



# REQUEST FOR CEO ENDORSEMENT

**PROJECT TYPE: Full-sized Project**

**TYPE OF TRUST FUND: GEF Trust Fund**

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## PART I: PROJECT INFORMATION

Project Title: Mainstreaming biodiversity conservation into the tourism sector in synergy with a further strengthened protected areas system in Cabo Verde.			
Country:	Cabo Verde	GEF Project ID: <sup>1</sup>	5524
GEF Agency:	UNDP	GEF Agency Project ID:	4526
Other Executing Partner(s):	Ministry of Environment, Housing and Land Planning (MAHOT); Ministry of Tourism, Industry and Energy (MTIE)	Submission Date:	October 9, 2015
GEF Focal Area (s):	Biodiversity	Project Duration(Months)	60
Name of Parent Program (if applicable):		Project Agency Fee (\$):	348,141
	<ul style="list-style-type: none"> <li>➤ For SFM/REDD+ <input type="checkbox"/></li> <li>➤ For SGP <input type="checkbox"/></li> <li>➤ For PPP <input type="checkbox"/></li> </ul>		

### A. FOCAL AREA STRATEGY FRAMEWORK<sup>2</sup>

Focal Area Objectives	Expected FA Outcomes	Expected FA Outputs	Trust Fund	Grant Amount (\$)	Cofinancing (\$)
BD-2: Mainstream biodiversity conservation and sustainable use into production landscapes, seascapes and sectors	BD 2.2: Measures to conserve and sustainably use biodiversity incorporated in policy and regulatory frameworks	Output 2.1. Policies and regulatory frameworks (number) for production sectors.	GEF	1,207,502	2,751,555
BD-1: Improve sustainability of protected area systems	BD 1.1: Improved management effectiveness of existing and new protected areas.	Output 1.1. New protected areas (eight) and coverage (#hectares) of unprotected ecosystems.	GEF	2,282,631	6,815,776
Sub-total				3,490,133	9,567,331
Project management cost				174,507	479,860
<b>Total project costs</b>				<b>3,664,640</b>	<b>10,047,191</b>

### B. PROJECT FRAMEWORK

**Project Objective:** To safeguard globally significant biodiversity in Cabo Verde from current and emerging threats, by enhancing the enabling and regulatory frameworks in the tourism sector and activating a critical further subset of the national protected areas system.

Project Component	Grant Type	Expected Outcomes	Expected Outputs	Trust Fund	Grant Amount (\$)	Confirmed Cofinancing (\$)
1. Mainstream biodiversity into tourism	TA	In at least the 205,513.09 ha of national terrestrial and marine PAs <sup>3</sup> and all Tourism Protected and Reserve	1.1. Strengthened government capacity to integrate biodiversity into	GEF	1,207,502	2,751,555

<sup>1</sup> Project ID number will be assigned by GEFSEC.

<sup>2</sup> Refer to the [Focal Area Results Framework and LDCF/SCCF Framework](#) when completing Table A.

<sup>3</sup> 73.381,42 ha of terrestrial and coastal, and 132.131,67 ha of marine PAs

<p>planning and operations at national level and on priority islands</p>		<p>Areas (ZRPT) in the country:</p> <p>1.1 Direct adverse impacts of tourism infrastructure development on biodiversity and land/sea-scapes (primarily loss, degradation and severe disturbance of critical habitats) are avoided, reduced or compensated.</p> <p>(a) at least 80% of new tourism-related infrastructural developments and hotels are consistent with SEA recommendations and apply rigorous EIAs whose conclusions are respected in the permitting process;</p> <p>(b) at least a 50% reduction in environmental infractions during the construction and operational phases achieved through monitoring and enforcement; and</p> <p>(c) harmful new infrastructure development in critical habitats inside and immediately adjacent to protected areas is prevented.</p> <p>In the targeted islands of Santiago, Sal, Boavista and Maio:</p> <p>1.2 Adoption of and compliance with the relevant sustainable and biodiversity-friendly tourism certification systems by: (i) at least 30% of new tourism-related infrastructural developments, hotels and tourism service providers and (ii) at least 80% of existing NB/BFT operators, reducing the biodiversity impacts caused by inappropriate practices from tourists and tourism establishments</p> <p><b>1.3</b> Maintenance of good conservation status and limited disturbance of globally unique coastal habitats and of Humpback whales and sea turtles in foraging and breeding areas.</p>	<p>the tourism sector, including compliance, monitoring and enforcement</p> <p>1.2, Policy mainstreaming committees overseeing coherence between tourism development and biodiversity management.</p> <p>1.3. Cross-sectoral planning integrates biodiversity conservation objectives, and Strategic Environmental Assessments (SEAs) conducted in priority PAs/ ZRPTs.</p> <p>1.4. Economic incentives and enforcement measures are strengthened to promote the adoption of sustainable tourism practices.</p> <p>1.5. Best-practice standards for sustainable tourism and voluntary certification established and operational.</p> <p>1.6. A biodiversity offset mechanism established and integrated in the planning and development of tourism.</p>			
<p>2. Expanding and strengthening the coastal and marine PA estate in</p>	<p>TA/ INV</p>	<p>In the targeted islands Santiago, Sal, Boavista and Maio:</p> <p>2.1 Enhanced protection of endemic and globally threatened species and key habitats through: (a) full</p>	<p>2.1. Operationalization of PA management on target islands and establishment of designated priority Protected Areas.</p>	<p>GEF</p>	<p>2,282,631 [TA: 2,238.631 INV: 224,000]</p>	<p>6,815,776</p>

priority islands	<p>operationalisation of at least 7 further already-designated priority PAs<sup>4</sup> with a total of 12,310 ha; (b) enhanced control and reduction of pressures from tourism activities in the total c. 60,313 ha of terrestrial and marine PAs; (c) reduction of adverse impacts by artisanal fisheries across at least 41,896 ha of MPAs, through the adoption of biodiversity-friendly fishing practices and gear by at least 50% of fishermen in two pilot sites.</p> <p>2.2 By project end, sustainably generate at least \$350,000 of annual net revenue for PA management from the tourism sector.</p> <p><b>2.3</b> Maintenance of good local conservation status of unique terrestrial and marine habitats such as non-reef-building coral assemblages, and of globally significant species such as <i>Globularia amygdalifolia</i>, <i>Sideroxylon marginata</i>, <i>Acrocephalus brevipennis</i>, <i>Conus</i> molluscs, of Cape Verde Spiny Lobster <i>Palinurus charlestoni</i> NT, of the 13 endemic fish species such as Lubbock's Chromis <i>lubbocki</i> and the Cape Verde Skate <i>Raja herwigi</i>; and of Smalltooth Sawfish <i>Pristis pectinata</i> CR (trends assessed through targeted monitoring of fisheries as a proxy).</p>	<p>2.2. New potential MPA sites are identified and their representativeness and connectivity improved through biodiversity assessments around the marine shelf of target islands.</p> <p>2.3. Co-management of MPAs demonstrated in pilot sites based on the adoption of sustainable fishing practices by local communities.</p> <p>2.4. PA revenue generation mechanisms developed and piloted in conjunction with tourism sector stakeholders.</p> <p>2.5. Ecosystem monitoring supports the planning and management of PAs and related sustainable tourism activities.<sup>5</sup></p> <p>2.6. Information, Education and Communication (IEC) campaigns promote the importance of PAs and of sustainable tourism.</p>			
Subtotal				3,490,133	9,567,331
Project management Cost (PMC) <sup>6</sup>				174,507	479,860
<b>Total project costs</b>				<b>3,664,640</b>	<b>10,047,191</b>

### C. SOURCES OF CONFIRMED COFINANCING FOR THE PROJECT BY SOURCE AND BY NAME (\$)

Sources of Co-financing	Name of Co-financier (source)	Type of Cofinancing	Cofinancing Amount (\$)
GEF Agency	UNDP	Grant	450,000
MAHOT (GovCV)	Government of Cabo Verde	Grant	5,266,431
DGMR (GovCV)	Government of Cabo Verde	In kind	4,275,760
Bilateral Aid Agency	Agencia Española de Cooperación Internacional para el Desarrollo (AECID)	Grant	55,000
<b>Total Co-financing</b>			<b>10,047,191</b>

<sup>4</sup> Island of Santiago: Serra do Pico de Antónia (3,723 ha terrestrial). Island of Boavista: Ponta do Sol (457 ha terrestrial/coastal), Boa Esperança (3,968 ha terrestrial/coastal), Morro de Areia (2,100 ha terrestrial/coastal), Ilhéu de Sal-Rei (90 ha coastal). Island of Sal: Rabo de Junco (151 ha terrestrial/coastal), Marinha Baía da Murdeira (2,066 ha marine). Island of Maio: Casa Velhas Natural Reserve (6,626, ha)

<sup>5</sup> The output should support ecosystem monitoring capabilities within the PA management units on target islands; spatially the monitoring will prioritize PAs but it may well go beyond the PA/ ZRPT boundaries if relevant, e.g. in the case of whales, turtles and pelagic fish resources (see Prodoc, output 2.5).

