



Additional Financing Appraisal Environmental and
Social Review Summary
Appraisal Stage
(AF ESRS Appraisal Stage)

Date Prepared/Updated: 01/16/2024 | Report No: ESRSAFA670



I. BASIC INFORMATION

A. Basic Project Data

Country	Region	Borrower(s)	Implementing Agency(ies)
Cabo Verde	WESTERN AND CENTRAL AFRICA		
Project ID	Project Name		
P181369	Cabo Verde Resilient Tourism And Blue Economy Development Second Af		
Parent Project ID (if any)	Parent Project Name		
P176981	Resilient Tourism and Blue Economy Development in Cabo Verde Project		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Finance, Competitiveness and Innovation	Investment Project Financing	2/5/2024	4/11/2024
Estimated Decision Review Date	Total Project Cost		
1/30/2024	30,000,000		

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Proposed Development Objective

To increase diversity and resiliency in the tourism offering and small and medium enterprise (SME) participation in tourism-related value chains in targeted destinations.

B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?

No

C. Summary Description of Proposed Project Activities

The Project addresses key constraints to unlocking tourism potential in selected destinations in Cabo Verde, which can collectively diversify and enhance the inclusiveness of Cabo Verde’s tourism by focusing on segments with higher involvement of communities and sustainable protection of natural assets. Through a series of cross-sectoral interventions, the Project will seek to enhance the tourism sector’s offerings, diversify its impact, and enable wider participation in the tourism value chain. Expected outcomes include longer lengths of stay, increased average expenditure, increased domestic benefits from tourism, and increased visitor satisfaction with the quality and



diversity of products. Finally, it will support the SME sector and women-led enterprises to provide demand-driven services for tourism.

D. Environmental and Social Overview

D.1 Overview of Environmental and Social Project Settings

This AF interventions will focus on addressing key operational and market failures that limit attractiveness of the tourism sector in Cabo Verde. Proposed interventions aim to catalyze private investment and local economic opportunities in selected tourist destinations, making selected destinations more attractive for visitors, thus generating income and jobs throughout the destination. Given shortfalls in the diversification and sustainable development of the sector, a substantial amount of public sector investments is required to structure and catalyze the sector, to make private sector engagement impactful and attractive. The cultural and natural based tourism sector is underdeveloped, and consequently private sector actors require sensitization and technical assistance to be able to understand the markets and opportunities that exist.

The AF will be implemented country-wide – mainly on Santo Antão, Sao Vicente, Sal, São Nicolau, and Santiago Islands - and will support activities and interventions for the diversification of the tourism sector in selected destinations and segments while ensuring and enhancing local benefits for the most vulnerable people. As such, it proposes a series of cross-sectoral interventions that will address key constraints to tourism development faced in selected destinations namely, low quality infrastructure in secondary islands, inefficient inter-island connectivity lack of integration of SMEs in the tourism value chains, absence of quality tourism products and services, weak awareness of the country as tourism destination in international markets, and deficiencies in environmental policies and zoning guidelines.

On the environmental front, in addition to the impact studies and mitigation measures planned to limit the impact of the infrastructure financed by the project, special attention will be given to the rehabilitation of trails. This activity has already been financed under the parent project and will be extended to the northern islands, with a reinforced program for Santo Antão and São Vicente, as well as another island, São Nicolau. The islands of Santiago and Santo Antão, in particular, has several natural features that must be considered in the risk and impact assessments, such as : (i) Santo Antão has endemic species of fauna and flora, for example the island has the largest national numbers of the 50 endangered species of flora; and (ii) Santiago has several natural parks, Ramsar site and birds on the IUCN Red List.

