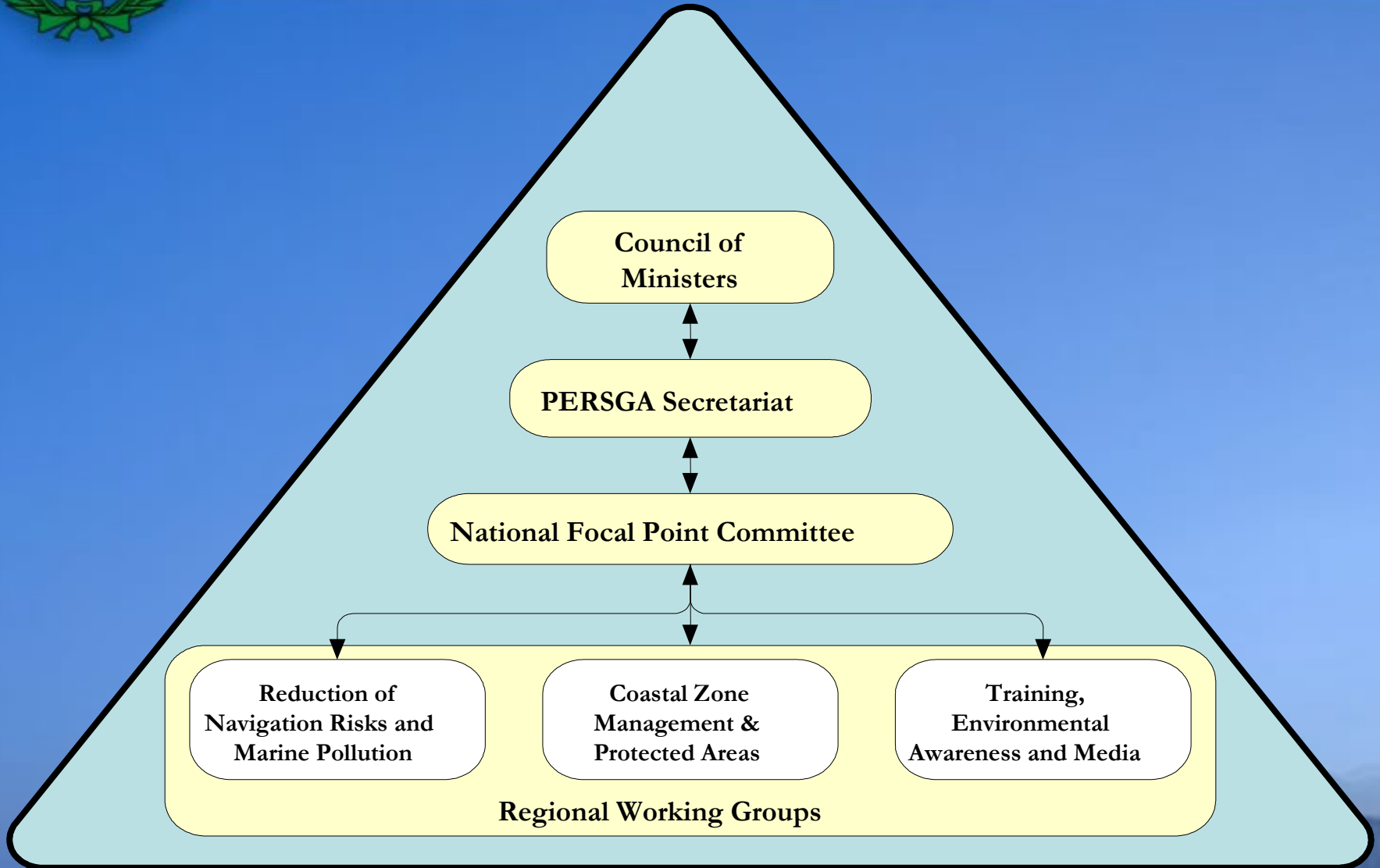




PERSGA Management structure





Heterogeneous group

	GDP (USD bn.)	GNI per capita (USD)	GDP per capita (PPP adjusted)
Djibouti	0.6	910	N.A.
Egypt	82.4	1390	3810
Jordan	9.9	1850	4180
Saudi Arabia	214.7	9240	12660
Somalia	N.A.	N.A.	600
Sudan	17.8	460	1740
Yemen	10.8	520	800