<sup>6</sup> PMC should be charged proportionately to focal areas based on focal area project grant amount in Table D below.

**D. TRUST FUND RESOURCES REQUESTED BY AGENCY, FOCAL AREA AND COUNTRY<sup>1</sup>**

E. GEF Agency	Type of Trust Fund	Focal Area	Country Name/ Global	Grant Amount (\$) (a)	Agency Fee (\$) (b) <sup>2</sup>	Total (\$) c=a+b
UNDP	GEF-TF	Biodiversity*	Cabo Verde	3,664,640	348,141	4,012,781
<b>Total Grant Resources</b>				<b>3,664,640</b>	<b>348,141</b>	<b>4,012,781</b>

\* The Government of Cape Verde wishes to apply the STAR flexibility mechanism and use all resources (including funds remaining under the LD focal area) for BD objectives.

**F. CONSULTANTS WORKING FOR TECHNICAL ASSISTANCE COMPONENTS:**

Component	Grant Amount (\$)	Cofinancing (\$)	Project Total (\$)
International Consultants	855,000	80,000	935,000
National/Local Consultants	798,000	30,000	828,000

**G. DOES THE PROJECT INCLUDE A “NON-GRANT” INSTRUMENT? NO**

(If non-grant instruments are used, provide in Annex D an indicative calendar of expected reflows to your Agency and to the GEF/LDCF/SCCF/NPIF Trust Fund).

**PART II: PROJECT JUSTIFICATION**

**A. DESCRIBE ANY CHANGES IN ALIGNMENT WITH THE PROJECT DESIGN OF THE ORIGINAL PIF <sup>7</sup>**

**A.1 National strategies and plans or reports and assessments under relevant conventions, if applicable, i.e. NBSAPs, national communications, TNAs, NCSA, NIPs, PRSPs, NPFE, Biennial Update Reports, etc.**

In the PIF the project was aligned with (among other national strategies) Cabo Verde’s first National Biodiversity Strategy and Action Plan (NBSAP) from 1999, which concentrated on strengthening environmental policy; the creation of various legal instruments for the conservation and sustainable use of biodiversity; and the development of 46 protected areas. During the PPG it was possible to further align and harmonize the project with the NBSAP 2014-2030 (which is now in the final stage of approval) and revolves around three fundamental principles: i) the effective conservation and the integration of biodiversity values; ii) the involvement and participation of the whole society in the conservation and sustainable use of biodiversity; iii) and the fair and equitable sharing of benefits that will ensure the country's development and peoples’ well-being. The new NBSAP will help to address numerous sectoral gaps and weaknesses in legal, institutional, operational programs, scientific knowledge and follow-up and monitoring.

In the tourism sector, the project will contribute to key elements of the National Strategic Plan for Tourism Development 2010-2013 (NSPTD) as already noted in the PIF. Furthermore the project is also aligned and anticipates some key elements of the new NSPDT (2014-2024), which is being currently developed with technical support from the United Nations World Tourism Organization (UNWTO). The new plan, in addition to guiding the long term development of tourism in Cabo Verde, will also recommend strategies to prevent or minimize negative socio-cultural, environmental, and economic impacts, and provide guidelines for sustainable tourism development.

Similarly, in the fisheries sector, as noted in the PIF, the project will contribute to the National Fisheries Resources Management Plan 2004-2014 (NFRMP). It is also compliant with the more recent Sectorial Letter for Fishery Policy (CPP), formalised since the PIF was approved (Resolution of the Government N°17/2014), which sets the main guidelines policy for fisheries development for the country.

<sup>7</sup> For questions A.1 –A.7 in Part II, if there are no changes since PIF and if not specifically requested in the review sheet at PIF stage, then no need to respond, please enter “NA” after the respective question.

**A.2 GEF focal area and/or fund(s) strategies, eligibility criteria and priorities. N/A**

**A.3 The GEF Agency's comparative advantage: N/A**

**A.4 The baseline project and the problem that it seeks to address:**

The PIF provided a detailed description of the baseline situation and the problems to be addressed. These descriptions of the baseline projects largely remain valid. The following material developments have happened since the submission of the PIF:

- i. The total co-financing budget total has decreased by \$ 5,924,351 primarily due to the fact that (as of time of writing) the World Bank (WB) project on *Competitiveness for Tourism Development* is still under negotiation with the Government and has not yet been signed. The project was targeted for approval by the WB Board by June 2015 but this deadline has now slipped and the project is still under negotiation. As such we cannot obtain a confirmed co-finance letter for the GEF at this time but consultations with relevant WB staff overseeing the project have confirmed that they do expect the project to be approved in the next 2-3 months for an indicative budget of \$10 million USD. Coordination has taken place as regards the design of the two projects and it can be expected that a co-finance letter will materialize from the WB in due course. Two strategic pillars were identified during the PPG phase for collaboration between the two projects: (a) the integration of biodiversity conservation objectives in the WB-supported preparation of a Strategic Environmental and Social Assessment (SESA) for the tourism value chain; and (b) the introduction of strong environmental criteria in the design and implementation of a quality label for small accommodation establishments (to be supported by the WB project).
- ii. Aside from the WB contribution, compared to PIF stage the co-finance has otherwise increased by \$55,000 because funds earmarked for the PPG by AECID were not spent but have been confirmed and transferred for disbursement during the implementation phase of the project (year 1). The AECID co-finance has been confirmed and the letter is forthcoming.
- iii. The proposed total duration of the project has been extended from 48 months to 60 months. This is based on past experience from implementing UNDP/GEF projects in the country and the fact that some activities earmarked for the PPG will now be done during the first year of implementation. This should afford more time to optimise cross-sectoral coordination mechanisms involving various ministries and other stakeholders that are needed at the project outset. The synergetic collaboration of key project partners towards the improvement of the legal, policy and institutional frameworks is a key element of the project strategy to ensure the mainstreaming of biodiversity conservation principles into the tourism sector.
- iv. The UNDP-GEF Project "Consolidation of Cape Verde's Protected Areas System, SPWA-BD", on which this project partially builds upon, has been completed. The Terminal Evaluation (TE) has not yet been conducted (it is due to start in September 2015) so the design of the current project could not benefit from a systematic analysis of its accomplishments and shortcomings; however project staff from that project were heavily involved in the design of this project and shared lessons learned and all data collected to date. A main concern, already highlighted in the MTR, is that the projected establishment of a PA Autonomous Agency (PAAA) has not yet been achieved. Although a specific proposal for the creation of such an institution has been submitted to the Council of Ministers, the latest indications suggest it is unlikely that the agency will be established in the foreseeable future. This considerably weakens the sustainability of the project's results, and implies that for the foreseeable future the PA system will continue to rely on ad-hoc government transfers and that the National Directorate of the Environment (DNA) will be required to continue to support PA operations and management (this has been duly noted in the risk matrix for the current project). On the other hand, it should be stressed that there is no danger of an institutional vacuum given that MAHOT/DNA remains in firm charge of all protected areas in Cabo Verde as has been the case prior to the proposed establishment of the PAAA. Important tools such as the National PA System and Zoning Strategy and a National PA System Business Plan have been developed and MAHOT/DNA is progressively being capacitated to coordinate and enforce integrated, nation-wide, PA planning and management; all of these plans and knowledge can easily be transferred to a new PAAA set-up once it is established. The current project is built upon and aims to capitalize on these achievements even in the near-term absence of the PAAA structure. Moreover the design of the current project builds upon the following key accomplishments which have featured in the recently

completed project: (a) the strong legal basis established for target protected areas; (b) the continued strong support from MAHOT/DNA as the Executing Agency; (c) the recruitment and training of core staff for the island PA management units; (d) the establishment of PA Advisory Councils on target islands; (e) the know-how and experience gained in developing PA Management Plans and Ecotourism Plans; and (f) the wide cross-sectoral representation in the Steering and Technical Advisory Committees associated with the project. However risks associated with the PAAA status have been captured under a new risk in the updated risk log (see Section A.6 of the CEO ER and Section 3 of the Prodoc).

