The Biodiversity Finance Initiative (BIOFIN)

Annual Report

The Biodiversity Finance Initiative (BIOFIN)

Implementing Agency:	United Nations Development Programme
Country/Region or Area:	Egypt
Project Title and ID:	Biodiversity Finance Initiative (BIOFIN) - 01003154
Project Duration:	2023-2030
Project Budget for 2025 (AWP):	209,940.32
Overall Project Budget:	332,310.17
Reporting Period:	January 2025- Novermber 2025
Contact Person/s:	**(Include email, contact number and website)**
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Acronyms

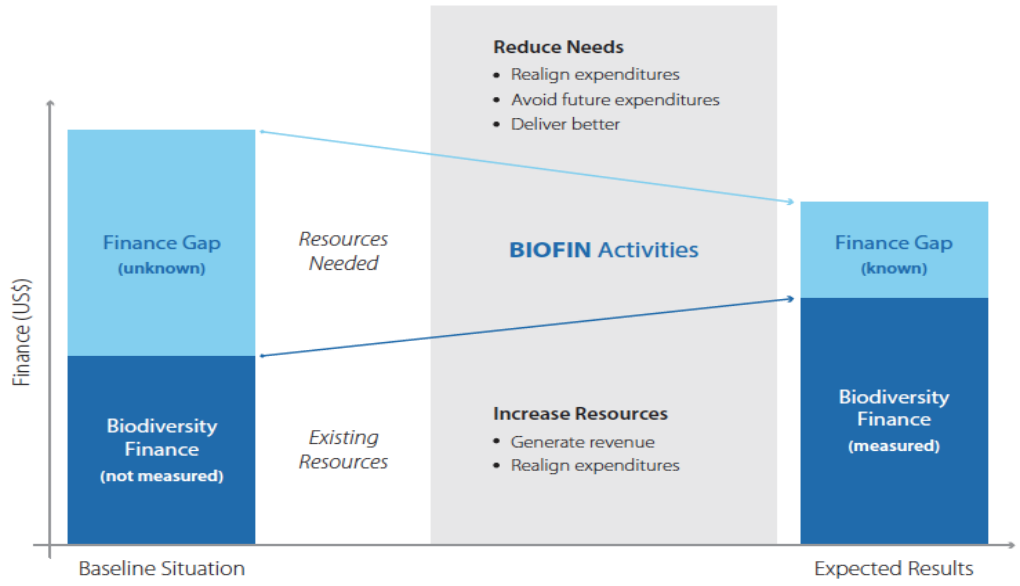
BER	Biodiversity Expenditure Review
BIOFIN	Biodiversity Finance Initiative
BFP	Biodiversity Finance Plan
CBD	Convention on Biological Diversity
EEAA	Egyptian Environmental Affairs Agency
FNA	Financial Needs Assessment
MOF	Ministry of Finance
MPED	Ministry of Planning & Economic Development
NCS	Nature Conservation Sector
NGOs	Non Governmental Organizations
RFP	Request for Proposal
PA	Protected Area
PIR	Biodiversity Finance Policy and Institutional Review
SDGs	Sustanable Development Goals
SC	Steering Committee
TWG	Technical Working Group
TOR	Terms of Reference
UNDP	United Nations Development Programme

I. Introduction

Preliminary top-down estimates of the global financial gap for biodiversity is around 800 billion annually and detailed bottom-up assessments in participating Biodiversity Finance Initiative (BIOFIN) countries validate this significant financial need and have helped identify finance solutions required to achieve the Aichi Targets and biodiversity related Sustainable Development Goals (SDGs). In recent decades, biodiversity finance tools and solutions have demonstrated their importance for achieving biodiversity and sustainable development goals. But since countries have not approached the issue of biodiversity finance in a comprehensive manner, the choice and adoption of finance solutions has remained experimental and opportunistic. Improved choice, design and implementation of effective well-tailored finance solutions will strengthen a countries' chances of achieving national and global biodiversity targets.

The BIOFIN is a global programme that developed, piloted, and is continuously improving a methodology to measure existing biodiversity expenditure levels, assess future financial needs, and design comprehensive plans to use finance tools and solutions that increase financing, effectiveness and efficiency of biodiversity management. BIOFIN's first phase (2012-2018) enabled full assessments and initial implementation of finance plan elements in target countries. Significant enhancement and scaling up of finance solutions is required in all countries to address the biodiversity finance challenge. BIOFIN's second phase enables countries to complete the design and implementation of priority finance solutions and will allow new countries to undertake the assessments as well as create and implement their biodiversity finance plan. At the central level, knowledge management platforms will be expanded and additional guidance produced for most valuable finance solutions.

Figure S.1: The BIOFIN Approach



Through the BIOFIN support, Egypt aims at:

- Assess the policy, institutional, and economic context for biodiversity finance and map existing finance solutions.
- Measure and analyse current biodiversity expenditures, from the public and private sectors, donors and Non Governmental Organizations (NGOs).
- Make a reliable estimate of the finance needed to achieve the biodiversity goals, and compare this to current biodiversity expenditures and other resources available.
- Develop a biodiversity finance plan that identifies and mobilizes the resources and policies required to implement the most suitable finance solutions.
- Implement finance solutions that deliver tangible financial outcomes and generate positive impacts on biodiversity and society, using context-specific financial and economic instruments.

The implementation process is based on the following eight pillars:

- Build on a high level of government engagement.
- Increase engagement of the private sector in biodiversity finance.
- Make capacity development central to all activities.
- Ensure timely development of a sustainability strategy with opportunities for institutionalization.
- Forges new partnerships among ministries of finance, planning and environment.
- Directly engages with key decision makers and ongoing policy process.
- Pairs technical work with adequate advocacy/communication activities.
- Adapts the methodology and implementation mechanisms to the unique country context.

II. Progress Review January – June 2025

Section 1: Overall progress against Project Dcoument outputs

The Initiative aim to produce the following outputs:

- The Biodiversity Finance Policy and Institutional Review (PIR): analyze the policy and institutional context for biodiversity finance in Egypt. This analysis examines the relationship between the state of nature and a country's fiscal, economic, legal, policy, and institutional framework.

- The Biodiversity Expenditure Review (BER): uses detailed data on public, private, and civil society budgets, allocations and expenditures to inform and promote improved biodiversity policies, financing, and outcomes.

