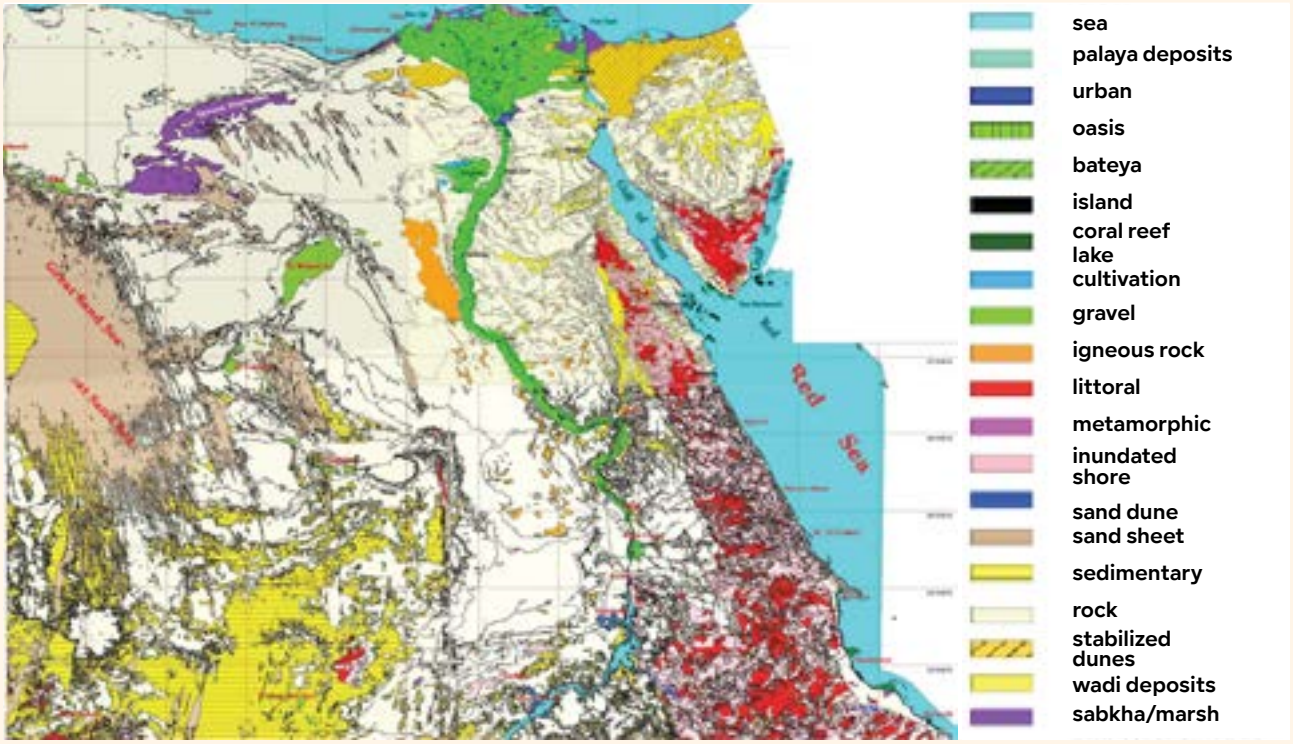



*Figure 1: Habitat subsystem in Egypt (Source: NCS 2014).*

Egypt contributes to 1.3% of the world's biota. The interface between Egypt's land, coastal, and marine environments provides a rich array of natural resources and habitats, such as coastal dunes, sandy beaches, coastal lagoons, mudflats, and seagrass beds along the Mediterranean. These are complemented by mangroves and coral reefs in the Red Sea. By the end of 2022, Egypt's 2,800 km of coastline hosted around 22% of its 104.4 million population. This coastline supports various economic activities, including ports and maritime transport, oil and gas extraction, industrial zones, electricity generation, mangrove preservation, wastewater treatment, desalination plants, resorts, hotels, ecotourism lodges, protected areas, aquaculture, and offshore and coastal fisheries.

In Egypt, biodiversity benefits people both directly and indirectly. It plays a vital role in the economy, particularly in sectors such as tourism, agriculture, and fisheries. Biodiversity ensures food security, preserves genetic resources for crop and livestock development, and provides materials for food, construction, and pharmaceuticals. Moreover, ecosystems are crucial for mitigating climate change and safeguarding the environment. For thousands of years, biodiversity has inspired human culture and the arts

*Table 1: Number of taxa of Egyptian biodiversity in comparison with the world taxa (source: Shaltout and El-Khalafy,2024).*

| TAXONOMIC GROUP | EGYPT TAXA (E) | WORLD TAXA (W) | CONTRIBUTION RATIO E/W (%) | REFERENCES OF EGYPTIAN BIODIVERSITY |
|---|---|---|---|---|
| **Plants** | | | | |
| Flora | 2,365 | 281,621 | 0.84 | Boulos,( 2009) |
| Bryophytes | 194 | 16,263 | 1.2 | El-Saadaw i &Shabbara (2007 ) ,El-Saadaw i et al.,(2003),(2015) |
| Algae | 1,500 | 12,272 | 12.22 | Eassa (2013 ), Shabaka(2018) |
| Animals | | | | |
| Arachnida | 1,565 | 102,248 | 1.53 | El-Hennaw y (2006) |
| Insects | 10,000 | 1,000,000 | 1 | EEAA(1998) |
| Fishes | 1,050 | 31,153 | 3.37 | Bishai & Khalil (2009), Akel & Karachle(2017) |
| Amphibians | 9 | 6,515 | 0.14 | Baha El Din(2006) |
| Reptiles | 109 | 8,734 | 1.25 | Baha El Din(2006) |
| Mammals | 125 | 5,487 | 2.28 | Hoath(2003) |
| Birds | 470 | 9,990 | 4.7 | Porter &Cottridge (2001) |
| coral reefs | 200 | 6,000 | 3.3 | MoE,2015 |
| molusca | 800 | 86,600 | 0.92 | MoE,2015 |
| crustacea | 1000 | 50,000 | 2 | MoE,2015 |
| **Micro-organisms** | | | | |
| Cyanobacteria | 162 | 2,664 | 6.08 | EEAA(1998) |
| Fungi | 2,477 | 98,998 | 2.5 | Abdel-Azeem et al.,(2018) |
| Viruses | 44 | 2,085 | 2.11 | EEAA(1998) |
| Bacteria | 201 | 7,643 | 2.63 | EEAA(1998) |
| Lichens | 250 | 17,000 | 1.47 | Seaw ard & Sipman (2006) |
| **Total** | 22,521 | 1,745,273 | 1.29 | |

However, Egypt's biodiversity faces challenges that require proactive attention to ensure its sustainability. Key pressures on biodiversity include land use changes, urban expansion, and tourism development, which can be managed through strategic planning. Issues such as pollution, invasive species, and climate change present opportunities for innovative solutions and collaborative action. Challenges related to water scarcity and transboundary protected areas underscore the need for regional cooperation and efficient resource management. Addressing underlying challenges, such as limited financial resources, enhancing environmental awareness, and strengthening participatory frameworks, can further support biodiversity conservation efforts. By improving management plans, fostering coordination, and empowering local communities, Egypt has the potential to turn these challenges into stepping stones toward more effective biodiversity conservation. Strengthening institutional and legal frameworks, as well as ensuring strong political will, will create a solid foundation for achieving these goals and securing a sustainable future for Egypt's biodiversity.

# 1.2 ALIGNMENT WITH EGYPT'S PRIORITIES AND NATIONAL STRATEGIES

The 2014 Constitution of Egypt provides for the conservation and sustainable use of the country's biodiversity resources. It also safeguards the legal rights of people and local communities to participate in the management, protection, and sustainable use of these resources.

In February 2016, Egypt launched its Sustainable Development Strategy (SDS): Vision 2030, aligning with the 17 UN Sustainable Development Goals (SDGs) to guide development programs and projects through 2030. This strategy emphasizes a citizen-centered approach, focusing on improving quality of life, ensuring equity, and fostering resilience while maintaining sustainability across all sectors. The SDS outlines six national strategic goals designed to enhance living standards, achieve social justice, and promote a diversified, knowledge-based economy within a sustainable environment. Key enablers for achieving these goals include data availability, financing, digital transformation, technology and innovation, legislative support, cultural values, and population growth management. The Economic and Social Development Plan 2024/2025 targets a growth rate of 4.2%. This plan aligns with the updated Egypt Vision 2030, focusing on improving living standards for all social classes by providing quality education, training, and skill development for future jobs, grounded in scientific research and innovation. It emphasizes healthcare accessibility, justice, and ensuring that all citizens, particularly vulnerable groups, fully enjoy their political, economic, social, and cultural rights. The plan includes developing scientific approaches to crisis management, providing data for adaptation strategies, and promoting sustainable consumption and production patterns to address present needs while safeguarding future generations.

Egypt's Integrated National Financing Strategy (INFS) is foundational in supporting biodiversity and biodiversity financial planning by embedding sustainability and resilience at the core of national financing efforts. The strategy adopts a "right-financing" approach, shifting from fragmented funding models to coordinated financing mechanisms. Biodiversity is integrated as part of cross-cutting priorities such as climate change and sustainable infrastructure, with explicit emphasis on greening financial systems, issuing sustainability bonds, and supporting ecological fiscal transfers. The INFS reinforces Egypt's Vision 2030 and aligns with global frameworks such as the SDGs and Egypt's National Biodiversity Strategy and Action Plan, aiming to enhance resource mobilization, optimize allocation, and ensure long-term conservation outcomes while addressing debt sustainability, private sector engagement, and inclusivity.

The National Strategy for the Empowerment of Egyptian Women 2030 represents a cornerstone for achieving sustainable development by ensuring gender equality and women's empowerment across all sectors. It integrates four pillars—political empowerment, economic empowerment, social empowerment, and protection—emphasizing inclusive development and equal opportunities. This strategy aligns with Egypt's Vision 2030 and the SDGs, focusing on enhancing women's participation in leadership roles, workforce engagement, education, and social protection. Key objectives include eliminating gender-based violence, reducing economic disparities, and fostering an environment that empowers women to contribute actively to Egypt's development, thereby strengthening societal resilience and equity.

The PIR highlights Egypt's commitment to sustainable development through strategies like the Integrated Sustainable Energy Strategy (ISES) 2035, which promotes renewable energy for long-term energy security. In tourism, Egypt aims to achieve the sustainability of tourism and archaeological activities and increase the effectiveness of its economic, social, and environmental impacts through its Strategy for Sustainable Tourism in Egypt 2030. The Sustainable Agricultural Development Strategy (SADS) 2030 enhances sustainable farming practices and food security, while the National Water Resources Management Plan (2017-2037) addresses water scarcity and pollution. The National Project for the Development of Lakes focuses on lake purification, enhancing fish stocks, and supporting food security, all through strategic biodiversity financing. At COP27, Egypt launched the Sustainable Cities Initiative to strengthen climate resilience and green mobility, reinforcing its dedication to sustainable urban development. Key transportation projects such as the monorail, electric trains, and Bus Rapid Transit (BRT) are central to reducing carbon emissions, supported by both national and international funding.

Egypt's National Climate Change Strategy (NCCS) 2050 addresses the country's vulnerability to climate change, despite its minimal contribution to global CO2 emissions. The strategy focuses on improving citizens' quality of life, promoting sustainable economic growth, and integrating climate change considerations into all sectors. It outlines key goals for mitigation and adaptation efforts across various areas like energy, agriculture, and water. A significant initiative under this strategy is a partnership to develop a green ammonia plant, reflecting Egypt's commitment to low-carbon energy and the shift towards a sustainable future, while also creating economic opportunities.

Egypt has a strong strategic vision and institutional framework for biodiversity conservation and sustainable development. The NBSAP 2015-2030 outlines six strategic goals and 20 targets, all grounded in principles of sustainable development, including equity, shared responsibility, ecological integrity, and the sustainable use of natural resources. The strategic goals of NBSAP 2030 include: conserving and managing terrestrial and aquatic biodiversity to ensure sustainable and equitable benefits; promoting the sustainable use of natural resources; ensuring access to genetic resources and benefit-sharing in line with the Nagoya Protocol; improving understanding of biodiversity and ecosystems in a changing environment; preparing for climate change and combating desertification; and fostering partnerships to integrate biodiversity across national development frameworks.

In 2024, Egypt initiated an update of its NBSAP to align with the GBF. This comprehensive, whole-of-government effort is led by a steering committee involving all relevant stakeholders. Experts have reviewed the key thematic areas to ensure national targets are consistent with the goals of the GBF and aligned with the SDGs.

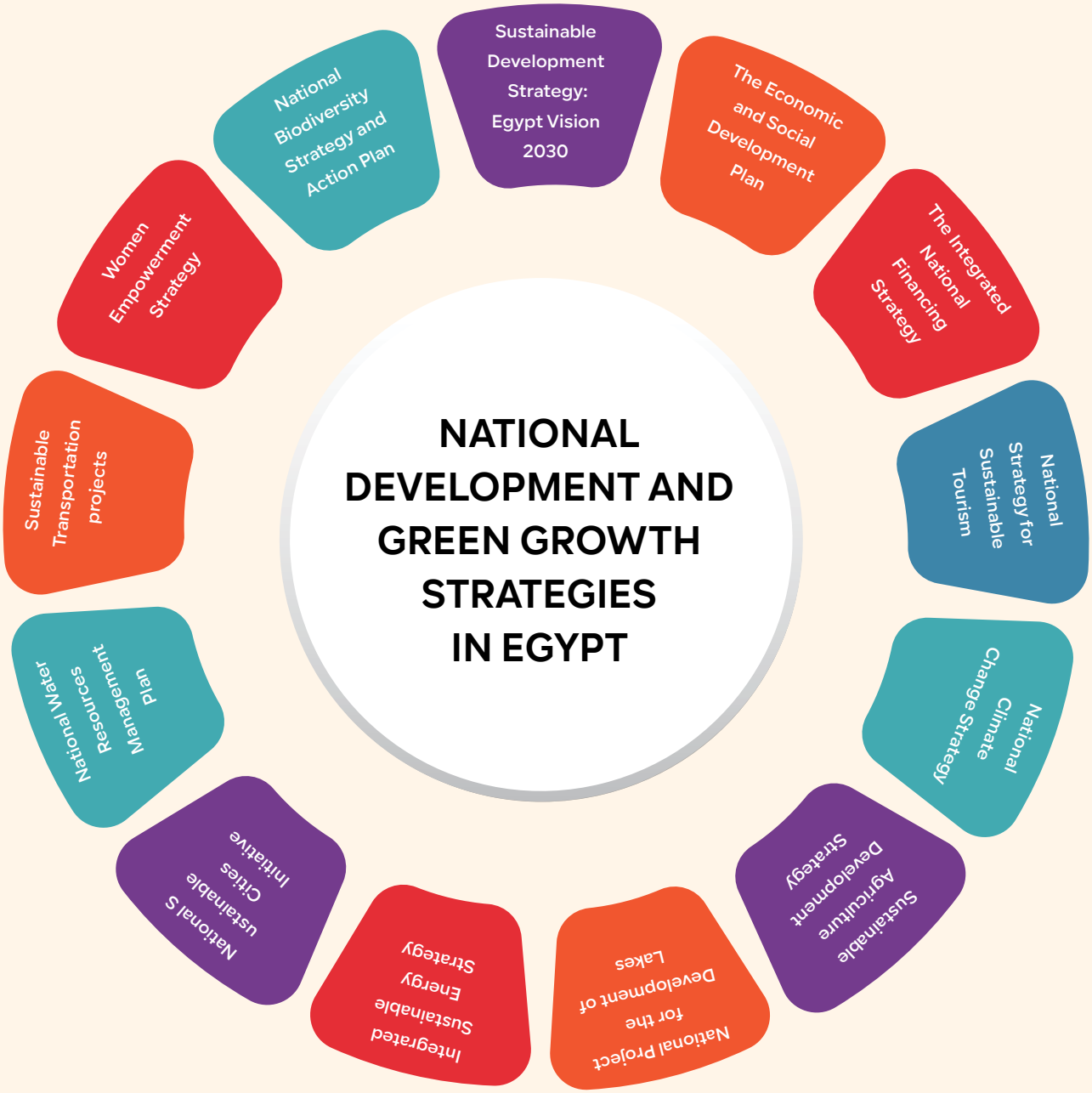



*Figure 2: National development & green growth strategies.*

The BFP serves as a cornerstone for supporting and advancing these pivotal strategies and plans. By aligning financial resources with Egypt's constitutional mandates, Vision 2030, and sector-specific frameworks, the BFP ensures the conservation and sustainable use of biodiversity while fostering social equity, economic resilience, and environmental sustainability. It bridges critical funding gaps, enabling the successful implementation of strategies and plans like the NBSAP and the NCCS. The BFP not only reinforces Egypt's commitment to global frameworks like the SDGs and the GBF but also positions the country as a regional leader in biodiversity financing. By integrating biodiversity into the national development agenda, the BFP catalyzes transformative change, securing ecological integrity and economic prosperity for present and future generations.

# 1.3 INVESTING IN BIODIVERSITY FOR ECONOMIC, SOCIAL, AND ENVIRONMENTAL BENEFITS

Investing in biodiversity yields multifaceted benefits, driving Egypt's economic growth, enhancing social equity, and fostering environmental sustainability. The nation's rich biodiversity underpins key sectors such as agriculture, fisheries, tourism, and pharmaceuticals, contributing significantly to Gross Domestic Product (GDP), employment, and export revenue. Beyond economic gains, biodiversity conservation supports local communities, offering poverty alleviation opportunities through ecotourism and sustainable resource use. Empowering women in these communities, particularly in biodiversity-rich areas, unlocks their potential as stewards of natural resources, enhancing local livelihoods and fostering inclusive development. Ecologically, biodiversity safeguards critical ecosystem services, such as pollination and climate regulation, essential for the nation's resilience against environmental challenges.

Economically, a significant portion of Egypt's GDP and employment is directly linked to the use of biological resources in agriculture, fisheries, food production, and industries such as eco-tourism and genetically based pharmaceuticals. The agricultural sector and fisheries contribute approximately 14.5% of the country's GDP, providing around 28% of all jobs. Moreover, agricultural exports represent roughly 11.5% of the total value of Egyptian exports. Tourism related to biodiversity conservation also plays a crucial role in generating revenue and creating employment opportunities, thus supporting local economies and livelihoods. In 2022, tourism contributed about 32 billion U.S. dollars to Egypt's GDP, with the travel and tourism sector employing almost 2.4 million individuals. Furthermore, the tourism industry is closely intertwined with over 70 complementary productive and service sectors, amplifying its economic significance.

In addition to these economic contributions, Egypt's protected areas play a pivotal role in supporting the rapidly expanding ecotourism industry, offering significant potential for poverty reduction in the most marginalized rural communities. The country's biodiversity underpins various recreational activities, including birdwatching, hiking, camping, and fishing, which are vital to the tourism sector's reliance on Egypt's natural richness. For example, economic valuation studies estimate the annual recreational value of the coral reefs at Ras Mohamed National Park, Egypt's oldest protected area, to be $191 million. In the El-Omayed Protected Area, ecosystem services that support agriculture are valued at EGP 33 million annually, with rangelands contributing an additional EGP 8 million per year. Additionally, the El-Brullus Protected Area provides ecosystem services valued at over EGP 200 million annually, highlighting the substantial economic contributions of Egypt's natural ecosystems.