- v. As mentioned in the Prodoc, the government introduced a Touristic Contribution Tax (TCT) in late 2013 in order to reinforce financing for the sector, and created a Tourism Social Sustainability Fund, whose objective is to leverage interventions that strengthen the quality of the destination using TCT revenues. Tourism receipts grew from €129 million 2006 (c. USD 164 m) to €306.5 million in 2013 (c. USD 399 m), according to the Bank of Cabo Verde (BCV). Given that the TCT generated a total of €26 million (c. USD 8,6 m) in 2014, capturing just a small proportion of this could provide a tremendous boost to financing sustainable tourism and protected area management. At present, biodiversity conservation principles are not part of the eligibility requirements and none of these funds are channeled to biodiversity-related activities. The project proposes to assist in reviewing the TCT overnight stay tax of €2 (c. USD 2,20), in order to make tourism and biodiversity initiatives promoting sustainability eligible to receive a portion of the monies accrued from these instruments. Funds generated from the TCT have not (as yet) been counted as part of the Government co-financing for this project (i.e. under Table C) but if biodiversity conservation principles become part of the eligibility requirements and TCT funds are subsequently channeled to biodiversity-related activities those resources will be monitored and counted as additional materialized co-financing during project implementation.
- vi. The project will build on Cabo Verde's Sustainability Strategy, to supplement the current budget for managing PAs with revenue from tourism user fees. The Cabo Verde Sustainability Strategy provides a financial strategy and plan for the country's protected areas, contributing to the CBD Program of Work on Protected Areas, and providing a step towards the consolidation of the national system of PAs (which was the object of the previous GEF/UNDP project). The strategy focusses on components for financing biodiversity conservation considering all potential funding sources, engaging all stakeholder types, and mitigating (where possible) all risks (i.e. donor dependency). The Sustainability Strategy for Cabo Verde predicts that protected area entry fees and special user fees could generate USD 50.000 per year, and that tourism concessions and tourism services could generate USD 800.000 per year. The project will focus on the design and piloting of user fee collection systems relating to entry fees, special user fees, and concession fees. A competitive tourism concessioning and license award process for PAs will also be designed, in line with international best practice. The design will ensure preferential weighting to operators proposing to co-manage destinations, and those with strong biodiversity plans and sustainability credentials will be accorded priority. Similar to the situation with TCT, these sources of funding are not yet counted as confirmed co-financing under Table C but if they materialize will be reported on as additional materialized co-financing during implementation.

**A.5 Incremental /Additional cost reasoning: describe the incremental (GEF Trust Fund/NPIF) or additional (LDCF/SCCF) activities requested for GEF/LDCF/SCCF/NPIF financing and the associated global environmental benefits (GEF Trust Fund) or associated adaptation benefits (LDCF/SCCF) to be delivered by the project**

In general the project design conforms with the overall objective, outcomes, components and GEF budget indicated in the PIF. The majority of quantitative targets set in the PIF have been maintained or increased. The main changes in the project the PIF are at output level. Based on the PPG study and associated widespread consultations with all key stakeholders, the project's proposed outputs have been streamlined and revised as follows:

**Table - Comparison in Outputs (disaggregated by Component) from PIF to CEO Endorsement Request**

Component	Outputs at PIF stage	Outputs at CEO ER	Comments
<p>1. Mainstream biodiversity into tourism planning and operations at national level and on priority islands</p>	<p><b>1.1</b> Direct adverse impacts of tourism infrastructure development on biodiversity and land/sea-scapes (primarily loss, degradation and severe disturbance of critical habitats) are avoided, reduced or compensated in at least the 137,255 ha of national terrestrial and marine PAs<sup>8</sup> and all Tourism Protected and Reserve Areas (ZRPT) areas:                      (a) at least 80% of new tourism-related infrastructural developments and hotels are consistent with SEA recommendations and apply rigorous EIAs whose conclusions are respected in the permitting process;                      (b) at least a 50% reduction in environmental infractions during the construction and operational phases achieved through monitoring and enforcement;                      (c) harmful new infrastructure development in critical habitats inside and immediately adjacent to protected areas is prevented.                      (baselines and targets to be defined during PPG)</p> <p>In the targeted islands Santiago, Sal, Boavista and Maio:</p> <p><b>1.2</b> Adoption of and compliance with the selected sustainable and biodiversity-friendly tourism certification systems by:                      (i) at least 30% of new tourism-related infrastructural developments, hotels and tourism service providers and (ii) at least 80% of NB/BFT operators, reducing the biodiversity impacts caused by inappropriate practices from tourists and tourism establishments, most notably disturbance effects affecting sensitive animal and plant species, habitat degradation and over-exploitation of resources (e.g. from quad biking or boat anchoring; baselines and targets to be defined during PPG).</p> <p><b>1.3</b> Maintenance of good conservation status and limited disturbance of globally unique coastal habitats and of Humpback whales and sea turtles in foraging and breeding areas. Specific indicators (e.g. #</p>	<p>1.1 : Strengthened government capacity to integrate biodiversity into the tourism sector, including compliance, monitoring and enforcement</p> <p>1.2: Policy mainstreaming committees overseeing coherence between tourism development and biodiversity management.</p> <p>1.3: Cross-sectoral planning integrates biodiversity conservation objectives, and Strategic Environmental Assessments (SEAs) conducted in priority areas.</p> <p>1.4: Economic incentives and enforcement measures are strengthened to promote the adoption of sustainable tourism practices.</p> <p>1.5: Best-practice standards for sustainable tourism and voluntary certification established and operational.</p> <p>1.6: A biodiversity offset mechanism established and integrated in the planning and development of tourism.</p>	<p>The 3 outputs and 9 sub-outputs in the PIF have been streamlined and fine-tuned as 6 outputs.</p> <p>The quantitative targets detailed in the PIF sub-outputs have now been captured in the definition of indicators of the project's Results Framework (see Section 3, of the Project Document).</p> <p>A full description of the outputs is provided in Section 2.3 of the Prodoc.</p>

<sup>8</sup> 49,897 ha of terrestrial and coastal and 87,358 ha of marine PA area

	turtle nests, # surviving hatchlings, # whale sightings - baselines and targets to be defined during PPG).		
2. Expanding and strengthening the coastal and marine PA estate in priority islands	<p>In the targeted islands Santiago, Sal, Boavista and Maio<sup>9</sup>:</p> <p><b>2.1</b> Enhanced protection of endemic and globally threatened species and key habitats through: (a) full operationalisation of at least 7 further already-designated priority PAs<sup>10</sup> with a total of 12,310 ha; (b) enhanced control and reduction of pressures from tourism activities in the total c. 60,313 ha of terrestrial and marine PAs; (c) reduction of adverse impacts by artisanal fisheries across at least 41,896 ha of MPAs, through the adoption of biodiversity-friendly fishing practices and gear by at least 50% of fishermen in two pilot sites. To be reflected in increases in METT scores (baseline and target to be set during PPG) demonstrating satisfactory improvements.</p> <p><b>2.2</b> By project end, sustainably generate at least \$350,000 of annual net revenue for PA management from the tourism sector.</p> <p><b>2.3</b> Maintenance of good local conservation status of unique terrestrial and marine habitats such as non-reef-building coral assemblages, and of globally significant species such as <i>Globularia amygdalifolia</i>, <i>Sideroxylon marginata</i>, <i>Acrocephalus brevipennis</i>, <i>Conus</i> molluscs, of Cape Verde Spiny Lobster <i>Palinurus charlestoni</i> NT, of the 13 endemic fish species such as Lubbock's Chromis <i>lubbocki</i> and the Cape Verde Skate <i>Raja herwigi</i>; and of Smalltooth Sawfish <i>Pristis pectinata</i> CR (trends assessed through targeted monitoring of fisheries as a proxy).</p>	<p>2.1: Operationalization of PA management on target islands and establishment of designated priority Protected Areas.</p> <p>2.2: New potential MPA sites are identified and their representativeness and connectivity improved through biodiversity assessments around the marine shelf of target islands.</p> <p>2.3: Co-management of MPAs demonstrated in pilot sites based on the adoption of sustainable fishing practices by local communities.</p> <p>2.4: PA revenue generation mechanisms developed and piloted in conjunction with tourism sector stakeholders.</p> <p>2.5: Ecosystem monitoring supports the planning and management of PAs and related sustainable tourism activities.</p> <p>2.6: Information, Education and Communication (IEC) campaigns promote the role of PAs and of sustainable tourism.</p>	<p>All outputs/ sub-outputs in the PIF have been maintained but have been expanded and broken down as outputs 2.1 – 2.5.</p> <p>Quantitative sub-output targets listed in the PIF have been transposed as indicator baselines and targets in the project's results framework (e.g. for output 2.1 see indicators 1 and 2).</p> <p>A further individual output (2.6) was added during the course of the PPG, based on the need identified in collaboration with key project partners during the PPG to more effectively promote the role of Protected Areas and of sustainable tourism in Cabo Verde through strengthened Information and Communication tools and activities.</p>

It is important to note that some of the baseline indicators, baselines and targets for the GEBs that were supposed to be defined during the PPG (as noted in the PIF) were not completed due to logistical complications encountered during the PPG phase and the fact that co-financing to be provided for AECID for the proposed baseline studies was not realized during the PPG and moved to the implementation phase (specifically the three metrics that are missing, are indicators to measure increasing pressure from tourism and artisanal fisheries negatively impacting globally important habitats; population size/density of selected globally significant species; and frequency of activities causing negative impacts on biodiversity e.g. quad biking and boat anchoring). This work will nevertheless be done during the first year of the

<sup>9</sup> Islands and exact PAs will be confirmed during PPG, subject to the criteria specified on biodiversity significance, threat from tourism or fisheries, co-finance, social feasibility, etc. (see §19).

