



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

Date Prepared/Updated: 02/12/2024 | Report No: ESRSAFA684



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	2/19/2024	4/30/2024
Estimated Decision Review Date	Total Project Cost		
1/30/2024	30,000,000		

Public Disclosure

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**

The activities to be financed by the AF will be implemented in three islands including Santiago, Sao Antao and Sao Nicolau. The selected destinations cover various types of coastal and marine ecosystems. Sao Nicolau was not included in the parent project or the 1st AF but has been included in this AF as it has a similar profile to the island of Santo Antão with strong potential for investments in the tourism value chain (hiking). It represents the third most important fishing area in the country, and has potential for nautical recreational tourism (yachting and sports fishing). Unlike the other two islands, Sao Nicolau is one of the least visited islands in Cabo Verde. It has a population of approximately 13,000 with a land area of 388 sq km. It is green and mountainous and unlike most of the other islands enjoys good rainfall that supports a strong subsistence agriculture sector (fruit and coffee). The breathtaking mountain range, Mount Gordo (1,340m above sea level) is considered by many to be ideal for hiking as it boasts amazing views of neighboring islands and the Atlantic Ocean. It is not currently the primary destination for most tourists, but weekend visitors for hiking in the Mount Gordo National Park, have been increasing. Local communities also offer birdwatching, horse-back riding and mountain biking. Its sedate environment and barren landscapes offer excellent opportunities for ecotourism. The investments are focused to enhance the overall environmental quality of destinations for sustainable ecotourism.

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

Cabo Verde has a centralized PIU, Special Projects Executing Agency (UGPE), that manages procurement and Environmental & Social aspects for most of the projects financed by multilateral development banks (it should be noted that each project also has a technical PIU in the relevant line Ministry). UGPE has 2 full-time E&S specialists, 1 new social specialist and several short-term consultants. The 2 E&S specialists have been on board since the approval of the parent project while the social specialist has only recently been recruited. The overall performance for the parent project and the 1st AF was rated Satisfactory on the most recent ISR. The E&S instruments prepared and disclosed for the parent project and 1st AF have been reviewed and updated for this 2nd AF and will be re-disclosed.

In addition to the UGPE, Cabo Verde has strong institutions with the necessary experience and capacity to manage environmental and social risks and impacts (ESIAs, cultural heritage, labor management and SEA/H). The Cultural Heritage Institute (IPC) is well staffed with UNESCO-trained personnel. They currently manage the UNESCO World Heritage site (Cidade Velha) and several other national monuments around the country. The Labor Inspectorate, under the Ministry of Justice and Labor, is responsible for enforcing the Labor Code and addressing workers’ complaints related to all Labor Code violations. Labor inspectors, available on most islands, are accessible through a



free “green line” hotline. The Ministry of Education, Family and Social Inclusion (MinFam) has two specialized agencies, the Cape Verde Gender Equality and Equity (ICIEG) and the Institute for the Protection of Children and Adolescents (ICCA), responsible for promoting GBV mitigation policies and regulations, support to survivors including referrals to medical and judicial services and the protection of children and adolescents. They each have decentralized local offices on several islands, a free “green line” hotline for complaints and are staffed with social workers and psychologists. ICIEG is the national focal point for GBV including SEA/H.

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

### A. Environmental and Social Risk Classification (ESRC)

Substantial

#### A.1 Environmental Risk Rating

Substantial

The environmental risk of the parent project was rated as substantial, this rating will be maintained for this additional financing as it will finance similar small-scale infrastructure and rehabilitation works as the parent project. A pre-feasibility study was carried out in August 2023 covering all small-scale construction and rehabilitation works (jetties, fish markets, ferry passenger terminals) proposed to be financed under this 2nd AF. An Environmental and Social screening will be conducted on each of the sites to determine the appropriate E & S instruments needed. The preparation of site-specific ESIA's may be required pending this screening. The proposed works include 2 subprojects identified for Sao Nicolau which are considered similar in size and scale to the other coastal infrastructure, and which were assessed during the October 2023 mission. Satellite photos and site plans confirm that the rehabilitation of existing structures and the construction of new structures will take place on existing sites that are already being used for these same purposes. In addition, the AF proposes to construct a retail fish market in Praia, Santiago Island, for which a new site has been identified and which will be subject to an ESIA before the works commence. And finally, a comprehensive study on hiking in Cabo Verde was financed under the parent project and the final report was disclosed in May 2023. The study assessed both the historic trends and supply and demand for hiking and trekking in Cabo Verde and provides key recommendations for the sustainable development of this sector.

#### A.2 Social Risk Rating

Moderate

The social risk rating for the AF at Appraisal is considered Moderate. The implementation of the small scale infrastructure works (jetties, fish markets, ferry passenger terminals) and the extension of the hiking trails are not expected to require any land acquisition or permanent economic displacement or large-scale labor influx. The small scale infrastructure is limited to rehabilitation of existing structures and construction of new structures on existing sites that are already being used for these same purposes. This has been confirmed with satellite photos and site plans. The one exception is the fish market in Praia where a new site has been identified and will be subject to an ESIA before the start of works. During rehabilitation and construction of the small scale infrastructure, however, there is a risk that the livelihoods of fishermen and the rest of the value chain including fishmongers, fish processors and equipment suppliers will be temporarily affected. In terms of the hiking trails, these will be extensions and upgrades of existing trails in the Mount Gordo National Park and therefore will not negatively impact any private land, cause any displacement or interfere with regular use and access to the park.