## BOX 1: THE ECONOMIC VALUATION OF ECOSYSTEM GOODS AND SERVICES

The process of assigning monetary value to the benefits ecosystems provide, such as food, water, air purification, and recreational opportunities, helps inform decision-making for sustainable development and conservation by highlighting the economic importance of ecosystems.

Culturally, biodiversity is deeply intertwined with Egypt's ancient and modern identity, influencing spiritual beliefs and aesthetic appreciation. Ancient Egyptian civilization revered certain species for their economic importance, a connection that continues today in local communities' spiritual relationships with plants and animals. Scientifically, Egypt's biodiversity offers invaluable ecological insights, enhancing our understanding of the region's natural world, its origins, and the role it plays in global ecosystems. Biodiversity also holds intrinsic value, with each species possessing a right to exist, contributing to society in intangible ways, including solutions to health challenges.

Ecologically, biodiversity in Egypt is essential for sustaining ecosystems that provide oxygen, clean air and water, pollination, pest control, and other critical services vital to human well-being. It also plays a crucial role in maintaining the resilience of food sources, thereby ensuring food security for the nation. Additionally, the relationship between climate change and biodiversity loss is significant in Egypt. Human activities are driving both, and as species struggle to adapt to rapid environmental changes, preserving biodiversity becomes critical for protecting natural habitats and mitigating the adverse effects of climate change, particularly in a region so vulnerable to environmental shifts.

Photo by **Mohamed Habib**

Photo by Mohamed Badran

# 02. GOALS AND TARGETS

## 2.1 METHODOLOGICAL PROCESS OF THE PLAN

The methodological process for preparing the BFP follows the guidance provided in the BIOFIN Workbook (2018). This process includes the preparatory stage, gathering baseline information, listing and selecting potential solutions, followed by rapid and detailed screening. Additionally, stakeholder consultations were carried out throughout the entire process via workshops, meetings, questionnaires, and interviews.

### BOX 2: THE BIOFIN WORKBOOK

Provides a step-by-step framework for countries to assess their biodiversity finance context, measure current expenditures, estimate financial needs for biodiversity goals, and create a finance plan to mobilize the necessary resources and policies.

## STEPS FOR PREPARING THE PLAN

**Step 1: Preparation**

A team of experts was formed, comprising a biodiversity finance planner, experts from the NCS, and the BIOFIN Egypt national coordinator.

**Step 2: Gathering baseline information**

The team of experts conducted a review of baseline studies, including the PIR, the BER, and the FNA, which were carried out from August 2023 to April 2024, along with insights from other countries' experiences. Subsequently, surveys were conducted in the following Protected Areas: Wadi El Rayan, Qarun, Wadi Degla, and Petrified Forest, to assess the potential of these areas for investment opportunities to generate revenue.

**Step 3: Listing and selecting potential solutions**

The team of experts conducted a comprehensive review of the finance solutions recommended in the PIR, BER, and FNA reports. These reports include finance solutions based on the detailed analyses conducted by the consultants who prepared them. Furthermore, more than 150 finance solutions from the BIOFIN Catalogue of Finance Solutions were meticulously analyzed, with a focus on identifying those most suitable and feasible for implementation within Egypt's national context.

## BOX 3: THE BIOFIN CATALOGUE OF FINANCE SOLUTIONS

A tool that helps countries identify and implement financial mechanisms and policies to support biodiversity conservation by guiding the mobilization of resources from diverse sources to achieve national biodiversity goals and address financing gaps.

### Step 4: Rapid screening

Using the Rapid Screening process and the provided data tool, each finance solution was assessed based on three key criteria:


Moreover, potential solutions were examined by the participants at the workshop held in June 2024 at El Ain El Sokhna city. This screening process generated a list of promising and realistic financing options, leading to the selection of 24 solutions. These selected solutions were then subjected to a detailed review by the team of experts.

### Step 5: Detailed screening

The solutions selected during the rapid screening phase were further evaluated in detail. Experts applied 19 evaluation criteria to refine the list of solutions. The outcomes of the detailed screening and scoring for each solution, are provided in Appendix 1. This detailed screening process involved a comprehensive review, assessing each financial solution based on responses to a set of pre-defined questions in the data tool. The total scores for each solution served as benchmarks for selecting and prioritizing the final set of finance solutions for the plan. After completing both the rapid and detailed screening phases, 9 finance solutions were selected and given priority for implementation.


*Figure 3: Steps in the selection and prioritization of finance.*

# STAKEHOLDER CONSULTATION PROCESS

### Steering Committee

In addition to the BIOFIN Egypt steering committee, the BFP team actively participated in the monthly steering committee meetings of the Global Biodiversity Framework Early Action Support Project (GBF-EAS), which oversees the implementation of project activities. BIOFIN Egypt's involvement in this steering committee stems from its responsibility to deliver component four of the project, focused on Biodiversity Finance Activities.

This component includes the development of a finance plan aimed at addressing the post-2020 GBF finance gap by 2030. Throughout these meetings, progress in the preparation of the BFP was regularly presented, and participants were consulted on proposed finance solutions to ensure broad alignment and support.

### Consultation workshops

In a collaborative effort between the GBF-EAS and BIOFIN-Egypt, two consultative workshops were held as part of the ongoing work to update Egypt's NBSAP and prepare the National BFP. The first workshop took place from 3 to 6 June, 2024, in El Ain El Sokhna city, while the second workshop was held on 31 July, 2024, in Cairo. These workshops focused on aligning policy frameworks, securing financial resources for biodiversity initiatives, and drafting the BFP to guide Egypt's biodiversity financing efforts through 2030.

Key sessions included comprehensive discussions on the integration of biodiversity into national policies, the identification of potential financial mechanisms, and the creation of synergies between public and private stakeholders. The biodiversity finance session was particularly engaging, as participants took part in consultative discussions, interactive working groups, and in-depth questionnaires. The workshops gathered a diverse array of stakeholders, including representatives from public institutions, the private sector, academia, non-governmental organizations, international organizations, and policymakers. These participants shared valuable insights, identified critical challenges, and proposed innovative and actionable solutions. Their collective input played a pivotal role in shaping a dynamic and effective BFP.

### Questionnaires

A questionnaire was distributed to participants during the consultation workshop held from 3 to 6 June, 2024. The questionnaire aimed to identify key challenges, opportunities, and recommendations for improving biodiversity finance in the country. Moreover, the questionnaire supported the evaluation of the potential financial solutions. The analysis of the responses is detailed in Appendix 2.

### Interviews

Several interviews with key experts and stakeholders were conducted during the screening and prioritization process. The purpose of these interviews was to ensure that the selected solutions met the criteria of impact on biodiversity, financial impact, and likelihood of success.

### COP16

The Egyptian delegates attended the 2024 United Nations Biodiversity Conference of the Parties (COP16) to the UN Convention on Biological Diversity (CBD), held from October 21 to November 1, 2024, in Cali, Colombia. They organized a side event titled "Egypt's Integrated Approach to Biodiversity Conservation and Sustainable Finance," where proposed financing solutions were discussed. Moreover, the delegates actively participated in several related side events, where a range of global financing solutions was presented. The team's robust discussions and consultations on exploring insurance schemes to address risks to biodiversity not only enriched the proposed solutions but also contributed to the development of innovative concepts, including biodiversity-focused insurance mechanisms.

# 2.2 PRIORITIZED FINANCE SOLUTIONS

Following the methodological process for preparing the BFP, nine financing solutions have been prioritized as follows:

## BOX 4: FINANCE SOLUTIONS

Refers to an integrated approach to solve a specific problem or challenge by the context-specific use of finance and economic instruments.

**1. Adjust entrance fees for protected areas, digitize the collection process, and improve the retention of revenues for protected areas management and investment**

At the site level in Egypt, the entry fee for protected areas is likely the most important source of financing. However, many challenges include: balancing the need for revenue with affordability for visitors, ensuring all visitors pay the required fees, and maintaining transparency in the allocation and use of these fees. This solution will improve the entrance fee system by revising the existing fees, modernizing the fee collection, increasing transparency, and ensuring that more funds are available for the conservation and maintenance of critical ecosystems.

**2. Revise concession and permit fees for protected areas and systematize the investor selection and contracting process**

Concession and permit fees are an important source of financing for the protected areas in Egypt. Nonetheless, it faces several challenges, including setting fair and adequate fees for revenue generation, ensuring transparent and efficient investor selection and contracting, and balancing conservation with development interests. Streamlining these processes will attract responsible investors, generate more revenue, and ensure sustainable management of protected areas.

**3. Promote Corporate Social Responsibility (CSR) funding for biodiversity initiatives**

The concept of CSR in Egypt has gained momentum over the past decade. Now, a few corporations and organizations allocate part of their CSR programs to biodiversity issues and the conservation of the environment. However, these practices remain infrequent. Encouraging CSR initiatives in this regard could be a major source of financing and revenue generation for biodiversity and protected areas in Egypt. Furthermore, this could play a vital role in promoting a participatory approach among stakeholders in the stewardship of the environment.

**4. Explore and Integrate Biodiversity-Positive Carbon Credits into the Carbon Market**

The carbon credit market in Egypt is still in its early stages. To bolster the country's progress toward carbon neutrality, the Financial Regulatory Authority (FRA) has developed a market for trading certificates related to carbon emission reductions. At this critical juncture, creating the right conditions for the generation and exchange of biodiversity-positive carbon credits will be essential to link carbon sequestration with biodiversity conservation and to further the protection and restoration of ecosystems.

### 5. Enhance the Performance-Based Budget (PBB) to improve budget allocations and the efficient use of financial resources

Under the Unified Public Finance Law No. 6 of 2022, the Ministry of Finance (MoF) has developed a unified model for preparing and implementing the budget based on programs and performance. The program and performance budget will be fully implemented within four years from the issuance of the law to ensure proper use of state resources and the achievement of objectives stipulated in Egypt's general plan for economic and social development. This solution aims to enhance and deepen the practice of PBB, ensuring that the nature conservation sector is adequately trained and equipped to implement it effectively.

### 6. Explore insurance schemes addressing risks to Biodiversity

Developing insurance schemes to address biodiversity risks, natural disasters, and climate change represents an innovative and forward-thinking strategy for safeguarding Egypt's natural resources. This solution tackles the dual challenges of natural hazards and human-induced impacts on ecosystems through innovative insurance mechanisms. To mitigate natural hazards, this solution emphasizes the adoption of parametric insurance models, which provide rapid financial support for restoring natural assets like coral reefs. Tailored to Egypt's specific needs and integrated into the Unified Insurance Law, this approach ensures that environmental damages are promptly addressed, with compensation payments allocated to a dedicated restoration fund. For human-induced impacts, the solution advocates mandatory Environmental Liability Insurance (ELI) for entities operating near protected areas and biodiversity hotspots. This ensures accountability by requiring those responsible for environmental damage to bear the cost of remediation and restoration, thereby reducing reliance on public resources and fostering sustainable ecosystem management.

### 7. Establish a road map for biodiversity offsets and integration into Environmental Impact Assessment (EIA) policies and practices

Biodiversity offsets in Egypt represent a developing approach to conservation that aims to compensate for the loss of biodiversity resulting from development projects. There have been few examples of biodiversity offsets, all of which were implemented in response to international environmental funding requirements. They are inadequately documented and have not been put into practice via an official or institutional arrangement. This solution ensures that any biodiversity loss due to development projects is adequately compensated, promoting sustainable development. Moreover, it supports the enhancement of accountability, ensures compliance with international environmental standards, and achieves better conservation outcomes. This integration will help institutionalize the practice, leading to more systematic and effective biodiversity preservation, ultimately supporting the country's long-term environmental and development goals.

### 8. Foster Public-Private Partnerships (PPPs) to finance and implement biodiversity projects

PPP provides a strategic approach to financing and implementing biodiversity projects in Egypt. By harnessing the resources and expertise of both the public and private sectors, these partnerships can advance conservation objectives while fostering sustainable development. Beyond mobilizing funding, PPPs play a key role in technology transfer and risk-sharing, enabling long-term, large-scale conservation initiatives. Success in biodiversity conservation through PPPs requires a supportive regulatory framework, active stakeholder engagement, and capacity building.

### 9. Mobilize international funding flow for biodiversity conservation

International support has been pivotal in enhancing the management of Egypt's protected areas, advancing biodiversity conservation, and promoting sustainable development. Collaboration with international organizations, donors, and International Non-Governmental Organizations (INGOs) has driven knowledge exchange, capacity building, and the adoption of best practices. International funding addresses critical gaps that national budgets alone cannot fill, enabling large-scale conservation projects, capacity development, and access to advanced scientific tools. Both the PIR and BER emphasize the vital role of international funding in biodiversity financing. While transitioning to self-sufficiency is essential, continued international support complements national efforts and strengthens global solidarity in addressing shared environmental challenges.

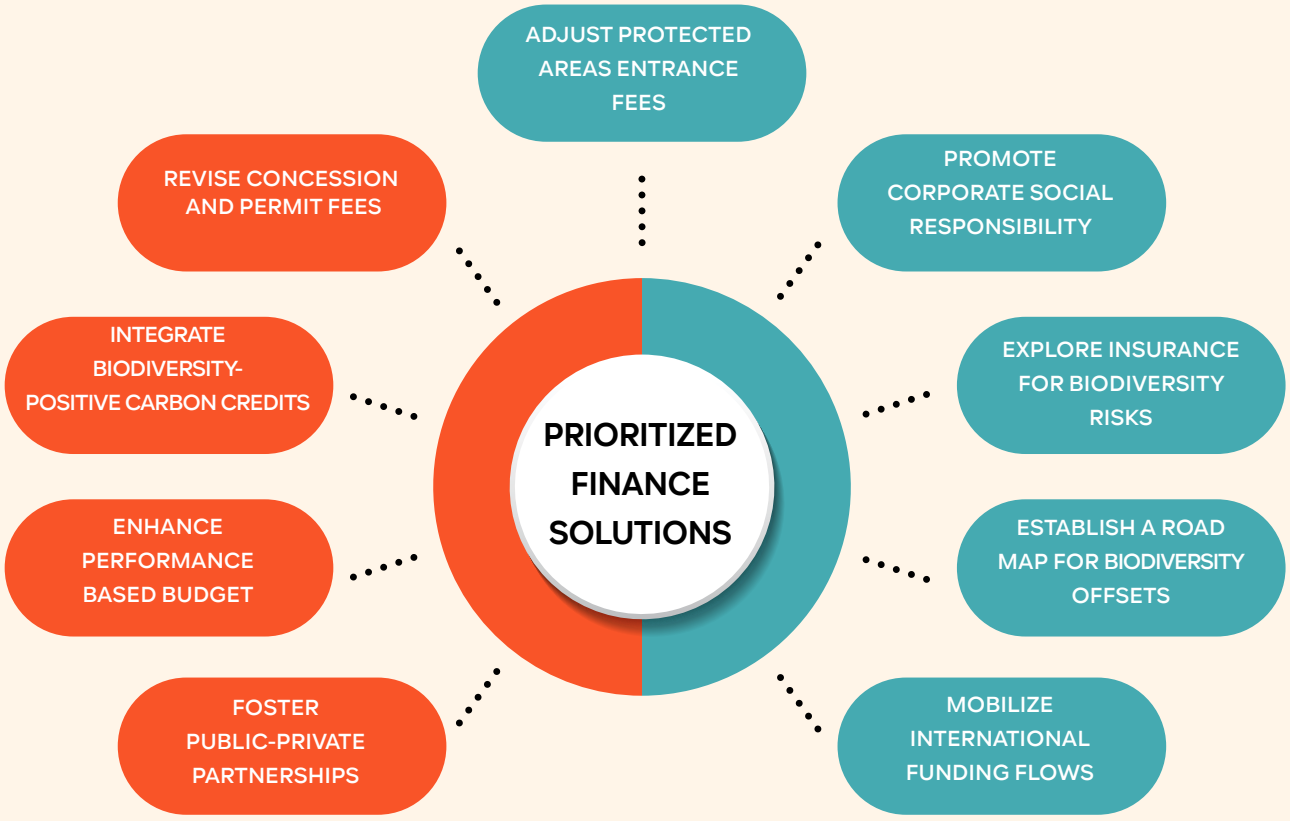



*Figure 4: Prioritized finance solutions.*

The proposed solutions offer a comprehensive framework for advancing biodiversity conservation in Egypt. By tackling key financial, institutional, and policy challenges, they will enhance Egypt's capacity to protect and sustainably manage its natural resources for future generations. Success will depend on strong collaboration among the government, private sector, local communities, and international partners. A coordinated effort in implementing these strategies will not only preserve Egypt's unique biodiversity but also support sustainable development, strengthen climate resilience, and improve the well-being of its people.

# 2.3 SPECIFIC TARGETS OF THE PLAN

The primary goal of the biodiversity finance plan is to identify and mobilize the necessary financial resources for biodiversity conservation and sustainable use, ensuring efficient and effective allocation and utilization of funds. This plan involves integrating biodiversity finance into national and sectoral policies, engaging stakeholders from government, Non-Governmental Organizations (NGOs), the private sector, and local communities, with a focus on promoting gender equality and empowering women as key contributors to biodiversity conservation, while also strengthening institutional capacities. This plan aims to promote sustainable financing mechanisms, establish robust monitoring and reporting systems for transparency and accountability, and contribute to the long-term conservation and enhancement of biodiversity for the benefit of current and future generations.

The biodiversity finance plan is intrinsically linked to the NBSAP, serving as a crucial component to ensure the successful implementation of the NBSAP's objectives. It provides a structured approach to identify, mobilize, and allocate financial resources necessary for the conservation and sustainable use of biodiversity as outlined in the NBSAP. By assessing financial needs and opportunities, the finance plan ensures that the goals, targets, and actions specified in the NBSAP are financially supported, enhancing their feasibility and effectiveness.

