



Strengthening biodiversity governance systems for the sustainable management of living natural resources in Cabo Verde

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10871

Countries

Cabo Verde

Project Name

Strengthening biodiversity governance systems for the sustainable management of living natural resources in Cabo Verde

Agencies

UNDP

Date received by PM

1/24/2023

Review completed by PM

3/21/2023

Program Manager

Sarah Wyatt

Focal Area

Biodiversity

Project Type

FSP

PIF
CEO Endorsement

Part I ? Project Information

Focal area elements

1. Does the project remain aligned with the relevant GEF focal area elements as presented in PIF (as indicated in table A)?

Secretariat Comment at CEO Endorsement Request

3/21/23

Yes.

Agency Response

Project description summary

2. Is the project structure/design appropriate to achieve the expected outcomes and outputs as in Table B and described in the project document?

Secretariat Comment at CEO Endorsement Request

3/21/23

Yes.

Agency Response

3. If this is a non-grant instrument, has a reflow calendar been presented in Annex D?

Secretariat Comment at CEO Endorsement Request NA

Agency Response

Co-financing

4. Are the confirmed expected amounts, sources and types of co-financing adequately documented, with supporting evidence and a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized, and a description of any major changes from PIF, consistent with the requirements of the Co-Financing Policy and Guidelines?

Secretariat Comment at CEO Endorsement Request

3/21/23

Yes.

Agency Response

GEF Resource Availability

5. Is the financing presented in Table D adequate and does the project demonstrate a cost-effective approach to meet the project objectives?

Secretariat Comment at CEO Endorsement Request

3/21/23

Yes.

Agency Response

Project Preparation Grant

6. Is the status and utilization of the PPG reported in Annex C in the document?

Secretariat Comment at CEO Endorsement Request

3/21/23

Yes.

Agency Response

Core indicators

7. Are there changes/adjustments made in the core indicator targets indicated in Table E? Do they remain realistic?

Secretariat Comment at CEO Endorsement Request

4/14/2023

Yes.

3/21/23

No, the core indicator numbers have decreased significantly from PIF to CEO Endorsement. Please provide an explanation.

Agency Response

UNDP Response, 14 April 2023:

The target for Core Indicator 1.2 has been reduced from 25,227 ha at PIF stage to 11,020 ha at CEO Endorsement stage. While in the initial target, 15 protected areas had been included, of which most would only benefit indirectly through the policy changes triggered by the project, the current (lower) target only includes the two projected areas that were selected as the pilot sites for direct project intervention. The revised target is, therefore, more realistic and measurable. The same justification applies to Core Indicator 2, where only the marine portion of the two pilot protected areas chosen for direct project activities has been included in the targets for CEO Endorsement. The target for Core Indicator 4 was also reduced by including only the buffer zones around the protected areas selected as pilot sites, where project impacts will be most measurable, rather than a larger area where effects will be mostly indirect and not easily measurable.

CEO ER text under Table E; CEO ER Annex F

Part II ? Project Justification

1. Is there a sufficient elaboration on how the global environmental/adaptation problems, including the root causes and barriers, are going to be addressed?

Secretariat Comment at CEO Endorsement Request

3/21/23

Yes.

Agency Response

2. Is there an elaboration on how the baseline scenario or any associated baseline projects were derived?

Secretariat Comment at CEO Endorsement Request

3/21/23

Yes.

Agency Response

3. Is the proposed alternative scenario as described in PIF/PFD sound and adequate? Is there sufficient clarity on the expected outcomes and components of the project and a description on the project is aiming to achieve them?

Secretariat Comment at PIF/Work Program Inclusion

4/14/2023

Yes.

3/21/23

No, there is reason to be concerned that some of the productive activities proposed in this project could have significant potential for unintended consequences, with the most obvious being the artisanal charcoal production as use of IAS has been known to encourage the spread of them rather than control. It would be good to describe how the project will analyze these possibilities and develop careful ToCs to consider each activity, mitigate risks, and possibly decide not to do something.

