



PROJECT IDENTIFICATION FORM (PIF)

PROJECT TYPE: Full-sized Project

TYPE OF TRUST FUND: GEF Trust Fund

PART I: PROJECT IDENTIFICATION

Project Title:	Conserving Biodiversity in Coastal Areas Threatened by Rapid Tourism and Physical Infrastructure Development		
Country(ies):	Dominican Republic	GEF Project ID:	5088
GEF Agency(ies):	UNDP	GEF Agency Project ID:	4955
Other Executing Partner(s):	Ministry of Environment and Natural Resources; Ministry of Tourism	Submission Date:	December 19, 2012
GEF Focal Area (s):	Biodiversity	Project Duration (Months):	60
Name of parent program (if applicable): ➤ For SFM/REDD+	N/A	Agency Fee (\$):	269,685

A. FOCAL AREA STRATEGY FRAMEWORK:

Focal Area Objectives	Expected FA Outcomes	Expected FA Outputs	Trust Fund	Indicative grant amount (\$)	Indicative co-financing (\$)
BD-2	Outcome 2.1: Increase in sustainably managed landscapes and seascapes that integrate biodiversity conservation.	Output 2. National and sub-national land-use plans (5) that incorporate biodiversity and ecosystem services valuation	GEFTF	1,306,099	6,000,000
	Outcome 2.2: Measures to conserve and sustainably use biodiversity incorporated in policy and regulatory frameworks.	Output 1. Policies and regulatory frameworks (2) for production sectors.	GEFTF	1,397,513	6,923,024
Sub-total				2,703,612	12,923,024
Project management cost			GEFTF	135,180	761,501
Total project cost				2,838,792	13,684,525

B. PROJECT FRAMEWORK:

Project Objective: To ensure the conservation of biodiversity in ecologically important coastal areas threatened by the burgeoning tourism industry and associated physical development.						
Project Component	Grant Type	Expected Outcomes	Expected Outputs	Trust Fund	Indicative Grant Amount (\$)	Indicative Co-financing (\$)
Component 1. The policy, legal and planning framework in the tourism sector addresses the direct threats to biodiversity	TA	- Regulatory and enforcement capacities in place to monitor, avoid, reduce, mitigate and offset adverse impacts on biodiversity of tourism and associated infrastructure development and tourism products and services, resulting in strengthened conservation of 25,800 ha. of mangrove forest,	1.1 Regulatory framework to strengthen the control and prevention of ecological impact in vulnerable coastal areas including: - Updated National Tourism Development Plan includes explicit guidance and regulation and timeline for the specific needs of protected areas and other sensitive coastal and marine areas	GEFTF	1,277,344	7,615,012

