

Managing Multiple Sector Threats on Marine Ecosystems to Achieve Sustainable Blue Growth

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

9705

Countries

Cabo Verde

Project Name

Managing Multiple Sector Threats on Marine Ecosystems to Achieve Sustainable Blue Growth

Agencies

UNDP

Date received by PM

11/23/2018

Review completed by PM

6/3/2019

Program Manager

Sarah Wyatt

Focal Area

Biodiversity

Project Type

FSP

PIF ☐

CEO Endorsement ☐

Project Design and Financing

1. If there are any changes from that presented in the PIF, have justifications been provided?

Secretariat Comment at CEO Endorsement

2/20/2019

Yes.

Response to Secretariat comments

2. Is the project structure/ design appropriate to achieve the expected outcomes and outputs?

Secretariat Comment at CEO Endorsement

2/20/2019

Yes. This is an interesting and well-designed project.

During inception, it may be worth having participants discuss changing the "call for proposal" style of resource allocation as it leads to a system where well-funded and organized parks are better able to access resources in a "rich get richer" scenario. Perhaps the project could support a transition for at least some of the resources to be allocated strategically.

A couple of potential sources of collaboration/learning (no response needed) -

- African Parks has been working in its first MPA in Bazaruto Mozambique.

- GEF/UNDP project in Guatemala that worked on sailfish sport fishing sustainability and management as well as encouraging people to change consumption patterns.

Response to Secretariat comments Thank you for the comment which will be discussed further during the inception phase.

3. Is the financing adequate and does the project demonstrate a cost-effective approach to meet the project objective?

Secretariat Comment at CEO Endorsement

2/20/2019

Yes.

Response to Secretariat comments

4. Does the project take into account potential major risks, including the consequences of climate change, and describes sufficient risk response measures? (e.g., measures to enhance climate resilience)

Secretariat Comment at CEO Endorsement

2/20/2019

Yes.

Response to Secretariat comments

5. Is co-financing confirmed and evidence provided?

Secretariat Comment at CEO Endorsement

2/20/2019

Yes. Please continue to seek out and document additional co-financing such as contributions of time from the experts in output 1.1.

Response to Secretariat comments

6. Are relevant tracking tools completed?

Secretariat Comment at CEO Endorsement

2/20/2019

Yes.

Response to Secretariat comments

7. Only for Non-Grant Instrument: Has a reflow calendar been presented?

Secretariat Comment at CEO Endorsement

NA

Response to Secretariat comments

8. Is the project coordinated with other related initiatives and national/regional plans in the country or in the region?

Secretariat Comment at CEO Endorsement

2/20/2019

Yes.

Response to Secretariat comments

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

Secretariat Comment at CEO Endorsement

2/20/2019

Yes.

Response to Secretariat comments

10. Does the project have descriptions of a knowledge management plan?

Secretariat Comment at CEO Endorsement

2/20/2019

Yes.

Response to Secretariat comments

Agency Responses

11. Has the Agency adequately responded to comments at the PIF stage from:

GEFSEC

Secretariat Comment at CEO Endorsement

2/20/2019

Yes.

Response to Secretariat comments

STAP

Secretariat Comment at CEO Endorsement

2/20/2019

Yes.

Response to Secretariat comments

GEF Council

Secretariat Comment at CEO Endorsement NA

Response to Secretariat comments

Convention Secretariat

Secretariat Comment at CEO Endorsement NA

Response to Secretariat comments

Recommendation

12. Is CEO endorsement recommended?

Secretariat Comment at CEO Endorsement

2/20/2019

No. The project is technically ready, but there are a few issues with entries in the Portal. Please correct the project duration to be in months, include the WDPA number for the MPAs in the core indicators, and include IAS in the taxonomy.

3/1/2019

We note that the project duration needs to be corrected by the Portal team.

Please note that wherever feasible we would like to have GEF supported protected areas in the WDPA, so we hope that a WDPA number can be included at midterm.

3/20/2019

No, as discussed please provide documentation to meet GEF standards for agency execution.

6/3/2019

No, please revise the execution arrangements to meet GEF standards based on email communications.

9/5/2019

No, agency execution is meant to occur on an exceptional basis. We ask that you explore other options such as NGOs or other government entities to address these issues.

3/29/2020

No, thank you for the significant adjustments. As discussed, we would recommend charging more of the project coordinator's time to PMC and requesting an increased PMC based on the justification provided.

4/17/2020

Yes. Thank you for the revisions. We note that a PMC of 6.6% has been requested to cover the necessary activities. As a project of less than \$4 million over 5 years, the standard PMC was insufficient and, therefore, approve this increase that is still a very reasonable cost.

Response to Secretariat comments

The project will be implemented following UNDP's procedures as Support to National Implementation (NIM) modality, according to the Standard Basic Assistance Agreement between UNDP and the Government of Cabo Verde.