On the social side, in Cabo Verde, gender parity and women's empowerment have been achieved. Poverty reduction policies and programs are consistently high on the development agenda, as evidenced by the rapid decline in poverty rates. Despite its limited resources, the country provides a generous social safety net, demonstrating a link between social inclusion and growth. However, cases of sexual abuse of minors in Cabo Verde, such as prostitution and child pornography, as well as rape and sexual exploitation of children, especially in the tourist islands of Sal and Boavista, led Cabo Verde to adopt the National Plan to Combat Sexual Violence against Children and Adolescents.

D.2 Overview of Borrower's Institutional Capacity for Managing Environmental and Social Risks and Impacts

As for the Parent Project and the first AF, the implementing agency will be the Special Projects Management Unit, also called the Unidade de Gestão de Projetos Especiais (UGPE) is under the Ministério das Finanças of Cabo Verde. The UGPE will be the Project Implementation Unit (PIU) that deals with the procurement, the environment and social



safeguards management of projects. The UGPE has prior multiple experience with World Bank investment projects and has already applied the new Environmental and Social Framework (ESF), such as : Cabo Verde Tourism and Blue Economy (P176981) rated as Moderately Satisfactory; Cabo Verde: COVID-19 Emergency Response Project (P173857) and AFs (P174299, P175807, P177181), with an overall ESS Performance: satisfactory; Digital Cabo Verde Project (P171099) with an overall ESS Performance: Moderately satisfactory; Cabo Verde Renewable Energy and Improved Utility Performance Project (P170236 - Pipeline); Cabo Verde Human Capital Project (P175828 - pipeline). The UGPE staff benefited from several rounds of training on the World Bank Operational Policies and, more recently, on the ESF. To date, a senior E&S consultant has been coordinating the projects’ E&S aspects and will remain engaged throughout project implementation. Given the growing number of World Bank financed operations, the UGPE has recruited two full time E&S Specialists, who will be responsible of managing and supervising the projects’ overall E&S aspects in the CV portfolio. UGPE is in the process of hiring a third E&S specialist with a particular focus on social aspects.

II. SUMMARY OF ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC) Substantial

A.1 Environmental Risk Rating Substantial

A– Type, location, severity of the Project including the physical considerations of the Project. The selected destinations are of tourist interest and cover various types of coastal and marine ecosystems. Given the project cost, activities, and geographical coverage, the AF investments are moderate to substantial in scale augmenting the existing facilities. Also, the investments are focused to enhance the overall environmental quality of destinations for sustainable tourism. These destinations face anthropogenic pressure with increasing tourist footprint. B– Nature and magnitude of the potential environmental risks and impacts. The environmental risk is rated as substantial since some activities such as: recovery works, and signage of hiking trails and coastal and beach area integrated requalification and development works could be operated in Protected Areas and other sensitive natural areas. These activities could affect wildlife and its habitats through direct and indirect impacts and need to be planned and managed properly. Activities that involve works targeting historical and heritage site rehabilitation, which will be carried out outside Protected Areas, may generate adverse impacts on habitat alteration/loss of biodiversity, water quality, erosion and soil productivity, hazardous material management, and visual impacts. In addition, there might be impacts related to Occupational and Community Health and Safety such as fire safety, construction safety, transportation and pesticide exposure, etc. Impacts will be site specific, predictable and can be avoided/minimized through the project level and site-specific screening and through implementation of good practices including compliance with World Bank Group Environmental, Health, and Safety Guidelines. Under Component 2, the support to local SMEs is likely to cause minimal or no adverse environmental or social risks or impacts, nevertheless it is necessary to take into account a potential risk that this AF may impact access to fishery resources in relation to coastal zone planning and policy development activities. C– Capacity and commitment of the Borrower to manage risks and impacts in a manner consistent with the ESSs. This AF will be implemented by the UGPE which has several previous experiences in the implementation of Bank projects, and in the management of E&S impacts and risks in accordance with ESF provisions. The UGPE’s track record in implementation could be constrained by insufficient human resources capacity. The overall approach to managing environmental and social risks will be building on the existing laws, rules, instructions, procedures and practices, assessed for consistency with ESF requirements and enhanced as required by integrating additional measures for achieving consistency with ESF objectives.

