**Blue and Green Islands Integrated Program (BGI IP) EOI Template**

Objective of the IP is to reduce ecosystem degradation and facilitate nature-positive development, by applying Nature-based Solutions[[1]](#footnote-2) in key ecosystems that support socio-economic development in SIDS, with specific application to the food, tourism, and urban sectors. This will place nature at the center of human well-being and generate multiple global and local environmental and societal benefits. All SIDS are eligible to participate in the program, with each country applying upstream activities to address cross-cutting challenges and downstream activities specific to one or more of the sectors that are dominant in their specific contexts.

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| **Name of country: São Tomé and Principe** | **Date of EOI submission: 17th February 2023** |

***Country Context and Rationale***

Provide an overall rationale and justification for the EOI, based on the country’s strategic positioning relative to the systems transformation proposed for the BGI IP. Essentially, the country needs to demonstrate that it has, or is working to develop, the national level framework (policy, institutional, etc.) and enabling environment to advance the IP approach, and to move relatively quickly with designing and delivering a project under the program.

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| **Questions** | **Response (max 500 words total)** |
| Why is your country’s project concept a strategic opportunity under this Integrated Program (IP)? | Sao Tome and Principe (STP)’s concept is a strategic opportunity for the Country to operationalize/action its vision for properly valuing, sustainably managing and utilizing, and protecting its coastal and marine ecosystems, economic growth and poverty reduction, through domestic public and private sector resources. This initiative will strengthen contribution to GEBs through the enhanced protection of ecologically and biologically significant areas, by engaging local communities and national and international private companies in creating sustainable jobs and generating income, while protecting nature and incentivizing an economic growth model based on sustainability and eco-competitiveness.  Further, STP will benefit from the global component of the IP through mutual learning and lessons sharing with other SIDS, while providing its own unique experience and vision. |
| Describe how the national enabling environment is well-suited to program delivery, including efforts towards Ecosystem Services Valuation (ESV) and Natural Capital Accounting (NCA). | The Democratic Republic of São Tomé and Príncipe is a Small Island Developing State (SIDS) and a Least Developed Country (LDC) with 66% of the population living below the poverty line.  The foremost priority of the Government of STP is to expand existing and develop new sources of economic growth and development, to provide employment to its citizens and raise living standards including through a stable provision of electricity.  At the same time, STP portrays itself as a paradise archipelago and has committed to preserve its unique natural heritage. The island of Príncipe has an ambitious sustainability Vision 2030 and was designated as a UNESCO Biosphere Reserve.  The overall development challenge is how to reconcile streams of objectives and investments, most of which depend on natural resources and ecosystem services and/or will have negative impacts on these. Without a dedicated and continuous effort to protect the islands’ ecosystems and renewable natural resources, continuing population growth and business-as-usual and short-term economic development will worsen environmental degradation, undermining long-term sustainability and the achievement of the SDGs.  Under the leadership of the General Directorate for the Environment – the country is thus aiming to prioritize the design and implementation of nature-based solutions to properly value and account for natural capital through a whole-of-society approach, while creating long term solutions to biodiversity loss and over-exploitation of natural resource.  This vision is also aligned with the Country’s Blue Economy Strategy, developed in 2019.  Hence, through this initiative, the country aims to capitalize on its blue economy catalytic potential and encourage jobs and income opportunities that protect and boost natural assets management while supporting socio-economic development. |
| Briefly list **and** describe the country’s engagement in relevant multilateral environmental agreements **and** global, regional, and/or sub-regional engagements and platforms that demonstrate the commitment to nature-positive development. | The country is with has ratified the UNFCCC, CBD,UNCCD and chemicals and waste conventions. The country is also part of the UK-led [Global Ocean Alliance](https://www.gov.uk/government/topical-events/global-ocean-alliance-30by30-initiative/about), which envisions to protect at least 30% of the global ocean by 2030, through a network of Marine Protected Areas (MPAs) and Other Effective area-based Conservation Measures (OECMs). The Prime Minister attended and presented the Country’s Blue Strategy at UNOC, held in Lisbon in June 2022.  The updated NDC, submitted in 2021, has a goal of an estimated GHG emissions reduction of 109 kTCO2eq, corresponding to a 27% emission reduction compared to its 2030 BAU projected emissions, with waste management being a priority sector for intervention. |