<p>from coastal tourism development and activities.</p>		<p>8,805 ha. of coral reefs, 5,035 ha. of beaches and dunes, 27,46 ha. of sea grass beds and 1,972,842 ha. of coastal marine protected area, plus further ha. in ecological corridors (the size to be determined during the PPG).</p> <p><u>-Capacities to plan, budget and enforce landscape management</u> across institutions sustain conservation outcomes in priority watersheds, and coastal ecological corridors resulting in:</p> <ul style="list-style-type: none"> - Increased budget allocations to coastal ecosystem management - A reduction in the number of infractions with environmental licensing. - Better management effectiveness in addressing visitor pressures in coastal - marine PAs and their buffer zones and watersheds in 2 key coastal project sites (Montecristi and Samana-Los Haitises) covering 4,323 km² of terrestrial surface and 1,112 km² marine area. <p><u>-Reduction in threats</u> from tourism infrastructure, operations and visitor activities, resulting in:</p> <ul style="list-style-type: none"> -Stability or increase in coral abundance, sea grass beds and populations of key target and indicator species in the 2 selected project sites (including manatee, humpback whale, green, leatherback and hawksbill turtles . Baseline and species to be determined during the PPG phase) -A reduction in the sale of wildlife curios. -A reduction in the presence of plastic in the environment. 	<p>with regard to tourism planning and management, including intangible core areas, impact reduction and offset measures; investment in product differentiation, and diversification into nature-focused products sensitive to environmental concerns and biodiversity friendly guidelines for siting of hotels;</p> <ul style="list-style-type: none"> - Strengthened EIA mechanisms, permitting and licensing tools for avoiding, reducing, mitigating impacts from tourism and codified in land use plans; - Proscription of land uses defined in sensitive areas; -Protocol with technical and economic guidelines to move forward recovery and restoration processes in areas degraded by tourism activity, focused on biodiversity and ecosystem processes; -A system of penalties for malfeasance in the tourism sector developed and adopted reflecting BD-friendly classification system and the clarifications in the mandates of the different agencies responsible for enforcement and prosecution; - Compliance and Monitoring system in place to evaluate acceptable limits of change in biodiversity-important areas to support adaptive measures to reduce direct impacts; - Establishment of the Threshold of Sustainability for Tourism in selected coastal PAs including core tourism management capacities, interpretation facilities and monitoring established at 2 critical sites; <p><u>1.2 A nationally approved biodiversity-friendly certification system</u> for hotels is developed as part of the classification system of MITUR and adopted by hotels;</p> <p><u>1.3 Multisectoral financing framework for cost-effective support to the sustainable implementation of the National Tourism Development Plan in coastal areas;</u></p> <ul style="list-style-type: none"> - Economic incentives for promoting the adherence of the private sector to the reformed policies and regulations; - Existing fiscal mechanisms adjusted to ensure flow of appropriate levels of 			
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			<p>investment, particularly from the tourism sector, private enterprises and land developers, into coastal and marine biodiversity conservation;</p> <p>- Enhanced capacity of MA to determine, apply, collect, reinvest and manage tourism use fees and concession revenues at site level.</p>			
<p>Component 2. Operational framework to protect biodiversity , in areas highly vulnerable to the indirect effects of tourism development</p>	<p>TA</p>	<p>Improvement in capacity of sectorial ministries, private sector, municipalities and community level organizations to generate, use and share geographic, socio-economic, and bio-physical information needed for landscape level planning and coastal management purposes that take into consideration the indirect effects of tourism and related development on ecosystems (inappropriate infrastructure placement, including roads, agriculture, forestry, water use, wildlife hunting and other development triggered by an increase in disposable incomes from tourism activities);. This improvement in capacity is measured with UNDP's Capacity Development Scorecard (baseline to be defined during the PPG phase).</p> <p>Appropriate climate resilient landscape management tools implemented by local communities in key biodiversity rich areas of the 2 selected project sites totaling 7000 ha resulting in: i) reduced ecosystem degradation (measured by decrease in extent of degraded areas); ii) maintenance of ecosystem functionality. This reduces threats to coastal biodiversity and lead to improved habitat integrity and connectivity across the 2 pilot areas.(baseline values to be determined during the</p>	<p>2.1 Strategic Environmental Assessment (SEA) incorporate recommendations into land use plans and tourism permitting (covering physical development, water use, waste management and other threats); - defining spatial areas where development should be avoided, where it may be permitted - but subject to management controls, and what mitigation and offset requirements are needed.</p> <p>2.2 Landscape level planning tools established and applied by key stakeholders including:</p> <p>- Updated and accurate vulnerability maps, database and integrated inter-institutional Geographical Information Systems making information on land-uses, ecosystem typology and services as well as vulnerability levels available as support to planning, enforcement, monitoring and decision making for tourism and related development;</p> <p>- Landscape land use plans reviewed adopted and implemented by both MA and MITUR including strengthened tourism land use plans (POTTS) covering priority watersheds and coastal corridors in selected areas with inventory and planning instruments in place defining specific land uses and management regimes in priority BD areas including ecosystems and habitat degradation mitigation measures as well as areas for conservation and connectivity appropriate to different site types based on reliable, standardized and uniform data and monitoring protocols;</p> <p>-Training program institutionalized and 300 people targeting the MA, MITUR, MEPyD, Private sector, Tour Operators, municipalities and community councils trained by end of the project on conservation compatible tourism and on</p>	<p>GEF TF</p>	<p>1,426,268</p>	<p>5,308,012</p>

