



PROJECT IDENTIFICATION FORM (PIF)

PROJECT TYPE: Full-sized Project

THE GEF TRUST FUND

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Submission Date: September 12, 2008

Re-submission Date: April 12, 2010

PART I: PROJECT IDENTIFICATION

GEFSEC PROJECT ID¹:

GEF AGENCY PROJECT ID: P113794

COUNTRY(IES): Djibouti, Egypt, Jordan, Saudi Arabia, Sudan and Yemen

PROJECT TITLE: Red Sea and Gulf of Aden Strategic Ecosystem Management

GEF AGENCY(IES): World Bank

OTHER EXECUTING PARTNER(S): PERSGA- The Regional Organization for the Conservation of Environment of the Red Sea and Gulf of Aden

GEF FOCAL AREA (S): International Waters

GEF-4 STRATEGIC PROGRAM(S): IW-1, IW-2

NAME OF PARENT PROGRAM/UMBRELLA PROJECT: --

INDICATIVE CALENDAR	
Milestones	Expected Dates
Work Program (for FSP)	June 2010
CEO Endorsement/Approval	July 2011
GEF Agency Approval	Sept. 2011
Implementation Start	Nov. 2011
Mid-term Review (if planned)	Nov. 2013
Implementation Completion	Nov. 2015

A. PROJECT FRAMEWORK (Expand table as necessary)

Project Objective: The overall objective is to conserve and promote the sustainable exploitation of the marine resources of the Red Sea and Gulf of Aden and improve the socioeconomic benefits, especially of coastal communities in the region.

Project Components	Indicate whether Investment, TA, or STA**	Expected Outcomes	Expected Outputs	Indicative GEF Financing*		Indicative Co-financing*		Total (\$)
				(\$)	%	(\$)	%	
1. Good governance and sustainable management of fisheries	Investment and TA	<p>* Regional and national fisheries policies better defined and enforced and illegal fishing significantly reduced.</p> <p>* Governments implementing resource management plans and access rights.</p> <p>* Value-added fisheries industries are increased and integrated into the regional economy.</p>	<p>* Regional surveys and impact analysis of commercial and artisanal fishing practices and change in fishery conditions on the environment, economy and the community.</p> <p>* Upgrading systems for assessing catches and using the landing data to monitor stocks and determine policy</p> <p>* Develop national programs for the rehabilitation of fish stocks and habitats.</p> <p>* Assessment of commercial aquaculture alternatives including the environmental impacts on natural habitats to develop regional</p>	800,000	4	17,200,000	96	18,000,000

¹ Project ID number will be assigned initially by GEFSEC.

			<p>guidelines and recommendations.</p> <p>* Based on the findings and outcomes of the project, prepare a detailed investment plan for installing sustainable fisheries management programs and replicating community and commercial aquaculture systems across the region.</p>					
2. Sustainability of fisheries habitats.	Investment and TA	<p>* Conservation problems facing particular fisheries in the region identified.</p> <p>*Stress reduction and rehabilitation of heavily exploited fisheries habitats including coral reefs, mangroves and sea grass beds with emphasis on community ownership</p> <p>*Fishery management practices incorporated into existing and proposed MPAs including the use of MPAs as spawning and nursing grounds</p>	<p>* Detailed evaluation of actions required to reduce stress level to particular fisheries (low juvenile survival, overfishing, disruptions in the food chain etc.) and improvement of fishing practices and the introduction of "conservation technology"</p> <p>* Pilot project and alternative livelihoods developed with local NGOs and communities in eco-tourism and small scale aquaculture as a means of stress reduction.</p> <p>* Community based management of MPAs, encouraging Public and Private involvement in conservation and rehabilitation activities</p> <p>* Identification of forms of flow of the relevant fisheries, zoning of existing MPA's to include no-take and seasonal fishing areas.</p>	1,400,000	9	13,400,000	91	14,800,000
3. Monitoring and Research	STA	<p>* Improved and integrated systems for monitoring physical and biogeochemical variables</p> <p>* Pollution monitoring and national standards established to monitor habitat health and resilience.</p> <p>* Factors affected by climate change on a global level monitored</p>	<p>* Develop sustainable status surveys of fisheries habitats including coral reefs, mangroves and sea grass and establish monitoring networks, on-line tools and develop pollution surveillance and early warning systems (especially for land-based sources) and better linkages with global observations systems such as GOS and GLOS.</p>	700,000	17	3,400,000	83	4,100,000