- The Financial Needs Assessment (FNA): makes a comprehensive estimate of the financial resources needed to achieve the national biodiversity targets articulated in national biodiversity plans and other key national planning instruments.

- The Biodiversity Finance Plan (BFP): is the guiding document for implementing the most optimal finance solutions to reach national biodiversity targets.

- Implement priority finance solutions identified in the BFP that deliver tangible financial outcomes.

Project Output 1: Biodiversity Finance Policy and Institutional Review (PIR)				
Output indicators	Baselines	Targets	Progress against targets	Source/Means of Verification
Number of policy and institutional review prepared	*No assessment of the policies and institutions that inform the financing of biodiversity.*	*One policy and institutional review prepared with comprehensive analysis of the current situation for biodiversity finance in a country with emphasize on drivers of biodiversity change, existing finance solutions, national budgeting process, subsidies, biodiversity related revenue,*	*completed*	*Final PIR*

		associated laws and regulations, and major institutions to be involved.		
Project Output 2: Biodiversity Expenditure Review (BER)				
Output indicators	Baselines	Targets	Progress against targets	Source/Means of Verification
Number of biodiversity expenditure review prepared	*No comprehensive estimate of biodiversity expenditures From public and private sources.* *Limited estimate of biodiversity expenditures from public sources.* *No estimate of biodiversity expenditures from civil and private sources.*	*One biodiversity expenditure review prepared with a detailed review of historical budgeting and spending on biodiversity-positive actions by the public, private, and civil society sectors including ODA and climate finance.*	*completed*	*Final BER*
Project Output 3: Financial Needs Assessment (FNA)				
Output indicators	Baselines	Targets	Progress against targets	Source/Means of Verification
Number of biodiversity financial needs assessment prepared.	*No comprehensive estimates for financial needs to support biodiversity targets.*	*One finance needs assessment prepared with comprehensive estimates of the financing required to deliver national biodiversity plans, targets and results, and assesses the financing gap between this and projected resources.*	*completed*	*Final FNA*

Project Output 4: Biodiversity Financing Plan (BFP)				
Output indicators	Baselines	Targets	Progress against targets	Source/Means of Verification
Number of financing plans prepared and adopted by government and partners.	*No comprehensive biodiversity financing plan exists.*	*Finance solutions are identified to fill the national finance gap.*	*completed*	*Final BFP*
Project Output 5: Implementation of Finance Solutions				
Output indicators	Baselines	Targets	Progress against targets	Source/Means of Verification
Number of finance solutions approved by government and ready for implemenation.	*No systemic approach is adopted in finance solutions. No safeguards for biodiversity finance solutions are in place. No Monitoring and Evaluation frameworks for finance solutions exist.*	*New finance instruments that can bridge the funding gap by more than 20% are supported at the national level.*	Nine finance solutions have been prioritized based on the established methodology and a comprehensive consultation process.	Nine solutions have been identified in the BFP.

Section 2: Progress against each output

Project document Outputs	Annual outputs	Status	WP Outputs Results	Prodoc.output Results
Project Output 1: Biodiversity Finance Policy and Institutional Review (PIR)				
	AWP Output 1	*Completed*	A comprehensive policy and institutional review was completed, providing an in-depth analysis of the current biodiversity finance landscape in the country. The review focused on drivers of biodiversity change, existing finance solutions, national budgeting processes, subsidies, biodiversity-related revenues, relevant laws and regulations, and the key institutions involved.	
	Output Indicator: *Number of policy and institutional review prepared* **Baseline**: *No assessment of the policies and institutions that inform the financing of biodiversity* **Target** : *One policy and institutional review prepared with comprehensive analysis*			

	of the current situation for biodiversity finance in a country with emphasize on drivers of biodiversity change, existing finance solutions, national budgeting process, subsidies, biodiversity related revenue, associated laws and regulations, and major institutions to be involved.			
Project Output 2: Biodiversity Expenditure Review (BER)				
	AWP Output 2 *:*	*Completed*	A detailed biodiversity expenditure review was conducted, analyzing historical budgeting and spending on biodiversity-positive actions across the public, private, and civil society sectors, including Official Development Assistance (ODA) and climate finance contributions.	
	Output Indicator: *No comprehensive estimate of biodiversity expenditures From public and private sources.* *Limited estimate of biodiversity expenditures from public sources.* *No estimate of biodiversity expenditures from civil and private sources*			

	Baseline: *No comprehensive estimate of biodiversity expenditures From public and private sources.* *Limited estimate of biodiversity expenditures from public sources.* *No estimate of biodiversity expenditures from civil and private sources.* **Target :** *One biodiversity expenditure review prepared with a detailed review of historical budgeting and spending on biodiversity-positive actions by the public, private, and civil society sectors including ODA and climate finance.*			
Project Output 3: ***Financial Needs Assessment (FNA)***				
	AWP Output 3	*Completed*	A comprehensive finance needs assessment was completed, estimating the required funding to achieve national biodiversity plans, targets, and outcomes, and identifying the financing gap between these needs and projected resources.	

	Output Indicator: *Number of biodiversity financial needs assessment prepared.* **Baseline:** *No comprehensive estimates for financial needs to support biodiversity targets.* **Target :** *One finance needs assessment prepared with comprehensive estimates of the financing required to deliver national biodiversity plans, targets and results, and assesses the financing gap between this and projected resources. compatibility with the national plan.*			
Project Output 5: Biodiversity Financing Plan (BFP)				
	AWP Output 4	*completed*	A BFP was developed, presenting a strategic roadmap to secure and mobilize funding for national biodiversity goals. The plan includes a prioritized portfolio of finance solutions tailored to the country's biodiversity context, actionable implementation	

			strategies, and a monitoring framework to evaluate impact over time. Through stakeholder consultations, it identifies solutions for revenue generation, expenditure realignment, financial risk management, and private sector engagement.	
	Output Indicator: *Number of financing plans prepared and adopted by government and partners.* **Baseline:** *No comprehensive biodiversity financing plan exists* **Target** : *Finance solutions are identified to fill the national finance gap.*			
Project Output 6: Implementation of Finance Solutions				
	AWP Output 5 ***Budget: USD 32,000*** ***Expenditure:***	*Completed*	Nine solutions have been identified in the BFP.	
	Output Indicator: *Number of finance solutions approved by government and ready for implementation* **Baseline**:			