		PPG).	the application of the land use plans 2.3 Improved community based resource management in 7000 ha of key BD areas based on the Protocol developed in component 1 addresses NRM at rural user level and at hotel sitings. These will include: - Community-based environmental and management plans based on resource management options and zoning to address encroachment, coastal erosion, fire control and prevention, water management, agricultures practices and wildlife hunting; -rehabilitation of degraded dunes, wetlands and mangrove areas to increase connectivity; - Reducing plastic waste, protecting freshwater flows into mangrove areas, and elimination of sea grass removal practices .			
			SUB-TOTAL		2,703,612	12,923,024
			PROJECT MANAGEMENT COSTS (BD: 134,550; LD: 24,019)		135,180	761,501
			TOTAL PROJECT COSTS		2,838,792	13,684,525

C. INDICATIVE CO-FINANCING FOR THE PROJECT BY SOURCE AND BY NAME IF AVAILABLE, (\$)

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Amount (\$)
National Government	Ministry of Environment and Natural Resources	In-kind	300,000
National Government	Ministry of Environment and Natural Resources	Grant	5,834,799
National Government	Ministry of Tourism	Grant	6,150,000
GEF Agency	UNDP	Grant	350,000
GEF Agency	IADB	Grant	1,049,726
Total Co-financing			13,684,525

D. GEF/LDCF/SCCF/NPIF RESOURCES REQUESTED BY AGENCY, FOCAL AREA AND COUNTRY

GEF Agency	Type of Trust Fund	Focal Area	Country Name/Global	Grant Amount (a)	Agency Fee (b)	Total c=a+b
UNDP	GEF TF	Biodiversity	Dominican Republic	2,838,792	269,685	3,108,477
Total Grant Resources				2,838,792	269,685	3,108,477

PART II: PROJECT JUSTIFICATION

A. DESCRIPTION OF THE CONSISTENCY OF THE PROJECT WITH:

A.1.1 The GEF focal area/LDCF/SCCF strategies NPIF Initiative:

1. This project aims to mainstream BD management into tourism sector development and associated physical development, to address multiple threats to coastal BD. It also aims to address the indirect impacts of tourism development—in catalysing other economic activities that are having further negative impacts on BD and ecosystem functionality. Tourism and accompanying physical development is directly leading to BD loss in sensitive coastal areas in particular; rapid coastal tourism growth is also catalyzing the in migration of people into these areas, and spawning other indirect threats that are leading to additional degradation.
2. The Dominican Republic, and in particular its coastal areas, experienced a booming tourism sector over the past thirty years. International tourist numbers were up 4.4% in 2011 to over 4.3 million, making the DR the most popular tourism destination in the Caribbean. Its direct contribution amounted to 4.7 % of GDP and total direct and indirect contribution was 15.1%. International tourism attracts 37 percent of all foreign currency coming into the country. In 2011, 170,000 people were directly employed in tourism, or 540,000 including those indirectly supported by the tourism sector. The country's beautiful white sand beaches are the principal attraction. Coastal-marine ecosystems are critical to the sector's economic success. However tourism development has had a very significant negative impact on biodiversity and ecosystem functionality in coastal areas, directly impacting mangrove forests, coastal wetlands, sea grass beds, coral reefs and beaches - all of which are intimately related in terms of their functionality, and all of which provide critical habitat for key wildlife species.
3. The new president has announced plans to more than double the number of international visitors in the coming years, which, under a business-as-usual scenario represents a multiplication of the scale of threat to coastal - marine ecosystem functionality and biodiversity. Risk for tourism investments has increased due to the erosion of natural capital, reduced quality of visitor attractions and greater vulnerability to the impacts of climate change. There is a need to reduce the footprint of existing tourism infrastructure and activities, to establish more effective controls on future tourism development in order to safeguard coastal marine ecosystems and to take action to restore ecosystem functionality and to diversify the tourism product to include more sustainable, nature-focused opportunities.
4. This project is framed within the BD focal area and the central thrust of the project is through BD2 (*Mainstream Biodiversity Conservation and Sustainable Use into Production Landscapes/Seascapes and Sectors*). Specifically, the project will contribute to Outcome 2.1 - Increase in sustainably managed landscapes and seascapes that integrate biodiversity conservation. This will be achieved through the development of national and sub-national landscape level land-use planning management tools as well as industry led mechanisms and effective compliance and monitoring systems. Strengthening and harmonization of policies and regulatory frameworks as well as the development of multisectoral financial frameworks for cost-effective support to sustainable implementation of tourism plans will contribute to achieving Outcome 2.2: Measures to conserve and sustainably use biodiversity incorporated in policy and regulatory frameworks.

