

Climate Investment Funds (CIF) - Nature, People, and Climate Program (NPC)
Scoping Mission: October 2-4, 2023, in Cairo, Egypt
Aide Memoire

I. Introduction

A hybrid multi-stakeholder scoping mission took place in Cairo, Egypt between October 2nd and 4th, 2023, to support the Government of Egypt (GoE) in planning and preparing for the Climate Investment Funds (CIF) Nature, People, and Climate Program (NPC) Investment Plan (IP) development process. The NPC Program seeks to tackle the multiple drivers and impacts of climate change, resulting from human activities on land resources and ecosystem services, in an integrated manner.

The mission comprised representatives from GoE; partner multilateral development banks (MDBs) namely the International Bank for Reconstruction and Development (IBRD), the African Development Bank (AfDB), the European Bank for Reconstruction and Development (EBRD), and the International Finance Cooperation (IFC); Development Partners (DPs); UN Agencies; Private Sector; and Civil Society Organizations (CSOs). A full list of participants is attached in Annex A.

The objectives of the Scoping Mission were twofold: (i) engage with other key stakeholders to identify the government's priorities regarding the use of NPC funds.; and (ii) agree on the action plan to prepare the investment plan implementation plan. The detailed Scoping Mission Terms of Reference (TOR) is attached in Annex B.

Recognizing the important role of the Ministry of International Cooperation (MOIC) and its technical team has played in leading this mission, and the active contribution from all participants, this Aide Memoire (AM) summarizes the stakeholder discussions conducted and outlines the recommendations and agreements reached. Once finalized, MOIC will submit this AM to the CIF Secretariat for public disclosure on the CIF website.

II. Background

In August 2022, MOIC, acting on behalf of the GoE, submitted an Expression of Interest (EoI) to participate in the CIF NPC Program. The EoI specified the need for resources to support Egypt's transition to a gender-transformative low-carbon and climate-resilient development pathway for inclusive green growth. Moreover, MOIC emphasized: (i) the government's focus on Egypt's Country Platform on The Nexus of Water, Food and Energy (NWFE) Program; (ii) the CIF criteria for NPC, i.e., Nature-based solutions (NbS), resilience infrastructure, climate response etc.; and (iii) a desire to leverage significant private sector engagement and contribution.

In November 2022, the CIF Global Climate Action Programs (GCAP) Sub-Committee selected Egypt as one of the countries to participate in the NPC Program, and subsequently reached a decision to allocate US\$40 million for Egypt's investment plan (IP) and US\$4 million for a Dedicated Grant Mechanism (DGM). In December 2022, the CIF Secretariat formally invited the GoE to start preparing its NPC IP, which needs to be submitted to the GCAP Sub-Committee for endorsement by April 2024 before the country can access program resources.

Moreover, the Sub-Committee agreed that each selected country and the regional program¹ would receive up to USD 500,000 as an IPPG to enable them to take a leadership role in developing the IP while working closely with all relevant MDBs. To facilitate the IP preparation process, the GoE nominated IBRD to act as the lead MDB – on behalf of the joint MDB group consisting of AfDB, EBRD, IBRD and IFC. IBRD's role

¹ Selected countries include Brazil, Dominican Republic, Egypt, Ethiopia, Fiji, Kenya, Namibia, Rwanda, Zambia and the Zambezi River Basin Region (Zambia, Malawi, Mozambique, Namibia, and Tanzania).

as lead MDB is to facilitate collaborative efforts between MDBs and other key stakeholders in supporting the GoE in the IP preparation process.

III. Summary of the Stakeholder Consultations

The Nexus for Water Food and Energy (NWFE) is derived from the National Climate Change Strategy (NCCS) 2050 and is a product of extensive stakeholder consultations, grounded in national priorities and strategies. Equally, it reflects Egypt's updated Nationally Determined Contributions (NDCs). Stakeholders reiterated the importance of using NWFE as a guiding platform and concurred that the NbS-oriented projects that can be supported include: (i) enhancing agricultural production for adaptation to climate change in the Nile Valley and Delta region; and (ii) increasing the resilience of climatically vulnerable areas through combating desertification, water harvesting and rehabilitating degraded pastures in marginal areas.