<sup>10</sup> Santiago: Serra do Pico de Antónia (3,723 ha terrestrial), Boavista: Ponta do Sol (457 ha terrestrial/coastal), Boa Esperança (3,968 ha terrestrial/coastal), Morro de Areia (2,100 ha terrestrial/coastal), Ilhéu de Sal-Rei (90 ha coastal). Sal: Rabo de Junco (151 ha terrestrial/coastal), Marinha Baía da Murdeira (2,066 ha marine).



project and the results framework will be adjusted accordingly; AECID funds that were not spent during the PPG have been confirmed and transferred for disbursement during year 1 of project implementation.

**A.6 Risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and measures that address these risks:**

The five risks identified in the PIF have been reassessed during the PPG study and the mitigation measures reviewed and updated. For four of these risks, the overall assessment is “medium” while for one it is “Low”.

Three further risks were identified during the PPG and assessed as follows (see Prodoc, Section 3 for Offline Risk Log):

IDENTIFIED RISKS AND CATEGORY	IMPACT	PROBABILITY	RISK ASSESSMENT	MITIGATION MEASURES
<p>POLITICAL.</p> <p>Lack of coordinated political support for a strengthened biodiversity conservation agenda in Cabo Verde and an expanded national system of terrestrial and marine PAs.</p>	High	Moderate	High	<p>The project will support the establishment of an Inter-Ministerial Technical Committee (IMTC) involving MAHOT, MTIE and the Ministry of Infrastructure and Maritime Economy (MIEM) to ensure synergetic collaboration and effective coordination of efforts by these three key project partners. The project will also target other relevant institutions and the private sector to catalyze support for the national PA system, as well as implement IEC campaigns finely adapted to the profile of key target groups.</p>
<p>POLITICAL</p> <p>The projected establishment of a PA Autonomous Agency – an output of the UNDP-GEF Project “Consolidation of Cape Verde’s Protected Areas System, SPWA-BD” – has not yet been achieved. Although a specific proposal for the creation of such an institution has been submitted to the Council of Ministers, the latest indications suggest it is unlikely that the agency will be established in the foreseeable future. This implies that for the foreseeable future the PA system will continue to rely on ad-hoc government transfers and that the National Directorate of the Environment (DNA) will be required to continue to support PA operations and management.</p>	Medium	Moderately Likely	Medium	<p>Although the current situation is sub-optimal as regards long-term institutional sustainability of a self-sustaining autonomous PA system, there is no critical danger of an institutional vacuum in the short- to medium-term given that MAHOT/DNA remains in firm charge of all protected areas in Cabo Verde as has been the case prior to the proposed establishment of the PAAA. Important tools such as the National PA System and Zoning Strategy and a National PA System Business Plan have been developed and MAHOT/DNA is progressively being capacitated to coordinate and enforce integrated, nation-wide, PA planning and management; all of these plans and knowledge can easily be transferred to a new PAAA set-up once it is established (in whatever form that may take). The current project is built upon and aims to capitalize on these achievements even in the near-term absence of the PAAA structure and therefore has taken this risk into account in its project design.</p>
<p>OPERATIONAL.</p> <p>Insufficient mobilization of PA staff and other resources</p>	High	Low	High	<p>The project will support the recruitment of permanent staff at central and at island levels, and the establishment of critical PA infrastructure and</p>

IDENTIFIED RISKS AND CATEGORY	IMPACT	PROBABILITY	RISK ASSESSMENT	MITIGATION MEASURES
to sustain the operationalization and further expansion of the national PA system.				facilities and to operationalize the national system of PAs in priority islands. This personnel will initially be recruited with support from the project using a salary scale which is in line with that of the MAHOT/DNA in order to facilitate their progressive integration into the government payroll.

### **A.7 Coordination with other relevant GEF financed initiatives.**

In addition to coordination arrangements already outlined in the PIF, the project will also ensure coordination of efforts and share practical experiences with the UNDP/GEF Energy efficiency project in Cabo Verde (Project ID: 00087601; PIMS 4996). Collaboration will particularly focus on aspects such as sustainable construction practices and associated regulations supported under that project (through the introduction of EE standards and a labelling guidelines) that could also be promoted by this project in the tourism sector.

## **B. ADDITIONAL INFORMATION NOT ADDRESSED AT PIF STAGE:**

### **B.1 Describe how the stakeholders will be engaged in project implementation.**

Project design was a highly participatory process, in line with UNDP's and GEF's requirements. The PPG phase included bilateral consultations with the project's key stakeholders at the national and local levels. Extensive field trips to project intervention sites were conducted and consultations held with local authorities, community representatives and the private sector. A national workshop was organized to discuss and validate the proposed structure of the project as well as key activity streams and management arrangements.<sup>11</sup> A Stakeholder Involvement Plan has been developed and is summarized below.

#### **Principal stakeholders and their roles and responsibilities**

Ministry of Environment, Housing and Land Planning (MAHOT): National Directorate for Environment (DNA)	The MAHOT/DNA will be the leading executing partner for the project and hosts Cabo Verde's GEF Focal Points. DNA is responsible for environmental regulations and management and will be pivotal in integrating biodiversity in tourism development permitting processes as it oversees EIAs. DNA oversees the Natural Resource Conservation Department (DCRN), which is in charge of biodiversity monitoring and management in PAs. DNA also oversees the national PAs network, including tourism development within them. These responsibilities will be assumed by the future Protected Areas Autonomous Authority (PAAA). MAHOT/DNA oversee the Protected Area Management Units (PAMU) on each island. Advisory forums of local stakeholders convene through the (Advisory Councils for Protected Areas) ACPAs, to support the PAMUs.
Ministry of Tourism, Industry and Business Development (MTIDE): General Directorate for Tourism (DGT)	MTIDE/DGT are responsible for supporting and promoting the tourism industry and for establishing a coherent legal, regulatory and enabling framework for tourism development. These agencies are therefore critically important in the context of avoiding/reducing/offsetting negative environmental impacts of tourism projects at the planning, development, licensing and operational stages. The DGT is responsible for Cabo Verde's overall tourism product, and also for the promotion of sustainable tourism operations and the adoption of related certifications and standards, and verification mechanisms.
Ministry of Infrastructure and Maritime Economy (MIEM), and with its Directorate General for Marine resources (DGRM)	The DGRM plans, coordinates and executes actions in the marine resources sector; develops resources and marine management plans; and elaborates the necessary laws and regulatory mechanisms. The National Fisheries Council (CNP) and National Institute for Fisheries Development (INDP) are further relevant public institutions promoting, monitoring, conducting research on, and investing in the fisheries sector in Cabo Verde. The ACOPECA, based at São

<sup>11</sup> Project Preparation Grant (PPG) - Memorandum N.1 (mission 19/2/2015 – 5/3/2015).