A.2 National strategies and plans or reports and assessments under relevant conventions. if applicable, i.e. NAPAS, NAPs, NBSAPs, national communications, TNAs, NIPs, PRSPs, NPFE, etc.:

5. This Project is consistent with Article 14 of the new Constitution of the Republic which establishes the state's responsibility to conserve ecological equilibrium and in addition it supports the following national priorities and plans:
6. The **National Development Strategy 2030 (END)** has an explicit relevant objective - *the protection and sustainable use of ecosystems goods and services, biodiversity and natural heritage, including marine resources*. The Strategy includes 14 lines of action including promoting a system of coastal land use planning and establishing environmentally sustainable public investment priorities in the Big Strategic Planning Regions. Specific short term goals include increasing the coastal-marine area managed under sustainability criteria from 16% of the coastline in 2010, to 57% by 2014, increasing forest cover by 1.1% or 400 square km, and increasing the number of effectively managed protected areas from 45 to 81. Additionally, it targets the installation of a monitoring system for beaches, reefs, mangroves, wetlands and estuaries, a National Land use Plan, implementation of PES for water, installation of a system of environmental permitting in the Ministry of Environment (MA), installation of Regional Environmental Managers and the creation of local work commissions to combat desertification in arid areas.

7. The **National Biodiversity Strategy and Action Plan (NBSAP)** 2011-2016 provides a framework for interventions in support of biodiversity conservation and SLM. The NBSAP includes goals to protect the marine environment from land-based activities, to increase investment in biodiversity, an analysis of perverse financial subsidies and incentives that negatively affect biodiversity, and a plan to reduce, reform and eliminate them. It also includes evaluations and actions to reduce the ecological footprint of government and business in the environment; a reduction by 25% of habitat loss and degradation; strengthening of the application of existing regulations including the Code of Conduct for Responsible Fishing; identification of the principal pressures affecting coral reefs and other ecosystems threatened by climate change and a strategy to reduce them; strengthening the Protected Area System; and a national campaign to finance the implementation of the strategy.
8. The project will also contribute to a number of other goals of several programs of the MA including: *Program 11* which concerns strengthening of protected areas and biodiversity and has two objectives, the preservation of goods and services from the protected areas and the regulation of use and impacts on biological diversity and actions directed at strengthening the National Protected Areas System (SINAP) particularly its infrastructure, administration, enforcement and legislation and the protection and sustainable use of ecosystems and species. *Sub-program 03* focuses on coastal and marine resources and the sustainable management of these ecosystems. The project also responds closely to two strategic objectives of the **Protected Area System Master Plan 2010-2030**, namely *Improve the insertion and valuation of protected areas in the context of the development of the country* and *Improve the management effectiveness of protected areas*.
9. The General Tourism Law Number 84 of 1979 which updates Law 541 of 1969 facilitates MITUR to authorize regulations, supervise and control tourism activities and services. Its guiding vision is the **National Tourism Development Plan (PEDTURD)**. This dates from 2000, but discussions are ongoing for the development of a new National Tourism Development Plan. The Ley de Ordenamiento Turístico and the Law of Free Access to Beaches and Coasts of 2006 which defines rights of access and land use in coastal zones, together with the Law 158-01 on the Promotion of Tourism Development in Under Developed and New Tourism Poles in High Potential Provinces and its subsequent modifications in Law 184-02 and Law 318-04 which prioritizes investments and provides incentives to promote tourism development, all orient and drive tourism development. in high BD coastal areas. Additionally, a series of recent resolutions and decrees has established the need to develop Tourism Land Use Plans at five coastal tourism zones (POTT). This project will support the strengthening, in particular, of the sustainability elements responding directly to the sustainability objectives outlined in the END which identifies 16 strategic lines of action for sustainable tourism including: preparing a 10 year Tourism Development Plan to define investments required to develop new tourism zones, ensure the sustainability of existing tourism zones and increase the contribution of tourism to development. Its short term priorities are focused on road and other infrastructure, the development of new tourism products based on local resources linked to ecotourism and the establishment of Management Committees for Tourism Land Use Plans (POTT).