	No systemic approach is adopted in finance solutions. No safeguards for biodiversity finance solutions are in place. No Monitoring and Evaluation frameworks for finance solutions exist. **Target** : *New finance instruments that can bridge the funding gap by more than 20% are supported at the national level.*			

2.1 Progress towards Outputs (achieved/Not achieved):

PIR>BER>FNA>BFP

The Biodiversity Finance plan (BFP)

The Biodiversity Finance Plan (2024–2030) has been successfully finalized and validated by the Steering Committee. It is currently undergoing layout design and printing, with copies being prepared for distribution to key stakeholders. With the completion of the BFP, all key deliverables of the methodology phase have now been finalized, including the Biodivetsy Finance Policy and Institutional Review (PIR), the Biodiversity Expenditure Review (BER), and the Financial Needs Assessment (FNA). During this reporting period, BIOFIN Egypt advanced the preparatory phase for seven prioritized finance solutions. Efforts focused on in-depth assessments, the development of conceptual frameworks, stakeholder consultations, and the initiation of legal, policy, and institutional reviews to assess the feasibility of each solution.

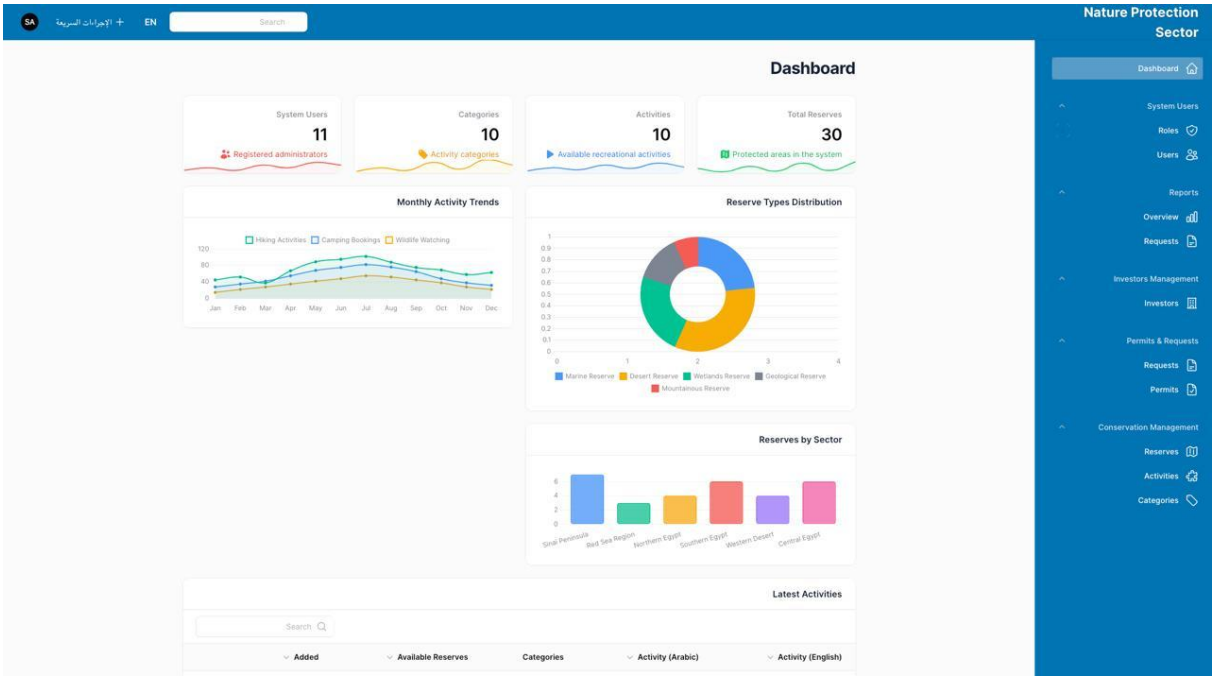
Following the BFP's finalization, BIOFIN Egypt advanced preparatory work on six of the plan's prioritized finance solutions. These include: revising concession and permit fees in protected areas, promoting Corporate Social Responsibility (CSR) funding for biodiversity, integrating biodiversity-positive carbon credits into Egypt's carbon market, enhancing the Performance-Based Budgeting (PBB) system, exploring biodiversity insurance schemes, and fostering Public-Private Partnerships (PPPs) through Collaborative Management Partnerships (CMPs).

Activities:

<u>Solution 2: Revise concession and permit fees for protected areas and systematize the investor selection and contracting process</u>

A national committee has been established by decree of the Egyptian Environmental Affairs Agency (EEAA), with BIOFIN Egypt serving as a member, to support the in-depth assessment and conceptual development of a finance solution related to investment management in protected areas. The committee's current focus is on reviewing existing pricing practices for investment activities and exploring options for developing a standardized methodology to guide future pricing decisions.

To inform this process, an expert has been contracted to develop a preliminary framework for a transparent, equitable, and conservation-aligned pricing methodology. This work aims to lay the foundation for a future system that balances economic use with biodiversity conservation, while generating sustainable revenue. The inception report of the assignment has been delivered.



Interface of the Information System for Investment Projects in Protected Areas

In parallel, an Information System for Investment Projects in Protected Areas is being designed to support future implementation. At this stage, the system has been completed and serve as a key tool for managing and monitoring investment activities once the finance solution is fully operational.

Solution 3: Promote Corporate Social Responsibility (CSR) funding for biodiversity initiatives

BIOFIN Egypt, in collaboration with the members of the Technical Working Group, has initiated discussions to explore the potential of aligning CSR initiatives with national biodiversity priorities. An initial exploratory meeting was held with experts and interested corporate representatives to gather insights and test the concept.

Currently, a ToR has been completed to contract a consultant who will conduct an in-depth assessment to identify and prioritize biodiversity conservation project opportunities that align with CSR objectives, emerging sustainability trends in key industries, and Egypt's NBSAP. The consultant will also help outline a strategy for engaging with relevant private sector platforms, laying the groundwork for future partnerships and collaboration.

Solution 4: Explore and Integrate Biodiversity-Positive Carbon Credits into the Carbon Market

BIOFIN Egypt, in coordination with the Technical Working Group, is currently engaged in the early conceptual phase of a finance solution focused on integrating biodiversity into Egypt's emerging carbon market. A high-level meeting was held with the Head of the Financial Regulatory Authority (FRA) to explore the policy landscape and opportunities for alignment between carbon market mechanisms and biodiversity conservation objectives.