The **Implementing Partner** for this project is The Ministry of Agriculture and Environment – National Directorate for Environment (DNA).

UNDP, as GEF Agency for this project, will provide project management cycle services for the project as defined by the GEF Council. In addition, the Government of Cabo Verde may request UNDP direct services for specific projects, according to its policies and convenience. The UNDP and Government of Cabo Verde acknowledge and agree that those services are not mandatory and will be provided only upon Government request. These services (and their costs) are specified in the attached Letter of Agreement between Ministry of Environment and UNDP, as well as in the Letter of support and contribution signed by GEF OFP of Cabo Verde - please see the uploaded supporting documents.

The independent micro-capacity assessment of the Ministry, which we conducted during the PPG, concluded the risk rating as moderate. Based on this and the experience in the performance of other GEF financed projects executed by the same ministry, the government and UNDP agreed on the partial services support under the National Implementation modality.





As a reference, please review the newly uploaded supporting documents:

1. Letter of agreement between the Government of Cabo Verde and UNDP
2. Letter of Endorsement of the Request for Provision of project Support Services under National Execution, signed by GEF OFP of Cabo Verde

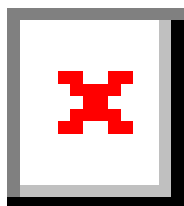
Response to Secretariat comments

Reply in July 2019:

The comments from email communications were copied at the end of this document for greater ease. They were addressed as follows:

<p>The type of Executing Partner Type can't be GEF Agency (see screenshot below) – please ask the Agency to amend.</p> 	<p>The Executing Partner Type entry on the GEF Portal was changed to “Government” by the GEF Help Desk / IT support, after our request.</p> 
<p>[CEO EndReq] Section A.6 Institutional Arrangement and Coordination doesn't provide any information (see screenshot below) - only makes reference to the sections in PRODOC. Please ask the Agency to amend.</p> 	<p>As explained below, the PRODOC Section VII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS (§ 436-454) was edited/rewritten based on the latest UNDP PRODOC template.</p>  <p>The largest part of this Section VII was now also copied into the CEO ER (Section A.6 Institutional Arrangement and Coordination) and will have been uploaded to the GEF portal in the context of this resubmission.</p>

The letter of support provided by GEF OFP lacks an adequate explanation of the executing roles and responsibilities that the GEF Implementing Agency will perform (see screenshot below). Based on the letter and on the sections IV and VII of the PRODOC, it is not possible for the Secretariat to assess the reasons why Cape Verde needs the GEF Implementing Agency to perform such executing activities.



Cape Verde is a Small Island Developing State, with the typically low capacity.

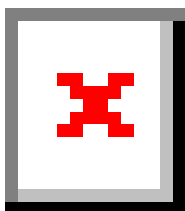
UNDP has for a long time applied the UN Development Group's Inter-Agency agreed Harmonized Approach to Cash Transfers (HACT) framework, including micro capacity assessments, to assess the operational capacity and adequacy of its Implementing Partners – to then define the exact modality under which nationally implemented projects should best operate.

We note that ongoing UNDP/GEF/Government projects under full national implementation in Cape Verde tend to suffer in terms of financial and technical delivery and rigour, which can often be attributed to project management teams having limited technical, operational and financial skills/capacity and operational authority, which is compounded by limited support from the host agency / implementing partner.

The latest HACT micro capacity assessment of the IP (the Ministry of Agriculture and Environment; see HACT in PRODOC Annex H in Portuguese) highlighted several key weaknesses, namely:

- absence of a formal policy for the training of staff in accounting/finances and programme management;
- absence of a manual on policies and processes for internal control;
- absence of a system safeguarding and protecting assets against fraud and theft;
- absence of inventories of fixed assets and inventories;
- insufficient insurance policy coverage of goods in property of the agency;
- general financial reports are not audited by an independent auditor;
- financial reports are not automatically produced;
- absence of an IT-based procurement system;
- absence of a procurement unit with a qualified, trained and certified team to that effect.

In page 89 of the PRODOC, it is shown that the person who “who represents ownership of the project who will chair the Project Board” and performs other key activities more aligned with the roles and responsibilities of the Project Director will be done by UNDP (see screenshot below).



One wants to understand the reasons for having two persons performing activities that seem to be for only one.

N/A

The largest part of PRODOC Section VII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS (§ 436-454, including the project governance diagramme) was edited/rewritten based on the latest UNDP PRODOC template. This removes errors and confusion on multiple aspects, including those GEF identified in this review. The Executive cannot be UNDP – it is the National Director for the Environment.

In addition, the entire section XI. RISK MANAGEMENT in the PRODOC was updated to the latest standard of UNDP.