Given the strong alignment of the NPC to the current national initiatives, the participants alluded to the importance of capitalizing on existing country systems, knowledge and programs. For example, drawing on the NWFE support projects currently being developed by several partners like the IBRD, IFAD, EIB and IsDB in the NWFE Food Pillar, and leveraging supporting grant resources and technical assistance like those provided by the Embassy of Canada, GIZ and ICARDA. Additionally, consultations revealed that the Green Climate Fund (GCF) is working on a broader "Climate Change Investment Plan" (please see [here](#)) that has elements of climate change adaptation with the agriculture and ecosystems preservation and restoration sectors. Further coordination is required at a national level especially now during the planning and programming stage to ensure complementarity. It was also suggested for the CIF Secretariat together with the MDBs to reach out to GCF Secretariat to better understand the current status of work and timelines by GCF and to ensure regular engagement as work progresses both on the GCF and CIF side. Finally, in line with the CIF programmatic approach and in pursuit of synergizing efforts and strengthening coordination, it was agreed that the process of preparing the NPC IP will start with a mapping exercise to capture gaps, identify niche projects and build on existing expertise and efforts to leverage further climate (private) financing.

The definition of NbS and NPC IP process and selection criteria were presented. Four areas that qualify for the NPC program were indicated, namely: ecosystem preservation and restoration; agricultural productivity; coastal ecosystems; and climate vulnerability and rural and coastal communities. **Unaware of what would qualify as a NbS** in the Egyptian context, participants urged the CIF team to provide clarity by presenting examples of NbS that are applicable in Egypt. The CIF team agreed to provide trainings to stakeholders and discussed with the MDBs the need for an NbS gap analysis to be conducted as part of the IPPG to inform the NPC IP and corroborate the chosen thematic areas for the IP.

Through iterative consultation, stakeholders reflected on the strategic priorities and identified three key thematic areas (preliminary) that can be addressed under the Egypt NPC IP. The themes identified were: 1. climate smart agriculture (CSA), including water and food management systems; 2. Agri-business and agri-finance; and 3. coastal zones ecosystems, including sea level rise. These themes shall be refined further as the IP preparation process unfolds. The stakeholders agreed that a gap analysis needs to be conducted to identify the current NbS solutions implemented, the constraints of their implementation and the opportunities to further scale up these solutions. Moreover, the partner MDBs agreed to draft a joint proposal for a 'trigger program' that reflects the abovementioned themes and catalyses the operationalization of the Egypt NPC IP in alignment with Egypt's NWFE Program. This proposal put forth by the partner MDBs was also endorsed by MOIC.

The stakeholders agreed that the NPC IP is an opportune collaborative platform for promoting public-private sector engagement and encouraging the use of innovative blended financing tools that support climate resilience. The consulted private sector representatives emphasized the importance of data sharing and transparency, and called for a concrete investment plan that has a tangible pipeline of bankable projects which can be financed. To capitalize on opportunity that this NPC IP process provides, the stakeholders reiterated the need for clearly defining the role and size of the private sector entities and identifying the appropriate incentives for private sector participation in pursuit of the implementation of NbS.

Finally, all the stakeholders involved were very forthcoming and collaborative and welcomed the CIF programmatic approach. Line ministries reiterated their sectoral priorities related to increased equity and environmental sustainability of the food systems and increased climate resilience particularly in marginal areas. Development partners presented their relevant programs and initiatives and expressed their support for the IP process. Furthermore, emphasis was placed on the grant component, and the need for continued capacity building in tandem with the IP implementation.