	Vicente Island since April 2015, acts as a national independent agency for fisheries and fishing products control. The DGRM will be the main partner in activities relating to fisheries, including standards and co-management of MPAs.
World Bank (WB)	The WB and the GoCV are in the final stages of negotiating a USD10 m project on Competitiveness for Tourism Development in Cabo Verde (P146666) to support tourism quality standards, SEAs for the tourism value chain, and establishment of a National Tourism Council. This project will closely coordinate with the WB/GoCV project.
United Nations World Tourism Organization (UNWTO)	The UNWTO and GoCV are in the process of negotiating a revision of the NSPDT (2014-2024), which will serve as a guide for sustainable tourism growth over the next 10 years. UNWTO recently concluded the COAST Project (Collaborative Actions for Sustainable Tourism) in nine African countries. COAST addressed several similar themes to this project, including Integrated Coastal Zone Management (ICZM), strengthening EIAs, standards and certification, waste management, and supporting local livelihoods. The project will build on the lessons learned from the COAST Project. UNWTO could be a potential associate agency for the implementation of some specific activities or components of this project.
Cabo Verde Investment (CVI) and Agency for Integrated Tourism Development on Islands Boa Vista and Maio (SDTIBM)	Government agencies established to promote tourism investment and in charge of the physical planning, management and administration of ZDTIs are other key stakeholders. Both SDTIBM and CVI will play a critical role in liaising with the private sector, encouraging investment based on sustainable development principles and adapting incentives to include biodiversity criteria.
Institute of Quality Management and Intellectual Property (IGQPI)	IGQPI is the service responsible for managing, coordinating and developing the National Quality System (SNQC) and other regulatory qualification systems adopted by law. The Institute will play an important role in the development of quality standards for tourism and fisheries, and in sustainable standards for tourism.
The National Institute for Agricultural Research and Development (INIDA)	INIDA is a public institute, under the Ministry of Rural Development (MDR). The mission of this institute focuses on research, experimentation and development in the fields of agricultural science and technology and natural resources; the dissemination of scientific innovations and usable technologies in agriculture, forestry, animal and environmental and professional and higher education in the above mentioned areas. Its activities are to promote, coordinate and harmonize work programs/research projects in close consultation with the various actors intervening in rural areas. INIDA will be involved in the design of the ecosystem monitoring and evaluation program.
National Institute for Fisheries Development (INDP)	The INDP is the national institution responsible for implementation of the national policy for the fisheries sector. It is INDP's responsibility to frame projects in development plans and within government programs for fisheries and marine resources in general. The INDP collects data and analyzes and disseminates the official statistics on the fisheries sector. INDP will be involved in the design of the ecosystem monitoring and evaluation program.
The Maritime and Port Agency (AMP)	The AMP is an Independent Administrative Authority of institutional basis, with a legal personality, office, staff and their own assets and administrative autonomy. The AMP administers the technical and economic regulation and supervision of the maritime and port sector. The AMP will participate in activities relating to fisheries and ecosystem monitoring and evaluation.
Municipalities on the targeted islands	These local government bodies will be involved through local consultative committees and at national level through National Association of Municipalities.
University of Cabo Verde (UniCV)	The University of Cabo Verde is an institution of higher education whose mission is to empower the Cabo Verdean nation to overcome the challenges of modernization and development of the country. The UniCV operates educational programs, research and extension work. Within the project, the University may provide capacity for baseline studies, research, monitoring and evaluation, and also mainstreaming training materials on sustainable tourism. This could be undertaken through the university's departments of sciences and technology (i.e. biology, marine and earth sciences).
School of Hotel and Tourism	The School of Hotel and Tourism has the potential to become a major player in raising awareness, vocational training, and institutional capacity building for sustainable development of tourism and environmental conservation.
Private Sector Partners	Private sector entities will play a key role in the implementation of project activities – nationally

	<p>in the context of systemic mainstreaming (spatial planning, sustainable tourism certification scheme), and locally with regard to the adoption and implementation of sustainable biodiversity-friendly operations and PA reinvestments schemes. This includes the Chambers of Tourism and of Commerce and their members comprising tourism agencies, commercial enterprises, business groups and hotels. At the project site-level, commercial companies will play a critical role through channelling tourism user-fees to protected areas; adopting sustainable tourism and quality certification programs; and in complying with EIA recommendations. The project will prioritize support to individual operators already acting as champions of sustainable tourism practices to galvanise sector-wide interest in mainstreaming similar approaches throughout the tourism sector.</p>
<p>NGOs, national and regional associations and local community groups</p>	<p>Civil society organizations increasingly play an important role in environmental conservation in Cabo Verde. The majority are organized under a national platform and several environmental projects are being coordinated directly or indirectly by NGOs. Locally relevant groups will participate in monitoring and evaluation of the impacts of tourism and fisheries on biodiversity (particularly turtles, whales, sharks and birds), and the implementation of PA co-management plans. A national NGO will also become the host and champion of a destination-based certification program for beaches (Blue Flag). Groups likely to be involved in the implementation include Bios CV, SOS Tartaruga, Natura2000, Maio Biodiversity Foundation and fisheries associations on the Sal, Boa Vista and Maio. Local communities and fishermen residing inside and adjacent to PAs in the targeted islands will be involved in various aspects of the project: they will be consulted extensively in the further consolidation of the local PAs and the definition of PA management objectives and regimes; they will be represented in PA management committees; and they are set to benefit from sustainable tourism, in cases where their local knowledge predisposes them for employment (e.g. sea turtle observations, trekking, regulated sports fishing, etc.). Capacity building of artisanal fishermen will be conducted by the project team in conjunction with the WB/IDA-GEF West Africa Regional Fisheries Programme, focusing specifically on the integration of biodiversity concerns into the question of sustainable marine resource utilisation; benefits will accrue over the medium to long term when fisheries resources are maintained including through the preservation of intact ecosystems inside PAs, which will provide them with a more diversified and increased income where they can supply tourism businesses with their local and sustainably harvested product. The PRCM Program can be a partner in the establishment of marine and coastal PAs and in capacity building to support Strategic Environmental Assessments (SEAs) and Integrated Coastal Zone Management (ICZM).</p>

**B.2 Describe the socioeconomic benefits to be delivered by the Project at the national and local levels, including consideration of gender dimensions, and how these will support the achievement of global environment benefits (GEF Trust Fund/NPIF) or adaptation benefits (LDCF/SCCF):**

The project will support the government’s strategy to diversify its touristic product thereby rendering the country’s tourism sector as a whole more competitive and its growth more sustainable. This will increase the per capita yield per tourist, by fostering greater attention to and investment in sustainable tourism. The project has set a realistic target to generate at least USD 350.000 from PAs within 4 years, and will focus mainly on the design and piloting of user fee collection systems relating to entry fees, special user fees, and concession fees. The project will therefore increase employment rates in the tourism sector and allow for the diversification of employment by catalyzing investments in sustainable tourism based on sound economic, social and ecological guidelines and feasibility assessments. A modern and effective legal and institutional structure will also be promoted, allowing the private sector and local communities to more efficiently engage in these types of economic activity.

The project incorporates the principle that the sustainable conservation of biodiversity needs to be accompanied by the economic and social development of local populations, particularly the most vulnerable communities. The establishment of a system of co-management of biodiversity assets within protected areas will be piloted in target islands and scaled up and broadened to include additional regions in the country. Local communities will benefit through increased incomes and job creation activities that will deliver tangible socio-economic benefits targeting fisheries associations as well as fishermen interested in changing careers to alternative income generating activities (for example within the

marine nature-based tourism sector). The project will also promote the supplementation of equipment for co-management monitoring and evaluation, including with appropriate boat equipment and fuel.

A strong gender perspective will be applied in order to address the needs and priorities of women while enhancing their opportunities for full inclusion in the planning and implementation of sustainable livelihood initiatives associated with the collaborative management of Protected Areas. A meaningful participatory process for engaging women's voices will be enacted to identify specific activities targeting women while carefully taking into account local cultural sensitivities with regard to gender relations. For example, according to Cabo Verde's artisanal fisheries practices, fishermen are generally men and they conduct the first sale of fish once landed. Women, on the other hand, typically act as commercial agents for the second sale, following transformation for a value-added product. As part of the establishment of suitable co-management systems within PAs, the project will support specific trainings that target women on small business management and cost-effective fish preservation and processing techniques. This training will be aligned with the new national standards for fisheries.

Finally, the project will also help sustain economic opportunities for local populations by supporting the recruitment of permanent staff to serve in the expanded national system of Protected Areas. This personnel will initially be recruited using a salary scale which is in line with that of the MAHOT/DNA and progressively integrated into the government payroll.

### **B.3 Explain how cost-effectiveness is reflected in the project design:**

Cabo Verde's marine and coastal ecosystems are threatened by pressure from the increasing growth of tourism development. The pressure on the natural environment is already clear from the extensive large-scale tourism resorts in the coastal zone, and plans to expand further. Recent increases in the number of fishing vessels exploiting local fishing grounds are already leading to stocks declines, and consequently reduced catches and incomes for fishermen. If left unchecked, the growth and operational trends observed in the tourism and fisheries sectors will continue to threaten biodiversity. Once degraded, restoring island ecosystems is very difficult and expensive, and some ecological damage can be irreversible. The most cost-effective approach is thus to pro-actively prevent the degradation that will be caused by unsustainable tourism and fisheries, avoiding the long term costs of reversing any damage. Similarly, planning and designing tourism infrastructure that conforms to environmental best practices is more cost-effective than retrofitting facilities at a later date. This project aims to mitigate nascent threats to biodiversity by adapting planning, management and operational practices in the tourism and fishing sectors. By taking a precautionary approach to biodiversity conservation, the project intends to reduce or eliminate certain threats that would probably have occurred with time, and therefore reduces likely future mitigation costs and rehabilitation costs.