Biodiversity and Carbon Markets workshop

Building on this dialogue, a national workshop was organized on 20 May 2025, in collaboration with the FRA and the Egyptian Stock Exchange, to examine international experiences and assess the feasibility of promoting biodiversity-positive carbon projects in Egypt. The workshop served as a platform to test the concept and gather stakeholder input on dual-benefit approaches that reduce carbon emissions while enhancing ecosystem protection. Morover, A detailed presentation was delivered on the importance of **Biodiversity Credits** and their potential application in Egypt, along with insights into relevant global experiences. It was emphasized that biodiversity credits are a modern financial and strategic instrument designed to promote the conservation and sustainable use of biodiversity.

At present, BIOFIN Egypt and the Technical Working Group are reviewing the existing policy, regulatory, and institutional frameworks that govern the carbon market. This assessment aims to identify potential gaps, entry points, and policy adjustments required to enable the future integration of biodiversity considerations into carbon market design and operation

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

The adoption of the PBB system was identified as one of the early-implementation finance solutions under the BFP. Initial progress was made in 2024 through close collaboration with the Ministry of Finance (MoF), setting the foundation for broader institutional uptake within the Ministry of Environment (MoE).

At this stage, efforts remain focused on building the necessary institutional capacity and deepening understanding of the PBB framework. A series of capacity-building workshops were conducted by MoF for MoE staff, resulting in a core group of MoE personnel becoming qualified to train their peers. This culminated in an internal training workshop held in February 2025, led by MoE senior staff, to strengthen internal familiarity with PBB principles and their practical application.





Training workshops on PBB at the mininstry of environment

Further foundational work was carried out in May 2025, with a targeted workshop on procurement procedures, inventory management, documentation cycles, and disbursement processes, all framed within the context of transitioning toward a PBB approach. These ongoing activities are part of the preparatory phase, aimed at ensuring MoE's readiness for future full-scale PBB implementation linked to biodiversity outcomes.

Solution 6: Explore Insurance Schemes Addressing Risks to Biodiversity

On 8 April 2025, a high-level meeting was convened to explore the conceptual foundations for developing insurance solutions to address biodiversity-related risks in Egypt. The meeting brought together key stakeholders, including the Executive Director of the Institute of Financial Services at the Financial Regulatory Authority (FRA), the Advisor to the Head of the Egyptian Environmental Affairs Agency (EEAA), and the Director General of the General Department for Mitigation and the Clean Development Mechanism.

Discussions centered on the potential of index-based insurance as a flexible and rapid-response tool to support vulnerable ecosystems and communities that depend on nature. The meeting also explored the relevance of Environmental Liability Insurance (ELI) in addressing biodiversity loss caused by human activities, emphasizing its role in ensuring legal and financial accountability.

Drawing on global experiences from Belize, Mexico, and Australia, participants examined possible entry points and models that could be adapted to Egypt's environmental and legal context. As a key outcome, it was proposed to establish a joint working group between the MoE and the FRA to further assess feasibility and begin outlining the design of a national biodiversity insurance scheme. This marks the beginning of a concept development phase, laying the groundwork for more detailed analysis and stakeholder engagement.



On Sunday, 2 November 2025, and based on Decree No. 982 issued by the CEO of the Egyptian Environmental Affairs Agency (EEAA), the National Committee to Explore Possible Insurance Schemes Addressing Risks to Biodiversity held its first meeting. The committee discussed the current status of biodiversity in Egypt and the main risks it faces, both natural and human-induced. It was agreed that the committee will convene on a monthly basis until a comprehensive framework for insurance schemes addressing biodiversity-related risks in Egypt is established.

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

On 14 January 2025, a meeting was held with the CEO of the Egyptian Environmental Affairs Agency (EEAA), where he emphasized the urgency of advancing the Public-Private Partnership (PPP) finance solution and exploring its applicability within Egypt's protected areas and broader biodiversity context. This was followed by a meeting on 22 January with senior officials from the Ministry of Finance, including the Deputy Minister and the Head of the PPP Central Unit, to secure institutional support for further exploring this approach.



Consultation meeting with the CEO of the EEAA on Collaborative Management Partnerships

As a result, BIOFIN Egypt launched a process to recruit an expert to lead a comprehensive assessment and develop a conceptual framework for implementing Collaborative Management Partnerships (CMPs) in Egypt's protected areas. The scope of work includes conducting a legislative and regulatory analysis, evaluating international and regional CMP models, identifying adaptable best practices, and proposing detailed implementation scenarios. These scenarios will outline governance structures, roles and responsibilities, and potential revenue-sharing mechanisms.

During this reporting period, The expert has submitted its final report which is currently under reviweing by the BIOFIN team and MOE.

Aligning the BFP with Egypt's national financial planning

BIOFIN Egypt played a key role in ensuring the meaningful integration of biodiversity finance into Egypt's Integrated National Financing Framework (EG-INFF). Through its active engagement in the consultation process, BIOFIN contributed technical inputs and advocated for biodiversity to be reflected across national financing priorities. At the same time, it worked to align the Biodiversity Finance Plan (BFP) with the principles and structure of the EG-INFF, ensuring coherence with broader sustainable development and financing strategies.

As a result, the BFP is now recognized within the EG-INFF as a pivotal instrument to help close Egypt's biodiversity financing gap. It promotes a balanced mix of public, private, market-based, and community-driven solutions, contributing to long-term conservation and sustainable resource mobilization. By supporting Egypt's shift from traditional funding models to a more strategic and integrated "right-financing" approach, the BFP strengthens the role of biodiversity within national financial planning and implementation.

Contributing to Regional and International Events





BIOFIN Egypt participated in the 6th Global Conference on Biodiversity Finance held in Santiago, Chile from 6–8 May 2025. The event provided a platform to share Egypt's experiences in the

design and early implementation of biodiversity finance solutions. BIOFIN Egypt contributed to technical discussions on solution implementation, exchanged lessons learned with other countries, and explored emerging opportunities for biodiversity investments.

Later, from 25–27 June 2025, BIOFIN Egypt joined the 11th Regional Dialogue on Biodiversity Finance in Kigali, Rwanda. The dialogue focused on peer learning, gender integration in biodiversity finance, and the application of new tools and mechanisms. BIOFIN Egypt shared best practices from its work and engaged in the pitch comptititon and on reflections on progress across the region to inform global discussions and future programming.