Agency Response

UNDP Response, 14 April 2023:

The objective of artisanal charcoal production from exotic and invasive Acacia trees in the project landscapes is to reduce the spreading of those trees, thereby benefiting the natural forest vegetation that is under pressure from these exotic trees. Charcoal production is already established as an activity in those areas and will not be introduced; instead the project will emphasize the use of the exotic tree species rather than native species for this purpose. The risk that charcoal production could affect also native vegetation is addressed in the SESP in Risks 4 (negative impacts of productive activities) and 5 (increase of GHG emissions through inefficient/inappropriate charcoal production). These risks will receive special attention in the safeguards plans that are going to be developed at the beginning of the project, as laid out in the SESP and ESMF. These will include the screening of productive activities for possible negative impacts, Environmental and Social Impacts Assessments (ESIAs), site-specific Environmental and Social Management Plans, as well as the monitoring of site level impacts of project activities. While current assessments indicate that the selective removal of exotic, invasive Acacia trees will have a positive impact on biodiversity, any evidence to the contrary

would be detected and evaluated through these processes and would result in mitigation actions and possibly the decision not to go ahead with the 'green charcoal' activity at certain sites.

SESP ? Prodoc Annex 4, ESMF ? Prodoc Annex 8, project risk register ? Prodoc Annex 5

4. Is there further elaboration on how the project is aligned with focal area/impact program strategies?

Secretariat Comment at CEO Endorsement Request

3/21/23

Yes.

Agency Response

5. Is the incremental reasoning, contribution from the baseline, and co-financing clearly elaborated?

Secretariat Comment at CEO Endorsement Request

3/21/23

Yes.

Agency Response

6. Is there further and better elaboration on the project's expected contribution to global environmental benefits or adaptation benefits?

Secretariat Comment at CEO Endorsement Request

3/21/23

Yes.

Agency Response

7. Is there further and better elaboration to show that the project is innovative and sustainable including the potential for scaling up?

Secretariat Comment at CEO Endorsement Request

3/21/23

Yes.

Agency Response
Project Map and Coordinates

Is there an accurate and confirmed geo-referenced information where the project intervention will take place?

Secretariat Comment at CEO Endorsement Request
3/21/23

Yes.

Agency Response
Child Project

If this is a child project, is there an adequate reflection of how it contributes to the overall program impact?

Secretariat Comment at CEO Endorsement Request
NA

Agency Response
Stakeholders

Does the project include detailed report on stakeholders engaged during the design phase? Is there an adequate stakeholder engagement plan or equivalent documentation for the implementation phase, with information on Stakeholders who will be engaged, the means of engagement, and dissemination of information?

Secretariat Comment at CEO Endorsement Request
3/21/23

Yes.

Agency Response
Gender Equality and Women's Empowerment

Has the gender analysis been completed? Did the gender analysis identify any gender differences, gaps or opportunities linked to project/program objectives and activities? If so, does the project/program include gender-responsive activities, gender-sensitive indicators and expected results?

Secretariat Comment at CEO Endorsement Request
3/21/23

Yes.

Agency Response
Private Sector Engagement

If there is a private sector engagement, is there an elaboration of its role as a financier and/or as a stakeholder?

Secretariat Comment at CEO Endorsement Request
3/21/23

Yes.

Agency Response
Risks to Achieving Project Objectives

Has the project elaborated on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved? Were there proposed measures that address these risks at the time of project implementation?

Secretariat Comment at CEO Endorsement Request
3/21/23

Yes.3/21/23

Yes.

Agency Response
Coordination

Is the institutional arrangement for project implementation fully described? Is there an elaboration on possible coordination with relevant GEF-financed projects and other bilateral/multilateral initiatives in the project area?

Secretariat Comment at CEO Endorsement Request

3/21/23

Yes.

Agency Response

Consistency with National Priorities

Has the project described the alignment of the project with identified national strategies and plans or reports and assessments under the relevant conventions?

Secretariat Comment at CEO Endorsement Request

3/21/23

Yes.

Agency Response

Knowledge Management

Is the proposed ?Knowledge Management Approach? for the project adequately elaborated with a timeline and a set of deliverables?

Secretariat Comment at CEO Endorsement Request

3/21/23

Yes.

Agency Response

Environmental and Social Safeguard (ESS)

Are environmental and social risks, impacts and management measures adequately documented at this stage and consistent with requirements set out in SD/PL/03?

Secretariat Comment at CEO Endorsement Request

3/21/23

Yes.

Agency Response

Monitoring and Evaluation

Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?