Funding structure of PERSGA today

- **The funding of PERSGA secretariat reflects the inequalities of income between the countries in PERSGA**
- **Today Saudi Arabia pays 50%, Egypt 30% and the other countries between 2.5 and 3.7%**



2. Financing the Program of work

- The LBA Protocol has been signed 25th sep. 2005
- RPA/LBA is expected to start 2006 with preliminary phase 600 thousands USD Approximately RPA/LBA is expected to start 2006 with preliminary phase about 600 thousands USD.
- 4 - 5 years implementation phase is expected with estimated cost of several millions USD
- At national level implementation of WP, PERSGA will assist in capacity building , regional cooperation , facilitate financing and prioritization of issue.



New Concept of the RPA/LBA:

- **The RPA/LBA will cover at present only the *Preparatory and Fund Raising Phase* (2 years).**
- **The *Implementation Phase* will be a follow-up of the Preparatory and Fund Raising Phase and it will be designed on the basis of the results of the Preparatory and Fund Raising Phase.**



Preparatory Activities:

- Development of NAPs/LBA.
- Implementation of projects from the Project Portfolio.
- Capacity building.
- Sustainable financing.
- Project(s) development activities.



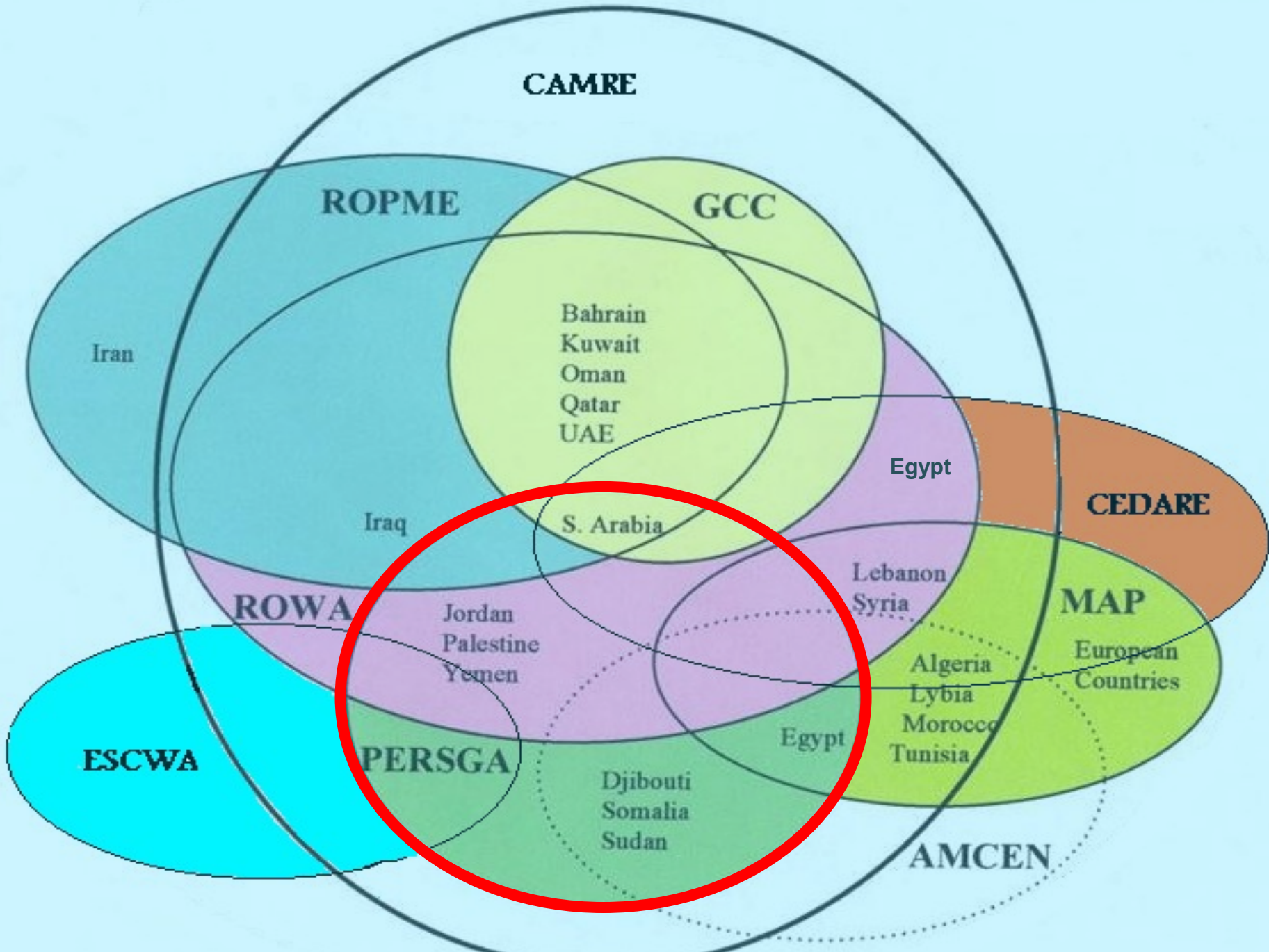
Portfolio of Project Proposals:

- Collection, Treatment and Disposal of Municipal Wastewater in the Coastal Cities of the PERSGA Region with the Population over 50,000.
- Pollution Hot Spots and Sensitive Areas in the Coastal Region of PERSGA.
- Management of Marine Litter in the PERSGA Region.
- Quality of Bathing Waters and Beaches in the Coastal Region of PERSGA.
- Management of Hazardous Waste in the Coastal Region of PERSGA.



PERSGA's short term response (financial Control)

- Review all expenditure for possible reduction.
- Involve private / public partnership in implementation of programmes (regular meetings of marine institutes and research centers and governors of coastal cities in the region.
- Establish new partnership (regional & international) ISESCO, UNIDO, GCC, ..
- Use of media to gain political support
- Implement more on the ground activities



CAMRE

ROPME

GCC

Bahrain
Kuwait
Oman
Qatar
UAE

Iran

Iraq

S. Arabia

Egypt

CEDARE

ROWA

Jordan
Palestine
Yemen

Lebanon
Syria

MAP

European
Countries

ESCWA

PERSGA

Djibouti
Somalia
Sudan

Egypt

Algeria
Lybia
Morocco
Tunisia

AMCEN



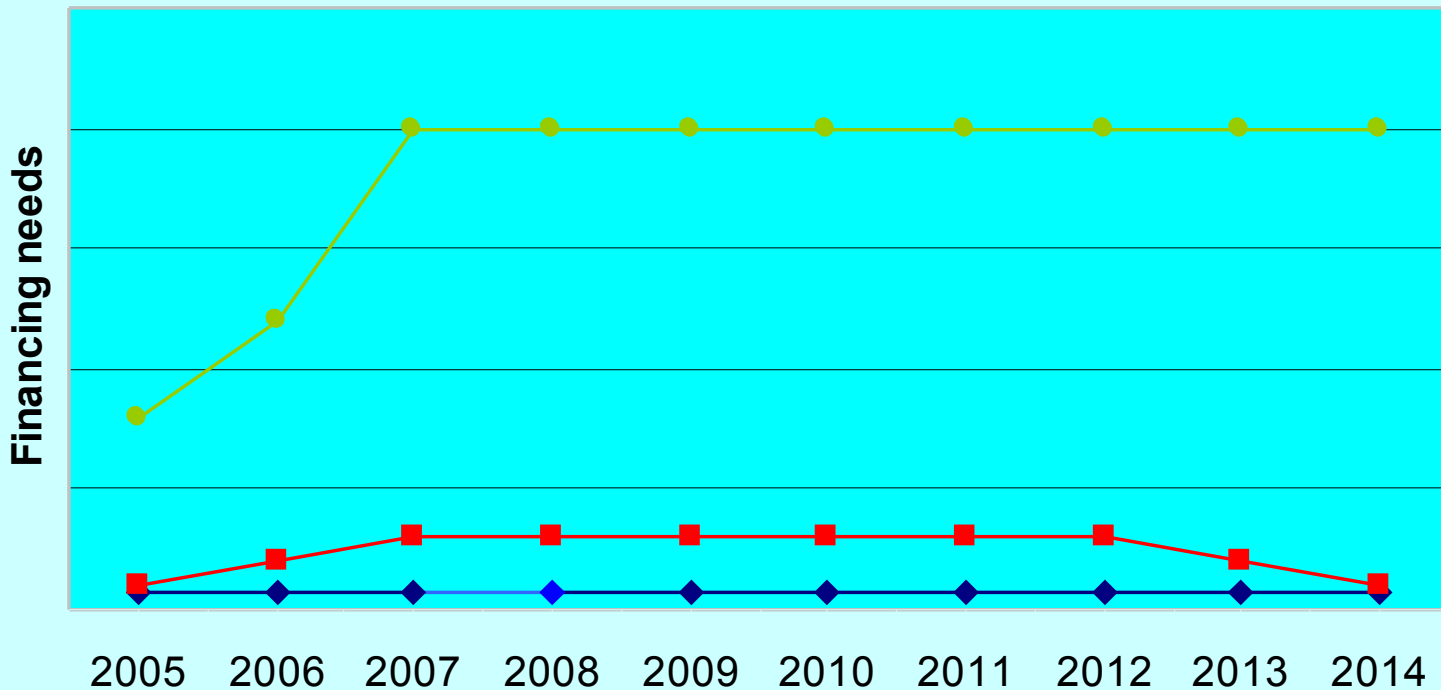
3. National level

- Financing and implementation is the sole responsibility of the member countries
- **Investment Involve high costs – usually funded by loans ,bonds,..**
- **Revenues from user fees / charges pays for operation , maintenance and annual capital cost.**