2.2 Please provide additional comments on targeting of beneficiaries, sustainability of results, strengthening national capacities.

Targeting	*The project aims to develop comprehensive Biodiversity Finance Plans, drawing on 150+ finance solutions, that will help close the biodiversity financing gap in Egypt.* *The project is currently in the methodology phase, with the PIR, BER, FNA and BFP completed.* *The project is moving into the next phase of implementation and is currently preparing solution proposals.*
Sustainability	*The project aims to help Egypt transition away from aid dependency by introducing innovative finance mechanisms to close the biodiversity financing gap, advocating for capacity building and institutional alignment in biodiversity finance, and fostering behavioral change through empowerment, capacity development, and awareness initiatives.*
National capacities	*The project aims to strengthen national capacities to analyze, design, and implement finance solutions by engaging fully with the BIOFIN methodology.*
Innovation	*The project is focused on developing & implementing new and innovative finance solutions to help close the biodiversity financing gap in the country.*
South-South Cooperation	*The project leverages the experiences and best practices of other BIOFIN countries through resources available on the BIOFIN website and support from technical advisors. Additionally, the project participates in regional*

	workshops to share experiences and explore potential collaboration with other BIOFIN countries.
Knowledge Products	*The project has generated four key knowledge products: the Biodiversity Finance Policy and Institutional Review (PIR), the Biodiversity Expenditure Review (BER), the Financial Needs Assessment (FNA), and the Biodiversity Finance Plan (BFP). In addition, awareness materials was provided in Arabic.*

2.3 Gender reporting: please provide additional details on Gender Development Results

Gender Marker 2

The projects give due consideration to the integration of gender into the project meetings and events, and the preparation of the studies/reports and the implementation of its activities.

Describe key results achieved and corroborate with evidence
BIOFIN Egypt recognizes that diverse perspectives are essential to effective and inclusive biodiversity financing. As such, gender diversity is promoted across all areas of the initiative, including the composition of the core team, selection of project experts, and participation in events and consultations. Equitable opportunities are ensured for both women and men to contribute their expertise and engage meaningfully in decision-making processes. *Gender balance is also a guiding consideration in the nomination of speakers and participants for national and international workshops, technical meetings, and stakeholder engagements. BIOFIN Egypt continuously strives to create inclusive spaces that reflect the diversity of the communities and institutions involved.*

III. Monitoring and Evaluation

MONITORING SCHEDULE				
Monitoring Action *(Description)*	**Due by**	**Completion date**	**Comments**	**Responsibility**
Steering Committee (SC) meeting		*February 24, 2025*	- *Provides strategic guidance.* - *Facilitating both the alignment with, and feeding into national policy processes.* - *Formally endorses work-plans and validates reports.* - *Debates the specific national objectives and targets.* - *Facilitate access to the information and provide subsequent guidance on its use.*	*Project Coordinator*

Twenty Technical Working Group (TWG) meeting		*Twice Monthly*	• *Follow-up the implementation of the workplan.* • *Review Project Outputs.*	*Project Coordinator*
BIOFIN Country Result Report (CRR)		*June 30, 2025*	• *Monitoring the progress of the project activities*	*Project Coordinator*
BIOFIN indicator Tracking Tool (ITT)		*June 30, 2025*	• *Monitoring the progress of the project activities*	*Project Coordinator*

3.1 EVALUATIONS

The project has not undergone any evaluation during the year.

IV. Key Challenges, Lessons Learned and Recommendations

Strong institutional coordination is critical from the outset:

The success of advancing the BFP priority solutions depends heavily on the ability to coordinate with various public stakeholders, whose approval and commitment are pivotal to its effective implementation

Recommendations:

This requires the early engagement of key stakeholders to build ownership and alignment from the start. Strengthening the understanding of biodiversity finance and its relevance across institutions is essential to ensure buy-in. The integration of finance solutions into existing policy frameworks and institutional mandates must be prioritized. Continuous and inclusive engagement in decision-making processes is also necessary to maintain momentum and foster collective accountability.

Tailor stakeholders' communication message:

Stakeholders have varying levels of interest and involvement, and delivering the wrong message to them can lead to decreased engagement and hinder their understanding of the common goal.

Recommendations:

It is crucial to tailor communication messages based on the unique needs, interests, and power dynamics of each stakeholder. Active listening and considering their input when making decisions are equally important. BIOFIN Egypt prepared a comprehensive analysis using the typical stakeholder mapping matrix, which took into account stakeholders' interest in biodiversity finance and their level of power or influence. Furthermore, the analysis determined the most appropriate

engagement method for each key stakeholder group to foster further collaboration. By adapting communication approaches to suit the specific requirements of stakeholders, we can build stronger connections, foster engagement, and enhance the overall success of the initiative.

The PIR identified institutions with significant influence and interest deemed crucial to the BIOFIN methodology, necessitating close collaboration. These key entities include the Ministry of Environment - Environmental Protection Fund (EPF), Ministry of Environment - Nature Conservation Sector (NCS), Ministry of Finance (MoF), Ministry of Planning and Economic Development (MoPED), and The United Nations Development Program (UNDP) in Egypt. Throughout the reporting period, BIOFIN maintained robust engagement with these stakeholders, actively involving them in various events, maintaining regular communication, and establishing connections between the NCS and key individuals in these institutions. Our approach consistently aimed to tailor our message according to the specific needs, interests, and influence of our key stakeholders, a strategy clearly demonstrated during the PIR consultation workshop.

Seize Networking Opportunities:

Financing biodiversity presents significant challenges, demanding innovative approaches and effective coordination. Therefore, it is crucial to explore various best practices and success stories to shape our mindset and strategies in this domain.

Recommendations:

In pursuit of this goal, BIOFIN Egypt seizes every networking opportunity to learn from the experiences and best practices of other countries. Establishing continuous communication and actively seeking to gain insights from diverse experiences has become an integral part of our approach. For instance, during the the global and regional events on biodiversity finance, networking with other countries and learning from their experiences proved to be truly inspiring. As a result, we are now poised to implement significant changes in some of our policies, with the aim of furthering our commitment to biodiversity conservation.