IV. Next Steps

MOIC jointly with the Partner MDBs agreed that (i) the IPPG will be executed by the IBRD as Lead MDB in coordination with other partner MDBs; (ii) analytics² will be produced as part of the IPPG to inform the design of the IP; (iii) a virtual knowledge exchange medium will be organized to enhance knowledge exchange between the different parties and ensure the stakeholders' understanding of what NbS entail and their applicability to the country context; (iv) a joint mission will be conducted to continue to engage in iterative consultations, seek continuous feedback from the stakeholders including private sector entities and ensure coordination and synergies between existing programs.

V. Timeline

The following indicative chronogram of activities has been agreed upon to comply with the deadline of April 2024 for the endorsement of the IP by the GCAP Sub-Committee in its meeting in June 2024:

| No | Item Description | Timeframe |
|-----|---|-------------------------------|
| 1. | Sharing the draft AM with MDBs | 12 October 2023 |
| 2. | Comments on AM | 19 October 2023 |
| 3. | Sharing the draft IPPG with MDBs | 19 October 2023 |
| 4. | Submission of Aide Memoire to CIF Secretariat | 27 November 2023 |
| 5. | Submission of IPPG request | 27 November 2023 |
| 6. | Draft ToRs for consultancy completed | 27 November 2023 |
| 7. | Final ToRs for consultancy completed | 3 December 2023 |
| 8. | Recruitment of consultants for data collection, diagnostics analysis study and identification of preliminary potential intervention projects | 17 December 2023 |
| 9. | Commencement of gap and diagnostics assessment - Collect data, identify gaps and potential NbS intervention projects | 5 November 2023 |
| 10. | Development of the ToR for joint mission | 20 December 2023 |
| 11. | Submission of draft report on gap and diagnostics assessment for internal review by core working group | 7 January 2024 |
| 12. | Development of the first draft of the IP | December 2023 – February 2024 |
| 13. | Submission of first Draft IP and sharing with stakeholders to be discussed and validated at the validation workshop + CIF training on NbS to stakeholder platform | 1 February 2024 |
| 14. | Joint Mission for IP evaluation and detailed discussion and national stakeholder consultation (validation workshop) on the first draft IP | Early-Mid February 2024 |
| 15. | Produce the second draft IP, including investment concept notes for each IP component | 31 March 2024 |
| 16. | Publish the IP on the Government website for public information and comment | 31 March 2024 |
| 17. | Receiving and incorporating feedback from public consultation (2 weeks) | 15 April 2024 |
| 18. | Independent Expert Review (draft IP) | 17 April 2024 |
| 19. | Incorporate Feedback/comments from Independent Expert | 25 April 2024 |

² These include: (i) a stakeholder engagement mapping exercise; (ii) an NbS gap analysis to identify the existing efforts and corroborate the selection of the thematic priorities identified during the scoping mission; (iii) thematic deep dives for each of the identified themes; and (iv) private sector mobilization exercise.

| No | Item Description | Timeframe |
|-----------|--|------------------|
| 20. | Final version of the IP submitted to the CIF AU for GCAP Sub-Committee endorsement | 30 April 2024 |
| 21. | Government of Egypt Present the IP to the GCAP Committee for endorsement | June 2024 |

Signatures

| | |
|------------------------------------|--|
| Nefret Haroon | Senior Manager of the world Bank Group Portfolio, MOIC |
| Federica Ranghieri | Program Leader, The World Bank |
| Andrea Iro | Associate Manager, Donor Partnership, EBRD |
| Tendai Madenyika | Operations Officer, IFC CIF Focal Point |
| Siham Mohamedahmed | Agriculture Expert, AfDB TTL |