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A.2 Social Risk Rating

Substantial

The anticipated social risk for the Project is substantial. The proposed activities are anticipated to have positive social impacts both at the individual and community levels as it addresses the tourism sector responses during the COVID-19 pandemic. However, there are social risks related to the rehabilitation or construction of infrastructure to support fisheries and tourism activities, associated with Component 1. Key risk from projects activities particularly during the construction/ rehabilitation: i) risk of resettlement and socio-economic impact, ii) risk of unequal employment opportunity, iii) harassment, intimidation and/or exploitation, including addressing gender-based violence risks, iv) destruction of cultural heritage during the rehabilitation of cultural sites) lack of consultation and citizen engagement, lack of communication, v). Risk of sexual abuse of minors, such as prostitution as well as rape and sexual exploitation of children, especially in the tourist islands of Sal and Boavista. Despite, in view of the high risks of sexual abuse of minors, Cabo Verde adopted and operationalized the National Plan to Combat Sexual Violence against Children and Adolescents.

B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered

B.1 Relevance of Environmental and Social Standards

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

Relevant

Overall, the Project is expected to have positive environmental impacts by improving the tourism sector in a participatory and sustainable manner. Nevertheless, some adverse environmental impacts such as soil loss, impact on natural habitats and biodiversity, noise, solid waste and hazardous material management, impacts on occupational and community health and safety, visual impact, etc., may be generated from project activities. Facilities construction could also pose some risks such as wastewater, solid wastes and sediment discharges to water bodies. Promotion of tourism may similarly cause water pollution if existing sanitation and waste handling systems are inadequate for the number of tourist arrivals. Promotion of tourism can also cause i) a risk of sexual abuse for minors in Cabo Verde such as prostitution especially in the tourist islands. There could be ii) risk of sexual exploitation abuse during the rehabilitation of facilities. Some adverse E&S impacts during the civil work such as harassments and gender based violence by construction workers remains a risk to the community. Also with rehabilitation of the tourism sites, there will be the risk of resettlement and socio economic impact, iii) risk of unequal employment opportunity, iv) harassment, intimidation and /or exploitation. Key E&S risks and impacts are associated with Component 1, upgrading local infrastructure.

Components 2 is mainly soft interventions such as capacity building, upgrading instruments, and support for tourism policy development. However, there is still a potential risk that the Project may impact access to fishery resources in relation to coastal zone planning and policy development activities. Such impacts, and their scope, will be assessed as part of the E&S assessment process. There will also be a selection criteria based on reputational risks to the World Bank and E&S risks and impacts, as well as compliance with national E&S regulations and reputational risks to the Bank. MSMEs with significant risks, impacts and non-compliance with national E&S requirements will not be eligible for funding.

These activities may have wide range of environmental and social risks and impacts that need to be explored further and appropriate management plans established. While the Project E&S risk is rated as ‘substantial’, the project

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activities shall be screened at various stages of project preparation and implementation to characterize risk level and determine and evaluate the risk assessment tool and E&S management plan to be implemented.

As such, a range of different tools will be used throughout the Project cycle:

- Given that all the activities/subprojects, their detailed scope of investments are not all known at appraisal stage, the impacts cannot be precisely determined and therefore an ESMF is prepared, which serves as a tool for the environmental and social assessment process to be undertaken once the respective details of the subprojects are available. An ESMF and RPF were prepared, consulted and will be disclosed prior to Appraisal for subprojects whose details and locations are not yet known.