***Target Geographies***

Describe the specific geography targeted for the IP, including details of the systemic drivers of environmental degradation relative to the IP agenda, with sound data to demonstrate the magnitude and scale of the challenges. Multiple geographies are allowed provided they are justified as part of a national strategy to achieve transformational change. (For multiple geographies with different characteristics, the following information can be completed for each target geography.)

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| **Target Geography:** | *Coastal and marine ecosystems in both islands of Sao Tome and Principe* |
| **Question** | **Response (Max 500 words total)** |
| How is the target geography best  Characterized? Check the most appropriate box and:   * Name the main ecosystem types present in the target area: * State estimated size/ha of the target area: * State the global importance of the target area (if applicable) | **X national (entire country)**  ☐ sub-national (province, district etc.)  ☐ site (landscape, watershed etc.)  Coastal and marine ecosystems.  Ha of target area:   * Coastline: 209 km around a land area of 1,001 km2 * 9296 ha proposed for Marine Protected Areas.   Global importance of target area:  The Gulf of Guinea is considered a “Hope Spots”, i.e., ecologically unique areas of the ocean designated for protection. Bordering beaches that are prime nesting habitat for the threatened leatherback sea turtle, the Gulf of Guinea surrounds São Tomé and Príncipe, which hosts important habitat for humpback whales, West African manatees, dolphins, and soft corals. |
| How is the target area important for delivering multiple ecosystem  services? | The archipelago of STP has a large maritime territory of 160,000 km2.  Ecosystem services targeted by this initiative include:   * provisioning services such as food, as (mostly artisanal) fisheries are vital in terms of the economy, income creation and food security, as well as medicinal resources. * cultural ecosystem services such as recreation and mental and physical health, enjoyment of nature, being the latter the main driver of tourism in the country, and aesthetic appreciation and inspiration for culture and art. * coastal protection and erosion prevention provided by mangroves and beach vegetation. * supporting services through maintenance of proper habitat for species, also considering the high endemism in STP. |
| How is the target area important for local livelihoods and for delivering societal benefits (for example, food security, climate resilience, etc.)? Who are the affected populations /  beneficiaries? | Targeted areas- ie. coastal and urban zones- are important for improved livelihoods within the tourism sector, improved food security and enhanced resilience to climate shocks.  In Príncipe and in the south of São Tomé, there is considerable overlap between the key areas of ecological importance and the preferred fishing sites.  A growing tourism sector is developing in coastal areas through the establishment of tourism infrastructure and facilities. As reported by [FAO](https://www.fao.org/hand-in-hand/investment-forum-2022/sao-tome-and-principe/en), the government aims to boost tourism's contribution to the economy to reach 73% of GDP by 2025.  Further, urban communities lack capacities and resources to properly dispose of waste, with significant consequences on health while increasing disaster risks.  Hence affected populations are mostly urban inhabitants, small communities living out of subsistence agriculture and fishing as well local groups which are marginally benefitting from beach tourism. |
| What are the systemic challenges and drivers of ecosystem degradation in the target area? | 1. Unsustainable and harmful fisheries. Approximately 5,000 people are involved in local fisheries and sales, and a further 30,000 people indirectly benefit economically. STP has a long tradition of fish consumption, with an average of 24 kg/capita/year, representing 70% of the animal protein ingested by the population. Fisheries resources are therefore critical for food and nutritional security but are currently over-exploited. 2. Climate change effects- manifesting as increasing ocean acidification, surges and coastal floods - contribute to coastal and marine degradation. 3. Illegal extraction of beach sand for building purposes reduces coastal resilience and increases vulnerabilities to climate change and sea surges. 4. Chemical and plastic pollution and limited waste management and waste treatment infrastructure impacts local and urban communities, increasing health risks and exacerbating proneness to natural disaster risks. Such pollution also seriously threatens biodiversity, including endemic species. 5. Mangrove forests on the islands receive little protection and continue to be degraded as a result of encroachment and felling for fuelwood and construction purposes. |