*Table 2: The link between the prioritized solutions and NBSAP targets.*

| SOLUTION NAME | NBSAP Targets |
|---|---|
| Adjust entrance fees for protected areas, digitize the collection process, and improve the retention of revenues for protected areas management and investment. | 1,2,3,4,5,7,8,9,10,12,17,18 ,19,20,21 |
| Revise concession and permit fees for protected areas, and systematize the investor selection and contracting process. | 3,6,18 |
| Promote Corporate Social Responsibility (CSR) funding for biodiversity initiatives. | 2,3,4,6,7,8,10,11,14,15,18 ,20,21, |
| Explore and Integrate Biodiversity-Positive Carbon Credits into the Carbon Market. | 6,7,17 |
| Enhance the performance-based budget (PBB) to improve biodiversity budget allocations and the efficient use of financial resources. | 1,2,3,4,5,6,7,8,9,10,11,12, 13,15,16,17,18,19,20,21 |
| Explore insurance schemes addressing risks to Biodiversity. | 1,2,3,4,6,7,18, |
| Establish a road map for biodiversity offsets and their integration into Environmental Impact Assessment (EIA) policies and practices. | 1,2,3,14,15 |
| Foster Public-Private Partnerships (PPPs) to finance and implement biodiversity projects. | 3,4,6,7,8,11,14,15,18,19 |
| Mobilize international funding flows for biodiversity conservation. | 1,2,3,4,5,6,7,9,11,12,13,16, ,18,19,20,21 |

The BER of Egypt provided a detailed compilation of biodiversity expenditures across key stakeholders in the public and private sectors, donors, and NGOs. It covered major biodiversity categories such as mainstreaming, sustainable use, protection, restoration, enabling actions, and access and benefit sharing. The review also included macroeconomic data and budget trends, highlighting key economic indicators such as GDP, inflation, external debt, Foreign Direct Investment (FDI), exchange rates, balance of payments, fiscal policy, and monetary policy. Furthermore, it illustrated the impacts of budget expenditures on the 17 SDGs, showing strong links between Egypt's general government expenditures and SDG performance.

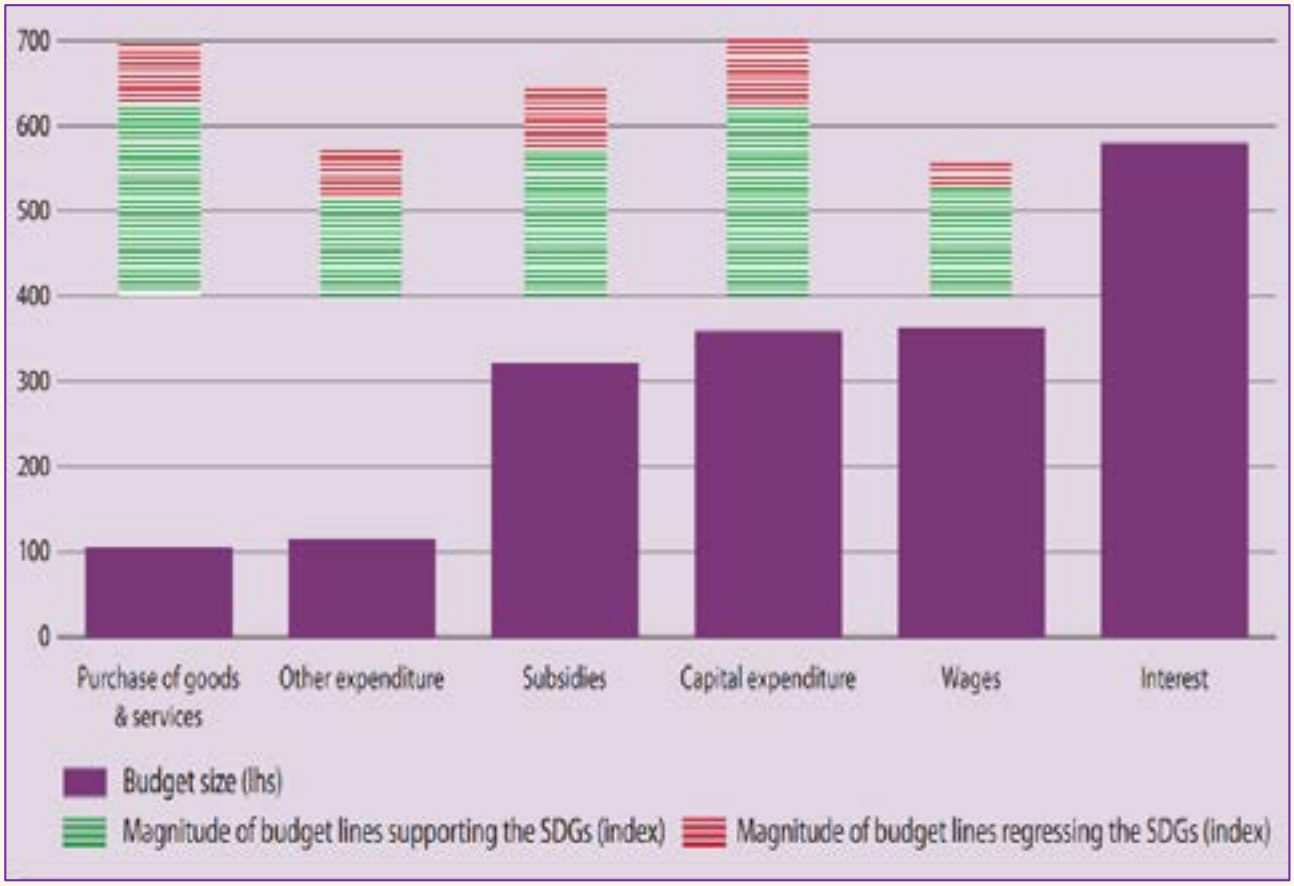



*Figure 5: Egypt's SDG budget incidence (Billions of EGP, Index).*
*Source: ESCWA's estimates based on BIT using data from the Egyptian Ministry of Finance (DESA, 2023).*

The BER report also highlighted significant challenges in collecting comprehensive data on biodiversity expenditure and revenue due to fragmented data collection, insufficient reporting mechanisms, and complex funding streams. To address these challenges, this report recommends establishing clear reporting standards, enhancing financial transparency, integrating biodiversity budgets, and strengthening data collection capacities. Additionally, it suggests incorporating biodiversity expenditure into public sector accounting, improving private sector financial reporting, and mainstreaming biodiversity financing through institutional frameworks. Promoting sustainable finance practices within the banking sector, and fostering collaboration among governments, businesses, and individuals are also identified as crucial steps to enhance biodiversity financing and conservation in Egypt.

# FUNDING NEEDS FOR BIODIVERSITY (2024 - 2030)

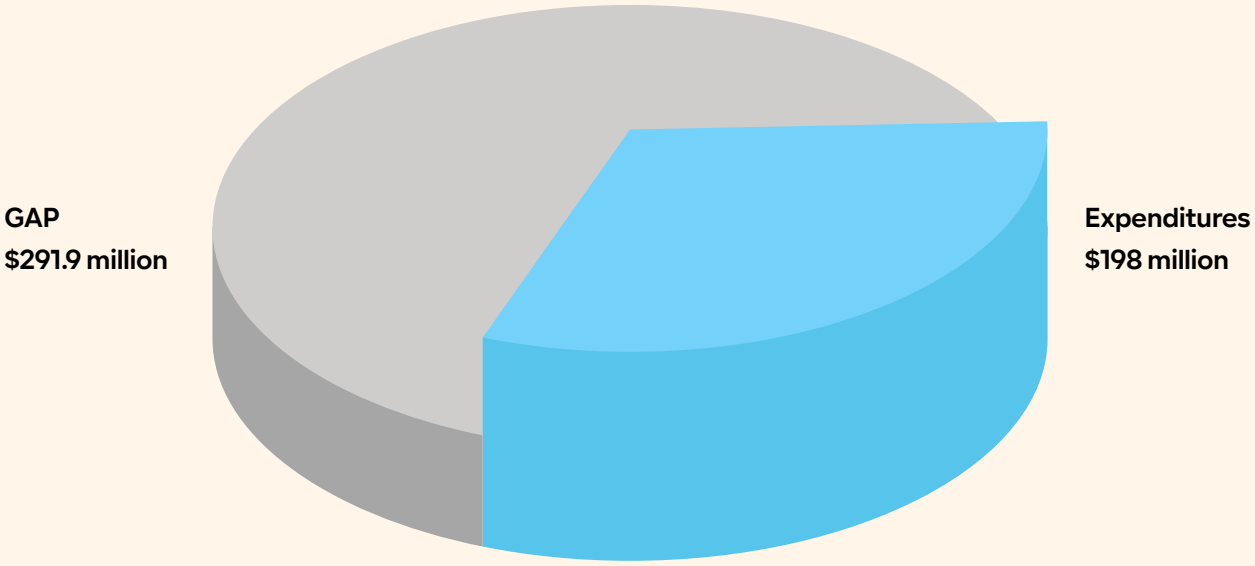



*Figure 6: Biodiversity financing needs 2024-2030 (source: FNA 2024).*

The FNA of Egypt provides a comprehensive estimate of the financial resources required to achieve national biodiversity targets. The FNA compares financial needs with projected biodiversity expenditures to estimate the financing gap for biodiversity conservation in Egypt. Developed in alignment with the PIR and the BER, the FNA considers other relevant national strategies. The analysis of Egypt's NBSAP determined that achieving the six strategic goals and 20 targets requires $273 million (EGP 8.43 billion), approximately 0.07% of the national GDP in 2023. Available financial data indicates an annual financing gap of approximately $41.7 million (EGP 1.28 billion), totaling $291.9 million (EGP 9 billion) for the period 2024-2030. Addressing this gap is essential for the successful implementation of biodiversity and related sustainability strategies in the country.

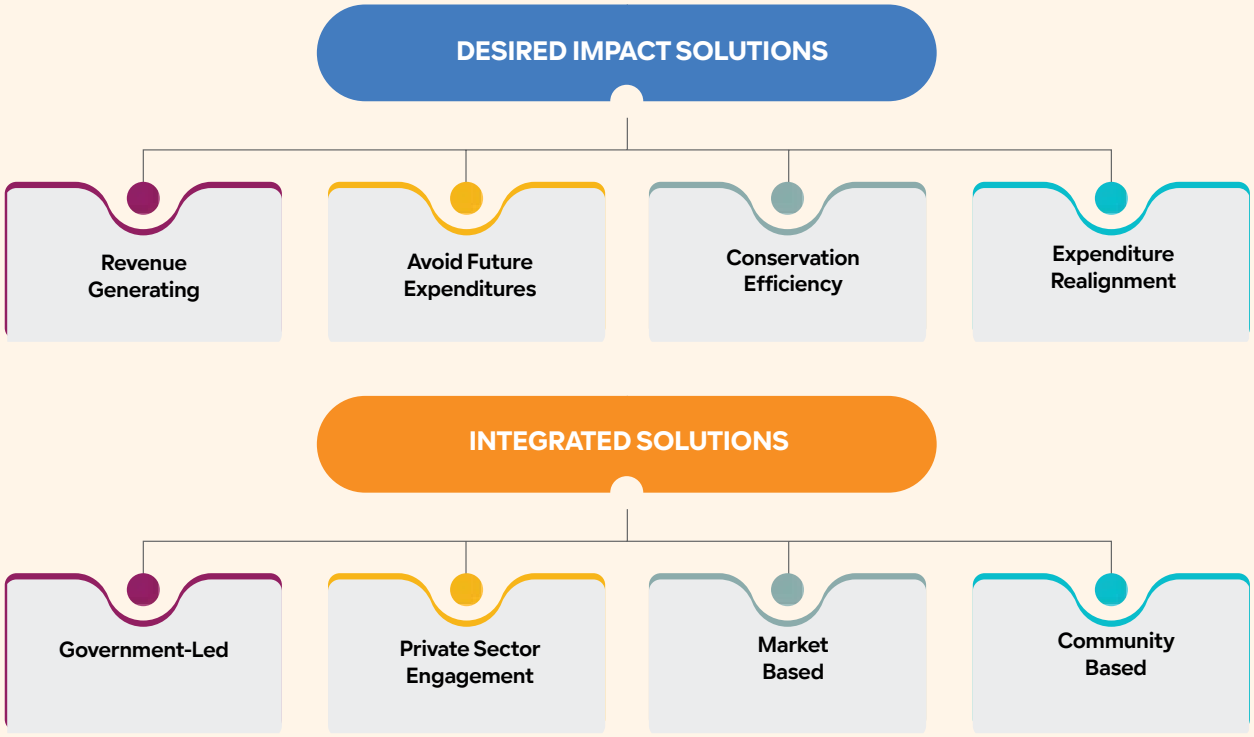
The BFP for Egypt recommends a multi-faceted approach to secure sustainable funding for biodiversity conservation and protected areas management. It proposes modernizing entry and concession fees, integrating biodiversity-positive carbon credits, and encouraging CSR initiatives to boost revenue. The plan also focuses on enhancing PBB to improve financial resource allocation and efficiency. Exploring insurance schemes that address risks to biodiversity is emphasized as an innovative solution to mitigate financial losses and support biodiversity conservation. Additionally, the BFP calls for establishing a national roadmap for biodiversity offsets and fostering PPPs to finance and implement biodiversity projects. Mobilizing international funding is highlighted as essential to address critical financing gaps, supporting large-scale, long-term conservation efforts. Overall, the BFP aims to close the biodiversity financing gap and contribute to Egypt's sustainable development goals by ensuring the sustainable management of its natural resources.

Photo by **Image House**

# 2.4 THE APPROPRIATENESS OF THE MIX OF SOLUTIONS

The screening process for selecting finance solutions involves an assessment based on three primary criteria: Impact on biodiversity, financial impact, and likelihood of success. The chosen solutions span various characteristics, ensuring a comprehensive approach to biodiversity finance within the frameworks of Desired Impact Solutions, Integrated Solutions, and Nature Balance Solutions.


*Figure 7: The appropriateness of the mix of solutions.*



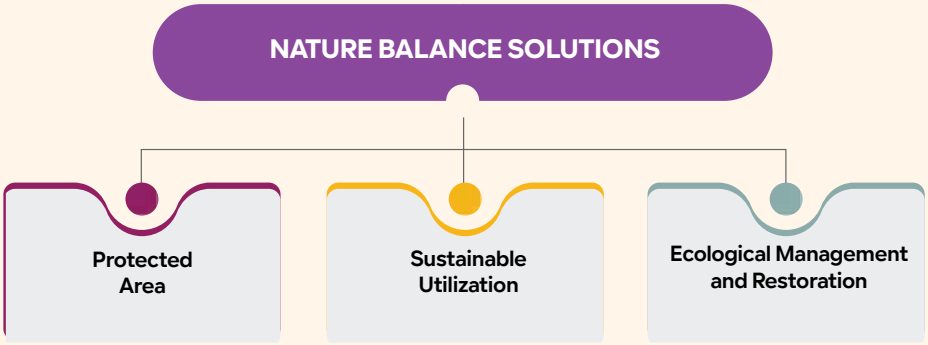



*Figure 8: Composition of Finance Solutions.*

### Desired Impact Solutions

This category focuses on generating revenue, avoiding future expenditures, improving conservation effectiveness, and realigning spending to enhance positive biodiversity outcomes. These solutions are suitable because they establish a direct economic link between biodiversity conservation and financial benefits, thereby promoting sustainable practices.

- **Revenue-Generating Solutions:** Create or leverage financial resources dedicated to biodiversity.
- **Avoid Future Expenditures Solutions:** Prevent or reduce the need for future investments.
- **Conservation Efficiency Solutions:** Enhance cost-effectiveness and budget execution, achieve synergies, align incentives, and support a more equitable distribution of resources.
- **Expenditure Realignment Solutions:** Reorient existing financial flows to support more effective and impactful biodiversity management.

### Integrated Solutions

This category includes government-led initiatives, private sector engagement, market-based mechanisms, and community-based approaches, ensuring comprehensive stakeholder involvement in biodiversity finance.

- **Government-Led Solutions:** Essential for establishing regulatory frameworks and providing public funding to create an enabling environment for biodiversity conservation.
- **Private Sector Engagement:** Leverages the financial and operational capacities of businesses to support conservation initiatives.
- **Market-Based Mechanisms:** Integrate biodiversity conservation into the broader economic system, promoting sustainability.
- **Community-Based Solutions:** Empower local stakeholders and ensure that conservation efforts are culturally appropriate and contextually relevant.

### Nature Balance Solutions

This category focuses on protected areas, sustainable use of natural resources, and ecological management and restoration. The aim is to maintain and restore the balance of natural ecosystems while also contributing to climate change mitigation and adaptation.

- **Protected Area Solutions:** Provide long-term protection for essential ecosystems and species.
- **Sustainable Utilization Solutions:** Balance economic needs with conservation goals, ensuring resource availability for future generations while promoting practices that reduce carbon footprints and enhance ecosystem resilience.
- **Ecological Management and Restoration Solutions:** Address past environmental degradation and improve the health and functionality of ecosystems.

*Table 3: The distribution of the proposed finance solutions across various categories.*

| Solution | Desired Impact Solutions | | | | Integrated Solutions | | | | Nature Balance Solutions | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Generate Revenues | Avoid Future Exp. | Deliver Better | Realign Exp. | Government-Led | Engaging the Private Sector | Market Based | Communities-Based | Protected Areas | Sustainable Utilization | Ecological Mgt & Restoration |
| Entrance fees | √ | | | | √ | | | √ | √ | | |
| Concessions and permits | √ | | √ | | √ | √ | | √ | √ | | |
| Corporate Social Responsibility | √ | | √ | | | √ | | √ | | √ | |
| Biodiversity Positive Carbon Credits | √ | √ | | √ | | √ | √ | | | √ | |
| Performance-Based Budget | | √ | | √ | | | | | | | |
| Insurance Schemes | | √ | √ | √ | | √ | √ | | | | √ |
| Biodiversity Offsets | √ | | | | | √ | √ | | | √ | √ |
| Public-Private Partnerships | √ | | √ | | | | | | √ | √ | |
| International funding flow | √ | | | | | | | | | | √ |

Photo by **Ahmed ElSheikh**

Photo by **Mohamed Badran**

# 03. THE FINANCE SOLUTIONS

## 3.1 DESCRIPTIONS OF THE FINANCE SOLUTIONS

**Solution (1): Adjust entrance fees for protected areas, digitize the collection process, and improve the retention of revenues for protected areas management and investment.**

**Context:**

Protected areas in Egypt play a crucial role in conserving the country's rich biodiversity and cultural heritage. The management and funding of these areas are vital for their sustainability and effectiveness. One significant aspect of this management is the implementation of entrance fees, which serve as a source of revenue to support conservation efforts, maintenance, and infrastructure improvements within these protected areas. Entrance fees serve multiple purposes. They generate revenue necessary for the maintenance and development of protected areas and fund various conservation projects, and help to manage the number of visitors, minimizing environmental impact and ensuring a high-quality experience for those who visit protected areas. The structure of these fees often includes differential pricing, with different rates for local citizens and international tourists, typically charging higher fees to foreigners.

Out of Egypt's thirty protected areas, eleven have implemented entrance fees. These include:

- **Wadi El Rayan,** renowned for its stunning waterfalls, fossilized whale skeletons dating back 37 million years, and diverse wildlife.
- **Qarun**, which boasts remarkable natural geigerites and numerous outstanding cultural features.
- **Ras Mohammed**, a popular destination for diving and snorkeling.
- **Saint Katherine**, home to the historic Mount Sinai.
- **Nabq**, rich in coral reefs, mangroves, sand dunes, and diverse mountain and wadi habitats.
- **Abu Gallum**, offering unique diving spots such as the Blue Hole and impressive mountain landscapes.
- **Taba**, known for its Colored Canyon, attracts safari tours.
- **Wadi el Gemal**, famous worldwide for its spectacular fringing coral reefs that host vibrant marine life, including green turtles, dugongs, and dolphins.
- **Northern Red Sea Islands**, which feature some of the world's most diverse coral reefs in terms of diversity of species.
- **White Desert**, with its striking limestone formations, is renowned globally for its unique landscape, which reflects ancient climate changes.
- **Wadi Degla,** is an important geological and topographic features. The valley contains a group of living organisms, including animals such as mammals, insects, reptiles, and birds, and 64 species of plants.