A cost-effective approach has been adopted in the project design by building on existing foundations rather than creating parallel structures and new tools. For example, the project will work to support and strengthen existing institutional structures, rather developing new bodies; it will concentrate on building and utilizing local human resources capacity wherever possible; it will emphasize modification of existing regulations and financial incentive tools where they can be used as a basis; it will harness and adapt existing international standards and certification programs on sustainable tourism; it will strengthen and adapt training materials already in use; and it will scale up approaches that already have positive impacts, such as SEAs and co-management of fisheries. This approach will facilitate the integration of the project outputs into existing frameworks and systems.

Certain activities that benefit both biodiversity and the tourism-related private sector will be subsidized, rather than fully financed by the project (e.g. certification). Similarly, the adoption of a sustainable financing approach to PAs through tourism user fees and concessions will bolster the socio-economic benefits and ensure a recurring source of finance for biodiversity improvements. Similarly, by enhancing the standards of local fish products, the project will reduce the tourism sector's costs associated with procuring imported fish. This approach of working in partnership with the private sector is anticipated to be more cost-effective than adopting blanket command and control approaches.

The costs associated with top-down management, monitoring and enforcement of the marine ecosystem are unrealistic for the GoCV to achieve alone. By adopting a co-management strategy in MPAs and sensitive coastal regions that delegates tasks and responsibilities among fishermen, tourism operators and NGOs, the associated management costs can be reduced and shared. This form of cost-effectiveness will become increasingly important in the future, as traditional sources of conservation finance become scarcer.

### **C. DESCRIBE THE BUDGETED M & E PLAN:**

Project Monitoring and Evaluation (M&E) will be conducted in accordance with established UNDP and GEF procedures and will be provided by the project team and the UNDP Country Office (UNDP-CO) with support from the UNDP/GEF Regional Coordination Unit (RCU) in Istanbul, Turkey. The Project Results Framework provides performance and impact indicators for project implementation along with their corresponding means of verification.

The full M&E plan - including inception report, project implementation reviews, quarterly and annual review reports, a Mid-Term Review and Terminal Evaluation etc. - is detailed in Section 6 of the project document and summarized in the table below.

#### **M&E Work plan and Budget**

<b>Type of M&amp;E activity</b>	<b>Responsible Parties</b>	<b>Budget US\$</b> <i>Excluding project team staff time</i>	<b>Time frame</b>
Inception Workshop and Report	<ul style="list-style-type: none"> <li>▪ NPD,</li> <li>▪ UNDP CO, UNDP GEF</li> </ul>	Indicative cost: 10,000	Within first two months of project start up
Measurement of Means of Verification of project results.	<ul style="list-style-type: none"> <li>▪ UNDP GEF RTA/ NPD will oversee the hiring of specific studies and institutions, and delegate responsibilities to relevant team members.</li> </ul>	To be finalized in Inception Phase and Workshop.	Start, mid and end of project (during evaluation cycle) and annually when required.
Measurement of Means of Verification for Project Progress on <i>output and implementation</i>	<ul style="list-style-type: none"> <li>▪ Oversight by NPD</li> <li>▪ Project team</li> </ul>	To be determined as part of the Annual Work Plan's preparation.	Annually prior to ARR/PIR and to the definition of annual work plans
ARR/PIR	<ul style="list-style-type: none"> <li>▪ NPD and team</li> <li>▪ UNDP CO</li> <li>▪ UNDP RTA</li> <li>▪ UNDP EEG</li> </ul>	None	Annually
Periodic status/ progress reports	<ul style="list-style-type: none"> <li>▪ NPD and team</li> </ul>	None	Quarterly
Mid-term Evaluation	<ul style="list-style-type: none"> <li>▪ NPD and team</li> <li>▪ UNDP CO</li> <li>▪ UNDP RCU</li> <li>▪ External Consultants (i.e. evaluation team)</li> </ul>	Indicative cost: 40,000	At the mid-point of project implementation.
Final Evaluation	<ul style="list-style-type: none"> <li>▪ NPD and team,</li> <li>▪ UNDP CO</li> <li>▪ UNDP RCU</li> <li>▪ External Consultants (i.e. evaluation team)</li> </ul>	Indicative cost : 40,000	At least three months before the end of project implementation
Project Terminal Report	<ul style="list-style-type: none"> <li>▪ NPD and team</li> <li>▪ UNDP CO</li> <li>▪ local consultant</li> </ul>	0	At least three months before the end of the project
Audit	<ul style="list-style-type: none"> <li>▪ UNDP CO</li> <li>▪ Project manager and team</li> </ul>	Indicative cost per year: 3,000	Yearly
Visits to field sites	<ul style="list-style-type: none"> <li>▪ UNDP CO</li> <li>▪ UNDP RCU (as appropriate)</li> </ul>	For GEF supported	Yearly

Type of M&E activity	Responsible Parties	Budget US\$ <i>Excluding project team staff time</i>	Time frame
	<ul style="list-style-type: none"> <li>▪ Government representatives</li> </ul>	projects, paid from IA fees and operational budget	
<b>TOTAL indicative COST</b> Excluding project team staff time and UNDP staff and travel expenses		US\$ 105,000 (+/- 5% of total budget)	


**PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)**

- A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT(S) ON BEHALF OF THE GOVERNMENT(S):** (Please attach the [Operational Focal Point endorsement letter\(s\)](#) with this form. For SGP, use this [OFP endorsement letter](#)).

Name	Position	Ministry	Date (MM/dd/yyyy)
Moises Tavares Borges	Director General /GEF OFP	Direcção Geral do Ambiente, Ministério do Ambiente e Agricultura	12 August 2013

**B. GEF AGENCY(IES) CERTIFICATION**

This request has been prepared in accordance with GEF/LDCF/SCCF/NPIF policies and procedures and meets the GEF/LDCF/SCCF/NPIF criteria for CEO endorsement/approval of project.

Agency Coordinator, Agency name	Signature	Date (Month, day, year)	Project Contact Person
Adriana Dinu, UNDP- GEF Executive Coordinator.		October 9, 2015	Lucas Black. UNDP/GEF Regional Technical Advisor, EBD TEL: +90 538 598 5172 E-mail: <a href="mailto:lucas.black@undp.org">lucas.black@undp.org</a>



**ANNEX A: PROJECT RESULTS FRAMEWORK** (either copy and paste here the framework from the Agency document, or provide reference to the page in the project document where the framework could be found).

The Results framework is given in Section 3, of the Agency Project document.

	Indicator	Baseline	Targets End of Project	Source of verification	Risks and Assumptions
<p><b>Project Objective<sup>12</sup></b></p> <p>To safeguard globally significant biodiversity in Cabo Verde from current and emerging threats, by enhancing the enabling and regulatory frameworks in the tourism sector and activating a critical further subset of the national protected areas system.</p>	<p>(1) Number of hectares of key habitats of global importance under increased protection.</p>	<p>A total of 205,513.09 ha of PAs designated (73.381,42 ha of terrestrial and coastal, and 132.131,67 ha of marine PAs), of which 45.968,94 ha without management plans.</p> <p>Increasing pressure from tourism and artisanal fisheries negatively impacting globally important habitats. [baselines to be quantified during Y1 through initial assessments conducted under output 2.5]</p>	<p>In at least 8 priority PAs, covering a total of 16,610.57 ha and related Tourism Protected and Reserve Areas (ZRPT).</p> <p>(i) Establishment and operationalisation of PA management according to site specific management and ecotourism plans</p> <p>(ii) Tourism- related disturbance of critical habitats avoided, reduced or compensated; (iii) Adverse impacts by artisanal fisheries reduced or reversed;</p>	<p>Field studies and technical documentation.</p> <p>Annual reports by DNA and PA management units.</p> <p>Project progress and M&amp;E reports.</p> <p>Ecosystem monitoring and auditing reports, and tracking tools.</p> <p>Independent mid term and final project reviews.</p>	<p>Political will of key ministries - MAHOT/DNA, MTIDE/DGT MIEM/DGP - and other relevant institutions and agencies to provide coordinated support for a strengthened biodiversity conservation agenda in Cabo Verde and an expanded national system of terrestrial and marine PAs.</p> <p>Formal ratification and timely adoption by competent authorities of regulatory, policy and institutional instruments and frameworks developed for mainstreaming biodiversity conservation in the tourism sector.</p> <p>Effective mobilisation of cofinancing and other government resources to fund the further expansion of the national PA system, including the recruitment of permanent staff, the establishment of critical PA infrastructure and facilities and to cover the operating costs of the national system of PAs.</p>
	<p>(2) Population size/density of selected globally significant species.</p>	<p>Baseline for target species to be established in Y1.</p>	<p>Population size/ density for target species are maintained or increase :</p> <p>(i) plants, e.g..<i>Sideroxylon marginata</i> VU, <i>Globularia amygdalifolia</i>; (ii) birds, e.g. <i>Acrocephalus brevipennis</i> EN; (iii) five species of Sea turtles; (iv) Humpback whales ;</p>		

<sup>12</sup> Objective (Atlas output) monitored quarterly ERBM and annually in APR/PIR.