### 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

The project investments are targeted for small-scale infrastructure and rehabilitation works that are not likely to have major environmental and social risks and impacts. However, minor occupational and community health and safety risks and impacts, as well as use of resources (water, energy and raw materials) and potential pollution associated with the construction and rehabilitation works could be expected. In addition, depending on the number, type and behaviors of tourists, some adverse environmental impacts on biodiversity and protected areas could be anticipated. These risks and impacts will be site-specific and manageable. The Environmental and Social instruments prepared for the parent project and first additional financing were reviewed and updated as needed to manage the risks and impacts associated with this second AF. The fish market in Praia where a new site has been identified and will be subject to an ESIA before the start of works. This is reflected in the ESCP. The ESCP summarizes the material measures, actions timeline and responsible parties agreed between the Borrower and the Bank.

### ESS2 Labor and Working Conditions

Relevant

The LMP prepared for the Parent Project will be used for the 2nd AF. The activities that will be financed by the 2nd AF are not expected to require labor influx. All new workers hired for these activities will be required to sign a Code of Conduct and abide by the provisions of their contracts. All contractors will need to comply with the national Labor Code. A Labor GRM is operational and will continue to be used for the 2nd AF. It includes referrals to the Labor Inspectorate for violations of the national Labor Code.

### ESS3 Resource Efficiency and Pollution Prevention and Management

Relevant

The construction and rehabilitation works are likely to generate some pollution of air, water and land and consume finite resources. However, considering the nature and scale of the civil works, the activities are expected to require moderate resources and raw materials and are not expected to generate significant GHG emissions. The Project will make use of the World Bank Group's general and sector-specific Environmental Health and Safety Guidelines and other Good International Industry Practice, for efficient use of resources (water, energy and raw materials) and pollution prevention. The relevant mitigation measures in the ESMP will be included in bid and contractual documents.

### ESS4 Community Health and Safety

Relevant

Some negative impacts on the health and safety of the local community may occur during the active rehabilitation and construction phase as the small scale civil works are located in areas that are being used on a daily basis by the local communities. The contractors' ESMP will include measures for adequate signage and OHS. The social assessment undertaken to assess the fisheries value chain will also include recommendations for how to best engage with the local communities during the works.

### ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

Relevant



The implementation of the small-scale infrastructure works (jetties, fish markets, ferry passenger terminals) and the extension of the hiking trails are not expected to require any land acquisition or permanent economic displacement. The works are limited to rehabilitation of existing structures and construction of new structures on existing sites that are already being used for these purposes. This has been confirmed with satellite photos and site plans. The one exception is the fish market in Praia where a new site has been identified and will be subject to an ESIA before the start of works. In order to adequately assess the impact of the temporary economic displacement that might be required during rehabilitation and construction of the small-scale infrastructure, a social assessment will be conducted at each of the AF project sites in order to gather information about the fisheries value chain including fishers, fishmongers, fish processors and equipment suppliers that may be temporarily affected. The RPF prepared for the parent project has been reviewed and will be redisclosed for this AF. It will be used to guide the preparation of any RAP or livelihood plan that will be required. In terms of the hiking trails, these will be extensions and upgrades of existing trails in the Mount Gordo National Park and therefore will not negatively impact any private land, cause any displacement or interfere with regular use and access to the park.

**ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources**

Relevant

Project activities include promotion of tourism in islands that previously had limited tourist traffic. This is likely to have some impact on biodiversity. However, since the project is investing in sustainable ecotourism, measures are being taken to properly manage protected areas and biodiversity in the Islands. The ESMF prepared for the Parent project includes a screening checklist to screen out activities likely to have a negative impact on natural habitats and biodiversity. The E & S instruments prepared for the parent project have been updated for the needs of this AF.

**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

The AF is financing rehabilitation and construction of small-scale infrastructure that is not expected to have any negative impact on cultural heritage. However, the national protocol prepared by the National Heritage Institute (IPC) and outlined in the ESMF that was prepared for the parent project will be used to manage any chance finds. Contractor ESMPs will include the contact name at the IPC who will be responsible for doing any screening and who will be responsible for providing guidance if there is any impact on cultural heritage.

**ESS9 Financial Intermediaries**

Not Currently Relevant

This standard is not considered relevant as the AF does not involve any financial intermediaries.

Public Disclosure



**ESS10 Stakeholder Engagement and Information Disclosure**

Relevant

A SEP (Stakeholder Engagement Plan) was prepared for the Parent Project and it has been reviewed and will be redisclosed for this 2nd AF. It includes details regarding the grievance mechanism (GM) that is already operational and will continue to be used. Efforts will be made during early implementation to ensure that adequate information is shared with the communities located in the new project areas. The grievance mechanism (GM) will be expanded to new areas before starting project works. Sensitive complaints related to SEA/H will continue to be received and support provided to survivors by ICIEG per the MOU that they have with the UGPE to provide these services. Additional capacity building and training will be provided by the Bank team.

**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, Social Assessment

**III. CONTACT POINTS**

World Bank

Public Disclosure



Task Team Leader: Michael Olavi Engman

Title:

Lead Economist

Email: [mengman@worldbank.org](mailto:mengman@worldbank.org)

#### IV. FOR MORE INFORMATION CONTACT

The World Bank  
1818 H Street, NW  
Washington, D.C. 20433  
Telephone: (202) 473-1000  
Web: <http://www.worldbank.org/projects>

#### V. APPROVAL

Task Team Leader(s):	Cristina Navarrete Moreno, Michael Olavi Engman, Veruschka Schmidt
ADM Environmental Specialist:	Abdelaziz Lagnaoui
ADM Social Specialist:	Kristyna Bishop
Practice Manager (ENV/SOC)	Pia Peeters Cleared on 13-Feb-2024 at 14:28:25 GMT-05:00
Safeguards Advisor ESSA	Nathalie S. Munzberg (SAESSA) Concurred on 15-Feb-2024 at 14:33:18 GMT-05:00