The ESMF outlines the Project environmental, social, and SEA/SH assessment process as well as monitoring and reporting requirements for the project proposed activities in compliance with requirements of Cabo Verde EIA procedure and to fill the gaps identified. The ESMF incorporates three key considerations: (1) a procedure and clear, measurable, and verifiable criteria to screen potential project sites and activities for their eligibility, and thus limit or exclude Project support at sites or activities that would be likely cause significant or high adverse impacts; (2) draw on existing instruments that are applied in Cabo Verde; such as specific Protected Area management plans, Cabo Verde EIA procedures and other relevant national laws and regulations. These instruments as well as other key relevant analytical studies on safeguards capacity, etc. is evaluated against ESF requirements and specific gap-filling and implementation support measures is introduced to meet ESS1 requirements. (3) The ESMF includes provisions for specific E&S assessment and management instruments to be produced under the Project, including ESMPs or other appropriate instruments that would be prepared for specific investments or activities with a potential to cause environmental risks and requiring site-specific risk management measures.

The ESMF also includes a Generic Environmental and Social Management Plan, LMPs including Workers' Grievance Procedure, an Indicative outline of ESIA and ESMP; SEA/SH action Plan and implementation budget.

For the risks on biodiversity, the ESMF contains a section with detailed instructions on site screening and selection, with clear, measurable and verifiable criteria, that will disallow and thus avoid any combination of activities likely to cause adverse impacts with sensitive receptors. This is of particular importance to ensure that the project does not cause unintended harm to natural or critical habitats, such as ecologically sensitive areas or key biodiversity areas. This will be further assessed during the project preparation and if a risk of impact on biodiversity is identified, a biodiversity management plan will be prepared.

- For the rehabilitation of 15 km of the Espargos-Santa Maria road on Sal island, the location and scope was known at Appraisal stage, so a specific ESMP was prepared. The negative impacts on the environment and populations will result from the civil works phase: there might be impacts related to Occupational and Community Health and Safety such as fire safety, construction safety, and transportation, but the civil works will not be located near sensitive biodiversity areas or other areas of environmental interest. his ESMP identifies mitigation measures for construction and operational phases, roles and responsibilities, time plans, costs and implementation procedures for each mitigation measures recommended. Contractors will be required, as a condition of their contracts with the Project, to implement and comply with the ESMP, including LMPs and OHS measures outlined in the ESMP. Contractors and their workers will also be subject to and trained on codes of conduct which includes SEA/SH prevention measures, interacting with local communities and security provisions. Labor and working conditions (including labor influx) and SEA/SH Management and Mitigation: The findings of the Bank's initial SEA/SH Risk Assessment will guide the identification of



SEA/SH risks and the subsequent development of mitigation plans. The LMP will also describe the working conditions and include measures for any gaps with the Bank’s ESF. Once the sites are finalized . RAPS will be prepared and submitted to Bank for approval.

- For project activities involving the provision of financial institutional support (Component 2), the project will address the environmental risks through development of an Environmental and Social Management System (ESMS) with a Screening Procedure to be used for defining access to finance eligibility, and development of specific ESIA/ESMP, as needed, for managing the potential environmental impacts associating under the Project. The Project Operation Manual (POM) will include, among others, an explicit list of activities ineligible (exclusion list) for grant financing, and tool for environmental screening. The ESMS will be prepared by the Financial Intermediaries to be consulted and disclosed within 90 days after the project effectiveness to guide each PFIs putting in place an ESMS before the approval of any subproject under Component 2.

- The ESCP summarizes the material measures and actions for the Project to meet the ESSs requirements. The agreed measures and actions between the Borrower and the Bank is outlined in the ESCP with the timeline for completion and responsible parties, including the preparation of site specific ESMPs and RAPS, as needed, and additional risk management documents that may be identified during project preparation or during the elaboration of the ESIA. On the social side, the Project will need to ensure a participatory and inclusive approach during all the life cycle, to promote citizen engagement, gender inclusion and social communication. An RPF was prepared to address any risk of land acquisition, and economic losses.

- Regarding the TA that will support preparatory studies for the construction or rehabilitation of selected maritime passenger terminals, these preparatory studies will include a chapter on E&S management (OHS, waste management, etc.) in order to ensure that the activities supported by this TA will manage the E&S risks and impacts. In addition, E&S aspects for TA will be addressed through the Terms of Reference (TOR) for such TA.