*The following provides the entry fees values implemented in the protected areas in Egypt:*

*Table 4: The entry fee values currently implemented in Egypt's protected areas.*

| Area | Protected Area | Ticket | | | Reference Legislation |
|---|---|---|---|---|---|
| | | Type | Value | Currency | |
| | | Egyptian | 25 | L.E | |
| South Sinai | Ras Mohamed, Nabq, Abu Gallum, Taba, and Saint Katherine | Foreigner | 5 | USD | 204/2019 |
| | | Compact vehicle- Egyptian | 25 | L.E | |
| | | Large vehicle- Egyptian | 50 | L.E | |
| | | Compact vehicle- Foreigner | 5 | USD | |
| | | Large vehicle- Foreigner | 10 | USD | |
| Red Sea | Blue Hole (Abu Gallum) | Egyptian | 25 | L.E | |
| | | Foreigner | 10 | USD | |
| | Northern Islands and Gifftun Island | Egyptian | 25 | L.E | |
| | | Foreigner | 5 | USD | |
| | Remote (Far) Islands | Egyptian | 150 | L.E | |
| | | Foreigner | 150 | USD | |
| | Erg and Fanous (Hurghada) | Egyptian | 50 | L.E | |
| | | Foreigner | 10 | USD | |
| | Wadi El Gemal | Egyptian | 25 | L.E | |
| | | Foreigner | 5 | USD | |
| | | Compact vehicle- Egyptian | 25 | L.E | |
| | | Large vehicle- Egyptian | 10 | L.E | |
| | | Compact vehicle- Foreigner | 5 | USD | |
| | | Large vehicle- Foreigner | 10 | USD | |
| Western Desert | White Desert | Egyptian | 5 | L.E | 69/2005 |
| | | Foreigner | 5 | USD | |
| | | Camping | 10 | L.E | |

| Area | Protected Area | Ticket | | | Reference Legislation |
|---|---|---|---|---|---|
| | | Type | Value | Currency | |
| | | Vehicle- Egyptian | 5 | L.E | |
| | | Vehicle- Foreigner | 5 | USD | |
| Central protected areas | Wadi Degla | Egyptian | 10 | L.E | 188/2020 |
| | | Foreigner | 20 | L.E | |
| | | Vehicle- Egyptian | 10 | L.E | |
| | | Vehicle- Foreigner | 20 | L.E | |
| | | Camping- Egyptian | 25 | L.E | |
| | | Camping- Foreigner | 200 | L.E | |
| | Wadi El Rayan and Qarun | Egyptian | 10 | L.E | |
| | | Foreigner | 5 | USD | |
| | | Vehicle- Egyptian | 10 | L.E | |
| | | Camping- Egyptian | 50 | L.E | |
| | | Camping- Foreigner | 200 | L.E | |
| | Wadi El Hitan | Egyptian | 25 | L.E | |
| | | Foreigner | 10 | USD | |
| | | Vehicle- Egyptian | 10 | L.E | |
| | | Camping- Egyptian | 50 | L.E | |
| | | Camping- Foreigner | 200 | L.E | |
| Boats in Red Sea and South Sinai | All marine protected areas in Red Sea and South Sina | 17-20 m | 10 | USD | 204/2019 |
| | | 21-25m | 20 | USD | |
| | | 26-30m | 40 | USD | |
| | | >30 m | 60 | USD | |
| | | Glass-bottom boats | 1 | USD | |

However, implementing entrance fees comes with challenges. Balancing the need for revenue with affordability for local visitors can be difficult. Ensuring that all visitors pay the required fees, especially in sensitive areas, is another challenge, as is maintaining transparency in the allocation and use of the collected fees to sustain public trust and support. Entrance fees can positively impact local communities by contributing to the local economy through job creation, support for local businesses, and initiatives that promote the economic empowerment of women. Involving local communities in the management and benefits of protected areas can further enhance conservation efforts.

The number of visitors to protected areas in Egypt varies depending on the specific location and time of year. Popular protected areas like Ras Mohammed, Saint Katherine, and Wadi El Rayan, protected areas attract many tourists, contributing to the overall visitor statistics. In recent years, the Egyptian government has reported increasing numbers of visitors to these areas due to improved infrastructure and promotional efforts. While entrance fees are vital for generating revenue used to maintain and enhance these areas. This, in turn, can improve the visitor experience and attract more tourists, fees must be balanced to ensure accessibility for diverse groups and to prevent overcrowding and environmental degradation. Additionally, the perceived value of a higher fee can sometimes enhance visitation, while seasonal fee adjustments can help manage visitor numbers and conservation efforts effectively.

*Table 5: Number of visitors to protected areas in Egypt for 2023/2024.*

| PROTECTED AREA | EGYPTIAN CITIZENS | FOREIGNERS | TOTAL VISITORS | % OF THE TOTAL |
|---|---|---|---|---|
| **Saint Katherine** | 37340 | 80328 | 117668 | 4.6 |
| **Nabq** | 6591 | 16916 | 23507 | 0.9 |
| **Abu Gallum** | 99044 | 35161 | 134205 | 5.3 |
| **Ras Mohamed** | 34279 | 1073817 | 1108096 | 43.7 |
| **Wadi Degla** | 157545 | 10057 | 167602 | 6.6 |
| **Qarun** | 25500 | 5050 | 30550 | 1.2 |
| **Wadi El Rayan** | 611587 | 35703 | 647290 | 25.5 |
| **Wadi El Hitan** | 34984 | 18844 | 53828 | 2.1 |
| **Wadi El Gemal** | 30195 | 76079 | 106274 | 4.2 |
| **Red Sea Islands** | 25979 | 123515 | 149494 | 5.9 |
| **Total** | 1063044 | 1475740 | 2538514 | 100 |

### Objectives

The objective of this biodiversity finance solution is to establish a sustainable and equitable entrance fee framework for protected areas, designed to reflect the true value of the ecosystem services they provide. By adopting a dynamic pricing structure and digitizing the fee collection process, the solution aims to streamline revenue generation, enhance transparency, and improve visitor convenience. This system not only ensures more efficient and accountable fee collection, but also seeks to generate additional resources to support the effective management of protected areas, including conservation efforts and threat reduction activities. Looking ahead, further improvements to the entrance fee system will be explored, including the implementing of digital payment options will enhance operational efficiency and visitor convenience. Introducing flexible pricing models based on factors such as demand, time of visit, and visitor demographics offers an opportunity to optimize revenue while maintaining accessibility and fairness.

Furthermore, the retention of a higher proportion of these revenues within the protected areas will enable direct reinvestment in conservation efforts, infrastructure improvements, and ecosystem management. This will strengthen the capacity of protected area authorities to maintain biodiversity, ensure financial sustainability, and enhance the overall visitor experience, potentially attracting more tourists. By effectively managing entrance fees, Egypt can ensure the sustainability of its protected areas while balancing the needs of conservation and tourism. This would create a self-sustaining financial mechanism that benefits biodiversity, supports local communities, and empowers women by providing them with opportunities to participate in and benefit from conservation and tourism-related activities.

### Expected financial results

Based on the PIR, for the fiscal year spanning July 2022 to June 2023, entrance fees generated approximately EGP 222 million, as well as USD 2.2 million. Initially, a projection of a 100% increase over six years suggested an additional annual revenue of EGP 222 million and USD 2.2 million (equivalent to EGP 110 million). Combined, this would bring total annual revenues to around EGP 664 million. However, considering the impacts of inflation, the rising demand for Egypt's protected areas, and proposed system enhancements, such as digitizing payment processes and adopting dynamic pricing models, a more ambitious projection targeting a 200% increase is warranted. This revised estimate projects additional annual revenues of EGP 444 million and USD 4.4 million (equivalent to EGP 220 million), raising total annual revenues to around EGP 996 million by the sixth year.

These increased revenues would significantly enhance protected area management by enabling the hiring of specialized staff, improving infrastructure, supporting biodiversity conservation, and enhancing visitor services. This funding would also strengthen local community engagement and sustainable tourism, aligning with the overarching goal of maintaining the ecological and cultural value of Egypt's protected areas while fostering economic growth and environmental sustainability. The revised projection represents a balanced approach, leveraging the insights from the PIR while accommodating economic and operational improvements.

### Next steps

The next steps involve reviewing and assessing current entrance fees and revenue management systems within protected areas to identify gaps, ensure compliance, and propose competitive adjustments based on regional and international comparisons. Visitor statistics will be analyzed to explore new fee opportunities and evaluate the impact of changes on visitor numbers and financial sustainability. Revenues will be reinvested to enhance conservation outcomes and visitor experiences. Additionally, a digital fee collection system will be implemented to streamline processes, improve transparency, and reduce revenue leakages.

Photo by **Mohamed Hazem**

*Table 6: Action plan to adjust entrance fees, digitize collection, and enhance revenue retention for protected areas.*

| ACTION | Estimated Timeline (months) |
|---|---|
| Review and assess current protected areas' entrance fees, regulations, and revenue management, identify gaps, ensure compliance, and conduct a comparative study of regional and international fees to guide competitive adjustments. | 3-6 |
| Analyze visitor demographics, preferences, and willingness to pay (WTP), with a specific emphasis on incorporating the perspectives of local communities. | 3-6 |
| Assess visitor statistics to identify new fee opportunities and evaluate the impact of fee increases on visitor numbers and protected areas financial sustainability. | 3-6 |
| Facilitate engagement with key stakeholders, such as local communities, the tourism industry, conservation organizations, and the business sector, through consultations and discussions to gather their input and gain their support for proposed fees adjustments. | 3-6 |
| Evaluate and analysis of infrastructure and equipment needed to improve visitor facilities in each protected area. | 1-3 |
| Identify and evaluate opportunities to reinvest protected areas' revenues into conservation efforts to enhance visitor experiences and conservation outcomes. | 1-3 |
| Obtain approvals from relevant authorities for proposed entrance fee adjustments, ensuring alignment with national policies, and provide sufficient notice to relevant entities and companies to prepare for implementation. | 3-6 |
| Establish a digital fee collection system across all protected areas to streamline processes, enhance transparency, and reduce leakages. | 6-12 |
| Inform visitors of fee adjustments through outreach channels such as websites, signage, and other communication platforms. | 1-3 |

### Solution (2): Revise concession and permit fees for protected areas, and systematize the investor selection and contracting processes.

#### Context

Concession fee income can be a substantial source of long-term funding for biodiversity protection when they are kept and reinvested in protected areas. Concessionaires play a vital role in supporting the government carry out its mission. Private companies are drawn to working with the government to offer services to park visitors that are not provided directly by the government. The concessions allow activities within protected areas to take place in a manner that ensures the protected area remains conserved through managing impacts on the resources, as well as providing guided visits and tours that increase awareness of environmental protection and conservation for local and international tourists.

## BOX 5: CONCESSION IN PROTECTED AREAS

Formal agreement that allows a private entity to operate regulated activities or services, such as tourism or resource management, within a protected area while adhering to conservation standards and contributing financially to conservation efforts.

The Egyptian Environmental Affairs Agency (EEAA) allows private sector involvement in protected areas to provide visitor facilities, engage in fish farming, install telecommunication towers, undertake agricultural activities, extract salts, and conduct other approved operations. The concessions enable activities within protected areas to take place in a manner that ensures the protected area remains conserved through managing impacts on the resources, as well as providing guided visits and tours that increase awareness of environmental protection and conservation for local and international tourists. The government agency responsible undertakes monitoring of activities to ensure compliance with the concession agreement. The concessionaire may undertake management activities that benefit the protected areas, such as maintaining tracks and signage, collecting and disseminating information about the resources within the protected area, or taking on specific maintenance and operational duties as required by their agreement.

*Table 7: Main activities conducted in protected areas.*

| Activity | Permanent permit | Temporary permit |
|---|---|---|
| **Cafeterias** | √ | |
| **Eco-Camps** | √ | |
| **Mobile network towers** | √ | |
| **Extraction of salts** | √ | |
| **Fish farming** | √ | |
| **Picnic permits for small boats (felucca) in the lakes** | √ | |
| **Events** | | √ |
| **Photography & commercial films or commercial advertisements.... etc** | | √ |
| **Agricultural activities** | √ | |

Concession fees provide a viable mechanism for raising revenues at the site level within Egypt's protected areas and biodiversity hotspots. By granting these concessions to the private sector or local communities, crucial funding can be generated to support activities such as habitat restoration, species protection, and ecosystem management. These initiatives leverage the unique ecological assets and services of protected areas while adhering to sustainable practices that align with long-term conservation objectives.

The concessions in Egypt's protected areas were established based on the Prime Minister's Decision No. 264 of 1994 and its amendments regarding the conditions, rules and procedures for practicing activities in protected areas and, the decision of the Executive Officer of the EEAA No. 1067 of 2021, which specified the fees for practicing economic and visitor services activities in protected areas.

Typically, the authority charges concessionaires a daily, monthly, or annual fee, which may be set as a flat rate or based on units of use. A review of existing concession contracts (e.g., for cafeterias, eco-camps, and fish farming) indicates that the current system generates limited revenue from concession fees, especially considering the inflation rate in Egypt over the past decade.

### Objective

This solution aims to optimize and revise the concession and permit fee structure for economic activities within Egypt's protected areas to ensure that fees are fair, transparent, and reflective of current economic conditions. It focuses on aligning fees with inflationary trends, demand changes, and resource value to create a balanced framework where concessionaires benefit from sustainable resource use while generating sufficient returns to support protected area management. Additionally, this solution seeks to establish clear and standardized mechanisms for determining concession fees and monitoring compliance, ensuring the sustainable use of natural resources and fostering local and international tourism opportunities.

By refining the concession system, this solution aims to unlock the full financial potential of protected areas while safeguarding biodiversity and ecosystem integrity. The revised framework will promote accountability through transparent processes and criteria for fee evaluation and concessionaire selection. It will also explore untapped opportunities - such as eco-tourism and community-based concessions, to expand revenue streams. Ultimately, this solution will promote the long-term financial sustainability of protected areas, strengthening their capacity to conserve biodiversity while supporting local communities and empowering women.

### Expected financial results

The expected financial results from concessions in Egypt's protected areas are significant, as these concessions not only generate revenue for the government but also support the conservation of biodiversity and natural resources. Concessions contribute to government income through fees, and royalties. They also create employment opportunities for local communities, both directly and indirectly, while facilitating the development of infrastructure such as roads, trails, and facilities. This infrastructure development improves access to protected areas and enhances the overall visitor experience.

As reported in the PIR, during the calendar year of 2022, protected areas concessions generated approximately EGP 9.4 million in revenue. With the same procedures currently followed by the EEAA, it is projected that revenues could gradually increase by 200%-400% over the next six years, potentially reaching EGP 28.2 million to EGP 47 million annually (equivalent to $564,000 to $940,000). Achieving this growth will require a thorough evaluation of reasonable pricing for concessions, considering factors such as the type and duration of the concession, the level of investment required from the concessionaire, expected revenue generation and profit margins, environmental and social impacts, and the costs associated with monitoring and enforcement.

### Next Steps

The next steps involve analyzing existing concession fees, identifying income-generation opportunities, and developing a strategic pricing mechanism aligned with economic contexts. A detailed catalog of concession types will enhance transparency, while stakeholder engagement will encourage local and private sector participation. The concessionaire selection process will be updated for transparency, and necessary approvals for fee revisions will be obtained. Finally, a robust information system will be established to streamline management and ensure effective monitoring of concessions in protected areas.

*Table 8: Action plan to revise concession and permit fees and streamline the investor selection process for protected areas.*

| ACTION | Estimated Timeline (months) |
|---|---|
| Perform an analysis of existing concession and permit fees in protected areas, factoring in new regional and international trends. | 1-3 |
| Conduct a comprehensive assessment of key protected areas to identify potential income generation opportunities, with a focus on community-based concessions and low-impact, high-value concessions. | 3-6 |
| Design a strategic pricing mechanism for concessions, considering surrounding investments and economic contexts. | 3-6 |
| Prepare investment opportunities and develop a detailed catalog of concession types to enhance transparency and support informed decision-making. | 3-6 |
| Engage local communities through participatory workshops to promote dialogue and encourage involvement in concession opportunities. | 6-12 |
| Review and update the concessionaire selection, and contracting process to ensure the process is transparent and open to a wide range of investors. | 3-6 |
| Obtain necessary approvals from governing bodies or authorities for revising concession fees in protected areas. | 3-6 |
| Establish and implement a robust information system to manage concession projects in Egypt's protected areas, oversee efficient data management and operational oversight. | 6-12 |

### Solution (3): Promote Corporate Social Responsibility (CSR) funding for biodiversity conservation.

#### Context

Historically, Islam has emphasized social responsibility as a cornerstone of righteousness and social solidarity, fostering cooperation among individuals and groups, whether rulers or ruled. This principle, deeply rooted in the Islamic faith, ensures that individuals find protection within the community while the community thrives through the support of its members. Social solidarity in Islam is expressed through both obligatory acts, such as zakat, vows, and charity of al-Fitr, and voluntary contributions, like endowments, sacrifices, and altruistic deeds.

Similarly, modern concepts of social responsibility align with these principles, albeit in a corporate context. Companies voluntarily contribute to development based on ethical and social considerations, without legal obligations. In Egypt, CSR is a relatively recent phenomenon, gaining traction after the year 2000. It focuses on initiatives that mirror the spirit of social solidarity, such as slum development, public service enhancement, educational programs, vocational training, and support for vulnerable groups, health institutions, and unplanned areas, reflecting a shared commitment to societal well-being.

## BOX 6: CORPORATE SOCIAL RESPONSIBILITY (CSR)

Refers to the commitment of business owners to contribute to sustainable development by working with their employees, their families, the local community, and society at large to improve their quality of life.

In 2005, the Egyptian government granted private companies and businessmen a partial exemption from the taxes to which their profits are subject if they donate to activities that fall under social responsibility. Income Tax Law No. 93 of 2005 exempted donations and support paid by companies to charitable organizations and non-governmental organizations. Within the limits of 10% of the profits of these companies, which is the same percentage that was also approved by Investment Law No. 72 of 2017.

The Egyptian government has paid attention to the social responsibility of companies, and it was clearly stated in the Egyptian Constitution issued in 2014 where article 36 mentioned that the state works to stimulate the private sector to fulfill its social responsibility in serving the national economy and society and some laws and decrees such as the Decree by Law No. 198 of 2014 issuing the Mineral Resources Law. Where, Article No. 11 mentioned that the licensee also pays the governorate in which the exploitation area is located, 1% of the value of the annual production of quarry and salt ore raw materials, which shall be allocated to contribute to community development in that governorate. This article was amended in Law No. 145 of 2019 so that the contribution rate is 6% in community development for the competent authority where the exploitation area is located. Whereas Article 33 of the executive regulations issued by Prime Minister's Decree No. 108 of 2020 of Law No. 198 of 2014 stipulates that 1% of the annual production value shall be used in building and developing schools. Hospitals and their equipment, as well as paving and raising the efficiency of roads, in addition to infrastructure projects such as drinking water and sanitation, with attention to the poorest villages within the governorate.