V. Update on risks and mitigation measures

Risks	Mitigation Measures
Limited engagement of stakeholders due to weak awareness and interest of biodiversity finance.	*Key stakeholders have been invited to take part in the steering committee of the project. Continued dialogues & discussion is undertaken with stakeholders to raise awareness of biodiversity finance and the BIOFIN methodology.*
Limited local expertise to carry out the implementation of finance solutions and guarantee the sustainability of the intervention.	*The NCS staff are deeply engaged and involved in the implementation of the activities to ensure the transfer of knowledge and experience, and to raise their capabilities. Moreover, the NCS is strongly represented in the TWG of the project.*
Ineffective system for biodiversity revenue retention and re-injection.	*The NCS is not an autonomous body; it is a sector inside the EEAA. The NCS is not able to retain the revenue generated from biodiversity-related activities (e.g, User fees, concessions ….etc). Income goes directly to the EPF, which uses it to finance other environment-related activities in addition to biodiversity. This system is ineffective and hinders closing the biodiversity financing gap in the country*

VI. Partnerships and Sustainability

The PIR conducted a comprehensive stakeholder analysis on biodiversity finance in Egypt, evaluating 44 institutions based on two main criteria: interest in biodiversity finance and overall influence. These institutions represent diverse domains, including development planning, conservation, sustainable use, green economy, and pollution management. Stakeholders were categorized into four groups:

- Awareness Raising/Monitoring: Stakeholders with low influence and interest, such as some NGOs.
- Advocacy/Inform: Entities with high influence but limited direct interest in biodiversity finance.
- Empowerment/Engagement: Stakeholders with high interest but lower influence, needing support to strengthen their role.
- Close Engagement/Leverage: Stakeholders with both high interest and influence, essential for project success.

Progress has been made in establishing partnerships and fostering professional communication with these stakeholders, ensuring that relationships are managed strategically to maximize impact. By tailoring engagement approaches to each group's specific characteristics and needs,

the project is building a foundation of collaborative partnerships that strengthen biodiversity finance efforts. This professional, strategic communication and partnership-building approach is pivotal to achieving long-term sustainability in biodiversity financing, as it aligns diverse stakeholder interests with shared conservation goals.

VII. Financial Summary

The project is funded by the BIOFIN which is an initiative that was initiated ten years ago at the CBD COP 11, by UNDP and the European Commission, in response to the urgent global need to divert more finance from all possible sources towards global and national biodiversity goals. The total project budget is USD300,000. There is no government cash or in-kind contribution in the project.

Table 1: Overview of available resources for the reporting period

(Total funds received from different donors)

Donor	Opening Balance	Allocations/ funds received in 2025	Total for 2025
GOVERNMENT OF GERMANY	**116,310.17**	101,940.31	101,940.32
Dept of Forgn Afrs Trade & Dev	**216,000**	108,000	108,000
Total			209,940.32

Table 2: Overview of budget and expenditure per output

(For multi-donor projects, show the cumulative total)

Output	Budget				Expenditures				Balance
	Government of Germany	Department of Foreign Affairs	Donor 3	Total	Government of Germany	Departnent of Foreign Affairs	Donor 3	Total	
Output 1									
Output 2									
Output 3									
Output 4	64,829.64	61,560		126,389.64	0	45,398.23		45,398.23	80,991.41
Output 5	37,110.68	46,440		83,550.68	5550.54	51,068.81		56,619.35	26,931.33
Total	**101,940.32**	**108,000**		**209,940.32**	**5550.54**	**96,467.04**		**102,017.58**	**107,922.74**

Table 3: Overview of expenditures per category

Category	Amount (USD)
Local-71300	31,940.68
Travel-71600	8,811.45
Communic-72400	37.02
Supplies-72500	16.17
Miscellaneous-74500	39.7
Facilities-75100	2,954.83
Training-75700	1,565.03
Foreign-76100	33.35
Local-71300	5,550.54
Facilities-75100	9.48
Training-75700	118.51
Staff-64300	1,406.67
Contractual-71400	36,259.98
Travel-71600	5,131.04
Miscellaneous-74500	1,574.71
Facilities-75100	3,633.92
Training-75700	2,934.50
Total	**102,017.58**

Annex I: Progress Review: detailed matrix of activities and results

Output 1	Indicators	Baseline	Target	Progress
Biodiversity Finance Policy and Institutional Review (PIR)	*Number of policy and institutional review prepared*	**0**	*One policy and institutional review prepared with comprehensive analysis of the current situation for biodiversity finance in a country with emphasize on drivers of biodiversity change, existing finance solutions, national budgeting process, subsidies, biodiversity related revenue, associated laws and regulations, and major institutions to be involved.*	- *completed*
Planned Activities			**Status**	
Prepare an inception report include the following: - *Detailed methodology including data collection and data analysis methods.* - *Key research, reports, studies, websites, and social media accounts to be reviewed.* - *Time-framed work plan.* - *Discussion of the logistics including required meeting and consultation with key experts and stakeholders.*			*completed*	
Conduct a consultation workshop to consult key experts and major stakeholders			*Completed*	

Prepare the draft PIR	*Completed*
Conduct a validation workshop to verify the quality of the study and validate it.	*Completed*
Prepare the final PIR	*Completed*

Output 2	**Indicators**	**Baseline**	**Target**	**Progress**
Biodiversity Expenditure Review (BER)	*Number of biodiversity expenditure review prepared*	**0**	*No comprehensive estimate of biodiversity expenditures From public and private sources.* *Limited estimate of biodiversity expenditures from public sources.* *No estimate of biodiversity expenditures from civil and private sources*	completed
Planned Activities			**Status**	
Prepare an inception report include the following: - *Detailed methodology including data collection and data analysis methods.* - *Key research, reports, studies, websites, and social media accounts to be reviewed.* - *Time-framed work plan.* - *Discussion of the logistics including required meeting and consultation with key experts and stakeholders.*			*Completed*	
Conduct a consultation workshop to consult key experts and major stakeholders			*Completed*	
Prepare the draft BER			*Completed*	

Conduct a validation workshop to verify the quality of the study and validate it.	*Completed*
Prepare the final BER	*Completed*

Output 3	**Indicators**	**Baseline**	**Target**	**Progress**
Financial Needs Assessment (FNA)	*Number of biodiversity financial needs assessment prepared.*	**0**	*One finance needs assessment prepared with comprehensive estimates of the financing required to deliver national biodiversity plans, targets and results, and assesses the financing gap between this and projected resources.*	*Completed*
Planned Activities			**Status**	
Prepare an inception report include the following: - *Detailed methodology including data collection and data analysis methods.* - *Key research, reports, studies, websites, and social media accounts to be reviewed.* - *Time-framed work plan.* - *Discussion of the logistics including required meeting and consultation with key experts and stakeholders.*			*Completed*	
Conduct a consultation workshop to consult key experts and major stakeholders			*Completed*	
Prepare the draft FNA			*Completed*	
Conduct a validation workshop to verify the quality of the study and validate it.			*Completed*	
Prepare the final FNA			*Completed*	