- Stakeholder engagement: It includes an identification and capacity assessment of a range of Stakeholders. Activities will impact communities: worker influx and camps, land acquisition from civil works resulting in relocation but also restriction of access to economic resources for people along the peers. The screening will consider the scope for including training and community response plans. It will also include the potential cultural heritage sites and possible impacts on non tangible heritage. Impacts on vulnerable groups (eg access to people with disabilities, where feasible) will also be included.

ESS2 Labor and Working Conditions

Relevant

The AF will involve government staff and consultants who will implement the Project and contracted workers who will be in charge of constructing the proposed infrastructure subprojects and equipment in various tourist areas. It is not expected that community workers will be involved in the Project, and this was assessed during the ESMF updating for this AF.

Cabo Verde has a Labor Code that is aligned with international good practice on decent work. In practice, there are documented country risks associated with realizing safe and fair work and prevention of harmful child labor which may not be encountered during the implementation of the subprojects b Nevertheless, this was explored in the ESMF and inform preventative management measures. Occupational health and safety risks for project workers on civil works

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sites was also addressed with application of the World Bank EHSs and preventative measures relevant to the response to COVID-19. As part of the ESMF, the Project has developed a Labor Management Plan (LMP) which contains detailed information on working conditions, including the explicit prohibition of child labor. In addition to measures for PIU staff, the LMP includes measures to protect community members, including women, providing work on an informal basis, and the health and safety of workers. Consistent with ESS2, the LMP includes a dedicated workers' grievance mechanism (GM) for all categories of project workers. It also describes the roles and responsibilities of monitoring the conditions of workers. and a dedicated workers grievance mechanism that is consistent with ESS 2. The LMP sets out measures for nondiscrimination, equal employment opportunity, and prevent and address harassment, intimidation and/or exploitation, including addressing sexual exploitation, abuse and harassment risks.

ESS3 Resource Efficiency and Pollution Prevention and Management

Relevant

Several activities proposed for this AF, especially the civil works related activities, have the potential to generate pollution during the construction phase. Although the Project will cover a large area, the scale of physical works is expected to be relatively medium sized requiring moderate resources and materials. Construction and rehabilitation work by its nature include removal of the significant amounts of rubble-type materials that may include various types of waste, including hazardous waste.

Given the type and scale of the AF, it is not expected that the project construction/ operation phases produce significant GHG emissions, and no project activity finances the purchase and use of pesticides or other agrochemicals.

The screening checklist included in the updated ESMF will be used to determine the impacts, need for additional studies/assessments such as ESIA/Waste Management Plans and energy optimization plans, to understand risks and impacts related to the release of pollutants, waste generation, the management of disposal materials and hazardous wastes, impact on community, and resource use efficiency. Such assessment and mitigation measures will necessarily address all the coastal civil works which could cause coastal/marine pollution (e.g. renovating fish markets and piers). The Project will adopt measures, to the extent that they are technically and financially feasible, specified in the WB Group EHS and other Good International Industry Practice, for efficient use of raw materials and for optimizing energy use. The mitigation measures in the ESMP will be included in bid and contractual documents.

ESS4 Community Health and Safety

Relevant

Although the Project intends to respond to the Covid-19 pandemic. Infected construction workers may spread the virus as they move about and intermingle with the community. The ESMF includes a section on Civil Works Guidelines for construction activities and workers during Covid. The Labor influx will likely be minimal. For the rehabilitation of heritage monuments, particularly in Cidade Velha, which will be subject to UNESCO guidelines, Project will ensure that contractors have codes of conduct for its employees that respects women and the community and Covid guidance. Because sexual exploitation, abuse and harassment by construction workers remains a risk to the community, the LMP included provisions for raising awareness and conducting training on SEA/SH for all project workers.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

Relevant

At the Component 1 level, upgrading local infrastructure will involve the rehabilitation of cultural sites and upgrading tourism-related infrastructure. This activity could involve land acquisition or economic displacement.