B. PROJECT OVERVIEW:

B.1. Describe the baseline project and the problem that it seeks to address:

Overview

10. The Dominican Republic is the most biologically diverse country in the Caribbean. The country has the highest altitudinal range in the region, extending from below sea level in the Samaná area to 3,175m at Pico Duarte. Three mountain ranges produce a great diversity of habitat from pine forests to mangroves, and create over 100 major watersheds. The country's coastline of 1,527.28 km plus 141 near shore islands is 54% is beach and 46% rocky. It includes 140,210 ha. of coastal wetlands including , 25,800 ha. of mangrove forests, 5,035 ha. of dunes and beaches 27,465 ha of sea grass beds, 8,805 ha. of coral reefs, 48,315 ha. of estuaries and 5,731 ha. of coastal lagoons. The extension of mangrove forest cover has declined to 0.54% of the country's land area today.

Globally significant Biodiversity in the DR

11. 5,600 plant species have been documented including 300 species of orchid. Of the 306 species of birds reported for Hispaniola (Latta et al., 2006), approximately 140 are residents in the DR. It is also important for at least 136 migratory species during the North American Winter. The DR's avifauna has exceptionally high levels of endemism with 34 species (Perdomo y Arias, 2008). 23 species are classified as Globally Threatened. 1,696 marine invertebrates have been reported for Hispaniola (Herrera and Betancourt 2007). Fish Base (2008) registered 527 fish species for the country, 485 of which are marine. For marine mammals, 16 cetaceans and one manatee species have been registered. (Woods and Ottenwalder,

2007). Several critical keystone endangered species inhabit the coastal areas including the Antillean manatee (*Trichechus manatus*), the Humpback Whale (*Megaptera novaeangliae*), the endemic Solenodon (*Solenodon paradoxus*), and Cuvier's Hutia (*Plagiodontia aedium*), Black Rail (*Laterallus jamaicensis*), Ridgway's Hawk (*Buteo ridgwayi*), West Indian Whistling-duck (*Dendrocygna arborea*), sea turtles (green, hawksbill, and leatherback), American crocodile (*Crocodylus acutus*), Rhinoceros Iguana (*Cyclura cornuta*) and eight species of coral as well as spawning aggregations of commercially important species of groupers and snappers.

12. The high volumes of international tourists attracted to the DR stay almost entirely in coastal areas with sandy beaches. All inclusive resorts are the principal accommodation type. These are concentrated in tourism zones such as Cabarete-Puerto Plata, Samaná-Las Terrenas, Bávaro-Punta Cana and La Romana-Bayahibe. Tourism attractions and activities are heavily concentrated in areas dependant on healthy coastal-marine ecosystems.

Threats to Biodiversity

13. Degradation of coastal areas caused by tourism development has occurred in all tourism zones. It has affected the functionality of each of the coastal marine ecosystems: dunes, mangrove forests, sea grass, wetlands and coral reefs. Tourism both directly through infrastructure development and indirectly through expansion of urban areas and increased coastal population pressure has caused loss of vegetative cover. This has contributed to soil erosion and generated heavy sediment loads, which in turn have degraded the coral reefs. The loss of mangroves has also diminished the productivity of fish populations, affecting food security for local communities. 9,000 fishermen depend on the fish resource. Most commercial fish species depend on the health of mangroves and coral reef (Wielgus et al, 2010). Wetlands have been drained and filled leading to the loss of their functionality. The loss of vegetative cover has reduced the capacity of coastal ecosystems to retain carbon and has also exposed coastlines to increased vulnerability to climate change including more severe storm damage. In the Punta Cana-Bavaro beach area, only four of 300 hotels have the legally required environmental permit. Just 8 hotels are members of sustainability certification programs.

