

Mainstreaming biodiversity conservation and climate change mitigation in sustainable tourism development in Cuba

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10670

Countries

Cuba

Project Name

Mainstreaming biodiversity conservation and climate change mitigation in sustainable tourism development in Cuba

Agencies

UNDP

Date received by PM

12/1/2021

Review completed by PM

6/10/2022

Program Manager

Sarah Wyatt

Focal Area

Multi Focal Area

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

2/25/2022

Yes. However, if it is not too complicated to change we believe that it better fits with CCM 1-1 and would allow for the support of distributed renewable energy.

Agency Response

05/06/2022

Reference:

CEO ER: Part I: Project Information - A. Focal/Non-Focal Area Elements

The project is designed to address climate change mitigation in the tourism sector by integrating actions aimed primarily at increasing energy efficiency. The proposed renewable energy solutions will comprise a combination of technologies in which solar thermal will prevail to reduce the consumption of electricity and fuels for water heating. Based on this, GEF funds will be used for actions to improve energy efficiency and MINTUR will co-finance solar water heating systems and photovoltaic generation to increase some hotels' self-supply of electricity.

Kindly note that the Project aim is not to support distributed renewable energy. Thus, we believe that the focal area CCM 1-3 (Promote innovation and technology transfer for

sustainable energy breakthroughs for accelerating energy efficiency adoption) has a better alignment with the Project.

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

2/25/2022

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

3/2/2022

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

3/2/2022

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

3/2/2022

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

5/12/2022

Yes.

2/25/2022

No, please address the following:

- Please list this as Rio Marker CCM 2 and CCA 1.

Agency Response

05/06/2022

Reference:

CEO ER: Table E. Project's Target Contributions to GEF 7 Core Indicators; Annex G: GEF Project Taxonomy Worksheet
ProDoc: Annex 15: GEF 7 Taxonomy

A reference to Rio Marker CCM 2 and CCA 1 was included in Table E as suggested. In addition, this information was updated in Annex G: GEF Project Taxonomy Worksheet.

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
3/2/2022

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
5/12/2022

Yes.

3/2/2022

No, please include the baseline and alternative scenario from the ProDoc in the Portal.

Agency Response

05/06/2022

Reference: Please see CEO ER, Part II Project Justification, 1a. Project Description, 2) The baseline scenario and any associated baseline projects; and 3) The proposed alternative scenario with a brief description of expected outcomes and components of the project.

Also, please see ProDoc, Section IV Strategy (pages 14-19), and Section V, Results and Partnerships (pages 20-40).

Information regarding the baseline and alternative scenario was included in the Portal. Please note that the baseline scenario and the associated baseline projects are the same as described in the PIF.

The missing information on the baseline scenario, associated baseline projects, and the alternative scenario has been included in the CEO Endorsement document.

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

5/12/2022

Yes, thank you for these thoughtful revisions.

3/2/2022

No, please address the following

- COVID recovery planning - It is difficult to see the GEBs in supporting a general tourism COVID recovery plan. Please clarify the role of GEF funding in this context.

- 2.2.1 - This output seems to be focused on promoting nature tourism, which is not part of the GEF's mission to deliver GEBs and could in fact cause more harm to sensitive ecosystems with increased tourism. Please clarify the GEBs or that this will be covered with co-financing.

- ISO Certification for Quality Management - It is difficult to understand how this is essential to environmental benefits and why the GEF should be covering these costs that should generate benefits for the hotels themselves.

- "Output 3.2.3. Centralized intelligent digital measurement? To ensure the sustainability of the project and, as such, continuity beyond the lifetime of the project, please elaborate further on which institution (MINTUR?) would be in charge of maintaining this network and system during and after the project.

- *Two (2) global platforms through which information on best practices and knowledge resulting from the project are shared?*. Please explain why two global platforms will be developed and shared (different audiences?). While this is welcome, please note that what it is important is that the platform/s is a solid one that can be sustained after project completion.

Agency Response

05/06/2022

Reference: CEO ER: Part I: Project Information, B. Project Description Summary; Annex A: Project Results Framework

ProDoc: V. Results And Partnerships ? Outputs 1.1.1, 2.2.1, and 3.2.3; VI. Project Results Framework

COVID recovery planning (Output 1.1.1):

The devastating economic and social impacts of COVID-19 on the tourism sector in Cuba require a comprehensive plan to recover during the post-pandemic period and beyond. To this end, the project will support the development of a comprehensive plan to operationalize the conservation and sustainable use of biodiversity and CCM to strengthen the Government's strategic vision on sustainable tourism. This plan has a national-level scope, and therefore it will generate GEBs in the project's targeted areas and other marine and terrestrial areas nationwide. The plan will consolidate the conservation of over 40 thousand ha of terrestrial and marine landscapes in the project's targeted area, in addition to contributing to CCM. The experience of applying the guidelines of the plan will generate the capacity to scale its impact.