Nefret Haroon

Federica Ranghieri

Andrea Iro

Tendai Madenyika

Siham

Annex A: Scoping Mission Participants

| No. | Name | Organization |
|---|----------------------------|---|
| National entities | | |
| 1 | Dr. Mohamed Abdelgawad | Ministry of International Cooperation |
| 2 | Nefret Haroun | Ministry of International Cooperation |
| 3 | Malak Taher | Ministry of International Cooperation |
| 4 | Dr. Walid Hakiki | Ministry Water Resources and Irrigation |
| 5 | Dr. Mohamed Fahim (online) | Ministry of Agriculture & Land Reclamation |
| 6 | Amr Ali | Ministry of Environment |
| 7 | Basamat Mohamed | Ministry of Environment |
| 8 | Abdelwahab | Ministry of Electricity |
| 9 | Hazem Ahmed | Ministry of Electricity |
| 10 | Manal Mamdouh | Ministry of Trade and Industry |
| 11 | Mohamed Ashour | Ministry of Finance |
| 12 | Mariam Gindy | Ministry of Finance |
| Main MDBs | | |
| 1 | Marianne Grosclaude | World Bank |
| 2 | Federica Ranghieri | World Bank |
| 3 | Fatma Aglan | World Bank |
| 4 | Ingy Awad | World Bank |
| | Zhihong Zhang (online) | World Bank |
| 5 | Rana Alaa | Consultant (World Bank) |
| 6 | Hamza Al-Asad | EBRD |
| 7 | Nadine Hassan | EBRD |
| 8 | Andrea Iro (online) | EBRD |
| 9 | Rachel Bazra (online) | EBRD |
| 10 | Tendai Madenyika | IFC |
| 11 | Yasmine Al-Garf | IFC |
| 12 | Asmerom Gilau | AfDB |
| 13 | Ghada Abuzaid | AfDB |
| 14 | Siham Mohamed (online) | AfDB |
| 15 | Yassir Elwan | AfDB |
| CIF Secretariat | | |
| 1 | Kouassi Emmanuel Kouadio | CIF Secretariat |
| Development partners and bi-laterals | | |
| 1 | Mohamed Nabil | GIZ |
| 2 | Amira Mekheimar | IFAD |
| 3 | Yoshiko Sano | JICA |
| 4 | Dora Fiani | Knowledge Economy Foundation Egypt and Bashaier Agribusiness Platform |
| 5 | Mohie Omar | ICARDA |
| 6 | Bezaief Dessalegn | ICARDA |
| 7 | Mary Margaret McRae | ICARDA |
| 8 | Alaa El Sadek | Arab Foundation for Young Scientists |
| 9 | Annaachiara Scanrone | UNIDO |
| 10 | Eman Omran | Embassy of Canada |

| No. | Name | Organization |
|-----------------------|-------------------|-----------------|
| 11 | Amira Mousa | British embassy |
| 12 | Donia Tawakol | Dutch embassy |
| Private sector | | |
| 1 | Magued Rasheed | Alex Bank |
| 2 | Ghada AbuZaid | Alex Bank |
| 3 | Kamel Sallam | CIB |
| 4 | Helmy Ghazi | HSBC |
| 5 | Sherine El Hakim | HSBC |
| 6 | Moustafa El Adawy | Orascom |

Annex B: Terms of Reference of Scoping Mission

THE ARAB REPUBLIC OF EGYPT Climate Investment Funds (CIF) - Nature, People, and Climate Program (NPC)

Location: Cairo, Egypt

Dates: Oct. 2-4

Type: Hybrid

Venue: Cairo – Fairmont Nile City

1. BACKGROUND

During its inter-sessional meeting on October 25, 2022, the Global Climate Action Programs (GCAP) Sub-Committee decided to invite a select number of countries,³ including the Arab Republic of Egypt, to prepare an investment plan (IP) under the NPC Program. The Sub-Committee also agreed that each selected country and the regional program could receive up to USD 500,000 as an Investment Plan Preparation Grant (IPPG) to enable them to take a leadership role in developing the IP while working closely with the relevant multilateral development banks (MDBs) in this process.⁴ In November 2022, the CIF officially informed the Government of Egypt (GoE) that its Expression of Interest (EoI) submission to the NPC Program had been successful and invited the country to start preparing the IP, which needs to be submitted to the GCAP Sub-Committee for endorsement within 18 months from the date the CIF pilot countries were selected.⁵