14. A description of the direct and indirect threats of tourism growth and their impacts on biodiversity follows:

Direct Threats	Impacts on BD
Physical development in the coastal zone roads, marinas, and large scale hotels and urban and peri urban settlements.	<p>Mangrove and other coastal forest lands have been cleared for tourism infrastructure development. These forests play a critical role in the maintenance of ecological processes in surrounding marine, estuarine, and terrestrial ecosystems, including maintenance of reef fish populations. Clearance of mangroves has also lead to sedimentation of coral reefs, causing mortality and reef degradation. In Bávaro, the principal pole of tourism development in recent decades, at least 500ha. of mangrove forest cover was removed in direct proportion to the construction of hotels. The drastic fragmentation of the mangrove forest there has severely compromised the ecological integrity and functionality of the ecosystem and destroyed the hydrological system of the area. The loss of mangrove forests has also increased vulnerability to climate change impacts. A study (CEPAL 2004) on the impact of Hurricane Jeanne showed that part of the damage to hotels was due to the siting of hotels without consideration for natural ecosystems, particularly the Laguna Bávaro-El Manglar system.</p> <p>Reef degradation has led to erosion of beaches at a rate of 50cm per year and the exposure of coastlines to wave action which is increasing with the impacts of climate change.</p> <p>Loss and fragmentation of habitat—threatening sea and shore birds including pelicans, frigate birds, herons, egrets, shell fish, crustaceans, and reef fish species.</p> <p>Loss of beach habitat to erosion and development impacts threaten endangered turtle species.</p> <p>Coastal lagoons and wetlands have been filled to make room for the expansion of urban centres and development of tourist infrastructure.</p>
Road improvements and new road construction has reduced journey time and provided easier access to sensitive coastal areas for larger numbers of	Higher volumes of visitors leading to trampling and clearing of beach habitats and behind beach areas.

visitors.	
Discharge of sewage into waterways and mangroves and onto reefs. Nationally only 7% of sewage is treated.	Eutrophication of sensitive coastal wetlands. Critical stress on corals contributing to mortality and biodiversity loss.
Over consumption of freshwater from aquifers in tourism resort areas leading to salinization.	Loss of habitat for coastal region species.
Motorized water transport to marine and coastal destinations.	Collision damage on reefs, mortality of dolphins, manatees and altered behaviour of humpback whale.
Discharge of solid waste into waterways, mangroves, beaches.	Solid waste (plastic) disposal into rivers, wetlands and coastal areas leads to wildlife mortality as birds, fish, turtles and other species become entangled in nylon mesh or ingest plastic bags and other plastic waste.
Purchase of wildlife curios by tourists.	Endangerment of threatened fauna (including several species of shell fish). Over collection of wildlife for the sale of animal parts to tourists (including turtle shell, corals, and shells) is depleting populations of wildlife and disrupting ecological balance. More than 50 invertebrate and fish species are used in this trade.
Unsustainable fishing—to feed tourism demand.	Increasing fishing effort including illegal fishing and by using unselective fishing gear and techniques. These include the use of undersized nets and practice of dynamite fishing—practices that have wide-ranging ecological consequences. Likewise, the selective removal of some species from reef communities (such as queen conch, lobster, grouper, snapper, parrot fish the Queen Trigger fish, a predator of sea urchins) has adverse ripple effects on the reef ecosystem. White shrimp (<i>Litopenaeus schmitti</i>) in Samana Bay is overexploited due to tourism demand.
Demand for building materials (given scarcity of sand, gravel and boulders for building, developers often resort to sand mining and dredging).	Loss of nesting habitat for endangered sea turtle species, sedimentation of coral reefs.
Removal of sea grasses by hotels to create “clean” bathing areas.	This has resulted in the freeing of large quantities of sediments that are deposited on the coral reefs adding considerable stress to their well being. Marine species, such as the Antillean manatee and populations of various reef fish species that depend on the sea grass link between mangroves and reefs have also been negatively impacted by this practice.
Removal of vegetation from dunes to increase size of beach for recreation.	This has lead to the disintegration of dunes and the loss of dune habitat important for turtle nesting.
Increased demand for watersport activities (boat use, scuba diving and snorkelling).	Scuba diving and snorkelling, from land-based and cruise ship tourism, is leading to degradation of marine habitats. This is aggravated in some areas by the practice of mooring and anchoring dive boats, yachts, and less frequently cruise ships on or near coral reefs. Other recreational activities, such as the unregulated use of speed boats, and spear fishing are also destructive to wildlife
Indirect Threats	Impacts on BD
Forest clearance for agriculture, timber extraction, fuelwood collection and charcoal production, sometimes caused by displacement of local coastal communities by tourism development.or the arrival of new settlers	Drago forest lost to clearance for rice production. Excessive sedimentation flowing from rivers onto reefs. Increase in fire
Fishing communities establishing inside protected areas to satisfy tourism industry demand.	Loss of snapper, grouper, parrot fish, lobster, shrimp, conch and other marine species from protected areas. Loss of mangrove and other protected area habitats due to clearance by illegal fishing settlements.
Urban development following immigration of tourism employees to coastal areas has lead to pressure on natural resources and increased pollution.	Overfishing, clearance of mangrove and other coastal habitats, increased turtle egg poaching. Also flow of untreated sewage into the sea affecting coastal and marine ecosystem.