Reply in 03 March 2020:

After a period of analysis and reflection, and the completion in December 2019 of the Mid Term Review of the closely related and similarly setup GEF-5 project “Mainstreaming biodiversity conservation into the tourism sector in synergy with a further strengthened protected areas system in Cape Verde” (GEF ID 5524), it was decided to change the implementation modality fully to national implementation in line with the request from GEF, noting at the same time the resulting risks to delivery and quality implementation.

In the PRODOC, the former Paragraphs 448 and 458 as well as Annex L referring to UNDP Direct Project Services were therefore deleted.

Similarly, budget lines and budget notes 26 on Direct Project Costs were deleted from the Total Budget and Work Plan (PRODOC Section VIII). The Total Budget and Work Plan was amended to reallocate the freed resources, with implications across components. The budget for the Project Administration & Finance Assistant was reallocated entirely to PMC, and a Project Procurement Assistant was added to enhance implementation/delivery capacity at the PMU.

There were therefore minor changes to budget allocations to the components, which were reflected also in the CEO ER (Table B, Components 2-4).

In addition, PRODOC Section VII *Governance and Management Arrangements* was updated to the latest standard version, *inter alia* removing any language that could imply an implementation role for UNDP.

In PRODOC Annex C (Terms of Reference), the TORs for the Project Manager was expanded, and TORs for the Project Procurement Assistant were added.

Reply on 16 April 2020:

Following the request from GEF SEC, the portion of the cost of the Project Manager allocated to Project Management Costs was raised from 5% to 40%. This brings the PMC up to 6.6% of the sum of the component budgets of \$3,554,990, and to 6.1% of the total project grant of \$3,787,864. The four component budgets were adapted accordingly (C1-3 from 25% to 15%, C4 from 20% to 15%) with some marginal additional adjustments in individual budget lines. These changes were reflected in PRODOC Section VIII Total Budget and Work Plan, including in the relevant budget notes, as well as in the Project Manager TORs in PRODOC Annex C. The budget changes were also reflected in CEO ER Table B; in consequence also Table A was slightly amended.

The increase in PMC to beyond the standard ceiling of 5% is requested given that under the project grant of \$3,787,864 the PMC ceiling would be only \$180,374 – a mere \$36,075 of PMC for each of the five project years. The need for a higher PMC can also be attributed to the request to eliminate implementation support by UNDP, wherefore a dedicated Project Procurement Assistant was added to the project management team to facilitate project delivery/ implementation. Neither the Government nor UNDP Cape Verde are in the position to provide grant/cash co-financing for these project management positions.

Review Dates

Secretariat Comment at CEO Endorsement

Response to Secretariat comments

	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
First Review		
Additional Review (as necessary)		
Additional Review (as necessary)		
Additional Review (as necessary)		
Additional Review (as necessary)		

CEO Recommendation

Brief Reasoning for CEO Recommendations

Context

Cabo Verde is a small island nation consisting of 10 islands and 8 islets. The country's future economic development will depend to an important extent on how the country can use its substantial marine and coastal areas to generate revenue and employment. The Government of Cape Verde (GOCV) with the support from FAO in 2015 prepared and adopted a Blue Growth Charter and is presently working on a Blue Growth Strategy to be implemented over the coming decades. Some activities promoted through the Blue Growth Strategy may not only have impacts on biodiversity, but also in a negative feedback impact the other sectors set to grow – unless appropriate strategies and measures are in place to prevent or reduce such impacts.

Project

To address these potential risks, the present project will strengthen systemic and institutional capacity for reducing multiple threats to globally significant marine ecosystems and achieve sustainable blue growth in Cabo Verde.

It will do so through the following main three components:

- develop national frameworks for maritime sector planning and threat management,
- increase capacity for marine biodiversity conservation and sustainable use,
- ensure conservation of biodiversity and marine resources in Santa Luzia-Branco-Raso NR

National frameworks will encompass Integrated Marine Spatial Planning and implementing and ratifying the IMO Ballast Water Convention to prevent the spread of marine invasive species.

Innovation, sustainability and scaling up

The project will support Integrated Marine Spatial Planning (IMSP), new in Cape Verde and rare, if not absent in Africa. The project has a strong focus on ensuring the allocation of resources by the government to MPAs to help close the significant but not insurmountable funding gap (each MPA needs an estimated \$50,000 each). Sustainability of interventions rests on the scaling up of management strategies and the integration of biodiversity elements into these, whose inherent objective it to secure ownership and participation by communities if management to reduce costs and enhance sustainability. Linking protected areas and fisheries management and the respective agencies in charge also contributes to sustainability because the fisheries sector has traditionally had more resources and equipment and is at the same time intrinsically interested in the sustainability of at least the coastal fisheries given their importance for food security and livelihoods. The increased capacity of the ministry in charge of environment and of the Protected Areas system is also an important element of sustainability.

Global Environmental Benefits

The project will reduce impact on biodiversity of over 1,000,000 ha of marine areas, specifically improving the management of at least 56,240 ha of MPAs.