Output 2.2.1:

Output 2.2.1 was modified as follows: Updated guideline for adopting sustainable nature-based tourism (SNBT) principles and designing SNBT products to deliver GEBs, including protecting fragile ecosystems, biodiversity conservation, and climate change mitigation (CCM).

Following a rigorous ESMF, this outcome will develop a SNBT guideline capable of generating GEBs in the project's targeted areas estimated at 20,727 ha of terrestrial area and 21,210 ha of marine area. These areas are not protected and are consequently threatened by unsustainable tourism activities. Therefore, a significant increase of marine and terrestrial habitats under improved practices will benefit biodiversity around protected areas, as well as safeguarding existing GEBs in protected areas.

Please refer to paragraphs 52 in the ProDoc for additional adjustment details.

ISO Certification for Quality Management (Output 2.2.4):

The project will no longer support activities related to ISO Certification for Quality Management; accordingly, all related references have been removed from the CEO ER and ProDoc.

Output 3.2.3. Centralized intelligent digital measurement: The OSDE Grupo Hotelero and selected hotels where the system will be implemented will be responsible of maintaining this network and system during and after project implementation.

Two (2) global platforms: Please note that the project will not develop global platforms; instead, the project will share information and lessons learned on sustainable tourism, biodiversity conservation, and CCM using two external global platforms. For example: Panorama ? Solutions for a Healthy Planet, a partnership initiative to document and promote inspiring, replicable solutions across a range of conservation and sustainable development topics, and enabling cross-sectoral learning. Panorama is jointly implemented by GIZ, IUCN, UN Environment, GRID-Arendal, Rare, IFOAM ? Organics International, UNDP, ICOMOS, and the World Bank (<https://panorama.solutions/en>); and BIOFIN Catalogue of Finance Solutions (<https://www.biofin.org/finance-solutions>), a UNDP-managed global partnership that supports countries to enhance their financial management for biodiversity and ecosystems. These platforms are directed to different audiences, which will allow for a wider distribution of information about the project.

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

Secretariat Comment at CEO Endorsement Request

3/2/2022

Yes.

Agency Response

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

Secretariat Comment at CEO Endorsement Request

3/2/2022

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

3/2/2022

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

3/2/2022

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

3/2/2022

Yes. Thank you for the excellent maps.

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

3/2/2022

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

3/2/2022

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

5/12/2022

Yes, thank you for the clarification.

3/2/2022

No, thank you for the information on this but the mention of agricultural cooperatives is a bit confusing given the topic of this project.

Agency Response

05/06/2022

Reference: CEO ER: Part II: Project Justification - 2. Stakeholders.

ProDoc: V. Results and Partnerships ? Output 2.1.1 (paragraph 49) and Output 2.2.1 (paragraph 52)

Annex 8: Stakeholder Engagement Plan, Table 1 and Section 4. Stakeholder Analysis, Relevant Stakeholders.

The private agricultural cooperatives are key project stakeholders, as they supply native plant material for implementing best landscaping and gardening practices in selected hotels under Output 2.2.1. Members of the private agricultural cooperatives will be trained in gardening with native species and concepts regarding ecosystem management and restoration, among other topics linked to sustainable nature-based tourism.

The above-indicated clarification has been including in the CEO-ER and ProDoc.

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

5/12/2022

Yes.

2/25/2022

No, please include the improper disposal of solar PV panels as a risk and how the project will plan for this.

Agency Response

05/06/2022

Reference:

CEO ER: Part II: Project Justification, 5. Risks

ProDoc: Annex 5: UNDP Social and Environmental Screening Procedure (SESP), Risk 7.

The risk regarding improper disposal of solar PV panels has been included as part of the project risk assessment, i.e., UNDP Social and Environmental Screening Procedure (SESP), Standard 8: Pollution Prevention and Resource Efficiency. Accordingly, this risk is included as part of the SESP Risk 7: The use of technology to implement hard interventions such as renewable energy may lead to an increase in pollution and production of hazardous waste related to the decommissioning of old and/or inefficient air conditioners. This could also pose potential safety risks to communities.