Development of large residential housing complexes (temporary or permanent) across the coastal landscape and along sensitive watersheds	<p>Loss and fragmentation of habitat in the upper watersheds as well as loss of beach habitat.</p> <p>Increased flow of sewage into the sea affecting coastal and marine ecosystems</p> <p>Sea water intrusion leading to increased coastal salinity</p>
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15. As can be seen in the table above, tourism related threats to biodiversity are multiple and both direct and indirect in nature. However, impacts cannot be addressed in isolation: Mangroves, seagrasses, reefs and beaches form part of an intimately integrated system. Degradation in any one of them causes impacts in the others. Clearance of mangroves and beach vegetation and loss of coral reefs have together created a problem of beach erosion. These threats to ecosystems and their functionality have significant economic implications. A study by WRI estimated that if coral mortality continues, beach erosion rates could increase by more than 80 percent in the Punta Cana-Playa Bávaro area and by more than 50 percent in the Juan Dolio-Boca Chica area. Another study of the economic consequences of beach erosion found that all-inclusive resorts in the Dominican Republic could lose US\$52-100 million over the next ten years as a result (Weiglus et al 2010). The Dominican government has recently carried out costly sand replenishment programs in Juan Dolio and Puerto Plata resort areas, but it would be less costly to maintain ecosystem functionality through investment in biodiversity conservation and avoidance of habitat degradation than to invest in such engineering solutions. 80 percent of the country’s reefs are severely threatened by human activities (WRI, 2004 Reefs at Risk). These stresses severely reduce the reefs resilience in the face of sea temperature rises that are expected as a result of climate change.
16. Another indicator of the socio-economic impacts of the loss of BD and ecosystem degradation is the decline in revenues from reef and mangrove-dependent fisheries probably as a result of over-fishing and declines in reef and mangrove health. For coral reef-dependent species, mean annual revenues were 2.5 times higher during 1992-1996 than during 2002-2006. Dominican Republic reefs are now lacking most of the relevant commercial species. Numerous diving experiences in the reefs indicate almost complete absence of the fish in the Puerto Plata, Santo Domingo and Punta Cana reefs.

The Baseline Project

17. The long-term solution advanced by this project is to effectively mainstream biodiversity conservation into the tourism sector of the Dominican Republic and to strengthen policy, legal and institutional framework and management capacities required to address the direct and indirect threats.
18. In order to reduce and eliminate the multiple threats to biodiversity and negative impacts on ecosystem functionality, action is required at three levels a) At national level - to influence policies and promote institutional integration and harmonization; b) at the landscape level - where physical development occurs and where there is a need to change the trajectory of that development to address direct and indirect threats by strengthening and integrating land use planning frameworks in sensitive coastal areas and tourism zones and c) At site level - where additional management interventions are needed to strengthen the protection of key vulnerable ecosystems and regulate the impact from tourism pressure in key protected areas and their surrounding landscapes.

The two sites that have been selected for targeted interventions are: Samaná and Montecristi:

19. a) **Samaná - Los Haitises Complex:** The area covers approximately 4,292.81 km² of terrestrial surface and 912 km² of the marine platform encircling the Samaná Bay (See maps in Annex I). Samaná Peninsula and its North coast is considered as a complete geomorphological unit and the Nagua river watershed. The complex includes 7 coastal marine PAs: Bancos de la Plata y la Navidad Marine Mammal Sanctuary, Cabo Cabron NP, Cabo Samaná National Monument, Los Haitises NP, Manglares del Bajo Yuna NP, Manglar de la Jina and Lagunas Redonda y Limón Wildlife Refuges plus the coastal landscapes and marine corridors between them. Samaná Bay is one of the largest estuaries in the Caribbean and is an important sanctuary for the largest migrating population of humpback whales (*Megaptera novaeangliae*) in the North Atlantic. About 1000 whales sustain a growing seasonal whale-watching industry between the months of January and March (27,944 whale watchers in 2011). The bay is fed by the country’s largest river, the Yuna. The Bay and the surrounding waters of the Samaná peninsula contain 9,210 ha. of mangrove forest, small islands, shoals, patches of coral formation, and extensive seagrass beds. This area is also home to green, hawksbill and leatherback sea turtles as well as the West Indian manatee and 153 bird species. Due to nutrient-rich waters supplied by the outflow of the Yuna and