		in a natural oceanic model PERSGA assists in implementation of Red Sea Strategic Action Program consistent with the project's objectives	* Employ the RSGA ecosystem as a natural ocean model for better understanding of the factors affecting habitat change such as global warming and nutrient enrichment and their socio-economic and health impacts. Timely and accurate reporting on the IW tracking tool; and participation in IW:Learn activities (participation in IWC, IWENs etc, Website consistent with IW:Learn guidance,).					
4. Project Management	.			100,000	9	1,000,000	91	1,100,000
Total project costs				3,000,000		35,000,000		38,000,000

* List the \$ by project components. The percentage is the share of GEF and Co-financing respectively to the total amount for the component.

** TA = Technical Assistance; STA = Scientific & technical analysis.

B. INDICATIVE FINANCING PLAN SUMMARY FOR THE PROJECT (\$M)

	Project Preparation*	Project	Agency Fee	Total
GEF	0.0	3,000,000	300,000	3,300,000
Co-financing	0.0	35,000,000		35,000,000
Total	0.0	38,000,000	300,000	38,300,000

* Please include the previously approved PDFs and planned request for new PPG, if any. Indicate the amount already approved as footnote here and if the GEF funding is from GEF-3.

C. INDICATIVE CO-FINANCING FOR THE PROJECT (including project preparation amount) BY SOURCE and BY NAME (in parenthesis) if available, (\$m)

Sources of Co-financing	Type of Co-financing	Amount
Project Government Contribution	PERSGA Core Funds	8,000,000
GEF Agency(ies)		
Bilateral Aid Agency(ies)		
Multilateral Agency(ies)	World Bank Loans	25,000,000
Private Sector	Corporate Social Responsibility Grant from the Saudi American Bank	2,000,000
NGO		
Others		
Total co-financing		35,000,000

D. GEF RESOURCES REQUESTED BY FOCAL AREA(S), AGENCY (IES) SHARE AND COUNTRY(IES)*

GEF Agency	Focal Area	Country Name/ Global	(in \$m)			
			Project Preparation	Project	Agency Fee	Total
World	International	Djibouti	0.0	600,000	60,000	660,000

Bank	Waters	Egypt	0.0	600,000	60,000	660,000
		Jordan	0.0	600,000	60,000	660,000
		Sudan	0.0	600,000	60,000	660,000
		Yemen	0.0	600,000	60,000	660,000
Total GEF Resources			0.0	3,000,000	300,000	3,300,000

* No need to provide information for this table if it is a single focal area, single country and single GEF Agency project.

PART II: PROJECT JUSTIFICATION

A. STATE THE ISSUE, HOW THE PROJECT SEEKS TO ADDRESS IT, AND THE EXPECTED GLOBAL ENVIRONMENTAL BENEFITS TO BE DELIVERED:

The Red Sea and Gulf of Aden (RSGA) contains some of the world's most unique coastal and marine environments. A complex system of coral reefs together with their associated animals and plants are surrounded by arid terrestrial environments support rich biological communities and several endangered species. The natural resources have supported coastal populations for thousands of years, and nourished the development of a maritime and trading culture linking Arabia and Africa with Europe and Asia. The Red Sea is one of the most important repositories of marine biodiversity in the world. The relative isolation of this semi-enclosed sea and the physical conditions (which range from near-shore shallows to depths of over 2,000 meters in the central rift) have given rise to an extraordinary range of ecosystems and biological diversity in its coral reefs, mangroves, seagrass beds, algal reefs and intertidal habitats supporting an extremely high level of species endemism, particularly among the groups of reef fishes and reef-associated invertebrates. The Gulf of Aden is strongly influenced by an upwelling of cool, nutrient-rich waters during the southwest and northeast monsoons and is characterized by a prevailing high energy climate which provides it with a high productivity of fish resources. The rocky cliffs alternating with long stretches of littoral and sub-littoral sand form major nesting sites for green turtles and other unique species.