Secretariat Comment at CEO Endorsement Request

3/21/23

Yes.

Agency Response

Benefits

Are the socioeconomic benefits at the national and local levels sufficiently described resulting from the project? Is there an elaboration on how these benefits translate in supporting the achievement of GEBs or adaptation benefits?

Secretariat Comment at CEO Endorsement Request

3/21/23

Yes.

Agency Response

Annexes

Are all the required annexes attached and adequately responded to?

Secretariat Comment at CEO Endorsement Request

4/14/2023

Yes, thank you for addressing these issues.

4/11/2023

No, please address the following:

1. On gender: Please i) include gender-related indicators in Output 1.2.2 (to measure impact of financing tools); ii) specifically indicate/include women's representatives and gender focal points/gender experts as stakeholders in Output 2.1.3; iii) include women's representative, gender experts in the composition of working groups in Output 3.1.3.
2. On Knowledge management: It would be helpful to have some centralized information on KM in the project.
3. On core-indicators: Please include WDPA IDs for core indicators 1 and 2 in the core indicator table as they are mandatory at the CEO endorsement.
Please include core indicators (4 and 11) targets explicitly in the results framework (annex a). They are currently missing in the annex a.
4. On Council Comments: please respond/acknowledge, in Annex B, to the comment provided by the Council member from Germany

Agency Response

UNDP Response, 14 April 2023:

1. i) Gender has been included in Output 1.2.2; ii) women's representatives and gender focal points/gender experts have been highlighted in Output 2.1.3; iii) women's representatives/gender experts have been included in the composition of working groups in Output 3.1.3.

CEO ER p. 58; CEO ER p. 61; CEO ER p. 68; Prodoc p. 67; Prodoc p. 71; Prodoc p. 79

2. The project has a comprehensive, budgeted KM approach that is summarized in the CEO ER section 8. Knowledge Management (p. 125) and is mainstreamed throughout the documents (DEO ER and Prodoc). Most KM activities are included in Output 4.2.2 which includes the creation of a web-based national KM repository. This will take place in close coordination and linkage with Output 4.2.1 on an improved national framework for biodiversity monitoring. There is also a special Indicator (18) on KM in the Results Framework.

CEO ER Section 8 (p. 125); Outputs 4.2.1 and 4.2.2 (p. 70-72); Results framework; Prodoc p. 80-83

3. The two protected areas that were selected as pilot sites for this project are not yet listed in the WDPA. Both Core Indicators 4 and 11 are now included in the Results Framework (Annex A)

CEO ER Annex A; Prodoc Results framework p. 104

4. We apologize for the oversight and have responded to this comment in the following table 2.

CEO ER Annex B part 2, copied here for convenience:

- We agree that the project is ambitious but do not find it overambitious as currently developed. It should be kept in mind that the decision for a project focusing on biodiversity governance and financing has been made between Government and UNDP because previous projects focusing on specific protected areas lacked the systemic component that is needed to overcome, especially, the insufficient participatory element in biodiversity governance, notoriously insufficient funding, and incomplete implementation of existing strategies and policies. The project is designed emphasizing the implementation of existing strategies and mechanisms more than the creation of new ones. We do agree that this will require specific capacity building activities and have built them into the project design. Output 1.1.1 focuses on the development of a national masterplan of protected areas management to harmonize approaches and mainstream local participation in biodiversity governance. The greater participatory element requires some legal adjustment which are the objective of Output 1.1.2. Output 1.1.3 focuses on the accelerated implementation of the existing National Biodiversity Strategy and Action Plan as well as its updating. Capacity building is the focus of Output 1.1.4. Outcome 1.2 focuses on improved biodiversity financing (building on and expanding existing mechanisms), an area where UNDP has extensive experience through its GEF supported and very successful BIOFIN program. It should be emphasized that the project was designed in close cooperation with the Government of Cabo Verde and its key elements were presented and discussed at Minister level and repeatedly at National Director level.