***Criteria for Child Project***

This section should describe how the proposed child project meets all the required criteria for GEF financing under the Blue and Green Islands IP.[[2]](#footnote-3) Specific criteria for eligibility are summarized as follows:

* Ability to generate multiple and significant environmental and societal benefits through nature-based solutions;
* Indicate one or more of the following: Clear evidence of a) the threatened or degraded ecosystems, b) Intact ecosystems of biodiversity or other GEB significance, c) Threats to GEBs;
* Evidence that the NbS activities are building on pilots or other existing initiatives to deliver results at a larger scale;
* Demonstrated political will across key ministries/agencies (including agriculture, environment, forests, finance, tourism, investment, planning, etc.) to engage in integrated and cross-ministerial approaches at national and sub-national levels;
* Solid evidence of existing ability to engage and mobilize the private sector (including detail in relation to the target sector (food, tourism, urban) and public-private partnerships;
* Potential and willingness to engage in multistakeholder partnerships at national, inter-regional and intra-regional levels across SIDS sub-regions as well as effectively include Indigenous Peoples and Local Communities, women, and youth;
* Opportunities to mobilize both private (domestic and external) and public sector financing;
* Demonstration of innovation in nature-based solutions and the potential to drive transformational change at the national level.

**Max 800 words**

The project will generate significant environmental and societal benefits through NBS, enhancing conservation measures and low carbon initiatives by mainstreaming them into an integrated blue economy approach. The initiative will actively engage the private sector in sustainably creating jobs and income generation, while caring and restoring coastal and marine areas. It will also support STP in better accounting and valuing ecosystems and in implementing appropriate strategies to mobilize green and blue finance among a portfolio of options like biodiversity credits, green/blue bonds, debt for nature swaps and more targeted tourism/conservation taxes.

By doing so, the initiative will target threatened coastal and marine ecosystems which play a fundamental role in supporting STP’s vision of sustainable tourism at the center of its economic growth focus. Further, by enhancing the adoption of conservation measures and the proper technical and financial management of Marine Protected Areas (MPAs) and Other Effective area-based Conservation Measures (OECM) as well as by strengthening the circular economy as well as a sustainable waste management approach, the country will enhance its resilience to climate change impacts as well as advance in reducing its waste related greenhouse gas emissions, in alignment with its updated NDC submitted in 2021.

Nature-based solutions will build on existing conservation efforts underway, with the strong leadership and political will of the government with support from UN agencies, multilateral development banks, INGOs and the private sector. This IP will be led by the Directorate of Environment, under the Ministry of Infrastructure, Natural Resources and Environment (MIRNMA), in close collaboration with:

* Ministry of Agriculture, Rural Development and Fisheries, which will advise and support on initiatives directly benefitting fishing communities through the Directorate of Fisheries. The Directorate of Biodiversity and Forestry, also part of this Ministry, will also play a key role in dealing with forestry and mangrove areas and biodiversity.
* Ministry of Planning, Finance and the Blue Economy, which include both the Strategic Intelligence Unit on the Blue Economy and the Tourism Directorate. The Ministry will play a key role in coordinating stakeholders working on tourism and fostering the implementation of actions as part of the National Blue Economy Strategy, including through the design and adoption of sustainable financing mechanisms.
* Regional Government of Principe, which will co-lead work on all components in the island of Principe, where illegal sand mining is the most significant threat to coastal and marine conservation and one of the key political priorities.