The unique value of the biological resources of the Red sea and the Gulf of Aden to the prosperity of the region has long been recognized. The local fisheries have provided food and employment for thousands of years. The main threats facing this valuable resource include over exploitation of species, destruction of spawning, nursery and feeding grounds, improper resource management and inadequate fisheries regulations. The status of fisheries in some nations of the region is unknown because of lack of stock assessment and incomplete fisheries statistics. Regional Red Sea stocks of sharks are overfished, over fishing by industrial trawlers in the near shore waters of the Gulf of Aden has depleted cuttlefish and deep sea lobsters. Industrial trawl fisheries in the red sea are placing considerable pressure on shrimp stocks on and other living marine resources (via large by-catch and non target species). The legal framework providing for fisheries management and development is weak in many of the member states. Internationally accepted models for management are not incorporated and there is limited development of fisheries Management Plans. Lack of monitoring, control and surveillance systems weakens the ability to regulate this valuable resource,. In addition, the institutional and technical capacities for conducting research and stock assessment studies are weak.

The coastal areas of the littoral states (Djibouti, Egypt, Jordan, Saudi Arabia, Somalia, Sudan and Yemen), represented at the regional level by PERSGA, continue to be a major artery for the transport of oil and oil-related products, as well as being an important focus for offshore production and related industries. Operational leaks, spills and dumping occur frequently and the risk of serious collisions continues to increase as the industry and corresponding shipping traffic grows in this restricted marine area, especially through the bottleneck of the Suez Canal. These activities constitute a principal source of pollution to the fragile marine and coastal environments of the region. Also in recent years, the region has experienced considerable development of the tourist industry due to its stunning natural beauty, all-year-round good weather and increasing resources dedicated to water sport activities. But these largely uncontrolled developments are also presenting a growing threat to the very resources that make the area so attractive. The population of 50 million people in the RSGA range from moderate economic development to extreme poverty and yet all are dependent on the maintenance of the natural productivity which supports the food chain in the LME.

PERSGA has determined that the management of the fisheries ecosystem is the highest International Waters priority in the region and this is reflected in their current Framework Operational Program. Accordingly, the project will support the implementation of PERSGA's Strategic Action Program by introducing an ecosystem-based management approach to overcome critical shortfalls in fishery management and alternative fish resources, marine protected areas, pollution control and sustainable coastal governance by promoting common standards and by developing tools for monitoring and assessment of management effectiveness. This will be done especially through component 3.

The overall objective is to conserve and promote the sustainable exploitation of the marine resources of the Red Sea and Gulf of Aden and improve the socioeconomic benefits, especially of coastal communities in the region. The specific project objectives include:

1. Enhance regional coordination and governance across the region through the promotion of country activities and generate new partnerships, consistent with the principles and goals agreed by the member countries under the 1982 Jeddah Convention and the protocols of biodiversity and marine protected areas (2005) and the protection of marine and coastal environment from pollution resulting from land-based activities (2005).
2. Strengthen environmental policies, legislation and regulatory framework and facilitate communication, knowledge-sharing and develop standards for common appreciation of trans-boundary collaboration in reducing the risk of pollution.
3. Enhance sustainable fisheries through the application of fishery management tools, optimal yields, and regulating fishing seasons and fishing zones; as well as promote marine protected areas as ecotourism and enhance pre-investment and environmental impact assessment of aquaculture as an alternative fish resource to relieve the pressure on conventional marine fisheries.
4. Initiate regional research, improve monitoring programs and identify standards and indicators of environmental quality and management effectiveness. Also build awareness to demonstrate the linkages between development, conservation and socioeconomic impacts related to land-based pollution sources.
5. Enhance collaboration with diverse stakeholders, including NGOs and the private sector in promoting environmental conservation efforts and sharing the lessons learned in the fields of coastal and marine management among the Red Sea region states and with other LMEs.