	Indicator	Baseline	Targets End of Project	Source of verification	Risks and Assumptions
			(v) Cabo Verde coastal lobsters ( <i>Panilurus regius</i> , <i>P. echinatus</i> , <i>P. argus</i> and <i>Scylarides latus</i> ); (vi) endemic fishes species such as Lubbock's Chromis <i>lubbocki</i> , the Cabo Verde Skate <i>Raja herwigi</i> and Smalltooth Sawfish <i>Pristis pectinata</i> CR;  (vii) Ecological index of species richness and abundance.		Design of an effective ecosystem auditing and monitoring system, and its adoption and implementation by relevant government institutions, the private sector and concerned local communities.
	(3) Legal, policy and institutional frameworks in place for conservation, sustainable use, and access and benefit sharing of natural resources, biodiversity and ecosystems. <sup>13</sup>	Current score 2: "Very Partially" [see IRRF rating scale from 1 to 4].	Sufficient staff capacities and resources have been allocated for implementation of the legal, policy and institutional frameworks, and there is evidence of impact from the frameworks which can be recorded and verified. [target rating : 4, "Largely" - see IRRF rating scale for indicator 2.5.1].	Published legal, policy and institutional texts and frameworks from government / ministry sources.	
	(4) Capacity to implement national or sub-national plans to protect and restore the health, productivity and resilience of oceans and marine ecosystems. <sup>14</sup>	Current score 2: "Very Partially improved" [see IRRF rating scale from 1 to 4].	Capacities to protect and restore the health, productivity and resilience of oceans and marine ecosystems are largely in place [target rating : 4, "Largely improved" - see IRRF rating scale for indicator 2.5.2].	UNDP country assessments.  Ecosystem monitoring and auditing reports.	
	(5) Changes in UNDP capacity assessment scorecard for the national system of	Total average score : 74%	Baseline score + at least 10%.	UNDP capacity assessment scorecard.	Sufficient human, technical and financial resources are mobilized to manage the national PA system.

<sup>13</sup> Based on indicator N. 2.5.1 of the Integrated Results and Resources Framework (IRRF) contained in the UNDP Strategic Plan 2014.2017.

<sup>14</sup> Based on indicator N. 2.5.2 of the Integrated Results and Resources Framework (IRRF) contained in the UNDP Strategic Plan 2014.2017.

	Indicator	Baseline	Targets End of Project	Source of verification	Risks and Assumptions
	Protected Areas.				
<b>Outcome 1</b> <sup>15</sup>  Biodiversity conservation is mainstreamed into tourism planning and operations at national level and on priority islands.	(6) % of new tourism developments which conform to Tourism Land use plans and apply SEA and EIA recommendations as part of the permitting process.	A limited % of tourism developments integrate biodiversity conservation objectives and priorities according to SEA and EIA procedures.	100% of new tourism-related infrastructural developments and hotels are consistent with Tourism Land use plans and SEA recommendations, and apply rigorous EIAs whose conclusions are respected in the permitting process.	Tourism Land use plans.  SEA guidelines and official reports.  EIA procedures and documentation.	Effective inter- ministerial coordination for the development of adequate SEA procedures and the timely implementation of SEA recommendations as part of the permitting process  Mobilisation of adequate technical and financial resources to implement rigorous auditing and transparent monitoring procedures which ensure compliance with SEA and EIA recommendations.
	(7) Number of EIA and SEA infractions identified and % of successful corrections achieved during the construction and operational phases of tourism developments.	Insufficient capacity to detect infractions, absence of SEA procedures and recommendations, and limited capacity to audit and enforce the correction of infractions.	All significant environmental infractions during the construction and operational phases are identified in a timely fashion and corrections implemented through systematic auditing, monitoring, and enforcement.	Official audit, monitoring and infraction reports.	Active engagement and collaboration of the private sector in the development, adoption and implementation of the biodiversity-friendly tourism certification system.
	(8) % of tourism businesses adopting and complying with national standards and sustainable tourism certification systems	No sustainable tourism standards adopted, and limited use of international sustainable tourism certification systems in Cabo Verde.	(i) Baseline sustainable tourism assessment for targeted islands delivered  (ii) National standards on sustainable tourism created and adopted.  (iii) National standards for small hotels integrate biodiversity elements.  (iv) at least 30% tourism-related operational hotels and tourism service providers on targeted islands adopt a GSTC-aligned certification system.	Documentation from the establishment and adoption of the national standards.  Performance reports on the uptake and compliance with certification criteria and guidelines adopted.	The quality assurance and certification processes (for tourism and fishing) are perceived as positive drivers delivering tangible added value which benefits all concerned stakeholders.  National processes lead to the formal adoption of national standards for tourism and fishing.

<sup>15</sup> All outcomes monitored annually in the APR/PIR.

	<b>Indicator</b>	<b>Baseline</b>	<b>Targets End of Project</b>	<b>Source of verification</b>	<b>Risks and Assumptions</b>
			<p>(v) 100% of tourism operators doing business in protected areas comply with national standards or are independently certified.</p> <p>(vi) The frequency of activities causing negative impacts on biodiversity is reduced by at least 50% (e.g. from quad biking or boat anchoring; baselines and targets to be defined during Y1).</p> <p>(vii) Destination-based certification in place in two destinations.</p> <p>(viii) Sustainable Cabo Verde competition operational.</p> <p>(ix) Fish Certification Centres piloted in Sal, Boa Vista and Maio.</p> <p>(xi) Number of new developments with associated biodiversity offsets in protected areas.</p>		
	<p><b>Outputs</b></p> <p><u>1.1.</u> Strengthened government capacity to integrate biodiversity into the tourism sector, including compliance, monitoring and enforcement.</p> <p><u>1.2.</u> Policy mainstreaming committees overseeing coherence between tourism development and biodiversity management.</p> <p><u>1.3.</u> Cross-sectoral planning integrates biodiversity conservation objectives, and Strategic Environmental Assessments (SEAs) conducted in priority PAs/ ZRPTs..</p> <p><u>1.4.</u> Economic incentives and enforcement measures are strengthened to promote the adoption of sustainable tourism practices.</p> <p><u>1.5.</u> Best-practice standards for sustainable tourism and voluntary certification established and operational.</p> <p><u>1.6.</u> A biodiversity offset mechanism established and integrated in the planning and development of tourism.</p>				

	<b>Indicator</b>	<b>Baseline</b>	<b>Targets End of Project</b>	<b>Source of verification</b>	<b>Risks and Assumptions</b>
<b>Outcome 2</b>  The coastal and marine PA estate in priority islands is expanded and strengthened.	(9) Management Effectiveness Tracking Tool (METT) scores in each of the 8 new PAs to be established and operationalised.	Pico de Antonia NP : 49  Baia da Murdeira NR: 42  Rabo de Junco NR: 47  Ponta do Sol NR: 43  Boa Esperanca NR: 44  Morro de Areia NR: 42  Ilheu de Sal Rei NM : 37  Casas Velhas NR: 57	Pico de Antonia NP : 64  Baia da Murdeira NR: 55  Rabo de Junco NR: 61  Ponta do Sol NR: 56  Boa Esperanca NR: 57  Morro de Areia NR: 55  Ilheu de Sal Rei NM : 48  Casas Velhas NR: 74	METT reports and scores reviewed and validated by independent mid-term and final project evaluations.	Adequate human, technical and financial resources are effectively mobilized by government to operationalise and manage the new PAs.  A strategic partnership involving MAHOT/DNA, MTIDE/DGT and the private sector is successfully negotiated and formalised to design and implement the proposed mechanism to generate income for PA management from the tourism sector.  Relevant regulatory framework in place to collect and retain tourism user fees adopted and operational.
	(10) Net revenue for PA management from the tourism sector in project intervention sites.	\$ 9.950 annual revenue currently generated for PA management from tourism sector.	At least \$350,000 of annual net revenue is sustainably generated for PA management from the tourism sector.	Annual reports by DNA and PA. management units.  Project progress and M&E reports.	
	(11) Financial sustainability scorecard for the national system of protected areas.	Comp. 1 (35/90) : 39%  Comp. 2 (20/59) : 34%  Comp. 3 (14/71) : 20%  TOTAL (69/220) : 31%	Comp. 1 : 46,8%  Comp. 2 : 40,8%  Comp. 3 : 24,0%  TOTAL : 37,2%	Financial Sustainability Scorecard reports independently verified by mid-term and final project evaluations.	