For already known sites, the project will use the ESMF screening to verify if there will be physical or economic displacement. This will determine if a RAP will be required. Prior to Appraisal, the project will prepare and submit to the

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Bank for approval of the TORs for preparation of safeguards instruments (ESIA, RAP etc.). For investment for which the exact locations are not yet known, an RPF has been prepared that indicates the requirements to be met by the client in terms of compliance with the Bank's standards and National regulations. As soon as the locations and activities are known, and the screening determines the need, site-specific resettlement action plans will be prepared, and the RAP will be approved and implemented prior to the start of construction.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

Relevant

There are potential adverse impacts on biodiversity from developing and operating tourism activities in municipalities, beach areas and natural areas (park, hiking trails). Thus, the project activities could be located in sensitive areas. Implementation of specific investments that include civil works, if not adequately designed and managed during implementation, could have high negative impacts on natural habitats and biodiversity.

The screening checklist included in the updated ESMF will be used to screen for the impacts, need for additional studies/assessments such as ESIA/Biodiversity Management Plans, to understand risks and impacts related to biodiversity and habitat preservation and what needs to be undertaken in accordance with the legally binding national, international and Bank's procedures.

Site-specific ESIA(s)/ESMPs will identify the types of habitats that could be affected by the Project activities, provide options for consideration, assessments of risks and prioritization of development options. The UGPE will use the proportionate approach for assessment of the associated environmental and social risks - based on their likelihood, significance and severity. Where the risks are found to be high or significant, the Borrower will manage related risks and impacts in accordance with the mitigation hierarchy, including development and implementation of required offsets, as relevant.

ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

Not Currently Relevant

This standard is not considered relevant as there are no Indigenous Peoples in the project area. However, the project will particularly address the needs of the most economically marginalized and vulnerable segments of the population, who could potentially be affected by some activities. Appropriate measures will ensure that they receive equitable access to project benefits and that these benefits are devised or delivered in a form that is culturally appropriate.

ESS8 Cultural Heritage

Relevant

Cabo Verde is rich in cultural heritage, particularly historic buildings, museums and monuments. Consultations for the ESMF will consider cultural heritage – they will be held with the Instituto do Património Cultural de Cabo Verde, and universities in Cabo Verde and Senegal, and most importantly with the communities who are best placed to identify their own heritage. As the Project will likely involve the rehabilitation of heritage sites, the site-specific ESIAs / ESMPs for such sites will assess the risk to cultural heritage and include cultural heritage management plans developed in consultation with the Institute for Cultural heritage and the local communities. Any potential impact on cultural heritage associated with excavations during construction/rehabilitation works will be addressed through chance finding procedures included in the ESMF/ESIA/ESMP. These aspects will also be considered in the contracts of

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construction/rehabilitation companies to ensure compliance with procedures if they encounter cultural heritage during implementation.

ESS9 Financial Intermediaries

Relevant

The Participating Financial Intermediaries (PFI) will implement and maintain their ESMS to identify, assess, manage, and monitor the environmental and social risks and impacts of PFI subprojects. The FI will disclose through the FI's website, if a website exists, and permit, in writing, the Bank to disclose on the Bank's website a summary of each of the elements of the FI's ESMS.

As stated in the Environmental and Social Commitment Plan (ESCP), this ESMS will need to be prepared, consulted, and disclosed 90 days (about 3 months) after the Effectiveness date and before the approval of any subproject under Component 2. The ESMSs of each of the PFI, consistent with the project's ESMS, need to be prepared and disclosed before the beginning of the operations of each of them. This will be an eligibility criterion for participation as a PFI. No activities requiring ESMS coverage will be supported until the ESMS has been cleared by the World Bank.