Mitigation measures to address this risk are updated as follows: Although the various technological solutions (solar and PV energy, water heating systems, etc.) to be implemented have not been defined at this stage in sufficient detail to predict their impacts. It is anticipated that these pollution risks will be of limited risk and easily manageable with a Pollution and Waste Risk Management Plan (outline included in the ESMF), which will be prepared during implementation. This plan will be designed in accordance with the country's available regulations on hazardous waste management, specifically based on the updated protocols for disassembly, recovery, and reuse of electronic parts and components of end-of-life equipment.

In Cuba the importance of reuse and recycling processes for the economic and environmental sustainability of the country's development is recognized. CITMA's Resolution 253/2021 establishes the regulations for the management of hazardous chemical products for industrial and household use and hazardous waste. Within the framework of this policy, specific standards for recycling parts and components of PV systems have not yet been defined; however, at the end of the useful life of solar PV panels, the project, under the leadership of MINTUR together with selected hotels, will dismantle the panels for reuse of the aluminum frames and wiring, as well as the recycling of the glazing material. The use of batteries is not planned, as such there are no risks associated with their disposal.

When these energy efficiency interventions are designed during the project implementation phase, all applicable permits and licenses will be obtained to ensure the disposal of hazardous waste is done according to national regulations.

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

3/2/2022

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

3/2/2022

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

3/2/2022

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

3/2/2022

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

3/2/2022

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

3/2/2022

Yes.

Agency Response

Annexes

Are all the required annexes attached and adequately responded to?

Secretariat Comment at CEO Endorsement Request

7/5/2022

Yes, the issues have been addressed.

6/23/2022

3. On unrelated text below Table B: not addressed. Though in the Review Sheet the Agency said "Thanks for your comment. The text under Table B ? CEO Endorsement has been removed?", the text still is included (see screenshot below) ? please ask the Agency to remove it.

5. On budget:

a. Whereas the Agency in the Review Sheet said that "fuel, maintenance,

insurance, inspection, and other vehicle costs, have not been budgeted under equipment, but under operating costs?, still these items are categorized as equipment instead of to operating costs as it was requested ? please ask the Agency to amend.

6/10/2022

No,

3. On unrelated text below Table B: not addressed. Though in the Review Sheet the Agency said ?Thanks for your comment. The text under Table B ? CEO Endorsement has been removed?, the text still is included ? please ask the Agency to remove it.

5. On budget:

a. Whereas the Agency in the Review Sheet said that ?fuel, maintenance, insurance, inspection, and other vehicle costs, have not been budgeted under equipment, but under operating costs?, still these items are categorized as equipment instead of to operating costs as it was requested ? please ask the Agency to amend.

The PM grants an exception for the purchase of a vehicle and limited direct costs for execution by UNDP.

6/1/2022

No, please address the following:

1. Gender: The project seems to generate socio-economic benefits or services to women. If so, please respond Yes (see green arrow below).

2. Please change expected implementation start and completion date to a more realistic dates and to match with the duration:

3. It may be a typo, but below Table B there is a text that does not make sense as it does not respond to the purpose, which is to provide a justification if the level of PMC is above 5% - please ask the Agency to remove

4. Status of PPG utilization: as requested in the template, please provide details on expenditure categories for this PPG report ? please ask the Agency

to provide the information by categories of expenditure (consultants, workshops, travel costs, salaries if any) as opposed to by output (i.e. preparation of ProDoc and CEO Endorsement) (As an example we are sharing the utilization of PPG table for another project)

5. Budget table:

a. Please categorize fuel, maintenance, insurance, inspection, registration? for vehicles to operating costs, not equipment:

b. Per Guidelines, vehicles preferably have to be covered by co-financing. If not possible because it is justified, PM?s approval is required. Please categorize all vehicle purchase including both cars and motorcycles and Vehicle, not Equipment:

6. GPU Manager?s approval of direct project support cost by UNDP at \$18,000 is required in the review comment section.

7. The Review Sheet needs to be circulated in UNDP projects ? please select it whenever you recommend the project again.

3/2/2022

No, please update the expected completion date in the Portal. Also, Project Budget Table is too long and cannot be read. Please simplify the budget by summarizing column ?Detailed Description? so the GEF team can better assess the allocation to each category.