	Indicator	Baseline	Targets End of Project	Source of verification	Risks and Assumptions
	<p><u>2.1.</u> Operationalization of PA management on target islands and establishment of designated priority Protected Areas.</p> <p><u>2.2.</u> New potential MPA sites are identified and their representativeness and connectivity improved through biodiversity assessments around the marine shelf of target islands.</p> <p><u>2.3.</u> Co-management of MPAs demonstrated in pilot sites based on the adoption of sustainable fishing practices by local communities.</p> <p><u>2.4.</u> PA revenue generation mechanisms developed and piloted in conjunction with tourism sector stakeholders.</p> <p><u>2.5.</u> Ecosystem monitoring supports the planning and management of PAs and related sustainable tourism activities.</p> <p><u>2.6.</u> Information, Education and Communication (IEC) campaigns promote the importance of PAs and of sustainable tourism.</p>				

**ANNEX B: RESPONSES TO PROJECT REVIEWS** (from GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF).

Extract from GEF Council comments

Comment: “For this reason, the project preparation could perhaps be more ambitious and explore more innovative financing mechanisms to increase the financing flow for PA by the end of this project and to reduce even more the PA system financing gap”.

Response: The project will build on Cabo Verde’s Sustainability Strategy, to supplement the current budget for managing PAs with revenue from tourism user fees. The Cabo Verde Sustainability Strategy provides a financial strategy and plan for the country’s protected areas, contributing to the CBD Program of Work on Protected Areas, and providing a step towards the consolidation of the national system of PAs, which was the object of the previous GEF/UNDP project. The strategy focusses on components for financing biodiversity conservation considering all potential funding sources, engaging all stakeholder types, and mitigating risks (i.e. donor dependency). The Sustainability Strategy for Cabo Verde predicts that protected area entry fees and special user fees could generate USD 50.000 per year, and that tourism concessions and tourism services could generate USD 800.000 per year. The project will focus on the design and piloting of user fee collection systems relating to entry fees, special user fees, and concession fees. A competitive tourism concessioning and license award process for PAs will also be designed, in line with international best practice. The design will ensure preferential weighting to operators proposing to co-manage destinations, and those with strong biodiversity plans and sustainability credentials. The project will also review modifying the TCT overnight stay tax of €2 (c. USD 2,20) to increase the proportion of tourism and biodiversity initiatives receiving monies from the TCT fund. Activities to analyze and propose revisions the tax will be conducted in close collaboration with MDTIE/DGT and the IMTC. Given that the TCT generated a total of €6,26 million (c. USD 8,6 m) in 2014, capturing just a small percentage of this could provide a tremendous boost to financing sustainable tourism and protected area management. Finally, the project will support the development of innovative approaches to biodiversity financing through tools such as biodiversity offsetting (as a further source of revenue from public and private developers and operators that impact or use biodiversity, ecosystem services and landscape values as part of their business model).

Extract from Scientific and Advisory Panel (STAP) comments

Comment: “Gender considerations will need to be addressed further during the PPG”

Response: See above section B.2 § 15

Extract from GEFSEC comments at PIF stage to be addressed at CEO ER (review sheet of 8/29)

Comment: “please provide more detail on the expected outcomes of the offset mechanism”

Response: See text in § 160-161 of the Prodoc as excerpted below:

*“160. Biodiversity offsetting is gradually becoming one of the leading global innovative approaches to biodiversity financing, and therefore achievement of this output will: (1) activate the last step of the avoid-mitigate-restore-offset hierarchy, to secure compensation in trade-off situations in which locally specific development interests override locally specific biodiversity concerns, and to thereby achieve zero-net-biodiversity-loss (by contrast to the current situation in which net biodiversity loss and ecosystem degradation are tolerated as an unavoidable by-product of tourism development); and (2) seek to develop an untapped source of revenue from public and private developers and operators that impact or use biodiversity, ecosystem services and landscape values as part of their business model.*

*161. The feasibility of establishing a practical, simple and innovative biodiversity offset system will be evaluated at the start of the project. This will be led by the senior technicians in DNA, working in collaboration with the PAMUs, ACPAs, CVI and STDIBM. The feasibility assessment will incorporate: (1) assessment of existing examples of offsetting in Cabo Verde; (2) development of a prioritized list of offset projects in target PAs, aligned with their management*

plans; (3) assessment of potential mechanisms to integrate biodiversity offsets into financial incentives (Output 1.4) and PA revenue generations such as concessions (Output 2.4); (4) review of the current legislative, regulatory and institutional enabling environment for the new tool; (5) design guidelines that integrate biodiversity offsets into tourism investment, licensing and concessioning processes in PAs; and (6) draft regulations for the offsets for application and enforcement by investment agencies (i.e. CVI, STDIBM) using a short-term legal consultant. Component 1.”

Comment: “All the targeted PA will have to be defined for CEO endorsement and their METT shared...It is well noted that pilot activities will be developed in one island. By the time of CEO endorsement, more details are expected on this pilot, including the role of the private sector, and the expected revenue generated.”

Response: All of these comments have been addressed as follows:

Targeted PAs have been defined and are outlined in the results framework and are further discussed in the Prodoc text under “*Outcome 2. The coastal and marine PA estate in priority islands is expanded and strengthened*” – see § 166 – 188 of the Prodoc. PAs covered under the project include: Island of Santiago: Serra do Pico de Antónia (3,723 ha terrestrial). Island of Boavista: Ponta do Sol (457 ha terrestrial/coastal), Boa Esperança (3,968 ha terrestrial/coastal), Morro de Areia (2,100 ha terrestrial/coastal), Ilhéu de Sal-Rei (90 ha coastal). Island of Sal: Rabo de Junco (151 ha terrestrial/coastal), Marinha Baía da Murdeira (2,066 ha marine). Island of Maio: Casa Velhas Natural Reserve (6,626, ha). PA Management Effectiveness Tracking Tool (METT) have been prepared and included in the submission (sent under separate cover) for each of the 8 new PAs to be established and operationalized under the project.

In fact the project will focus on supporting PA management units and pilots in four islands: Santiago, Sal, Boa Vista and Maio (not one island as mentioned in the GEFSEC comments). Information on pilot financing schemes for select PAs is covered under “*Output 2.4. PA revenue generation mechanisms developed and piloted in conjunction with tourism sector stakeholders.*” See text in § 179-186 of the Prodoc for more detailed information on the development of the financing schemes and role of stakeholders, including the private sector. The revenue generation target is defined (in \$ terms) under Output 2.2.

Comment: “initial information on the potential risks and mitigation measures are provided. Further detail is expected at CEO endorsement.”

Response: Information on new risks identified during the PPG phase (and accompanying mitigation measures) is provided in Section A.6 of the CEO ER. A full updated risk log is provided in Section 3 of the Prodoc.



**ANNEX C: STATUS OF IMPLEMENTATION OF PROJECT PREPARATION ACTIVITIES AND THE USE OF FUNDS<sup>16</sup>**

PROVIDE DETAILED FUNDING AMOUNT OF THE PPG ACTIVITIES FINANCING STATUS IN THE TABLE BELOW:

PPG Grant Approved at PIF: <b>52,123 (GEF)</b>			
<i>Project Preparation Activities Implemented</i>	<i>GEF/LDCF/SCCF/NPIF Amount (\$)</i>		
	<i>Budgeted Amount</i>	<i>Amount Spent To date</i>	<i>Amount Committed</i>
Baseline assessment	13,623.00	0	13,623.00
Studies to address any opportunities/risks identified during an environmental and social screening of the project proposal	36,000.00	33,600.00	2,400.00
Identification of specific sites for intervention	-		
Integration with development plans, policies, budgets and complementary projects	1,000.00	0	1,000.00
Stakeholder consultations during technical review	1,500.00	0	1,500.00
<b>Total</b>	<b>52,123.00</b>	<b>33,600.00</b>	<b>18,523</b>

<sup>16</sup> If at CEO Endorsement, the PPG activities have not been completed and there is a balance of unspent fund, Agencies can continue undertake the activities up to one year of project start. No later than one year from start of project implementation, Agencies should report this table to the GEF Secretariat on the completion of PPG activities and the amount spent for the activities.

**ANNEX D: CALENDAR OF EXPECTED REFLOWS (if non-grant instrument is used)**

Provide a calendar of expected reflows to the GEF/LDCF/SCCF/NPIF Trust Fund or to your Agency (and/or revolving fund that will be set up)

N/A