For the first time, Investment Law No. 72/2017 emphasizes social responsibility, dedicating an entire chapter to it under the title "Social Responsibility of the Investor." The law outlines the incentives the state will provide to investors who adopt social responsibility initiatives. Article 15 specifically highlights the stimulation of CSR activities, irrespective of the size, purpose, or legal form of the company.

The law identifies key areas for CSR activities, including environmental protection, health, social and cultural care, technical education, training, scientific research, and other development fields. It also specifies tax incentives available to companies engaged in CSR activities and mandates the creation of a list of the best companies involved in community development initiatives. In alignment with the social role of the banking sector, the Central Bank of Egypt established the Social Responsibility Department in late 2017. This department aims to standardize the concept of social responsibility across banks operating within Egypt and to ensure the principles of sustainability and equitable, qualitative, and geographical distribution of the projects supported by each bank.

However, contributions by companies outside the established framework remain limited, particularly in areas such as biodiversity conservation, reintroducing extinct species, captive breeding of endangered species, and raising awareness about biodiversity loss. Most companies engaging in social responsibility lack institutionalized guidelines to govern their efforts and do not allocate fixed portions of their profits to these activities. Instead, they often focus on initiatives that generate media publicity or directly align with their profit motives and business operations. Among sectors, the government banking sector demonstrates the highest commitment to social responsibility, with Banque Misr leading the way. The telecommunications sector also plays a significant role, led by Telecom Egypt, a government-owned company.

The first report issued by the United Nations on social responsibility in Egypt revealed that 61% of companies, industrial entities, and investment institutions do not engage in activities supporting various areas of social responsibility. This lack of engagement is attributed to a limited understanding of the concept among these companies. In contrast, companies that adopt social responsibility programs demonstrate an 18% higher profitability rate compared to those without such initiatives.

CSR has the potential to significantly support biodiversity conservation, but several challenges hinder its effectiveness. These include companies' limited understanding of their roles and obligations under the law, as well as the lack of mechanisms to facilitate collaboration between companies and the authorities responsible for biodiversity preservation. Key obstacles include the absence of well-prepared, fundable project proposals and a clear legal framework to attract investments from companies and other stakeholders for biodiversity initiatives. Moreover, the total financial contributions from non-public entities, such as donors, NGOs, banks, and the corporate sector, remain undisclosed. Compounding this issue is the lack of a comprehensive database tracking company profits and biodiversity-related expenditures, which obscures the financial impact of CSR on biodiversity.

The biodiversity expenditure review highlights that the absence of comprehensive data on biodiversity-related spending and revenue is a challenge not only for Egypt but also for many other countries. In Egypt, fragmented data collection, inadequate reporting mechanisms, lack of integration, resource constraints, complex funding streams, the absence of standardized metrics, and limited public awareness exacerbate this issue. Additionally, CSR-eligible activities span multiple sectors, and with no earmarking of funds for biodiversity, corporate contributions are often allocated on a project-by-project basis, potentially neglecting important sectors. This underscores the need for improved coordination, clearer guidelines, and enhanced data systems to better harness CSR funding for biodiversity conservation.

### Objective

The primary objective of promoting CSR funding for biodiversity conservation is to establish a sustainable and scalable financial mechanism that bridges the biodiversity financing gap while fostering socio-economic benefits. By aligning corporate social responsibility initiatives with conservation priorities, this approach seeks to mobilize significant private sector resources to support biodiversity-focused projects. Leveraging the profitability and social responsibility mandates of high-revenue industries such as banking, telecommunications, and extractive sectors, CSR funding has the potential to mobilize significant financial resources for biodiversity conservation. This not only enhances corporate profitability through improved brand reputation and customer loyalty but also addresses critical conservation needs in Egypt.

Furthermore, the solution aims to institutionalize CSR contributions for biodiversity by creating clear frameworks, standardized reporting systems, and policy incentives. These measures will facilitate better coordination with companies, ensuring that corporate investments are directed toward prioritized biodiversity areas. By incorporating Community-Based Natural Resource Management (CBNRM) programs, the initiative also engages local communities, promoting sustainable resource use and improving livelihoods. Through these efforts, CSR funding becomes a vital tool for integrating biodiversity conservation into Egypt's sustainable development agenda, providing lasting environmental and economic benefits.

### Expected financial results

CSR funding for biodiversity conservation in Egypt offers a promising and financially sustainable solution to bridge the biodiversity financing gap while driving socio-economic benefits. By targeting key private sector players, CSR initiatives could generate an estimated $3–5 million annually for biodiversity-focused projects. Companies engaging in CSR activities benefit from enhanced profitability through improved brand reputation, customer loyalty, and operational efficiency. High-revenue sectors such as banking, telecommunications, and extractive industries are especially well-suited to contribute, given their profitability and, in some cases, legal mandates to support community development, which can be extended to biodiversity efforts.

CSR funding provides a cost-efficient and scalable mechanism for addressing conservation needs by leveraging existing corporate infrastructure and expertise. Policy-level reforms, including standardized biodiversity reporting systems, prioritization of conservation areas, and government incentives, further enhance the scalability and impact of CSR as a funding source. These reforms encourage greater corporate participation, aligning business interests with environmental goals. By fostering such partnerships, CSR can serve as a vital tool for sustainable development, offering substantial environmental and economic benefits for Egypt.

### Next Steps

The next steps for promoting CSR funding for biodiversity conservation involve several coordinated actions. These include reviewing existing CSR practices and regulations to identify gaps and challenges in biodiversity-related investments. It is essential to assess company-specific barriers and establish clear criteria for prioritizing biodiversity areas for CSR initiatives. A dedicated team within the NCS should be formed to develop investment proposals and concept notes for prospective investors. Raising corporate awareness about the importance of biodiversity and designing measurable CSR strategies are also critical. Furthermore, strengthening NCS's capacity to monitor CSR-linked activities, preparing customized communication materials for businesses, and promoting Community-Based Natural Resource Management (CBNRM) programs will ensure CSR efforts align with sustainable resource use and livelihood improvements.

*Table 9: Action plan to promote CSR funding for biodiversity conservation.*

| ACTION | Estimated Timeline (months) |
|---|---|
| Review the current state of CSR practices related to environmental issues, alongside relevant laws and regulations, to identify gaps and challenges in biodiversity investments. | 1-3 |
| Assess and analyze the gaps and challenges faced by companies in investing in biodiversity. | 1-3 |
| Develop criteria for identifying priority biodiversity areas suitable for CSR initiatives. | 3-6 |
| Form a teamwork within the NCS to prepare proposals or concept notes on biodiversity investment opportunities for potential investors. | 1-3 |
| Raise corporate awareness of biodiversity's value to consumer behavior and promote CSR strategies with measurable biodiversity indicators for impactful and sustainable conservation efforts. | 3-6 |
| Prepare and disseminate communication materials to help companies incorporate biodiversity considerations into their business plans. | 3-6 |
| Strengthen the capacity of the NCS team to monitor and track biodiversity-related CSR activities and reporting. | 3-6 |
| Develop CBNRM programs aligned with CSR initiatives to engage local communities in conservation, promote sustainable resource use, and improve livelihoods through CSR support. | 3-6 |

Photo by **Mohamed Habib**

### Solution (4): Exploring and Integrating Biodiversity-Positive Carbon Credits into the Carbon Market.

#### Context

Egypt ratified the United Nations Framework Convention on Climate Change (UNFCCC) in 1994, becoming one of the first countries to respond to the threats of climate change. In June 2022, Egypt launched its NCCS, aligning with the broader Vision 2030 and international commitments such as the Paris Agreement. This strategy aims to address both mitigation and adaptation measures to combat climate change effectively. The NCCS outlines Egypt's plans to integrate carbon markets and biodiversity preservation into its climate action framework. Carbon markets are proposed as a mechanism to regulate and reduce greenhouse gas emissions, potentially overseen by a new regulatory body. The strategy emphasizes the importance of protecting and managing biodiversity to maintain ecological balance and enhance resilience to climate impacts. Additionally, the NBSAP of Egypt highlights the development of sustainable financial mechanisms for biodiversity conservation. This includes exploring carbon markets, which incentivize biodiversity preservation by valuing ecosystem services such as carbon sequestration.

After hosting the 27$^{th}$ Conference of the Parties on Climate Change (COP27) in November 2022, Egypt made significant strides towards establishing a carbon trading market. The FRA initiated a bold effort to launch Africa's first Voluntary Carbon Market (VCM), a critical move that aligns with Egypt's national strategy to achieve carbon neutrality. This initiative supports global efforts to mitigate climate change by reducing greenhouse gas emissions. As part of this effort, the FRA is developing a comprehensive regulatory framework for carbon credit trading, underscoring the important role of capital markets in promoting environmental sustainability. This framework encourages businesses across various sectors to incorporate carbon reduction measures, integrating climate action into their core operations.

The foundation for Egypt's VCM was laid by Prime Ministerial Decree No. 4664/2022, which amended the Capital Market Law to classify carbon credits as tradable financial instruments. Building on this, the FRA issued several decrees to establish a Supervisory and Control Committee on Carbon Emissions Reduction Units. This committee is responsible for setting rules governing the issuance of carbon credits and defining the criteria for selecting Verification and Validation Bodies (VVBs) that oversee carbon emission reduction projects. In addition, the FRA has launched a registry for VVBs, and after thorough evaluation, three entities, including one foreign company, have been approved. The FRA has also established regulations for the listing and delisting of carbon credits on the Egyptian Stock Exchange (EGX), streamlining the process for registering carbon offset projects and expediting the activation of the VCM.

The VCM is expected to generate numerous benefits, such as reducing carbon emissions by incentivizing companies to trade carbon credits and adopting greener practices. It will also encourage investment in green projects by providing new funding streams, accelerating the transition to a low-carbon economy. Furthermore, the VCM is projected to create new job opportunities in the areas of verification, validation, and trading of carbon emission reduction certificates.

An essential component at this stage is the exploration and integration of biodiversity-positive carbon credits into Egypt's carbon market. These credits are crucial as they simultaneously address climate change mitigation and biodiversity conservation, supporting Egypt's broader climate goals under the NCCS. They also offer financial incentives for sustainable practices, attract investors, and create economic opportunities. By establishing clear policies and standards, the FRA ensures the transparent and ethical development and trading of these credits, thereby enhancing market credibility. These biodiversity-positive credits contribute to multiple SDGs, providing socio-economic benefits to local communities and empowering women, while ensuring safeguards to protect and enhance biodiversity.

## BOX 7: BIODIVERSITY-POSITIVE CARBON CREDITS

Refers to carbon credits that include additional and specific management actions linked to the enhancement, conservation, and/or restoration of biodiversity and nature.

### Objective

The objective of this solution is to collaborate with the FRA to integrate biodiversity into Egypt's carbon credit market, creating a sustainable financial mechanism to support conservation efforts while reducing future biodiversity protection costs. By introducing biodiversity-positive carbon credits, this solution seeks to achieve a dual impact; addressing climate change mitigation and advancing biodiversity conservation. These credits incentivize sustainable practices, attract investments from global green funds and sustainability-focused corporations, and contribute to ecological resilience.

To ensure transparency and credibility, the solution emphasizes the development of robust standards and policies for biodiversity-positive carbon credits. This includes working with the FRA to establish biodiversity-inclusive guidelines, equipping VVBs with the tools to authenticate these credits, and supporting carbon projects that incorporate biodiversity conservation into their frameworks. These actions aim to create a credible and efficient system that aligns biodiversity goals with carbon market operations, driving both environmental and economic benefits.

### Expected financial results

Integrating biodiversity-positive carbon credits into Egypt's recently established voluntary carbon market offers a compelling investment opportunity with significant financial and environmental benefits. Since the FRA launched Africa's first regulated voluntary carbon market in August 2024, the platform has facilitated the registration of 14 projects and the trading of over 4,500 carbon certificates. While the total value of carbon market trading in Egypt remains unclear to the BFP team and the detailed mechanisms require further investigation, the introduction of biodiversity-positive credits could significantly enhance revenue streams. These credits, which typically command a 20–30% premium over standard carbon credits, have the potential to significantly increase annual revenue.

This initiative is also poised to attract private investments from global green funds and corporations committed to sustainability. Moreover, it is expected to create numerous new jobs in areas such as project validation, monitoring, and trading, thereby stimulating local economies. By aligning these efforts with Egypt's Vision 2030 objectives, the integration of biodiversity-positive carbon credits into the voluntary market reinforces Egypt's leadership in sustainable development while advancing both climate action and biodiversity conservation goals.

### Next Steps

The next steps are to thoroughly review the FRA's regulatory framework, including standards for selecting VVBs and rules for carbon credit issuance and listing. Collaborate with the FRA to develop biodiversity-inclusive standards and advocate for comprehensive disclosure of biodiversity benefits in carbon projects. Engage registered VVBs to ensure they are equipped to validate biodiversity-positive credits. Support carbon projects that align with FRA requirements and promote biodiversity conservation. Organize workshops to raise stakeholder awareness and establish mechanisms for monitoring and transparently reporting biodiversity outcomes to enhance credibility.

*Table 10: Action plan to integrate biodiversity-positive carbon credits into the carbon market.*

| ACTION | Estimated Timeline (months) |
|---|---|
| Conduct a review of the regulatory framework established by the FRA while studying the standards and criteria for selecting VVBs and the rules for issuing and listing carbon credits. | 3-6 |
| Establish communication with the Supervisory and Control Committee on Carbon Emissions Reduction Units to gain insight into their operations and advocate for biodiversity integration into carbon reduction policies. | 1-3 |
| Collaborate with the FRA to develop and implement specific standards and guidelines that include biodiversity benefits in carbon reduction projects. | 6-12 |
| Organize workshops and training sessions for project developers, VVBs, and other stakeholders to raise awareness about integrating biodiversity into carbon markets, while disseminating successful case studies and best practices of biodiversity-positive carbon projects. | 3-6 |
| Identify and actively support carbon projects that contribute to both carbon reduction and biodiversity conservation, while assisting selected projects in meeting the FRA's registration requirements with a focus on highlighting their biodiversity benefits.. | 3-6 |
| Establish a mechanism for reporting on the biodiversity outcomes of carbon credit projects to stakeholders and the public, enhancing transparency and credibility. | 6-12 |

**Solution (5): Enhance Performance-Based Budget (PBB) to improve biodiversity budget allocations and the efficient use of financial resources.**

**Context**

As part of Egypt's Vision 2030 economic reforms, the Unified Public Finance Law No. (6) of 2022, along with its amendments by Law No. 18 of 2024, and the Minister of Finance's Decision No. 73 of 2024 issuing the Executive Regulations, have established the framework for implementing the PBB system in the country. This budget determines government spending priorities and performance by aligning government policies and activities with the goals of delivering services efficiently and effectively. It provides the state with the flexibility to address crises and ensures optimal utilization of state resources, achieving desired outcomes from financial allocations to enhance public services for citizens.

## BOX 8: PERFORMANCE-BASED BUDGETING (PBB)

Refers to a budgeting approach where resources are allocated based on predefined objectives and measurable outcomes, ensuring alignment between resource requirements, expected results, and performance indicators.

The budget reflects the government's commitment to achieving speed and accuracy in execution and improving overall government performance. Additionally, it aids in evaluating the performance of each program through various performance indicators, such as technical service quality, timely delivery, and financial management efficiency at the levels of output and results. It also assesses the inputs, activities, outputs, and impacts of each program.

The Unified Public Finance Law has set a timeline for the full implementation of the PBB system alongside the Line-Item Budgeting (LIB) system. It stipulates that the LIB system will be applied concurrently with the full implementation of the PBB system within four years from the date this law comes into effect. This implementation will consider the development of a monitoring system that aligns with the PBB system, ensuring the optimal use of state resources efficiently and effectively.

Article 32 of Decision No. 73 of 2024, which issues the Executive Regulations of the Unified Public Finance Law, requires each ministry to provide a matrix of main and subsidiary programs, activities, and projects to the MoF and the Ministry of Planning and Economic Development (MoPED). This submission must align with the state's strategic objectives, the National Sustainable Development Strategy, and Egypt's Vision 2030, including its updates. The purpose of this requirement is to enable the review, approval, and coding of all programs, activities, and projects within the Government Financial Management Information System. Article 33 further obligates each ministry to establish and define performance indicators for measuring the outputs and results of the main and subsidiary programs, activities, and projects. Article 35 calls for the creation of a Program and Performance Budgeting Unit within each ministry. This unit will be responsible for developing an integrated map of the necessary programs to meet the state's strategic objectives. It will also monitor the implementation of these programs and plans, reporting regularly to the relevant authority. Additionally, each ministry is to establish a cost management department. This department will calculate the cost of each activity, function, service, or product, classify these costs according to the economic classification of the budget and the standardized classification of economic entities, and identify the responsibility center for each program.

Currently, the Nature Conservation Sector (NCS) uses line-item budgets, which, despite being straightforward and easy to use, present significant challenges in effectively managing and optimizing financial resources. The budget of the NCS is not fully utilized, despite the lack of sufficient financial resources. This budgeting method primarily focuses on categorizing expenses into specific, predefined categories, such as salaries, office supplies, research or travel, without linking these expenditures to outcomes or strategic objectives. This approach leads to inefficiencies, as it prioritizes controlling costs in each category by evaluating the overall impact or value of spending. Furthermore, this system stifles innovation and flexibility, as it prevents the reallocation of funds in response to changing needs or priorities. As a result, the NCS struggles to adapt to dynamic environments and misses opportunities for more impactful resource utilization.

### Objective

This solution aims to improve biodiversity budget allocations and the efficient use of financial resources, aligning with Egypt's Vision 2030. By integrating PBB into the NCS, the approach addresses current inefficiencies in resource utilization and links financial expenditures to measurable conservation outcomes. This solution capitalizes on the flexibility of PBB to adapt resources dynamically to changing needs and priorities, enabling the NCS to achieve full budget utilization.

Moreover, the adoption of PBB supports proactive biodiversity conservation efforts by linking financial inputs to performance metrics, thereby enhancing Egypt's ability to address biodiversity loss and sustain its ecosystems. This solution facilitates the development of a robust monitoring system and capacity-building programs for NCS staff, fostering accountability and efficiency. Additionally, improved budget execution and measurable outcomes are expected to attract international grants, private sector investments, and tourism revenues, further bolstering financial sustainability.

### Expected financial results

Integrating PBB into Egypt's biodiversity conservation framework, particularly within the NCS, presents a transformative opportunity to optimize expenditures, ensure full utilization of allocated budgets, and deliver measurable conservation outcomes. Currently, a significant portion of allocated funds remains unspent due to inefficiencies in planning, resource allocation, and monitoring. By adopting PBB, budget execution rates can be significantly improved, ensuring that all allocated funds are fully and effectively utilized. This improvement alone could unlock the sector's full financial potential, with a projected efficiency gain of 10–15%, redirecting approximately USD 400,000–600,000 annually toward impactful biodiversity initiatives.