The ESMS will include at a minimum the following components: (i) the PFI's environmental and social policy; (ii) clearly defined E&S procedures and capacity: to screen subprojects (application of exclusion list, review of industry sector and technical aspects of each subproject) and conduct due-diligence to evaluate E&S risk and assign risk categories (low, moderate, substantial and high risk); (iii) systems/processes for due diligence within the PFI to evaluate, monitor, review and manage E&S risks and impacts of the subprojects: evaluate the E&S performance of on-going subprojects and the portfolio on a periodic basis; (iv) organizational capacity and competence for reporting on the ESMS as well as providing training and capacity-building on ESMS procedures and performance; (v) procedures of update the ESMS; (vi) the project's Labor Management Procedure (LMP) aligned with ESS2, including provision on Occupational Health and Safety (OHS) and measures related to emergency preparedness; and (vi) external communications mechanism, including a Stakeholder Engagement Plan and a Grievance Mechanism.

Both, each of the Participating Financial Institutions (PFIs) joining the project will assign both a senior management representative to have overall accountability for environmental and social performance plus a staff member or consultant as E&S Focal Point to manage the day-to-day implementation of ESMS. The Terms of Reference of the E&S Focal Point, including required technical skills and experience, will be included in the ESMS and Project Operations Manual (POM).

In addition, the ESMS will specifically include the project's exclusion list which will explicitly include projects involving substantial and high-risk sectors (e.g. mining, forest plantations, etc.) and activities, such as involuntary resettlement (all-new land acquisition will be excluded from project financing); involving harmful child labor or forced labor; infringement of natural and critical natural habitats; production or commercialization of any product or activity considered illegal according to the laws or regulations of Cabo Verde; negative impacts caused to cultural heritage assets; production or trade of alcoholic beverages (except beer and wine); production, trade, storage or transport of large volumes of hazardous chemicals; and any dams that would be considered a high or substantial risk to support.

During the implementation stage of this Project, all candidate sub-projects will be screened against the project's exclusion list of the ESMS, categorized and assessed for their E&S risks and impacts prior to financing under the project. Since a relevant amount of the FI subprojects are likely to cause minimal or no adverse environmental or social risks or



impacts, it is expected that in several subprojects, this FI will apply the national environmental, labor and social laws and regulations (following para 9 of the Environmental and Social Standard 9 – ESS9). However, the rest of the subprojects classified as high or substantial risk will not be financed under this Project.

In case the Contingency Emergency Response Component (CERC) is activated, activities envisaged under CERC will be similar in nature and design as activities under the Project and following the similar eligibility criteria and exclusion lists to be implemented by PFIs and PCG fund manager in line with the same ESMS and implementation arrangement under this Project. A CERC Operations Manual and CERC provisions in the ESMS will be prepared and approved by the Bank before CERC activation to govern the operation of the CERC component.

ESS10 Stakeholder Engagement and Information Disclosure

Relevant

In consultation with the Bank, the Borrower prepared and will implement an inclusive Stakeholder Engagement Plan (SEP) proportional to the nature and scale of the project and associated risks and impacts. The SEP will be disclosed prior to Appraisal. The Borrower will engage in meaningful consultations with all stakeholders throughout the Project life cycle, paying attention to the inclusion of all group so enable them to be engaged in the planning and decision-making steps in order that Tourism opens opportunities equally to men, women, and youth.

Key stakeholders include: the Ministry of Economy and Finance, Ministry in charge of the Environment, Ministry of Tourism, hoteliers, actors of tourism, local producer groups (restaurants, store, handicraft, ecotourism, etc.), traders, committee with representatives from different social groups women and youth-led groups. The Borrower will provide stakeholders with timely, relevant, understandable and accessible information and consult with them culturally appropriately, free of manipulation, interference, coercion, discrimination and intimidation.

Stakeholder engagement includes an identification and capacity assessment of a range of Stakeholders.