Accordingly, the Project proposes to build on and expand the initial work carried out under the first Red Sea Project (with GEF financing of US\$22.8m, from 1999-2005) as a result of which PERSGA successfully established itself as the regional marine environment authority and consolidated the collaboration among its member countries. The project will provide incremental support to the implementation of PERSGA's "Framework and Operational Program 2009 - 2014" which represents the current phase of activities under the "Strategic Action Plan" (SAP) for the Red Sea and Gulf of Aden (1998) as a direct manifestation of the objectives contained in the Jeddah Convention (1982), ratified by all of the littoral states. Specifically, the project seeks to leverage the GEF financing to conduct a series of coordinated on-the-ground activities to enhance fisheries governance, monitor the marine environment, safeguard the region's rich marine biodiversity and develop a sustainable fisheries industry through a program of targeted national and regional interventions.

The expected global benefits of the project will be the protection of the vital marine habitats and fish stocks in the RSGA LME. The country-level activities will also contribute to improved collaboration, governance and management of these shared resources together with increased collaboration among the stakeholders. These efforts will result in decreased pressure on the environment and significant improvements in the sustainability of the marine ecosystem which will derive long-term benefits for the health of the regional economy.

B. DESCRIBE THE CONSISTENCY OF THE PROJECT WITH NATIONAL PRIORITIES/PLANS:

Improving the governance and management of the marine environment of the RSGA is a stated priority of all of the littoral countries, as manifested in the regional Strategic Action Plan and in the universal support (including annual contributions) for the efforts of PERSGA in organizing resources to implement the Plan. The project responds to the countries' key concerns to urgently initiate on-the-ground activities in order to reverse the growing threats to the marine resources and improve their sound management as well as enhance transboundary collaboration and heighten public awareness. This collaborative approach is actively supported by the countries since the benefits will only accrue if there is shared vision for the protection and management of the Red Sea and coordinated joint action.

C. DESCRIBE THE CONSISTENCY OF THE PROJECT WITH [GEF STRATEGIES](#) AND STRATEGIC PROGRAMS:

The project activities are closely aligned with the GEF International Waters focal area such that they are focused on catalyzing the implementation of agreed reforms and on-the-ground stress reduction investments to address transboundary concerns and sustainable development challenges in a shared marine ecosystem. The proposed investments in the six RSGA countries will facilitate regional cooperation through an ecosystem-based approach to fisheries resources management and the development of protected areas which will assist the governments in carrying out regulatory reforms and institutional strengthening.

More specifically, the project will support IW Strategic Objectives 1 and 2, which aim at fostering international, multi-state cooperation on priority transboundary concerns and catalyzing transboundary action addressing water concerns. The project will execute activities to:

1. Improve the management and effectiveness of Marine Protected Areas, rehabilitation of endangered habitats and development of sustainable management plans on a regional scale represented by an MPA network covering the entire Red Sea and Gulf of Aden LME.
2. Assess and respond to issues such as overexploitation of fish stocks, pollution, monitoring and sustainable management which are consistent with SP1 (Restoring and Sustaining Coastal and Marine Fish Stocks and Associated Biological Diversity) and SP2 (Reducing Nutrient Over-Enrichment and Oxygen Depletion from Land-Based Pollution of Coastal Waters in LMEs Consistent with the GPA of the International Waters Focal Area, under GEF-4.

D. OUTLINE THE COORDINATION WITH OTHER RELATED INITIATIVES:

The Project will coordinate its program closely with several ongoing regional and national initiatives in the Red Sea and the Gulf of Aden. The following table summarizes the key activities together with the scope, agency and funding:

Scope	Activity	Agency	Funding (US\$m)
Inter-Regional	Global Ballast Water	GEF IMO/UNDP	23.0
Regional	POPs	GEF UNIDO	2.0
Yemen	Fisheries	World Bank Credit	25.0
Sudan	ICZM	GEF SIL	8.0
Saudi Arabia	Governance Initiative	World Bank AWI	0.05
Regional	Fisheries Study	Arab Fund / ROPME	Coordination and Collaboration
Regional	Pollution	MARPOL	

The Project will benefit from these collaborations by sharing information and resources especially since PERSGA will play a key role in coordinating the various initiatives at the regional level.