Additionally, PBB's emphasis on linking financial resources to performance metrics can enhance Egypt's ability to proactively address biodiversity loss, ensuring the sustainability of its diverse ecosystems. Fully executed budgets would enable the funding of proactive conservation efforts, reducing the need for costly reactive measures. Moreover, this shift can unlock additional revenue streams from international grants, private sector investments, and tourism-related income, further enhancing financial sustainability. These advancements not only bolster biodiversity conservation efforts but also align with Egypt's national development goals by maximizing the socio-economic and environmental returns of public expenditure.

### Next Steps

The next steps are to initiate meetings and workshops with key stakeholders from the MoE, MoF, and MoPED to establish a collaborative framework, including forming a tripartite coordination committee for oversight. Conduct a detailed assessment to identify NCS staff training needs on PBB, followed by developing and delivering tailored training programs on PBB concepts, budget management, and data analysis. Establish a robust monitoring and evaluation system, supported by IT infrastructure and financial management tools, to track performance and enhance biodiversity conservation outcomes.

*Table 11: Action plan to strengthen PBB for better biodiversity budgeting and resource efficiency.*

| ACTION | Estimated Timeline (months) |
|---|---|
| Initiate meetings and workshops with key stakeholders from the MoF, and MoPED to establish a collaborative framework. | 1-3 |
| Conduct an assessment to identify NCS staff training needs regarding PBB principles and practices. | 1-3 |
| Develop and deliver training programs focused on PBB concepts, budget management, performance measurement, and data analysis. | 3-6 |
| Design and implement a monitoring system aligned with the PBB framework and the NBSAP to track inputs, activities, outputs, and impacts, while establishing regular data collection, analysis, and reporting systems to monitor performance and identify areas for improvement. | 6-12 |
| Establish a financial management system (if necessary) to support the PBB process. | 6-12 |

### Solution (6): Explore Insurance Schemes Addressing Risks to Biodiversity.

#### Context

Egypt's ecosystems face severe threats from human activities and natural pressures, including pollution, overfishing, and climate change impacts like coral bleaching. These challenges disrupt biodiversity, weaken the seas' carbon absorption capacity, and harm sectors like fishing and ecotourism. Vital ecosystems such as coral reefs and mangroves, which protect coastlines and support livelihoods, are particularly at risk. In areas like the Red Sea and Gulf of Aqaba, live coral cover has significantly declined. To address these threats, establishing a rapid response mechanism or dedicated funding is crucial to restore and protect these invaluable natural assets.

Globally, innovative mechanisms like insurance schemes have been adopted to protect and restore ecosystems. One example is the Mesoamerican Reef Fund (MAR Fund) in the Caribbean, which developed a parametric insurance model to safeguard coral reefs across seven sites in Mexico, Belize, Guatemala, and Honduras. This model provides rapid financial support for response and restoration efforts following disasters, ensuring ecosystem recovery and preserving the reefs' protective and economic functions. For instance, when Hurricane Lisa struck Belize's Turneffe Atoll on November 2, 2022, the program promptly triggered a $175,000 payout, disbursed in full within two weeks.

## BOX 9: PARAMETRIC INSURANCE

A type of insurance that provides cover based on the occurrence of a pre-agreed set of adverse conditions, rather than on the number of actual losses or damages incurred.

Another significant driver of biodiversity loss is the extractive mining industry, particularly in biodiversity-rich areas. Operations by modern petroleum and mining companies often encroach on rural and underdeveloped regions, harming habitats and degrading local environments. Mines located in delicate ecosystems face greater operational challenges, stakeholder resistance, and investment risks. In Egypt, extractive activities such as petroleum exploration and the mining of precious minerals like gold increase pressures on protected areas, as many mineral resources are located within their borders. Although Article 34 of Egypt's Mineral Resources Law No. 198 of 2014 requires license applicants to provide financial guarantees for rehabilitation and remediation of mining sites, these provisions are often not effectively implemented.

Internationally, the best practices demonstrate the value of mandatory Environmental Liability Insurance (ELI). In Australia, for example, companies operating in sensitive ecosystems are required to carry such insurance. The Montara Oil Spill incident in 2009 illustrates this approach. A blowout at the Montara oil platform, operated by PTTEP Australasia, caused a massive spill in the Timor Sea, damaging coral reefs, mangroves, and local fisheries. The company's ELI covered clean-up costs, restoration of affected habitats, and compensation to impacted communities. Funds from the insurance policy were used to replant mangroves, support biodiversity recovery programs, and monitor long-term ecological impacts.

# BOX 10: ENVIRONMENTAL LIABILITY INSURANCE

A type of insurance that covers the cost of restoring damage caused by environmental accidents, such as pollution of land, water, air, and biodiversity damage.

In Egypt, the regulatory framework for insurance has evolved with laws like the first insurance legislation (Law No. 119 of 1975) and the recently enacted Unified Insurance Law (Law No. 155 of 2024). These laws regulate the insurance market, defining what can be insured and how disputes are resolved. However, natural assets, which are typically public goods, lack explicit insurance programs. The law does not address environmental risk analysis for projects, particularly those affecting biodiversity and natural capital. This gap highlights the need for a comprehensive legal assessment to integrate biodiversity considerations into insurance regulations.

Current gaps in the legal framework include a lack of criteria, guidelines, and tools for evaluating projects' environmental risks, particularly regarding biodiversity and natural capital. There is also insufficient awareness within the productive sector about the costs of environmental degradation and the depletion of natural resources. Furthermore, there is a notable deficiency in understanding environmental standards, governance schemes, and tools for managing these issues.

### Objective

This solution aims to address both natural hazards and human impacts on biodiversity. To mitigate human impacts, the solution proposes requiring entities operating near or within protected areas and biodiversity hotspots to obtain insurance coverage. These insurance policies would cover potential damage or impacts on natural resources caused by their activities. By implementing such a system, the responsibility for environmental remediation and restoration is shifted to those directly responsible for the damage. This approach reduces the burden on public resources and ensures expenditures are aligned with sustainable ecosystem management.

In addressing natural hazards, many countries have successfully employed insurance policies and parametric insurance to protect natural resources such as coral reefs. Adopting similar insurance schemes, customized to Egypt's context, and integrating them into the Unified Insurance Law is a crucial step toward mitigating biodiversity risks and enhancing the protection of natural resources.
The ultimate goal of this solution is twofold: first, to ensure that biodiversity and other environmental damages are remediated and restored to their baseline condition, and second, to transfer the costs of remediation to the individuals or entities responsible for the damage. To achieve this, damage compensation payments made to the state should be deposited into a dedicated remediation fund or account, used exclusively for restoration activities. This approach not only reduces future costs associated with biodiversity loss and environmental degradation but also helps realign public and private expenditures toward proactive and sustainable ecosystem management.

### Expected financial results

Biodiversity insurance provides a proactive financial mechanism to safeguard natural assets while reducing the costs of restoration and disaster recovery. Globally, innovative insurance solutions like parametric insurance have demonstrated their value in protecting ecosystems, with examples such as the Mesoamerican Reef Fund in the Caribbean providing rapid payouts for reef restoration following disasters. By mitigating risks to critical ecosystems like coral reefs, such schemes help maintain ecosystem services that underpin economic sectors, including tourism and fisheries. In Egypt, coral reefs contribute substantially to the economy, and protecting them through insurance could avert significant financial and environmental losses caused by climate change and human pressures.

The potential for biodiversity insurance in Egypt is amplified by the global growth of ELI and its application to natural assets. While initial investments would be required to develop tailored products and establish regulatory frameworks, the long-term benefits include reducing restoration costs, ensuring ecosystem resilience, and sustaining economic benefits from ecosystem services. Lessons from global case studies suggest that such mechanisms can attract stakeholders, including businesses and communities, by demonstrating the financial and ecological advantages of proactive insurance models. Adopting these solutions within Egypt's legal and economic frameworks would align with international best practices, fostering sustainable ecosystem management and economic security.

### Next Steps

The next steps are to examine global and Egyptian insurance markets to identify beneficiaries' needs and available tools for natural asset insurance. This will be followed by conducting a survey to pinpoint the most relevant beneficiaries, their expectations, and requirements. A comprehensive stakeholder assessment will then evaluate users of environmental services, such as reefs, and their willingness to adopt insurance. These insights will guide consultations with insurance companies to design tailored products. Finally, collaboration with the FRA will establish standards and guidelines to implement biodiversity insurance effectively.

*Table 12: Action plan to explore insurance schemes for biodiversity risk management.*

| ACTION | Estimated Timeline (months) |
|---|---|
| Examine the global and Egyptian insurance markets to understand beneficiaries' requirements and identify available tools and programs for insurance related to natural assets. | 3-6 |
| Consult insurance companies to design environmental, biodiversity, and protected areas insurance products; including studies on rates, coverage, exclusions, potential markets, and expected claims. | 3-6 |
| Assess stakeholders to identify users of environmental services from natural resources (e.g., reefs) and evaluate their willingness to purchase and support insurance coverage. | 6-12 |
| Conduct a survey to identify the most relevant beneficiaries of insurance products, such as coral reefs or protected areas, their needs, and expectations (e.g., financial protection against damage, support for restoration efforts). | 6-12 |
| Collaborate with the FRA to develop and implement specific standards and guidelines for biodiversity insurance. | 3-6 |
| Build stakeholder capacity through workshops, training, and awareness campaigns on biodiversity and environmental insurance to enhance understanding and integration with natural asset management. | 3-6 |

Photo by **Image House**

### Solution (7): Establish a road map of biodiversity offsets and integration into Environmental Impacts Assessment (EIA) policies and practices.

#### Context

Ecological damage caused by large infrastructure projects or other activities can sometimes be mitigated by restoring habitats, establishing additional protected areas, or applying other conservation management strategies. This process is known as biodiversity offsetting (ecological compensation) or offsetting for short.

## BOX 11: BIODIVERSITY OFFSETS

They are measurable conservation outcomes designed to compensate for adverse and unavoidable impacts of projects, in addition to prevention and mitigation measures already implemented.

Offsets are the fourth step in the mitigation hierarchy, in which negative ecological impacts are (i) avoided entirely, (ii) minimized through appropriate project design, (iii) reduced through habitat restoration in the impact area, and (iv) compensated by offsetting. Conceptually, offsets are similar to the "polluter pays" notion. Biodiversity offsets include exchanging residual biodiversity loss in one location for biodiversity growth in another, with the goal of achieving no net loss of total biodiversity, or even a gain. The Biodiversity Offsets mechanism aims to address biodiversity potential threats while also improving long-term conservation financing.

Egypt is a signatory to many international treaties that compel it to implement legal, legislative, administrative, and other steps to support the conservation and sustainable use of biodiversity. To fulfil its international obligations, the Egyptian Government has put in place various development, environment, and natural resources policies, laws, strategies, and planning frameworks that either require or support the implementation of the mitigation hierarchy in addressing the negative impacts of development projects on biodiversity and associated social values.

In the constitution of Egypt (2014) for the first time, biodiversity conservation has been specified in Article 45 as follows: The state is committed to protecting its seas, beaches, lakes, waterways and natural reserves. It is prohibited to encroach on it, pollute it, or use it in a way that is inconsistent with its nature. The right of every citizen to enjoy it is guaranteed. The state also guarantees the protection and development of urban green space, the preservation of plant, animal and fish wealth, the protection of those that are endangered or in danger, and the welfare of animals. All as regulated by law. Egypt does not yet have specific legislation for biodiversity offsets. However, Law of Environment Protection No. 4 of 1994 and its amendments legally require environmental impact assessments and social studies for any projects to predict the impact of natural resources.

Although there have been some attempts to establish offsets in Egypt based on the request of an international fund agency to finance some projects (e.g., the Burullus Hydropower Project) this was done voluntarily in Egypt and despite there being no guidelines on biodiversity offsets. In 2017, Egypt tried the first known compensation in the Lake Burullus protected area. The Burullus power station was created within a protected area, a Ramsar site, and an Important Bird and Biodiversity Area (IBA). In 2016, a critical habitat assessment identified the power plant area as a critical habitat. A Biodiversity Action Plan (BAP) was developed, with the Egyptian Electricity Holding Company committing to compensate for the area lost during power station construction in Matrouh Governorate, a unique location along the Mediterranean Sea. The payout was changed to provide a one-time financial grant/compensation to the district reserve for improved management of the protected area.

The second case related to the energy sector where the Amunet wind farm project was established by Power AMEA's company to produce 500 MW in the Gulf of Suez region, the expected residual impacts of wind farm in compensation options have been developed to ensure there is no net loss and no net gain for ten types of soaring birds.

The third case related to the transport sector, the international funding agency requests the preparation of a BAP for high-speed railway between Matrouh and Ain Sokhna, including Biodiversity compensation to address remaining impacts of the project, Offsetting is designed to restore and manage habitats to offset residual impacts resulting from development of the High-speed rail in the North Coast.

There are many primary challenges facing Egypt in the future due to the increase in the population in Egypt, and consequently, the pressures will increase on the land transformation for development, with the related biodiversity loss. It dates to the following: -

**a)** The absence of clear regulatory frameworks and policies specific to biodiversity offsets in the energy, mining, infrastructure, transportation, and tourism sectors creates barriers to implementation.
**b)** The deficiency of accurate baseline data is crucial for assessing the impacts of development and measuring the success of biodiversity offsets.
**c)** A lack of awareness and understanding among stakeholders about biodiversity offsets hinders effective implementation.
**d)** The lack of specific policies and guidelines to facilitate the implementation of biodiversity offsets.
**e)** Egyptian law lacks clear provisions for preemptive compensation for environmental damage except for the marine environment, especially coral reefs.

### Objective

Looking forward, the establishment of a biodiversity offset roadmap in Egypt aims to address the growing pressures on biodiversity caused by land transformation for development, while aligning with international obligations and national conservation goals. By integrating biodiversity, offsets into EIA practices, this solution aspires to achieve no net loss—or even net gains—of biodiversity while fostering long-term conservation financing. It envisions the development of clear regulatory frameworks, technical guidelines for habitat compensation, financing mechanisms, and institutional capacity-building measures. The ultimate goal is to ensure the preservation of key biodiversity areas and critical habitats, while raising public awareness and fostering collaboration among stakeholders in implementation of biodiversity offsets in Egypt.

### Expected financial results

Establishing a biodiversity offset roadmap in Egypt presents substantial financial opportunities, seamlessly integrating with the mitigation hierarchy. This approach emphasizes a sequential strategy: first avoiding and minimizing environmental harm, then restoring impacted habitats, and finally offsetting any residual damage. Biodiversity offsets, as part of this structured framework, can address unavoidable ecological impacts and serve as a mechanism for generating sustainable funding for habitat restoration and conservation initiatives. These efforts direct financial resources toward safeguarding critical ecosystems and bolstering vital ecosystem services.

The investment potential of biodiversity offsets is amplified by their integration into EIA frameworks, ensuring a systematic and regulated approach to biodiversity management across key sectors like energy, transportation, and tourism. Incorporating offsets into EIAs enhances their credibility and scalability. These models enable long-term conservation financing, fostering solutions that mitigate biodiversity loss while advancing Egypt's conservation and development objectives.

### Next Steps

The next steps are to review and analyze existing laws, policies, and guidelines related to biodiversity offsets, both domestically and internationally, to identify gaps and opportunities. This process will be complemented by mapping sensitive ecosystems and prioritizing areas for biodiversity offsets, supported by robust baseline data. Early engagement with stakeholders and the establishment of partnerships are critical for building consensus and ensuring the program's success. A comprehensive roadmap will then be developed, outlining technical methods for habitat loss assessment, financing mechanisms, and institutional capacity requirements. Finally, capacity-building programs will be initiated within the MoE and among relevant stakeholders, alongside the formulation of national policies and regulations to integrate biodiversity offsets effectively into development planning processes.

*Table 13: Action plan for establishing a roadmap for biodiversity offsets and their integration into EIA frameworks.*

| ACTION | Estimated Timeline (months) |
|---|---|
| Review existing policies, regulations, and guidelines related to biodiversity offsets, both within the country and internationally. | 1-3 |
| Examine case studies and experiences from other countries to gather insights and best practices that can inform and strengthen the national approach to biodiversity offsets. | 3-6 |
| Raise awareness among stakeholders and policymakers about biodiversity offsets to achieve no net loss, and ideally, a net gain of biodiversity. | 3-6 |
| Conduct capacity-building programs within the MoE and among relevant stakeholders on biodiversity offsetting. | 3-6 |
| Explore the formulation of a national policy, plan, regulations, and implementation framework for biodiversity offsets, integrating them into EIA practices under environmental law. | 6-12 |
| Develop a comprehensive roadmap for biodiversity offsets in Egypt, outlining technical methods for habitat loss assessment, compensation sites, financing mechanisms, legal requirements, guidelines, and institutional capacity needs. | 6-12 |

### Solution (8): Foster Public-Private Partnerships (PPPs) to finance and implement biodiversity projects.

#### Context

Egypt was one of the first countries in the Middle East to accelerate the idea of partnership by issuing Law No. 61 of 1958 granting concessions related to the investment of natural wealth resources and public facilities and amending the terms of the concession. Rapid urbanization, industrial growth, and demand for basic infrastructure in Egypt, such as transport, water supply, and sanitation coupled with constraints of public finance and public sector capacity led to the emergence of PPP for infrastructure construction and delivery of services. Legal provisions on applying the PPP model are included in Law No. 67 of 2010 encouraging the private sector to invest in infrastructure projects, services, and public facilities, transport, infrastructure projects, airports and tourism, rather than targeting the environment and biodiversity.

## BOX 12: PUBLIC-PRIVATE PARTNERSHIPS (PPPS)

A tool enables governments to leverage private sector expertise and efficiency, raise capital, drive development, facilitate optimal risk allocation between public and private sectors, and ensure efficient resource distribution to address critical development priorities.

Article Two of Law No. 67 of 2010 empowers administrative authorities to enter participation contracts with companies. These contracts allow companies to finance, develop, construct, and equip infrastructure projects or public facilities, and to provide related services. The contracts may also include commitments to maintenance and the provision of necessary services to ensure that the constructed or developed facilities remain operational and capable of regular production or service delivery throughout the contract duration. Also, this article mentioned that the contract's duration must be between five and thirty years from the date of completion of construction and equipment work or development work, and the total value of the contract must be at least one hundred million Egyptian pounds.

Recently, Law No. 153 of 2021 was also issued amending some provisions of the law regulating private sector participation in infrastructure projects and public facilities issued by Law No. 67 of 2010 where the law includes the development of the health sector and managing hospitals. The Prime Minister's Decision No. 3217 of 2022 amends some provisions of the executive regulations of the law regulating private sector participation in infrastructure projects, services and public facilities issued by Law No. 67 of 2010 to empower the private sector and its participation in development.