Gender analyses were conducted during the consultation and preparation of the SEP, and the results will be incorporated into the action planning for the implementation phase.

Other vulnerable groups, such as youth, the elderly and the disabled, were consulted with an action plan to address issues and gaps in term of participation and information through the life cycle of the project. The consultation during the SEP gave specific attention to vulnerable communities identified in the project sites. For this the SEP identified facilities as well as to specific benefits that projects can bring to women and other vulnerable members of society, and where necessary specific awareness programs will be proposed for these groups. The project will identify vulnerable or disadvantaged individuals or groups and their limitations in participating and/or understanding project information. Women who work in the extraction activities on the beaches of São Vicente and Tarrafal de Santiago who, due to their low level, or no education/isolation have limited access to information; unemployed young people from fishing areas with limited access to information; traders in the areas to be rehabilitated in the limited period of execution of the prayers. Additional support or resources necessary to enable these people to participate in the consultation process will be provided.

Information prior to and during project implementation will be available through various approaches, tailored to the audience and needs. Local radio will be used for community-wide messages, such as information from open information sessions. Some brochures will be prepared for the communication of more complex information. Communities will also be informed about the code of conduct for workers. Traditional leaders, community, and women's and youth groups will also be involved at various points and at different stages of implementation. There are various engagement techniques used to build relationships with stakeholders, gather information from stakeholders, consult with stakeholders, and disseminate information about projects to stakeholders.



When selecting an appropriate technique, culturally appropriate consultation methods, and the goal of engaging with a stakeholder group should be considered. The following are the most common techniques and vary depending on the target audience.

The project will inherently benefit vulnerable groups, such as people with disabilities, by increasing opportunities to access a range of government and private services, including government systems, education, vocational training, internship and employment opportunities, tourism and health services, and housing. Since the project is intended to be delivered nationally, including to any outside atolls, all people will have theoretical benefits from the project. Measures will be developed throughout the project to enable access to project benefits. The main barriers for vulnerable people benefiting from the project will be related to access to information and project benefits. Partners will have a key role to play regarding the latter, to ensure that the project does not deepen inequality. Additional vulnerable groups in this project may be identified during future phases of community engagement, and the plan will be revised accordingly to reflect this identification of new stakeholders.

Since the PIU handles all Bank projects, the existing GM developed at UGPE will be used for this project. The MGR considers culturally appropriate ways of dealing with community concerns. Processes have been specified to document complaints and concerns, including time commitments to resolve issues.

The MGR has been and will continue to be communicated to all stakeholder groups during each planned engagement activity. Special communications will be conducted with the vulnerable groups identified at each project implementation site.

Complaints and grievances will be handled at two main levels of redress, consisting of: i) local level; ii) central level. Depending on the complexity of the complaint and the reception channel used by the complainant, complaints will be handled at the local level by the Complaints Focal Point at each entity involved and/or at the central level by the UGPE E&S Specialist. To this end, Local Committees for Complaints Management based at the level of each entity involved and managed by the Complaints Management Focal Point, and a Central Complaints Management Committee (CCGR) will be set up centrally within the UGPE with representation from key partners.

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B.2 Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways No

OP 7.60 Projects in Disputed Areas No

B.3 Other Salient Features

Use of Borrower Framework No

The Borrower’s E&S Framework is not proposed to be relied on for this project, in whole or in part. The national framework will not likely address the project's risks and impacts in a way that achieves objectives materially consistent with the ESSs. However, as relevant and consistent, national legal framework and legislation can be referred to and recognized.

Use of Common Approach No



None

C. Overview of Required Environmental and Social Risk Management Activities

C.1 What Borrower environmental and social analyses, instruments, plans and/or frameworks are planned or required during implementation?

ESIAs, ESMPs, Biodiversity Management Plan, RAP

III. CONTACT POINTS

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V. APPROVAL

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Public Disclosure