Three different levels of financing demand for PERSGA

Illustration of Financing Needs for PERSGA and Related Activities





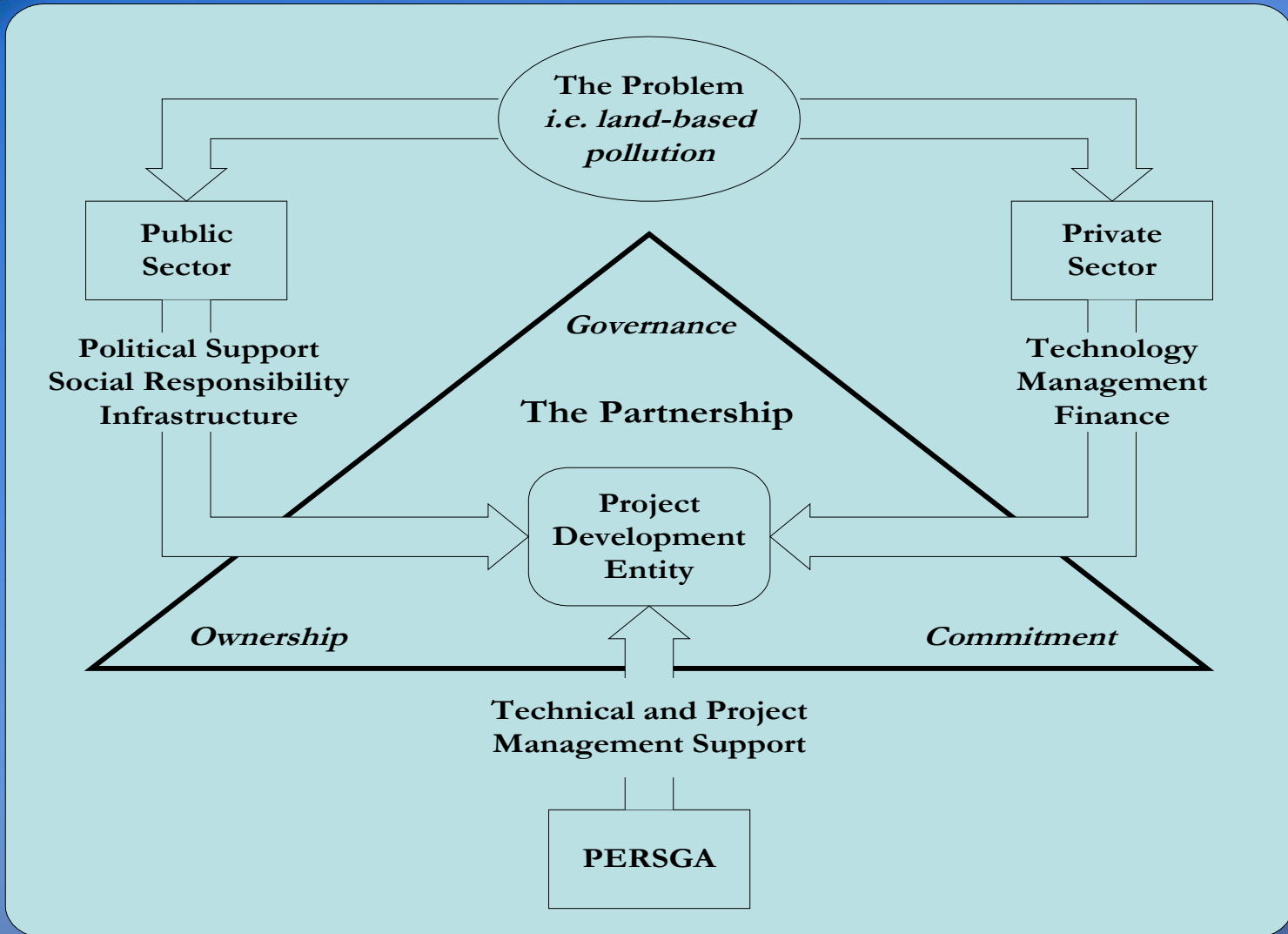
Types of Financing

All Financing mechanisms may be utilized by PERSGA region

- **Grants**
- **Loans (bridging mechanism).**
- **Infrastructure investment (Domestic Sources, private sector – IFIs)**
- **Bonds**
- **Freeing up resources – removing subsidies**
- **Public sector (state budget user repay -Sustainable source of financing)**
- **Private / public / partnership.**



PPP Model for PERSGA





financing Infrastructure in PERSGA region: Obstacles

- Private sector usually faces two obstacles in organizing this type of investment: high interest rates of domestic financing (IFIs requires government guarantees for repayment and users are unable to pay high fees needed to repay the dues.
- Public sector may finance the infrastructure (from allocated national budget) and generate revenue from users charges and fees.
- Some Private sectors – ownership basis - form which may allow for new financing availability.



Economic Instruments can take many forms

- **Emission charges/fees/taxes**
- **User charges/fees/taxes**
- **Product charges**
- **Non-compliance fees**
- **Deposit-refund systems**
- **Performance bonds**
- **Liability payments**



PERSGA's vision for sustainable financing

- Establish new regional and international partnership. (organizations – private sector)
- Provide specialized services (training, EIA, ..)
- Enhance political support and ownership concept: establish scenarios, SOME, Quantification of benefits on national levels, on the ground activities.
- Establish trust fund or endowment fund
- Proper Investment of un-used part of the budget.



Therefore, the long term goal should be to...

- establish a stable and sustained funding base
- let the users and polluters pay for the environment they “use”
- prioritize which projects and hot spots that are most important to handle and direct the resources to those areas (given scarce resources)



- **Thank you**