As part of its efforts to encourage private sector involvement, the government issued the State Ownership Policy Document, building on the reforms initiated under Egypt's second phase of the 2021 structural reforms program. This initiative includes a $10 billion annual asset monetization program, the introduction of a package of investment incentives—particularly green incentives—and enhancements to the process of acquiring land for industrial projects. Additionally, the government aims to improve the competitive environment, promote competitive neutrality, and increase private sector participation in the Egyptian economy to 65% within three years.

This amendment to the law increases the participation of the private sector in development efforts which is essential to provide job opportunities, improve the lives of citizens, and create solutions to the challenges facing development, and move forward towards meeting the 2030 SDGs. There are many sectors that the private sector has supported through international companies over the past years, including health, agriculture, industry, transportation, and education. Infrastructure, construction, technology, micro, small and medium enterprises, financial markets and energy.

The "Decent Life" initiative serves as a key example of a successful public-private partnership, highlighting the significance of public investment in sustainable development. This initiative aims to transform over 4,670 Egyptian villages into sustainable rural communities, benefiting more than 58 million citizens across Egypt. Similarly, the "Benban" Solar Park in Aswan represents one of the largest solar power projects globally, developed through a public-private partnership for €4 billion. The project generates 2 gigawatts of electricity while providing substantial employment opportunities for the local community in Aswan, demonstrating the impactful synergy between public and private sector collaboration.

### Case for Pilot Project PPP in Biodiversity Financing

In Egypt, several innovative biodiversity financing solutions have been implemented to protect and conserve the rich biodiversity of the country. In the energy sector, Egypt has implemented a Power Purchase Agreement (PPA) with private sector entities operating wind farms in the Gulf of Suez, a critical flyway for migratory soaring birds. This agreement aims to mitigate the risk of collisions between migratory birds and wind turbines. As per the agreement, private wind farm operators are required to contribute 1000 Euros per megawatt (MW) annually in cash towards conservation efforts. These funds are primarily allocated to implementing a Radar-Assisted Shutdown on Demand (SOD) process. Through this process, birds are detected in advance of their arrival, and certain turbines are selectively shut down, thereby ensuring the safe passage of birds through the wind farms. Moreover, these funds are used in carcass monitoring & biodiversity surveys to assess the effectiveness of the SOD process. In addition to migratory soaring birds, the process provides more clean energy that could be lost if all turbines are completely shut down.

In the tourism sector, a cooperative initiative was launched in 2014 involving Wadi El Gemal National Park, Gorgonia Beach Resort in Marsa Alam, and DEG – KFW Development Bank to develop ecotourism in the area and promote the park as a destination for international tourists. While not a formal PPP under legal frameworks, this collaboration aimed to enhance the region's ecotourism potential. The primary objective was to establish favorable conditions for the commercial and sustainable development of ecotourism services, leveraging the park's ecological and socio-cultural resources. These services were to be provided through a combination of public and private ecotourism enterprises within the park, addressing the gradual degradation of the national park. The initiative proved successful in strengthening local capacities and policy frameworks to support ecotourism, fostering sustainable development through partnerships.

Egypt holds considerable untapped potential to leverage private finance across key sectors, with PPPs remaining a crucial element of the government's future strategies. Although Egypt has an established PPP framework and relevant implementation systems, further mainstreaming is needed. This includes developing a clear long-term vision, streamlining lengthy procedures for project endorsement and implementation, and ensuring adequate financial and technical support for conducting feasibility studies. In the realm of biodiversity conservation, determining private sector expenditure remains challenging due to the lack of comprehensive statistics and reporting on related investments and expenditures.

This proposed solution focuses primarily on studying biodiversity projects that have the potential to attract private investors based on applying the PPP model. If greater involvement of the private sector can be promoted, this financial resource will further supplement the state budget for financing biodiversity conservation.

### Objective

Looking forward, the solution aims to foster PPPs as a transformative approach to mobilize private sector resources for biodiversity conservation. By leveraging the expertise, capital, and efficiency of private entities, this solution seeks to enhance the capacity for sustainable biodiversity management in Egypt. The ultimate goal is to align biodiversity projects with the PPP model, ensuring that private sector investments significantly contribute to the state's conservation efforts while addressing national and global biodiversity priorities. This vision includes creating a robust framework for biodiversity-related PPPs, building on Egypt's existing legal provisions and sectoral experiences, and promoting these partnerships as a core element in achieving the 2030 SDGs.

### Expected Results

Fostering PPPs to finance and implement biodiversity projects in Egypt offers significant potential to achieve both conservation and economic goals. Egypt's legal framework, particularly under Law No. 67 of 2010 and its amendments, supports private sector involvement in infrastructure and development, creating opportunities to extend this model to biodiversity conservation. A notable example is the wind energy sector, where private operators contribute €1,000 per MW annually toward conservation efforts, demonstrating the feasibility of integrating biodiversity funding into operational models. Scaling such approaches could generate hundreds of millions of dollars annually. This would align with global trends in sustainable and green financing, enabling the country to attract international investors focused on Environmental, Social, and Governance (ESG) outcomes.

Financially, biodiversity-related PPPs promise robust results. By leveraging private sector expertise and capital, these projects could yield returns on investment of 10–15%, contributing significantly to Egypt's GDP while advancing conservation goals. For instance, an ecotourism initiative partnership could generate $100,000–$300,000 per project annually, fostering job creation and community development. Such models not only improve biodiversity financing but also enhance the resilience of local economies. Aligning these efforts with Egypt's Vision 2030 ensures that biodiversity-focused PPPs not only support environmental sustainability but also integrate seamlessly into the nation's broader development strategy.

### Next Steps

The next steps are centered on comprehensive planning and engagement. This begins with reviewing Egypt's PPP legal framework and activating relevant governmental units to prepare and promote biodiversity projects. Establishing a dedicated entity within the NCS to manage PPP efforts is a priority, alongside crafting specific regulations to streamline the application of the PPP model in conservation. Critical actions include preparing a portfolio of investable biodiversity projects, conducting economic analyses to evaluate the model's potential, and consulting with stakeholders, including government bodies and local communities. A marketing plan and communication strategy will be developed to attract private investment and ensure community involvement. These steps are designed to build a strong foundation for sustainable and impactful biodiversity financing through PPPs.

*Table 14: Action plan to foster PPPs for financing and implementing biodiversity projects.*

| ACTION | Estimated Timeline (months) |
|---|---|
| Review the legal framework for PPP in Egypt, focusing on the natural resources sectors. | 1-3 |
| Activate the Participation Unit within the MoE, if available, to explore the potential for developing biodiversity-related PPP projects. | 1-3 |
| Collaborate with the dedicated department within the MoF to explore opportunities for biodiversity-related PPP projects. | 3-6 |
| Establish partnerships with the Ministry of Investment to support potential biodiversity-related PPP initiatives. | 3-6 |
| Prepare a portfolio of biodiversity-related projects suitable for PPP investment. | 6-12 |
| Identify the benefits to local communities, including job opportunities, from private sector participation in biodiversity and protected areas projects. | 6-12 |

### Solution (9): Mobilizing international funding flow for biodiversity conservation.

#### Context

Egypt, as a signatory to key international conventions such as the CBD and the Ramsar Convention, has greatly benefited from technical and financial support, access to best practices, and collaboration opportunities. These engagements have strengthened management systems, improved conservation efforts, and promoted sustainable development. Partnerships with international organizations have facilitated knowledge exchange and capacity building, bolstering the long-term protection of Egypt's unique ecosystems.

However, despite these successes, mobilizing international funding remains critical. Egypt's biodiversity faces persistent threats, including habitat destruction, climate change, pollution, and over-exploitation. These challenges, compounded by emerging environmental issues, demand adaptive and innovative conservation strategies that rely on various financial and technical support to ensure effectiveness.

Scaling up conservation efforts is essential, as many current projects address only a fraction of the areas requiring protection. Additional funding is crucial to expand successful initiatives and establish new programs. Furthermore, continuous capacity building and the integration of cutting-edge conservation technologies are necessary to maintain momentum and ensure Egypt remains a leader in biodiversity conservation.

Achieving SDGs necessitates sustained financial resources and robust international cooperation. International funding not only integrates biodiversity conservation into broader sustainable development frameworks but also delivers holistic and long-term benefits. Such funding often serves as a catalyst, attracting investments from national governments, the private sector, and other stakeholders, thereby amplifying the impact of conservation efforts.

Egypt's commitments under international conventions require consistent support to meet biodiversity targets. Protecting the country's biodiversity is not only vital for national ecological and economic stability but also contributes to global ecological health and fulfills international obligations. Sustained funding is indispensable for enhancing ecosystem resilience to climate change impacts and ensuring their long-term health and functionality.

In conclusion, while Egypt has made commendable progress in biodiversity conservation with the assistance of international funding, continued and enhanced support is imperative. This will enable Egypt to address ongoing and emerging conservation challenges, scale up successful initiatives, build local capacity, and integrate biodiversity conservation into its sustainable development agenda.

### Objectives

The primary objective of mobilizing international funding for biodiversity conservation in Egypt is to secure additional financial resources to address critical and emerging threats to the country's biodiversity. This includes the protection, restoration, and sustainable management of ecosystems, as well as enhancing their resilience to climate change impacts. Leveraging international funding will enable Egypt to scale up successful conservation initiatives and establish new projects, broadening the reach and effectiveness of its efforts.

Furthermore, this objective aims to enhance national capacity through continuous knowledge exchange, technology transfer, and collaboration with international stakeholders. Mobilizing such funding will help Egypt align its biodiversity conservation efforts with global commitments under international conventions and significantly advance progress toward achieving the SDGs.

### Expected Financial Results

International funding can catalyze additional investments, potentially attracting up to 50% in matched contributions from national governments and private-sector stakeholders. By aligning biodiversity conservation with sustainable development goals, these funds have the potential to enhance eco-tourism, create jobs, and strengthen ecosystem services, delivering long-term socio-economic benefits while safeguarding Egypt's unique biodiversity.

To optimize the utilization of these resources, the NCS will establish a dedicated unit to coordinate with international funders and oversee project implementation. Transparent reporting and rigorous monitoring mechanisms will build confidence among international donors and ensure accountability. Capacity-building programs for conservation managers are projected to improve project efficiency by 5% annually, maximizing resource impact. Additionally, strategic outreach to philanthropic organizations, international NGOs, and private-sector partners will diversify funding sources and ensure sustained financial support.

### Next Steps

The next steps are to develop a funding plan aligned with Egypt's biodiversity strategy and commitments. This includes creating a comprehensive donor database, producing targeted outreach materials, and organizing engagement events to present conservation priorities. Institutional capacity building within the NCS is essential, focusing on training for project design and financial management. A dedicated unit will coordinate donor relations and oversee projects, supported by clear procedures for proposal development, monitoring, and reporting to ensure effective and accountable use of donor funds.

*Table 15: Action plan to mobilize international donor funding for biodiversity conservation.*

| ACTION | Estimated Timeline (months) |
|---|---|
| Formulate funding proposals and concept notes aligned with Egypt's NBSAP, and international commitment. | 6-12 |
| Organize funders engagement events, workshops, and meetings to present Egypt's conservation needs and funding opportunities. | 6-12 |
| Provide training and capacity-building programs for government officials and conservation managers on project design, implementation, and financial management. | 6-12 |
| Provide capacity-building programs for NCS staff responsible for monitoring project implementation. | 6-12 |
| Create and maintain a comprehensive database of international funders, including Multilateral Development Banks (MDBs), United Nations Agencies, Bilateral Donors, Foundations, Philanthropic Organizations, INGOs, Private Sector and Corporate Donors, and Regional Organizations. | 3-6 |
| Develop and distribute targeted outreach materials to potential donors. | 3-6 |

# 3.2 GOVERNANCE AND COORDINATION

This section of the BFP explores the governance and coordination mechanisms critical for the implementation of the plan. Central to these mechanisms is the steering committee, responsible for overseeing the plan's execution, ensuring the integration of biodiversity finance solutions into national policies, and mobilizing resources to meet the plan's goals. Moreover, the roles and responsibilities of key stakeholders in supporting biodiversity initiatives are highlighted. Effective reporting mechanisms and structured communication channels are emphasized to ensure transparency, accountability, and ongoing collaboration among all stakeholders. Through these mechanisms, the BFP aims to align with national priorities and international commitments, fostering sustainable development and biodiversity conservation.


*Figure 9: Governance and coordination mechanisms for plan implementation.*

### Steering Committee (SC)

The steering committee for Egypt's BFP is a pivotal body responsible for overseeing the implementation, monitoring, and evaluation of the plan. This committee ensures that biodiversity finance solutions are effectively integrated into national policies and that the necessary resources are mobilized to achieve the plan's objectives. The committee is composed of representatives from key governmental stakeholders who bring expertise and resources to support biodiversity conservation efforts.

### Roles of the Steering Committee

1. Provide strategic direction and oversight for the implementation of the BFP, ensuring alignment with national priorities and international commitments.
2. Facilitate the integration of biodiversity finance solutions into national policies, strategies, and plans.
3. Oversee efforts to secure financial resources from various sources, including public, private, and international donors.
4. Promote active participation and collaboration among stakeholders, including government agencies, the private sector, civil society, local communities, and organizations.
5. Ensure regular reporting on progress, challenges, and achievements related to the implementation of the BFP.

### Main Stakeholders and Their Roles and Responsibilities

Each stakeholder plays a critical and complementary role in the successful implementation of biodiversity finance solutions. Their unique expertise, resources, and mandates ensure that the solutions are effectively integrated into national policies, development plans, and financial systems. By collaborating and aligning efforts, stakeholders contribute to mobilizing the necessary resources, enhancing policy coherence, and driving sustainable development goals. Their collective input is vital to achieving the objectives of the BFP, fostering inclusive and impactful conservation efforts across all sectors.

*Table 16: Roles and responsibilities of key stakeholders in BFP implementation.*

| Stakeholders | Roles and Responsibilities |
|---|---|
| **Ministry of Environment (MoE)** | Coordinate the development and implementation of the BFP. |
| **Ministry of Finance (MoF)** | Integrate biodiversity finance into national budgeting processes, allocate funds for biodiversity initiatives, and oversee PBB mechanisms. |
| **Ministry of Planning and Economic Development (MOPED)** | Incorporate biodiversity finance solutions into national and sectoral development plans, monitor the implementation of biodiversity-related projects, and ensure coherence with the SDGs. |
| **Ministry of International Cooperation** | Advise on funding from international donors, foster international collaborations, and align biodiversity finance efforts with global biodiversity frameworks. |
| **Ministry of Social Solidarity** | Support community-based biodiversity projects and ensure that the local community's benefits from biodiversity finance solutions. |
| **Ministry of Tourism** | Ensure that tourism activities align with biodiversity finance goals, support the mobilization of resources from tourism for conservation, and promote ecotourism initiatives that support biodiversity. |
| **Central Bank of Egypt (CBE)** | Advise on the development of financial instruments that support biodiversity finance, ensure financial stability, and promote sustainable investment practices. |
| **Financial Regulatory Authority (FRA)** | Advise on creating an enabling environment for biodiversity-positive investments, oversee the development of biodiversity-positive carbon credits, biodiversity insurance schemes, and ensure compliance with financial regulations. |
| **Central Authority for Public Mobilization and Statistics (CAPMAS)** | Collect and analyze data related to biodiversity finance, monitor the impact of biodiversity finance solutions, and provide evidence-based insights for policy-making. |
| **National Centre for Land Use Planning** | Advise on the integration of biodiversity finance solutions into land use planning, and ensuring alignment with national and local development goals. |

### Reporting Mechanisms

Effective reporting mechanisms are crucial for the transparency and accountability of the BFP. The SC will establish a structured reporting system to track progress, identify challenges, and communicate achievements.

1. Periodic progress reports will be prepared by the SC and submitted to relevant stakeholders.
2. Annual reviews will assess the implementation of the BFP, including financial performance, impact on biodiversity, and stakeholder engagement.
3. Mechanisms for stakeholders to provide feedback on the implementation of the BFP will be established to ensure continuous improvement.

### Communication & Coordination Channels

Effective communication and coordination among stakeholders are vital for the successful implementation of the BFP. The following channels will be established:

1. Regular SC meetings will be held to discuss progress, address challenges, and coordinate actions among stakeholders.
2. Thematic working groups will be formed to focus on specific aspects of biodiversity finance.
3. Online platforms will be used to share information, documents, and updates among stakeholders, facilitating real-time communication and collaboration.
4. Regular workshops and seminars will be organized to build capacity, share best practices, and foster collaboration among stakeholders.

Photo by **Image House**

# 04. CONCLUSION AND RECOMMENDATIONS

The BFP represents a pivotal step towards achieving financial sustainability for biodiversity conservation in Egypt. By prioritizing innovative finance solutions, fostering multi-stakeholder collaboration, and aligning with national strategies such as Egypt's Vision 2030, the BFP lays the foundation for preserving Egypt's natural heritage while promoting socioeconomic growth. The suggestion of the nine proposed financial options aims to contribute to the implementation of the NBSAP 2024–2030, addressing a financing gap of $291.9 million. These solutions are tailored to Egypt's socio-economic context and biodiversity objectives, ensuring biodiversity conservation contributes to national development priorities.

The PIR, the BER, and the FNA played a central role in preparing this plan and identifying financial solutions. These foundational studies, alongside the guidance of the BIOFIN Workbook, informed the development of the BFP by assessing current financial contexts, estimating resource needs, and identifying viable financial mechanisms. The solutions take a broader approach to reducing financing needs and increasing resources by incorporating a mix of strategies to deliver better outcomes, avoid future costs, realign expenditures, and generate new revenues. While the technical proposals outlined in the plan provide a starting point, further feasibility assessments and pilot testing may be recommended before full adoption to ensure their success and sustainability.

Achieving the ambitious goals of the BFP requires bold actions and a unified commitment from all stakeholders. This involves fostering collaboration, leveraging resources, and ensuring that solutions are sustainable and inclusive. The following actions outline the path forward:

**1. Accelerate Implementation of Finance Solutions:**
Expedite the adoption of prioritized finance solutions, ensuring resources are effectively mobilized and managed for biodiversity conservation.

**2. Enhance Stakeholder Engagement:**
Strengthen collaboration with public, private, and community stakeholders, emphasizing inclusivity and long-term commitment to biodiversity financing.

**3. Invest in Capacity Building:**
Develop the skills of key stakeholders, including government officials, local communities, and private sector actors, to effectively implement and manage finance solutions.

**4. Monitor and Evaluate Progress:**
Establish robust monitoring and reporting mechanisms to track the implementation of the BFP and ensure transparency, accountability, and adaptability.

**5. Leverage International Cooperation:**
Continue engaging international organizations and partners to bridge financing gaps, provide technical assistance, and adopt global best practices in biodiversity conservation.

**6. Integrate Gender Equity:**
Promote gender-sensitive approaches in all finance solutions, ensuring women's empowerment through equitable access to resources, decision-making roles, and participation in biodiversity-related initiatives.

**7. Adapt to Emerging Challenges:**
Maintain the BFP as a dynamic, living document capable of responding to new challenges and opportunities to remain relevant and effective over time.