The project will work closely with other on-going GEF initiatives, such as the regional UNDP-implemented AIO SIDS project, expected to start in Q3 2023, IFAD’s “Improving biodiversity mainstreaming in the agro-forestry and fishery sectors”, GEF ISLANDS project and its Atlantic Ocean child project, implemented by UNEP, ADB’s LDC Fund/PRIASA 3 project on climate resilient irrigation and fisheries and the World Bank’s WACA project. It will also support the implementation of the WB’s led sustainable tourism strategy, launched in 2019. It will build on work underway on fostering circular economy initiatives, building on UNDP’s Digital X and the EU’s Rehdes project and in strengthening coastal resilience and protection through NBS, continuing the work developed by WACA. Building on OIKOS’ initiatives on productive landscapes and community management of mangrove areas and on Fauna and Flora International (F&FI)’s establishment of a network of MPAs in STP, the IP will strengthen community work on ecosystem care and restoration and their engagement with sustainable tourism efforts and MPA management.

The focus of this proposal is fully aligned with STP’s national priorities, presented in the Blue Economy Strategy – launched in 2019- and with the NDC, formalized in a law decree in 2022.

While STP -as a SIDS and LDC- has a relatively high investment risk, the project will proactively develop innovative financing solutions which can mobilize additional resources and de-risk private sector participation in nature-based solutions and in environmental restoration.

Specific solutions may include the establishment of biodiversity credits, tracking, managing and giving value to plastic waste through a circular economy approach, strengthening management effectiveness of MPAs, engaging communities in the tourism sector, certifications and other incentives for sustainable construction and green/blue tourism.

Thus, the IP will promote an integrated approach that brings together nature conservation and restoration through nature-based solutions, community engagement and development/ enhancement of sustainable practices in the private sector, while designing a set of incentives and market-based mechanisms that will make project interventions sustainable beyond the project duration and transformational, while supporting the 30x30 goal pursued by STP.

Finally, the project will showcase, learn from and communicate broadly with other SIDS how nature-based solutions can successfully support a green and blue economy, targeting more vulnerable sectors of society such as youth and women. A goal-based coalition among interested SIDS will be established to push further those items in regional and international platforms.

***Proposed Child Project and Suitability for an Integrated Approach[[3]](#footnote-4)***

This section should justify how the integrated approach proposed for the IP is an appropriate and suitable option for tackling the systemic challenges identified and to achieve the desired transformation for multiple global environmental benefits. An overview of existing or planned baseline investments and the incremental reasoning for GEF financing under the IP should also be included.