- We do agree that the task of improving and mainstreaming biodiversity finance mechanisms is a complex one, but one where UNDP has extensive experience in multiple countries through its BIOFIN program. Moreover, the UNDP CO in Cabo Verde has been working closely with the Ministry of Finance on green financing instruments. The project design builds on these experiences. It is also closely coordinated with previous, ongoing and planned GEF supported projects such as the GEF-7 Blue Economy project. While the project documents present a range of financial instruments to be considered, the actual choice will be made during inception in discussion with the Ministry of Finance. In line with government preference, emphasis will be on the improvement of existing instruments (eg the existing tourism and environment funds) rather than the introduction of new ones, although there is expressed interest in the introduction of a carbon tax (and Cabo Verde has recently concluded a deal with Portugal on a debt-for-nature swap, see below). There is also clearly potential for attracting more private sector investments in the nature area (eg related to tourism concession) and this can build on extensive experiences in other countries that UNDP can facilitate. To avoid that activities are embarked on by the project that later prove too complex or lacking political acceptance, this component will be steered by a Task Force where the relevant Ministries and non-government entities will be represented (Output 1.2.1). Moreover, there

will be a component of tracking and impact measurement of sustainable finance mechanisms (Output 1.2.2) to ensure that decisions are made on the basis of evidence. In summary, while we do agree with the comment that the mainstreaming of biodiversity in development is a complex undertaking, we believe it is necessary and realistic as designed and are happy to provide further clarification as needed.

UNDP is aware of the complexities of negotiating debt-for-nature swaps. In the project, debt-for-nature swaps are seen as only one of several financial instruments of potential value to strengthen Cabo Verde's biodiversity financing that will be considered, along with more traditional instruments such as taxes and fees, reform of existing funds, carbon taxes, etc. (see previous response and Prodoc paragraph 123). It should be noted that the Ministry of Finance of Cabo Verde has been evaluating the opportunities for debt-for-nature swaps for some time and has recently concluded a deal with Portugal (Reuters report from 23 Jan 2023).

Considering this, the question whether and how the project can contribute in a meaningful way to advancing the use of debt-for-nature swaps will be explored with the Ministry of Finance and potential financial partners (e.g. Portugal) during the Inception Phase. This could include the expansion of the mechanism to other donors (e.g. Spain), impact monitoring or other areas as identified together with Ministry of Finance.

Project Results Framework

Secretariat Comment at CEO Endorsement Request

3/21/23

Yes.

Agency Response

GEF Secretariat comments

Secretariat Comment at CEO Endorsement Request

3/21/23

Yes.

Agency Response

Council comments

Secretariat Comment at CEO Endorsement Request

4/11/2023

No.

Agency Response

STAP comments

Secretariat Comment at CEO Endorsement Request

3/21/23

Yes.

Agency Response

Convention Secretariat comments

Secretariat Comment at CEO Endorsement Request NA

Agency Response

Other Agencies comments

Secretariat Comment at CEO Endorsement Request NA

Agency Response

CSOs comments

Secretariat Comment at CEO Endorsement Request NA

Agency Response

Status of PPG utilization

Secretariat Comment at CEO Endorsement Request

3/21/23

Yes.

Agency Response

Project maps and coordinates

Secretariat Comment at CEO Endorsement Request

3/21/23

Yes.

Agency Response

Does the termsheet in Annex F provide finalized financial terms and conditions? Does the termsheet and financial structure address concerns raised at PIF stage and that were pending to be resolved ahead of CEO endorsement? (For NGI Only)

Secretariat Comment at CEO Endorsement Request

NA

Agency Response

Do the Reflow Table Annex G and the Trustee Excel Sheet for reflows provide accurate reflow expectations of the project submitted? Assumptions for Reflows can be submitted to explain expected reflows. (For NGI Only)

Secretariat Comment at CEO Endorsement Request NA

Agency Response

Did the agency Annex H provided with information to assess the Agency Capacity to generate and manage reflows? (For NGI Only)

Secretariat Comment at CEO Endorsement Request NA

Agency Response

GEFSEC DECISION

RECOMMENDATION

Is CEO endorsement recommended? (applies only to projects and child projects)

Secretariat Comment at CEO Endorsement Request

4/14/2023

Yes.

3/21/23

No, please address the comments on question 3 and the annexes.

Review Dates

**Secretariat Comment at
CEO Endorsement**

**Response to
Secretariat comments**

First Review	3/21/2023
Additional Review (as necessary)	4/14/2023
Additional Review (as necessary)	
Additional Review (as necessary)	
Additional Review (as necessary)	

CEO Recommendation

Brief reasoning for CEO Recommendations