By integrating these strategies and continuously refining the approach, Egypt can effectively close its biodiversity financing gap, achieve its conservation goals, and foster sustainable development for present and future generations.

# 05. SUMMARY ACTION PLAN

| Solutions | Actions | 2024 | 2025 | | | | 2026 | | | | 2027 | | | | 2028 | | | | 2029 | | | | 2030 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Q | Q | | | | Q | | | | Q | | | | Q | | | | Q | | | | Q | | | |
| | | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 |
| 1. Adjust entrance fees for protected areas, digitize the collection process, and improve the retention of revenues for protected areas management and investment. | 1.1. Review and assess current protected areas entrance fees, regulations, and revenue management, identify gaps, ensure compliance, and conduct a comparative study of regional and international fees to guide competitive adjustments. | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 1.2. Conduct an analysis of visitor demographics, preferences, and willingness to pay (WTP), with a specific emphasis on incorporating the perspectives of local communities. | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 1.3. Assess visitor statistics to identify new fee opportunities and evaluate the impact of fee increases on visitor numbers and protected areas financial sustainability. | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 1.4. Facilitate engagement with key stakeholders, such as local communities, the tourism industry, conservation organizations, and the business sector, through consultations and discussions to gather their input and gain their support for proposed fee adjustments. | | | | | | | | | | | | | | | | | | | | | | | | | |

| Solutions | Actions | 2024 | 2025 | | | | 2026 | | | | 2027 | | | | 2028 | | | | 2029 | | | | 2030 | | | |
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| | | Q | Q | | | | Q | | | | Q | | | | Q | | | | Q | | | | Q | | | |
| | | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 |
| | 1.5. Evaluation and analysis of infrastructure and equipment needed to improve visitor facilities in each protected areas. | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 1.6. Identify and evaluate opportunities to reinvest protected areas revenues into conservation efforts to enhance the visitor experiences and conservation outcomes. | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 1.7. Obtain approvals from relevant authorities for proposed entrance fee adjustments, ensuring alignment with national policies, and provide sufficient notice to relevant entities and companies to prepare for implementation. | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 1.8. Establish a digital fee collection system across all protected areas to streamline processes, enhance transparency, and reduce leakages. | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 1.9. Inform visitors of fee adjustments through outreach channels such as websites, signposts, and other communication platforms. | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. Revise concession and permit fees for protected areas and systematize the investor selection and contracting process. | 2.1. Perform an analysis of existing concession and permit fees in protected areas, factoring in new regional and international trends. | | | | | | | | | | | | | | | | | | | | | | | | | |

| Solutions | Actions | 2024 | 2025 | | | | 2026 | | | | 2027 | | | | 2028 | | | | 2029 | | | | 2030 | | | |
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| | 2.2. Conduct a comprehensive assessment of key protected areas to identify potential income generation opportunities, with a focus on community-based concessions and low-impact, high-value concessions. | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 2.3. Design a strategic pricing mechanism for concessions, considering surrounding investments and economic contexts. | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 2.4. Prepare investment opportunities and develop a detailed catalog of concession types to enhance transparency and support informed decision-making. | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 2.5. Engage local communities through participatory workshops to foster dialogue and encourage involvement in the concession opportunities. | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 2.6. Review and update concessioner's selection and contracting process to ensure the process is transparent and open to a wide range of investors. | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 2.7. Obtain necessary approvals from governing bodies or authorities for revising concession fees in protected areas. | | | | | | | | | | | | | | | | | | | | | | | | | |

| Solutions | Actions | 2024 | 2025 | | | | 2026 | | | | 2027 | | | | 2028 | | | | 2029 | | | | 2030 | | | |
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| | 2.8. Establish and implement a robust information system to manage concession projects in Egypt's protected areas, ensuring efficient data management and operational oversight. | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3. Promote Corporate Social Responsibility (CSR) funding for biodiversity conservation. | 3.1. Review the current state of CSR practices related to environmental issues, along with relevant laws and regulations, to identify gaps and challenges in biodiversity investments. | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 3.2. Assess and analyze the gaps and challenges faced by companies in investing in biodiversity. | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 3.3. Develop criteria for identifying priority biodiversity areas suitable for CSR initiatives. | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 3.4. Form a teamwork within the NCS to prepare proposals or concept notes on biodiversity investment opportunities for potential investors. | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 3.5. Strengthen the capacity of the NCS team to monitor and track biodiversity-related CSR activities and reporting. | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 3.6. Raise corporate awareness of biodiversity's value to consumer behavior and promote CSR strategies with measurable biodiversity indicators for impactful and sustainable conservation efforts. | | | | | | | | | | | | | | | | | | | | | | | | | |

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| | | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 |
| | 3.7. Prepare and disseminate communication materials to help companies incorporate biodiversity considerations into their business plans. | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 3.8. Strengthen the capacity of the NCS team to monitor and track biodiversity-related CSR activities and reporting. | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 3.9. Develop CBNRM programs aligned with CSR initiatives to engage local communities in conservation, promote sustainable resource use, and improve livelihoods through CSR support. | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4. Exploring and Integrating Biodiversity-Positive Carbon Credits into the Carbon Market. | 4.1. Conduct a review of the regulatory framework established by the FRA while studying the standards and criteria for selecting VVBs and the rules for issuing and listing carbon credits. | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 4.2. Establish communication with the Supervisory and Control Committee on Carbon Emissions Reduction Units to gain insight into their operations and advocate for biodiversity integration into carbon reduction policies. | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 4.3. Collaborate with the FRA to develop and implement specific standards and guidelines that include biodiversity benefits in carbon reduction projects. | | | | | | | | | | | | | | | | | | | | | | | | | |

| Solutions | Actions | 2024 | 2025 | | | | 2026 | | | | 2027 | | | | 2028 | | | | 2029 | | | | 2030 | | | |
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| | include biodiversity benefits in carbon reduction projects. | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 4.4 Organize workshops and training sessions for project developers, VVBs, and other stakeholders to raise awareness about integrating biodiversity into carbon markets, while disseminating successful case studies and best practices of biodiversity-positive carbon projects. | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 4.5. Identify and actively support carbon projects that contribute to both carbon reduction and biodiversity conservation, while assisting selected projects in meeting the FRA's registration requirements with a focus on highlighting their biodiversity benefits. | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 4.6. Establish a mechanism for reporting on the biodiversity outcomes of carbon credit projects to stakeholders and the public, enhancing transparency and credibility. | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5. Enhance Performance-Based Budget (PBB) to improve biodiversity budget allocations and the efficient use of financial resources. | 5.1. Initiate meetings and workshops with key stakeholders from the MoF, and MoPED to establish a collaborative framework. | | | | | | | | | | | | | | | | | | | | | | | | | |

| Solutions | Actions | 2024 | 2025 | | | | 2026 | | | | 2027 | | | | 2028 | | | | 2029 | | | | 2030 | | | |
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| allocations and the efficient use of financial resources | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 5.2. Conduct an assessment to identify NCS staff training needs regarding PBB principles and practices. | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 5.3. Develop and deliver training programs focused on PBB concepts, budget management, performance measurement, and data analysis. | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 5.4. Design and implement a monitoring system aligned with the PBB framework and the NBSAP to track inputs, activities, outputs, and impacts, while establishing regular data collection, analysis, and reporting systems to monitor performance and identify areas for improvement. | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 5.5. Establish a financial management system (if necessary) to support the PBB process. | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6. Explore Insurance Schemes Addressing Risks to Biodiversity. | 6.1. Examine the global and Egyptian insurance markets to understand beneficiaries' requirements and identify available tools and programs for insurance related to natural assets. | | | | | | | | | | | | | | | | | | | | | | | | | |

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| | | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 |
| | 6.2. Consult insurance companies to design environmental, biodiversity, and protected areas insurance products; including studies on rates, coverage, exclusions, potential markets, and expected claims. | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 6.3. Assess stakeholders to identify users of environmental services from natural resources (e.g., reefs) and evaluate their willingness to purchase and support insurance coverage. | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 6.4. Conduct a survey to identify the most relevant beneficiaries of insurance products, such as coral reefs or protected areas, their needs, and expectations (e.g., financial protection against damage, support for restoration efforts). | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 6.5. Collaborate with the FRA to develop and implement specific standards and guidelines for biodiversity insurance | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 6.6. Build stakeholder capacity through workshops, training, and awareness campaigns on biodiversity and environmental insurance to enhance understanding and integration with natural asset management | | | | | | | | | | | | | | | | | | | | | | | | | |

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| | | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 |
| 7. Establish a road map of biodiversity offsets and integration into Environmental Impacts Assessment (EIA) policies and practices. | 7.1. Review existing policies, regulations, and guidelines related to biodiversity offsets, both within the country and internationally. | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 7.2. Examine case studies and experiences from other countries to gather insights and best practices that can inform and strengthen the national approach to biodiversity offsets. | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 7.3. Raise awareness among stakeholders and policymakers about biodiversity offsets to achieve no net loss, and ideally, a net gain of biodiversity. | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 7.4. Conduct capacity-building programs within the MoE and relevant stakeholders on biodiversity offsetting. | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 7.5. Explore the formulation of a national policy, national plan, regulations, and implementation framework for biodiversity offsets, integrating them into EIA practices under environmental law. | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 7.6. Develop a comprehensive roadmap for biodiversity offsets in Egypt, outlining technical methods for habitat loss assessment, compensation, | | | | | | | | | | | | | | | | | | | | | | | | | |

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| | | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 |
| | sites, financing mechanisms, legal requirements, guidelines, and institutional capacity. | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8. Foster Public-Private Partnerships (PPPs) to finance and implement biodiversity projects. | 8.1. Review the legal framework for PPP in Egypt, focusing on the natural resources sectors. | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 8.2. Activate the Participation Unit within the MoE, if available, to explore the potential for developing biodiversity-related PPP projects. | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 8.3. Collaborate with the dedicated department within the MoF to explore opportunities for biodiversity-related PPP projects. | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 8.4. Establish partnerships with the Ministry of Investment to support potential biodiversity-related PPP initiatives. | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 8.5. Prepare a portfolio of biodiversity-related projects suitable for PPP investment. | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 8.6. Conduct assessments and engage with local communities to identify specific benefits from private sector involvement in biodiversity and protected areas projects and integrate these benefits into project planning and implementation. | | | | | | | | | | | | | | | | | | | | | | | | | |

| Solutions | Actions | 2024 | 2025 | | | | 2026 | | | | 2027 | | | | 2028 | | | | 2029 | | | | 2030 | | | |
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| | | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 |
| 9. Mobilizing international funding flow for biodiversity conservation. | 9.1. Formulate funding proposals and concept notes aligned with Egypt's NBSAP. | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 9.2. Organize donor engagement events, workshops, and meetings to present Egypt's conservation needs and funding opportunities. | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 9.3. Provide training and capacity-building programs for government officials and conservation managers on project design, implementation, and financial management. | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 9.4. Provide capacity-building programs for NCS staff responsible for monitoring project implementation. | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 9.5. Create and maintain a comprehensive database of international donors, including Multilateral Development Banks (MDBs), United Nations Agencies, Bilateral Donors, Foundations, Philanthropic Organizations, INGOs, Private Sector and Corporate Donors, and Regional Organizations. | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 9.6. Develop and distribute targeted outreach materials to potential donors. | | | | | | | | | | | | | | | | | | | | | | | | | |

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## Annex 1: Criteria used to screen priority financial solutions.

A. Rapid Screening Review

| Criteria | Guidance for grading | Assessment |
|---|---|---|
| Potential for BD Impact | Negligible or no impact | (0) |
| | Low impact on biodiversity and ecosystem services | (1) |
| | Moderate impact on biodiversity and ecosystem services | (2) |
| | High impact on biodiversity and ecosystem services | (3) |
| | Very high impact on threatened/endangered types, ecosystem services and inhabitants | (4) |
| Scale of financial opportunity | Potential to mobilize resources/minimize resources compared to current needs or spending | (0) |
| | Potential to mobilize or save a small number of resources compared to current expenditures or needs. About under 5% of the current total demand or spending | (1) |
| | Potential to mobilize or save resources relative to current spending or needs. About 5-15% of the current total demand or spending | (2) |
| | Potential to mobilize or save many resources. About 15% of the total demand or current spending | (3) |
| | Potential to mobilize or save a huge number of resources. It has a significant impact on the financing/financing program for biodiversity. | (4) |
| Political feasibility and likelihood of success | Completely incapable of succeeding in current conditions and not being able to commercialize | (0) |
| | The probability of success is low due to political and social obstacles and the inability to commercialize, technical obstacles or large deployments | (1) |
| | The probability of success is limited due to limited political and social support (or the possibility of limited commercialization). There are technical or deployment obstacles. Less evidence of successful, replicable and sustainable experience in other areas | (2) |
| | High probability of success. Have political and social support (or commercialization). Obstacles for implementation are under control. There has been evidence of successful, replicable and sustainable experience in other areas | (3) |
| | Very high probability of success. Have broad political and social support (or high commercialization). Have no major obstacles to implementation. Have convincing evidence of successful, replicable and sustainable experience in other areas | (4) |

| No. | Finance Solutions | BI | FO | LS | Sum of Rapid Feasibility Scores | Consider in next step? (Y/N) |
|---|---|---|---|---|---|---|
| 1 | Adjust entrance fees for protected areas, digitize the collection process, and enhance the retention of revenues for protected areas management and investment. | 3 | 4 | 3 | 11 | Yes |
| 2 | Promote Corporate Social Responsibility (CSR) funding for biodiversity initiatives. | 3 | 4 | 3 | 10 | Yes |
| 3 | Establish a Trust Fund dedicated to protected areas. | 2 | 2 | 3 | 7 | No |
| 4 | Pursuing national and local climate change funds for projects with biodiversity co-benefits. | 2 | 2 | 2 | 6 | No |
| 5 | Investigating Payment for Ecosystem Services (PES) schemes for protected areas and biodiversity. | 3 | 1 | 1 | 5 | No |
| 6 | Revise concession and permit fees for protected areas and systematize the investor selection and contracting process. | 3 | 4 | 4 | 11 | Yes |
| 7 | Encourage impact investing in biodiversity projects. | 2 | 3 | 2 | 7 | No |
| 8 | Establish crowdfunding platforms for biodiversity projects. | 2 | 1 | 1 | 4 | No |
| 9 | Creating an enabling environment for the development and trade of biodiversity-positive carbon credits. | 4 | 3 | 3 | 10 | Yes |
| 10 | Increase the allocation of public finance for biodiversity conservation. | 2 | 2 | 2 | 6 | No |
| 11 | Enhance results-based budgeting to improve state budget allocations and the efficient use of financial resources. | 3 | 4 | 2 | 9 | Yes |
| 12 | Introducing approaches for mainstreaming biodiversity considerations in public finance planning. | 2 | 2 | 2 | 6 | No |
| 13 | Build capacity for biodiversity financing to support nature conservation and management objectives. | 2 | 2 | 2 | 6 | No |
| 14 | Community-Based Natural Resource Management (CBNRM) initiatives. | 1 | 2 | 2 | 5 | No |
| 15 | Introduction of biodiversity offsets as a formal instrument. | 3 | 3 | 2 | 8 | Yes |
| 16 | Identify potential commercial use of alien invasive species. | 2 | 2 | 2 | 6 | No |
| 17 | Foster Public-Private Partnerships (PPPs) to finance and implement biodiversity projects. | 3 | 3 | 2 | 8 | Yes |
| 18 | Mobilizing international funding flow for biodiversity conservation. | 3 | 3 | 2 | 8 | Yes |
| 19 | Investigating debt-for-nature swaps schemes to benefit protected areas and biodiversity. | 3 | 2 | 2 | 7 | No |
| 20 | Explore Insurance Schemes Addressing Risks to Biodiversity. | 3 | 3 | 3 | 9 | Yes |

| | | | | | | |
|---|---|---|---|---|---|---|
| **21** | Earmark and retain revenues generated from biodiversity-related activities. | **2** | **2** | **1** | **5** | **No** |
| **22** | Implement green procurement practices to promote sustainability. | **2** | **1** | **2** | **5** | **No** |
| **23** | Enforce fees, penalties, and management expenditures for Environmental (and Social) Impact Assessments. | **2** | **2** | **2** | **6** | **No** |
| **24** | Utilize social and development impact bonds to finance biodiversity initiatives. | **2** | **1** | **2** | **5** | **No** |

## Annex 2: Outcome of Stakeholders' Consultation.

The analysis of the biodiversity finance questionnaire, conducted during the consultation workshop that took place from 3 to 6 June, 2024 identifies key challenges, opportunities, and recommendations for enhancing biodiversity finance in the country as follows:

### Challenges:

**1. Awareness and Importance of Biodiversity**:
A significant challenge is the lack of awareness regarding the value of biodiversity and ecosystem services. There is a need for better communication of biodiversity's economic and social impacts, particularly to decision-makers and to the private sector. This includes
addressing misconceptions about the value of biodiversity and its relevance to various sectors.

**2. Planning and Management:**
Biodiversity has not been a priority in state plans or budgets. Inadequate planning for international grants and the absence of specialized action plans hinder effective biodiversity management. The lack of economic evaluations for ecosystems and biodiversity complicates financing
efforts. Establishing a dedicated biodiversity fund and integrating biodiversity into national financial planning are crucial.

**3. Finance and Economy:**
External funding sources, such as grants, are insufficient to meet biodiversity
conservation needs. Economic crises exacerbate this challenge. Innovative financing mechanisms to close the biodiversity financing gap should be explored. Additionally, increasing investments in activities that threaten biodiversity needs to be addressed by revising policies and practices that contribute to biodiversity loss.

**4. Coordination and Collaboration:**
Weak coordination among biodiversity stakeholders, along with limited collaboration with investors and funders, impedes progress. Better communication and partnership-
building are necessary to foster collective efforts for biodiversity conservation.

**5. Leadership and Governance:**
The lack of sufficient qualifications for effective decision-making is a major obstacle. Strengthening leadership skills and developing a flexible governance system that fosters
innovation are recommended.

**6. Information and Data:**
Lack of accessible data and difficulty in sharing information hinder effective
decision-making. Identifying priorities and needs based on accurate data is essential.

### Opportunities:

#### Private Sector Engagement:

The private sector's involvement in biodiversity conservation can be bolstered through awareness campaigns and strategic integration into national biodiversity plans. Promoting sustainable practices, offering investment opportunities, and rewarding companies that support biodiversity can enhance private sector participation.

#### Local Community Involvement:

Empowering local communities through involvement in biodiversity projects, decision-making, and awareness-raising efforts is critical. Providing opportunities for local NGOs to participate in restoration projects and creating jobs linked to biodiversity conservation are key strategies.

#### Innovative Financing Mechanisms:

To address biodiversity finance gaps, several innovative mechanisms are proposed, including:

- Establishing special funds and portfolios for biodiversity.
- Introducing biodiversity-related fees and taxes, such as environmental impact assessment fees or visitor charges in protected areas.
- Utilizing green bonds and carbon credit markets.
- Encouraging biodiversity offsets and ecosystem services payments.


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