Output 4	Indicators	Baseline	Target	Progress
Biodiversity Financing Plan (BFP)	*Number of financing plans prepared and adopted by government and partners.*	**0**	*Finance solutions are identified to fill the national finance gap.*	*Completed*
Planned Activities			**Status**	
Prepare an inception report include the following: - *Detailed methodology including data collection and data analysis methods.* - *Key research, reports, studies, websites, and social media accounts to be reviewed.* - *Time-framed work plan.* - *Discussion of the logistics including required meeting and consultation with key experts and stakeholders.*			*Completed*	
Conduct a consultation workshop to consult key experts and major stakeholders			*Completed*	
Prepare the draft BFP			*Completed*	
Conduct a validation workshop to verify the quality of the plan and validate it.			*Completed*	
Prepare the final BFP			*Completed*	

Output 5	Indicators	Baseline	Target	Progress
Implementation of Finance Solutions	*Number of finance solutions approved by government and ready for implemenation.*	**0**	*New finance instruments that can bridge the funding gap by more than 20% are supported at the national level.*	*Progressing*
Planned Activities			**Status**	

Identify and develop Finance proposal/Solutions to be implemented.	*completed*
Implementation of the selected finance proposal/Solutions	*ongoing*

Annex II: Updated Risk and Issues Logs

PROJECT RISKS AND ISSUES

UPDATED PROJECT RISKS: *(as in the project document)*

#	Description	Date Identified	Type	Impact & Probability	Countermeasures/ Mngt Response	Owner	Last update	Status

PROJECT RISKS AND ISSUES

UPDATED PROJECT ISSUES: *(Issues arising during implementation of the project)*

#	Description	Date Identified	Type	Countermeasures/ Mngt Response	Last update	Status
1	*Limited engagement of stakeholders due to weak awareness and interest of biodiversity finance.*	*Inception*	*Operational* *Might hinder the planning for and the implemenetaion of some finance solutions*	*Key stakeholders take part in the SC of the project. Continued dialogues & discussions are undertaken with stakeholders to raise awareness of biodiversity finance and the BIOFIN methodology. A consultation workshop was conducted to set the conceptual framework that will be used in preparing the PIR. The workshop was a good opportunity to raise our stakeholders' awareness of biodiversity financing.*	*Regulary checked*	*Reducing*
2	*Limited local expertise in biodiversity finance.*	*Inception*	*Operational* *Strategic* *Might hinder the implementation of finance solutions and the sustainability of the intervention.*	*The NCS team are deeply engaged and involved in the implementation of the activities to ensure the transfer of knowledge and experience, and to raise their capabilities. Moreover, the NCS is strongly represented in the TWG of the project.*	*Regulary checked*	*Reducing*
3	*Ineffective system for biodiversity revenue retention and re-injection.*		*Operational* *Strategic* *Might hinder the implementation of finance*	*The NCS is not an autonomous body; it is a sector inside the EEAA. The NCS is not able to retain the revenue generated from biodiversity-related activities (e.g, User fees, concessions ….etc). Income goes directly to the EPF, which uses it to finance other environment-related activities in addition to biodiversity. This system*	*Regulary checked*	*Reducing*

			solutions and the sustainability of the intervention.	*is ineffective and hinders closing the biodiversity financing gap in the country*		

Annex III: Annual Work Plan for 2025

Expected Results/Main Deliverables	ACTIVITY	Q1	Q2	Q3	Q4
Expected Result 1.1: A report with recommendations for competitive adjustments to protected area fees based on identified gaps and international benchmarks.	Activity 1.1.1: Review protected area entrance fees and revenue management, identify gaps, ensure compliance, and compare regional and international fees for competitive adjustments.	x	x	x	
		x	x		
		x	x		
		x	x		
Expected Result 1.2: A detailed analysis of concession and permit fees aligned with regional and international trends, and an operational information system established for efficient management and oversight of concession projects.	Activity 1.2.1: Analyze existing concession and permit fees in protected areas, incorporating regional and international trends.	x	x		
	Activity 1.2.2: Develop an information system to efficiently manage concession projects and ensure effective oversight.	x	x	x	x

Expected Result 1.3: Improved CSR practices for biodiversity conservation and improved NCS staff capacity for CSR proposals and monitoring.	Activity 1.3.1: Review Corporate Social Responsibility (CSR) practices and regulations, identify gaps in biodiversity investments, develop criteria for priority biodiversity areas.	x	x	x	
	Activity 1.3.2: Build Nature Conservation Sector (NCS) capacity to prepare investment proposals and monitor biodiversity-related CSR activities.				x
					x
					x
Expected Result 1.4: Reviewed carbon credit regulations, identified biodiversity integration opportunities, and strengthened NCS capacity on carbon markets.	Activity 1.4.1: Review regulatory frameworks and standards for carbon credits in Egypt.		x	x	
	Activity 1.4.2: Collaborate with the Financial Regulatory Authority (FRA) to explore integration of biodiversity into carbon market policies			x	

	Activity 1.4.3: Build NCS staff capacity on carbon markets and biodiversity-positive carbon projects.			x	
				x	
				x	
Expected Result 1.5: Enhanced capacity of NCS and MoE staff in Performance-Based Budgeting (PBB), including budget management, performance measurement, and data analysis	Activity 1.5.1: Build NCS and MoE staff capacity on Performance Based Budget (PBB) concepts, budget management, performance measurement, and data analysis.	x		x	
		x		x	
		x		x	
Expected Result 1.6: A clear understanding is gained of the feasibility and methods for implementing parametric insurance and Environmental Liability Insurance (ELI) to address risks to biodiversity.	Activity 1.6.1: Examine the global and Egyptian insurance markets to understand beneficiaries' requirements and identify available tools and programs for insurance related to natural assets (parametric insurance and Environmental Liability Insurance (ELI)).			x	x
				x	x