Agency Response

06/23/2022

3. Reference: CEO ER, Table B

The text below Table B has been completely removed (footnotes 1 and 2)

5. Reference: GEF budget template

The categorization in the GEF budget template has been changed: fuel, maintenance, inspection and insurance moved to ?Other Operating Costs?

6/7/2022

1. Corrected in the portal

2. Reference: ProDoc, signature page and M&E table (page 59)

Thanks for your comment. Both planned and star dates have been adjusted into the ProDoc.

Planned start date: September 2022

Planned end date: August 2028

3. Reference: CEO Endorsement, Page 6.
Thanks for your comment. The text under Table B ? CEO Endorsement has been removed.

4. Reference: CEO Endorsement, Annex C: Status of Utilization of Project Preparation Grant (PPG), Page 61
Thanks for your comment. The status of PPG utilization funds has been adjusted by categories of expenditure as per the budget plan in the Initiation Plan

5. a. Reference: ProDoc Budget notes (4, 8, 15, 19, 26, and 30,) in the ProDoc, pages 71-77
All these items are in line 73400 of Rental & Maint of Other Equip and fuel in line 72300 of Materials & goods. Fuel, maintenance, insurance, inspection, and other vehicle costs, have not been budgeted under equipment, but under operating costs
b. Reference: Please see detailed justification of vehicles procurement in the ProDoc, Annex 17
Thank you for the comment. A justification note has been added in the ProDoc, Annex 17.

6. Please see ProDoc, budget note 49 (page 78). Also see CEO Endorsement, Section B Project Description Summary, line ?Project Management Cost?, reference (footnote) 2, it includes a clarification regarding to the budget note 49)?. Reference has been added also to CEO Endorsement in the GEF Portal (Justification under Section B).

7. N/A to UNDP

05/06/2022

As indicated, the expected completion date in the Portal was updated. Similarly, the Project Budget Table was simplified.

Project Results Framework

Secretariat Comment at CEO Endorsement Request

3/2/2022

Yes.

Agency Response

GEF Secretariat comments

Secretariat Comment at CEO Endorsement Request

3/2/2022

Yes.

Agency Response

Council comments

Secretariat Comment at CEO Endorsement Request

3/2/2022

Yes.

Agency Response

STAP comments

Secretariat Comment at CEO Endorsement Request

3/2/2022

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

5/12/2022

Yes.

3/2/2022

No, as per the annex only the following two activities are pending: (1) All comments resolved; and (2) Translation of ProDoc to Spanish. However, despite the fact that most of the PPG activities have been implemented, only US\$ 17k out of US\$100k have been spent. Please update Annex C or provide an explanation for this inconsistency.

Agency Response

05/06/2022

Reference: CEO ER: Annex C: Status of Utilization of Project Preparation Grant (PPG)

Annex C was updated to indicate the status of the PPG funding:

At the time of the submission to the GEF, most of the PPG activities had been implemented (Drafting of ProDoc and CEO-Endorsement; Stakeholder consultation (incl. field visits and workshops); Private sector engagement). By then, the spent was \$17,078.83, and the commitments (\$82,921.17) corresponded to:

-payments for contracts with consultants (3 international and 1 national), for the completion of the deliverable ?ProDoc submitted for GEF approval? (paid in December 2021)

-payment of field visit carried out in November 2021 (paid in December 2021)

-payments for contracts with consultants (3 international and 1 national), for the completion of the deliverable ?GEF comments addressed and ProDoc approved? (to be paid in 2022)

-Support to activities associated to GEF comments review (to be paid in 2022)

-ProDoc translation (to be paid in 2022)

Status of PPG utilization, as of March 11, 2022:

Spent: \$73,680.83

Commitments: \$25,853.88

Project maps and coordinates

Secretariat Comment at CEO Endorsement Request

3/2/2022

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

7/5/2022

Yes.

6/13/2022

No.

5/20/2022

Yes, thank you for the revisions.

5/12/2022

Yes, the project appears ready to go. However, we need any documents required to be circulated are uploaded as public. We want to make sure that no sensitive information is included.

3/2/2022

No, thank you for the interesting project. Please address the issues raised above.

Review Dates

| | Secretariat Comment at CEO Endorsement | Response to Secretariat comments |
|---|---|---|
| First Review | 3/2/2022 | |
| Additional Review (as necessary) | 5/12/2022 | |
| Additional Review (as necessary) | 5/20/2022 | |
| Additional Review (as necessary) | 6/1/2022 | |
| Additional Review (as necessary) | 7/5/2022 | |

CEO Recommendation

Brief reasoning for CEO Recommendations