In a letter dated April 5th, 2023, the GoE informed the CIF that it had selected the WB to act as the lead MDB in coordinating the preparation of the IP, on behalf of the joint MDB group. In this context, a Scoping Mission will be carried out to initiate the process of preparing the IP for the Arab Republic of Egypt. The mission will be carried out under the leadership of the Ministry of International Cooperation (MoIC) as the main representative of the GoE, with the coordination of the WB, in collaboration with the AfDB, EBRD and IFC.

2. GENERAL OBJECTIVE OF THE MISSION

The main objective of the Scoping Mission is to assist the government in planning and preparing for the NPC IP development process. The scoping mission kicks off consultative process that paves the way for the design and implementation of the IPPG. During the mission, the GoE represented by MoIC and the MDBs will engage with line ministries key development partners, including other bilateral and multilateral agencies operating in the country, UN agencies, the private sector, civil society organizations, youth organizations, and other key stakeholders.

3. SPECIFIC OBJECTIVES OF THE MISSION

The specific objectives of the Mission are the following:

- Understand the options the NPC Program offers to the country and the roles to be played by the partners and stakeholders in optimizing the benefits of the program.
- Strengthen the dialogue between the GoE and MDBs to identify the government's priorities regarding the use of NPC funds.

³ Selected countries include Brazil, Dominican Republic, Egypt, Ethiopia, Fiji, Kenya, Namibia, Rwanda, Zambia and the Zambezi River Basin Region (Zambia, Malawi, Mozambique, Namibia, and Tanzania).

⁴ For the case of Egypt: the African Development Bank (AfDB), the International Finance Corporation (IFC), The European Bank for Reconstruction and Development (EBRD) and the World Bank (WB)

⁵ Deadline for countries to submit their NPC Investment Plans for GCAP Sub-Committee endorsement is April 25, 2024.

- Identify existing technical, economic, socio-environmental, and institutional information gaps and define the studies and consultancies required to identify and design the project concepts to be included in the IP.
- Provide guidance and assistance to the GoE on the appropriate use of the IPPG to prepare an IP, recommending appropriate activities for this phase of the process, and agree on the scope and possible contracts, type of analysis, and/or consultancies to be carried out during the process.
- Make the NPC Program known to relevant stakeholders, including bilateral and multilateral agencies with a presence in the country, private sector, academia, and civil society, to promote synergies and coordination throughout the IP development process.
- Develop the terms of reference for the subsequent Joint Mission, including its composition, budget, contacts, and schedule.
- Develop a timeline and next steps for preparing and submitting the IP.

4. SCOPE OF THE MISSION

Global Objective of the NPC Program:

- The CIF- NPC Investment Program aims to tackle the multiple drivers and impacts of climate change, resulting from human activities on land resources and ecosystem services, in an integrated manner. The program will deploy nature-based solutions that recognize the interdependence among land use, climate-change mitigation and adaptation, and the improvement of livelihoods of rural communities. The program's goal is to deploy sustainable, multi-sectoral approaches to harness the potential of land resources and ecosystems for climate action and to target context-specific barriers to strengthening community climate resilience and the sustainable use and management of land resources and ecosystems. Establish a shared vision for sustainably using and managing land resources through a programmatic multi-stakeholder process, fostering partnerships across government levels, sector agencies, the private sector, and local communities.
- Strengthen enabling environments to encourage investments in Nature-based solutions (NBS) and enable the adoption of sustainable practices, including from the private sector and local communities. This will involve scaling-up support to national and subnational governments in identifying specific socio-economic development and climate and land-related issues to address and promote measures to boost sustainable livelihoods, build resilience at the local level, and conserve, restore, and enhance natural resources.
- Tackle risks and financing barriers and create incentives for sustainable use of lands and natural resources, by providing catalytic funding to mobilize public and private capital.
- Foster innovation by supporting pilot innovative projects and testing new financial models, supported in the design and operationalization of integrated multiple instruments to incubate innovation and scale green ventures and uptake of new technologies, including the use of data-driven spatial planning tools and agricultural innovations like biotechnology.
- Support local communities to actively develop and implement projects catering to their unique needs through dedicated resources and incentivize them to implement activities to promote afforestation and forestation programs, including agroforestry, leverage appropriate farming technologies and land use practices, and the protection of water catchments which increases the likelihood for successful development outcomes.