E. DISCUSS THE VALUE-ADDED OF GEF INVOLVEMENT IN THE PROJECT DEMONSTRATED THROUGH INCREMENTAL REASONING :

The marine habitats of the Red Sea and Gulf of Aden are under increasing pressure from overfishing, unsustainable use of the natural resources, rapid industrial and tourism development, increased shipping and the effects of global warming. This places the complex system of reefs, mangroves, seagrass beds, algal reefs, and intertidal habitats of the region under extreme stress. Accordingly, this project will focus on improving the governance structure and coordination mechanisms to address common transboundary and environmental issues affecting the RSGA marine ecosystem, such that all the littoral countries will benefit from collaborating on protecting the environmental resources in the region and sustaining the project's outcomes. The first Red Sea Project (1999-2005) developed a solid platform for collaboration through PERSGA and now this project proposes to continue the regional development into achieving an ecosystems approach to marine resource assessment and management, establishing an operational framework for the management and future expansion of the critical marine protected areas network as well as restoring and maintaining fish stocks to sustainable levels. The first project already established a Regional Commission of Fisheries (RECOFI) with the assistance of FAO and prepared a report recommending the development of a protocol for transboundary fish stock. PERSGA's comprehensive "Marine Environment Report" (2006) contains updated information on the fisheries resources and fishing activities in the region at the macro level and indicates the need for more fieldwork to analyze the social dynamics of the coastal communities as well as patterns and traditions of resource management in order to develop reliable stock assessments and sub-regional research centers.

PERSGA is in a unique position to execute this program to achieve the agreed objectives of the Strategic Action Plan and it has become self-sufficient and fully-staffed with the contributions from the member states. However, PERSGA's core funds are insufficient to cover the incremental costs of implementing the Plan's activities. Hence, the absence of GEF intervention would impede the process of collaboration among the countries and their ability to enact the required institutional reforms, policy and regulatory development and transboundary monitoring activities. The GEF funding would also provide a common platform to engage the governments in developing ecosystem-based conservation and sustainability programs in fisheries and MPAs in order to meet the regional objectives. In conclusion, without GEF involvement the achievement of the

urgent goals of the Strategic Action Plan would be jeopardized, particularly in terms of catalyzing broader support through increased contributions of resources and local value added in the region. Specifically, PERSGA is at a critical juncture, it has established strong political support in the region and has the potential to develop into a powerful agency for environmental protection programs, but without the financial resources that GEF support would engender, it risks limiting its scope to research functions only and the opportunity will be lost to convert the current spirit of collaboration into concrete actions on the ground.

F. INDICATE RISKS, INCLUDING CLIMATE CHANGE RISKS, THAT MIGHT PREVENT THE PROJECT OBJECTIVE(S) FROM BEING ACHIEVED, AND IF POSSIBLE INCLUDING RISK MEASURES THAT WILL BE TAKEN:

Implementation and execution of the project might be confronted with some risks and barriers. But these have been considered and mitigation measures have been proposed. Some of the key risks, barriers and corresponding mitigation measures are:

1. Inadequate cohesiveness of the project partner countries and their willingness to collaborate in the implementation of the project and jointly overcome political differences and pressures to focus on achieving results. **Mitigation:** The project will be executed by PERSGA and will involve its member states that have shown outstanding support and effective collaboration in marine environmental issues since and even before the signing of Jeddah Convention.
2. Inadequate commitment of funds from the project counterparts to ensure successful execution of the project activities. **Mitigation:** Counterpart funds for execution of the project will be provided mainly by PERSGA member countries who have expressed their support to the project through their individual support letters and have confirmed their commitment to providing the counter fund regularly by the Focal Points in a project finalization workshop carried out in at PERSGA Headquarters in Jeddah just before submission of the PIF
3. Inadequate ability to maintain momentum, develop the authority to convince stakeholders to participate and successfully achieve the program objectives. **Mitigation:** PERSGA has shown proven success over the last four years in maintaining momentum in its projects and executed successfully a number of on ground activities in all project partner countries. Useful lessons have been learnt from the shortcomings of the first Red Sea project and smoother execution of the project is supported by the national teams in all subject areas that have been prepared in the first project.
4. Inadequate capacity to manage and execute the project. **Mitigation:** This risk is considered low, since PERSGA has developed a strong core team which has developed solid experience. PERSGA is also responsible towards its partner countries and international organizations that it deal with to apply stringent standards in selecting its employees. The project includes an incremental component of training and technical support to ensure that this capacity is consolidated and transferred to the country actors. Furthermore with the World Bank being the sole Implementing Agency of the coordination between the implementing and the executing agencies will be direct and effective and will allow the World Bank to apply international quality standards on performance
5. Inadequate ability to convince regional stakeholders and beneficiaries to share the project goals and cooperate in the project activities. **Mitigation:** The project aims at building early awareness and demonstrating the benefits of environmental controls and management in order to develop strong support for a common vision and shared responsibility. Accordingly, this risk is considered low, since commitment is already high, as demonstrated by the success of PERSGA in already securing up to US \$10.0m of the project counterpart funding. There is also increasing interest of the private sector in the region more actively involved in environmental conservation activities.
6. Unsustainable results. **Mitigation:** This phase of project operations will specifically focus on building ownership and capacity beyond the existing structure of the international PERSGA organization and transfer capacity into country-owned results (through their individual National Action Plans) which will ensure continuity of impact beyond the life of the project, consolidate the broader project outcomes and develop the regulations and legislation to enforce them. The project will target establishing a PERSGA Business Partnership that will guarantee sustainable funding for environmental activities

G. DESCRIBE, IF POSSIBLE, THE EXPECTED COST-EFFECTIVENESS OF THE PROJECT:

The selected project design follows a qualitative cost-effective approach to justify the best use of the GEF funds for achieving the stated global environmental benefits. Focusing the external support to one central agency (PERSGA) will achieve high transaction efficiencies for the project and promote a harmonized regional approach to the implementation of the project activities. Additional cost-effectiveness benefits will result from the centralized management of information exchange, regional dialogue and standards and leverage much greater benefits for the investment. Thus, the GEF funding will support activities in individual countries but will be managed by PERSGA which has already established the protocols and procedures to administer the financing, management and oversight roles for the project. PERSGA is also in the best position to leverage the GEF funds by seeking incremental co-financing in support of specific country activities.

H. JUSTIFY THE COMPARATIVE ADVANTAGE OF GEF AGENCY:

The World Bank is in the GEF comparative advantage matrix for this type of complex regional marine operation and it will use its unique convening power to bring together stakeholders and donors as active participants in the RSGA regional program. The World Bank was the Implementing Agency for the first Red Sea project and will use this experience, leveraged with other regional LMEs (including the Mediterranean Sea and Caspian Sea), to provide focused technical assistance and develop information exchange networks.

PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)**A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S):** (Please attach the [country endorsement letter\(s\)](#) or [regional endorsement letter\(s\)](#) with this template).

<i>Aboubaker Douale Waiss, Secretary General, Ministry of Housing, Urban Development, Environment and Land Management Djibouti.</i>	Date: <i>September 1, 2008</i>
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<i>Mawaheb Abdou El Azm, Chief Executive Officer, Egyptian Environmental Affairs Agency. Egypt</i>	Date: <i>September 9, 2008</i>
<i>Husni Abu Ghaida, Chief Commissioner, Aqaba Special Economic Zone Authority. Jordan</i>	Date: <i>September 1, 2008</i>

<i>Ahmed Bin Abdullah Ashour, Deputy of the President for Environmental Affairs, Presidency of Meteorolgy and Environment. Saudi Arabia</i>	Date: <i>September 10, 2008</i>
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<i>El Fadil Ali Adam, Under Secretary, Ministry of Environment and Physical Development. Sudan</i>	Date: <i>September 4, 2008</i>
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<i>Mahmoud M. Shidiwah, Chairman, Environment Protection Authority. Yemen</i>	Date: <i>September 9, 2008</i>
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B. GEF AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF policies and procedures and meets the GEF criteria for project identification and preparation.	
 Steve Gorman GEF Coordinator The World Bank	Kanta Kumari Rigaud Regional GEF Coordinator MNA Region
Date: October 14, 2008	Tel. and Email: 1-202-473-4269 Kkumari@worldbank.org