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| **Questions** | **Response (max 500 words total)** |
| Briefly describe the proposed child project and components highlighting how an integrated approach will be applied. Please describe the incremental reasoning for GEF investment. | The proposal, “**Capitalize on the blue economy catalytic potential of STP, by encouraging jobs that protect and boost natural assets management**”, focuses on enhancing coastal and marine conservation by mainstreaming it into an integrated blue economy approach, engaging the private sector in sustainably creating jobs and generating income.    Components:  **1) Innovative Financing**: this component is the main enabler, accelerating the implementation of the other components by increasing resource mobilization through the adoption of blue and green financing instruments.  **2)** **Sustainable alternatives to sand mining:** Enhancing conservation and restoration by identifying construction alternatives to sand mining.  **3) Blue Tourism**: Engaging the tourism sector in the care and restoration of nature in coastal areas, while strenghtening financing for MPAs and OECM.  **4) Circular Economy**: Promoting integrated plastic waste management solutions.  The interventions proposed to be financed by GEF will cover the incremental costs required to achieve the objectives through 1) improving financing opportunities for blue economy transformation; 2) investing in the development and implementation of nature-based solutions; 3) strenghtening sectoral integration at the national policy level; and 4) disseminating learning experiences among SIDS. |
| Describe the sector(s)[[4]](#footnote-5) targeted and potential activities to drive transformational change for nature positive development in the country. | **Desired transformation**: STP’s economic development is fully integrated with coastal/marine ecosystem conservation, accelerating blue economy opportunities while enhancing livelihoods and prioritizing the most vulnerable. This IP is unique as it enables innovative financing to mobilize additional resources and it strengthens cooperation among SIDS.  **Tourism**   * Promote sustainable eco-tourism practices and nature-based solutions through eco-certification programs. * Implement NBS to reduce the environmental impact of tourism, strengthen waste management and encourage sustainable use of marine resources.   **Urban**   * Reduce plastic pollution through a circular economy approach. * Digitalization, through distributed ledger technologies, will enhance trackability and transparency. * Provide technical assistance to enhance plastic management resource recovery and reduction of emissions. * Develop a Zero Waste strategy, leveraging on NBS to reduce waste and improve its management. * Design and develop sustainable construction options that can be developed with building materials other than beach sand, such as recycled plastic and industrial products. |
| Briefly outline how all four transformation levers[[5]](#footnote-6) relevant to this IP will be applied. | **Governance and Policies**: support awareness, capacities and effective implementation of policies focused on NBS and on NCAVES  **Financial Leverage:** design and implement innovative financing tools which mobilize green/blue finance.  **Multistakeholder Dialogues**: implement a whole of society approach and enhance collaboration and cooperation among SIDS.  **Innovation and Learning**: use digitalization to enhance transparency and trackability. |
| What planned or existing baseline investments are in place that are relevant to the proposed project concept? | 1. [AIO SIDS blue economy](https://www.thegef.org/projects-operations/projects/10865) – GEF project grant $ 9,003,847 2. [Improving biodiversity mainstreaming](https://www.thegef.org/projects-operations/projects/10570) – GEF project grant $ 3,543,379 3. [Enhancing Biodiversity Conservation](https://www.thegef.org/projects-operations/projects/10007) – GEF project grant $ 4,262,559 4. [Blue Action Fund - F&FI](https://www.blueactionfund.org/wp-content/uploads/2022/01/2022_BAF_Impact-Story_FFI_A4.pdf) Total grant - $ 1,941,308 5. [WACA](https://www.thegef.org/projects-operations/projects/9364) – GEF project grant $ 6,000,000 6. [ECOFAC 6](https://www.ecofac6.eu/Sao-Tome-et-Principe) – Total grant EUR 2,300,000 7. [Productive landscapes](https://www.oikos.pt/pt/sao-tome-e-principe/item/2730-3c07) – Total grant EUR 3,200,000 |
| Briefly outline the role of the following stakeholders in your proposed project. | **Government (Relevant Ministries & Local Authorities):**  Lead project execution, facilitate private/public partnerships.  **Private sector:**  Mobilize financing to promote environmental conservation and job creation, actively working with and attracting investments from companies in tourism, sustainable building and circular economy sectors.  **CSOs / IPs / CBOs:**  Partners to develop awareness and engage communities in blue economy initiatives, particularly in the tourism sector.  **Technical / Research institutions:**  Undertake research and test innovative solutions on the use of alternative construction materials.  **Other UN partners**  Synergies with FAO on food security in the fisheries sector. |
| To which GEF-8 core indicator targets will the project contribute and at what scale? If possible, provide an estimated contribution to core indicators relevant to this IP?[[6]](#footnote-7) | * *Marine protected areas created or under improved management for conservation and sustainable use* – 9.296 ha * *Landscapes under improved practices (excluding protected areas)-* 5.000 ha * *Marine habitat under improved practices to benefit biodiversity* – 5.000 ha * *Avoided residual plastic waste* – 300 MT * *Persistent organic pollutants to air reduced* –to be quantified. * *People benefiting from GEF-financed investment* – 33.000 – 15% of STP’s population |

**RESOURCES**

***Financing for the Child Project***

This section should summarize the proposed GEF financing and co-financing (including sources), as well as the GEF agency(ies) and other entities to be engaged.