Program Application in Egypt:

The CIF NPC program will help the GoE transition to a gender-transformative, low-carbon, and climate-resilient development pathway for inclusive growth. CIF is an enabler of pioneering climate-smart planning and climate action. The CIF NPC Investment Program aims to tackle in an integrated manner the multiple drivers and impacts of climate change in least prepared and vulnerable LMICs. IP components (i.e. projects) criteria for Egypt include;

- NWFE-focused
- Nature, People, Climate i.e. Nature Based Solutions, Resilience Infrastructure, Climate Response...etc.
- Leverage private sector engagement and contribution

5. EXPECTED OUTCOMES

The expected mission outcomes include agreed-upon actions as captured in the Aide Memoire, including (i) draft terms of reference for the Joint Mission, (ii) completion of the template to request the IPPG, (iii) a work schedule for the preparation and submission of the IP, (iv) preliminary drafts of projects of focus for IP, and (v) MoIC and MDBs vision in employing CIF funds.

6. AGENDA

Agendas are centered around the stakeholder list, hence will be revised when participants list is finalized.

| Day 1: Monday October 2, 2023 | | |
|---|---|---|
| Slot (Cairo time) | Session Scope | Participants |
| 9:00AM-9:30AM | Opening remarks and introductions | All participants |
| 9:30AM-11:00AM | <u>Overall Framework:</u> Outlining the process and selection criteria of the project proposals. <u>IP Preparation Introduction:</u> Introduce milestones, roles and responsibilities. | All participants |
| 11:00AM -12:00PM | <u>Introducing national priorities</u> - National challenges and needs - NWFE and NCCS2050 - Vision for employing CIF funds | All participants |
| 12:00PM-1:00PM | <i>Lunch break</i> | |
| 1:00PM-3:00PM | <u>National Stakeholder Consultation</u> With government entities to understand gaps and challenges and gather input from stakeholders | MoIC + National entities + main MDBs |
| Day 2: Tuesday October 3, 2023 | | |
| 9:30AM -10:30PM | <u>Development Partner Consultation</u> To understand gaps and challenges and gather input from stakeholders | MoIC + DPs + main MDBs |
| 10:30AM-11:00AM | <i>Coffee break</i> | |
| 11:00AM-12PM | <u>Private Sector Consultation</u> To understand gaps and challenges and gather input from stakeholders | MoIC+ main MDBs + Private Sector |
| 12:00PM-1:00PM | <i>Lunch break</i> | |
| 1:00PM-3:00PM | <u>Potential scope of work</u> - Incorporating stakeholder feedback - MDBs to present their vision for CIF funds | MoIC+ main MDBs |
| Day 3: Wednesday October 4, 2023 | | |
| 10:00AM -12:00PM | <u>Working Session</u> - Work schedule for the preparation submission of the IP - Plan for Joint Mission - Completion of the template to request the IPPG | MoIC + main MDBs |
| 12:00PM-1:00PM | <i>Lunch break</i> | |

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|---------------|---|---------------------|
| 1:00PM-2:00PM | <u>Wrap up and closing remarks</u> - Plan on way forward | MoIC + main MDBs |
|---------------|---|---------------------|