Expected Result 1.7: A detailed assessment of Egypt's legal framework for Public-Private Partnerships (PPP) in natural resource sectors and identified opportunities for biodiversity-related PPP initiatives.	Activity 1.7.1: Review the legal framework for Public Private partnerships (PPP) in Egypt's natural resources sectors and identify biodiversity-related PPP opportunities.	x	x	x	
			x		
Expected Result 1.8: Funding proposals and concept notes aligned with Egypt's NBSAP developed, and enhanced capacity of government officials and conservation managers in project design, implementation, and financial management to effectively support biodiversity conservation initiatives.	Activity 1.8.1: Develop funding proposals and concept notes aligned with Egypt's NBSAP.	x	x		
	Activity 1.8.2: Build the capacity of government officials and conservation managers in project design, implementation, and financial management.			x	
				x	
				x	

Annex IV: Assets inventory

SECTION 7: ASSETS LIST									
Asset ID	**Description**	**Type**	**Serial No.**	**Tag No.**	**Model**	**Location**	**Acquisition Date**	**Currency**	**Cost**
No Assets to date									

Certified by: Project Coordinator signature

Date: November 6, 2025

Key:

Asset ID	Starts at 1 and increases
Description:	Short description of the asset eg: Dell Optiplex 660X
Type:	Electrical, Furniture, Vehicle
Serial No. :	For vehicle it is the chassis, for electrical equipment it is the serial number from the manufacturer
Tag No. :	Furniture need a tag number to stick on the item (chose the numbering)
Location:	The room the asset is in
Acquisition Date:	When it was bought

Annex V: Markers

[Resources] Analyze how the level of resources and composition of resources (core, government cost sharing, bilateral/multilateral resources, vertical funds, private sector funding, IFI funding, etc.) contributed to the achievement of planned results – what worked well and why. *The project is funded by the BIOFIN only. There are no other donors. The project relies completely on the BIOFIN fund and anticipates applying for the challenge fund for implementing the financial plan after finalizing the BFP.*	**[Resources]** Analyze how the level of resources and composition of resources (core, government cost sharing, bilateral/multilateral resource, vertical funds, private sector funding, IFI funding, etc.) hindered the achievement of planned results – what did not work well and the way to correct the course of action. *To date, the project activities has not been hinderd due to level or/and composition of resources.*
[Hows] Analyze what types of UNDP's interventions worked well and why. *UNDP is directly implementing the project. UNDP is handling all HR and procurement processes. Moreover, the project is supervised by the biodiversity team leader.*	**[Hows]** Analyze what types of UNDP's interventions did not work, why and the way to correct the course of action. *The project has completed the methodology phase, preparing the PIR, BER, FNA, and BFP.*
[Whos] Describe positive impact on target beneficiaries. Analyze what worked well and how it helped leave anyone behind. *The project is in its methodology phase.* *The NCS is involved in the implementation of the project, as well as its staff is strongly represented in the TWG. The NCS is supporting the project and expressed its motivation for achieving the targets.*	**[Whos]** Describe no or negative impact on target beneficiaries. Analyze what did not work, why and the way to correct the course of action not to leave anyone behind. *The NCS is closely involved in the implementation of the project activities. There is no negative impact on our target beneficiary.*
[Partnerships] Analyze what partnerships worked well and why. *No partnership yet.* *The PIR identify the institutions and organizations, produce a score on the interest and influence scale for each institution, and develop a stakeholder engagement plan. Based on the outcome of this study, possible partnerships will be identified.*	**[Partnerships]** Analyze what partnerships did not work, why and the way to correct the course of action. *No partnership yet.* The Collaborative Management Approach Framework is currently under development.

[Joint Programming] Analyze positive impact of joint programming, including for the implementation of the common chapter. Analyze what worked well and why. *N/A*	**[Joint Programming]** Analyze no or negative impact of joint programming, including for the implementation of the common chapter. Analyze what did not work well, why and the way to correct the course of action. *N/A*
[SSC/TrC] Describe positive impact of south-south and/or triangular cooperation on the CPD output. Analyze what worked well and why. *NO SSC yet.* *The project recognizes the experience and best practices of other countries through the available documents in the BIOFIN website and the technical advisors. Additionally, the project participates in regional workshops to share experinace and to investigate possible cooperation with other BIOFIN countries.*	**[SSC/TrC]** Describe no or negative impact of south-south and/or triangular cooperation on the CPD output. Analyze what did not work, why and the way to correct the course of action. *NO SSC yet.*
[Humanitarian] Describe UNDP's contribution to integrate long-term aid and humanitarian assistance (development and humanitarian nexus). Analyze what worked well and why. *N/A*	**[Humanitarian]** Describe key challenges in integrating long-term aid and humanitarian assistance (development and humanitarian nexus). Analyze what did not work, why and the way to correct the course of action. *N/A*

Annex VI: innovative tools and methodologies

Innovative tools and mechanisms for financing biodiversity will be directed by the BFP.

Output ID	Output Name	Testing in progress	successfully piloted	successfully scaled	Select applicable innovative tools and methodologies
XXXX		☐	☐	☐	Alternative Finance (including Social Impact Bonds and Investment / Pay for Success)
XXXX		☐	☐	☐	Artificial Intelligence
XXXX		☐	☐	☐	Behavioural Insights
XXXX		☐	☐	☐	Blockchain
XXXX		☐	☐	☐	Challenge Prizes
XXXX		☐	☐	☐	Crowdfunding
XXXX		☐	☐	☐	Foresight
XXXX		☐	☐	☐	Games for Social Good
XXXX		☐	☐	☐	Human-Centered Design
XXXX		☐	☐	☐	Innovation Lab
XXXX		☐	☐	☐	Micronarratives
XXXX		☐	☐	☐	Mobile-Based Feedback Mechanism
XXXX		☐	☐	☐	Positive Deviance
XXXX		☐	☐	☐	Big Data (including New and Emerging Data)
XXXX		☐	☐	☐	Randomized Controlled-Trial / Parallel Testing
XXXX		☐	☐	☐	Real-Time Monitoring
XXXX		☐	☐	☐	Remote Sensing/ Unmanned Aerial Vehicles (UAVs, drones)
XXXX		☐	☐	☐	Not Applicable
XXXX		☐	☐	☐	Alternative Finance (including Social Impact Bonds and Investment / Pay for Success)
XXXX		☐	☐	☐	Artificial Intelligence
XXXX		☐	☐	☐	Behavioural Insights
XXXX		☐	☐	☐	Blockchain