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| Proposed GEF Agency(ies)[[7]](#footnote-8) | UNDP |
| Proposed executing entity(ies)[[8]](#footnote-9) | General Directorate of Environment, Ministry of Infrastructure, Natural Resources and Environment - MIRNMA |
| Potential sources, types and amounts of co-financing | Private Sector co-financing on sustainable building and Tourism  Blue Action Fund |
| Indicative amount of GEF STAR resources requested[[9]](#footnote-10) | BD: $2M  CC: $1M |
| GEF Operational Focal Point or Designated Official (Name, contact details, signature and date) | Lourenço Monteiro  GEF OFP  Ministry of Public Works, Infrastructure, Natural Resources and Environment - MIRNMA  [lmonteirodejesus@gmail.com](mailto:lmonteirodejesus@gmail.com) |
| Signature of OFP or Designated Official and date |  |

1. Nature-based solutions were defined at UNEA-5 as ‘actions to protect, conserve, restore, sustainably use and manage natural or modified terrestrial, freshwater, coastal and marine ecosystems, which address social, economic and environmental challenges effectively and adaptively, while simultaneously providing human wellbeing, ecosystem services and resilience and biodiversity benefits.’ [↑](#footnote-ref-2)
2. For the details of the specific BGI IP criteria please refer to GEF/C.62/Inf.13 [GUIDANCE NOTE FOR COUNTRIES AND GEF AGENCIES ON PARTICIPATION IN THE GEF-8 INTEGRATED PROGRAMS](https://www.thegef.org/sites/default/files/documents/2022-05/EN_GEF.C.62.Inf_.13_Guidance%20Note%20for%20Countries%20and%20GEF%20Agencies%20on%20Participation%20in%20the%20GEF-8%20Integrated%20Programs_02.pdf) (Annex I) [↑](#footnote-ref-3)
3. You may refer to Para 7 & 8 of [GEF-8 Programming Directions](https://www.thegef.org/sites/default/files/2023-01/GEF-8_Programming_Directions.pdf) and the STAP Paper: [Integration: to solve complex environmental problems](https://www.stapgef.org/sites/default/files/2021-02/Integration_to%20solve%20complex%20environmental%20problems.pdf) [↑](#footnote-ref-4)
4. Please refer to the [GEF-8 Programming Directions](https://www.thegef.org/sites/default/files/2023-01/GEF-8_Programming_Directions.pdf) - Blue and Green Islands Integrated Program Strategy, where 3 sectors are targeted - Tourism, Food (Agriculture and Fisheries- select one or both) and Urban. [↑](#footnote-ref-5)
5. Please refer to [GEF/R.08/28 GF-8 Strategic Positioning Framework](https://www.thegef.org/sites/default/files/documents/2022-03/GEF_R.08_28_GEF8_Strategic_Positioning_Framework.pdf). The Transformation levers that apply to BGI IP are: Governance and Policies; Financial Leverage; Multistakeholder dialogues; Innovation and Learning. [↑](#footnote-ref-6)
6. GEF-8 core indicators relevant to BGI IP: Terrestrial protected areas created or under improved management for conservation and sustainable use; Marine protected areas created or under improved management for conservation and sustainable use; Land restored; Landscapes under improved practices (excluding protected areas); Marine habitat under improved practices to benefit biodiversity; Carbon sequestered, or emissions avoided, in the AFOLU sector; Shared water ecosystems (fresh or marine) under new or improved cooperative management; Globally over-exploited fisheries moved to more sustainable levels; Reduction, disposal/destruction, phase out, elimination and avoidance of chemicals; Reduction of emissions of persistent organic pollutants to air from point and non-point sources; people benefiting from GEF-financed investments. [↑](#footnote-ref-7)
7. The choice of GEF Agency(ies) should be informed by a thorough consideration of which Agency(ies) is/are best equipped to support the implementation of the priorities identified for GEF financing. [↑](#footnote-ref-8)
8. This refers to the institution(s) that would be directly responsible for implementing the priorities identified for GEF support, e.g., national government agency(ies). [↑](#footnote-ref-9)
9. A minimum of $2 million from the country’s STAR allocation is required to trigger the IP incentive; the STAR amounts will be matched at ratio of 3:1. STAR resources can be drawn from any of three focal areas, or proportionally across all three in accordance with the overall focus of the proposed project. All STAR resources programmed under the IP will be combined with the matching incentive as single GEF grant per country and should include amounts for Project Preparation Grant (PPG) and GEF Agency Fee. [↑](#footnote-ref-10)