Barracote rivers, the bay possesses ideal nursery conditions that can sustain large populations of commercially valuable shrimp, oysters, and fish. Deforestation has led to excessive topsoil and silt in the Samaná Bay. The flow of the Yuna River is also diverted to Hatillo Dam for human consumption, irrigation and electricity production. The watershed is affected by agricultural and mineral waste, high temperatures and other forms of contamination. Fishing pressure on the white shrimp and reef fish species has depleted stocks. Finally, uncontrolled tourism development is impacting ecosystems across the region both directly and indirectly.

20. The largest PA on the Bay is Los Haitises NP. Bordering the Bay on two sides, it is characterized by high indices of biodiversity, karstic formations, 700 plant species including 92 endemics. It has a third of the country's amphibian species (10) a quarter of the reptiles (23) and 35% of the mammal species. And more than half of the birds registered for the DR. Among the globally important species that are threatened are the Hutía (*Plagiodontia aedium*) and the Solenodon (*Solenodon paradoxus*), both of which are endemic. The tourism industry-financed NGO, FunKarst, has recently signed a co-management agreement with the Ministry of Environment for the park. In 2011, the park received 22,155 visitors. Other coastal PAs in the Samaná - Los Haitises complex lack the capacity to monitor visitor numbers. It is worth highlighting that within the limits of Los Haitises NP lies one of the most important groundwater reservoirs at the national and regional levels.
21. **b) Montecristi Complex:** A coastal-marine complex on the North Western border with Haiti (See map in Annex) consisting of coastal landscapes and marine areas encompassing five protected areas –El Moro NP, Montecristi Marine NP (8.29 km² terrestrial, 183.44 km² marine), Cayos Siete Hermanos Wildlife Refuge, Manglares de Estero Balsa NP and the Estero Hondo Marine Mammal Sanctuary (22 km² terrestrial, 7.89 km² marine). The complex has 6,193 ha. of mangrove forest, extensive coastal wetlands, dry forest and the largest extension of coral reef in the DR with 24 coral species and 45 fish species as well as four spawning aggregations. These high BD value habitats are threatened by overfishing, in part, driven by tourism demand, sedimentation due to land degradation from clearance of dry forest and mangrove cover, inadequate solid waste and sewage management and poverty-induced pressures. At the heart of this complex is the Estero Hondo Marine Mammal Sanctuary extending over an area of 22 km², including the coastal lagoon Caño Estero Hondo, mangrove forests, sea grass beds and a 0.5 km wide stretch of marine habitat for the length of the reserve. It provides the most important manatee population in the DR as well as habitat for four turtle species, bottle-nosed dolphins, 42 bird species including five endemics, two commercially important crab species and the endemic green snake. It registered 15,750 visitors in 2010, although in 2006 over 70,000 were registered. The potential for growth in sustainable nature-focused tourism is significant.
22. In the Dominican Republic, the environmental sector is governed by the Ministry of Environment and Natural Resources (MA). The MA requires all infrastructure projects that may affect the environment or natural resources to first obtain a license or permit following an environmental impact assessment, according to the Regulation on Environmental Permits and Licences of 2002 under the framework of the General Law of the Environment - Law 64-00. To obtain an Environmental Permit there are procedures established for existing installations and for proposed installations. For the former, approval of an Environmental Report carried out by a registered provider of environmental services and a Program of Environmental Management and Adaptation are requisites. For the latter an EIA is required. There has been an extremely low level of compliance with this regulation in the tourism sector. The MA is also responsible for the Protected Area System. The MA has an ecotourism department which focuses both on building tourism management capacity and on promoting demand in PAs. Its activities are not coordinated with the ecotourism department of MITUR.
23. The Ministry of Tourism (MITUR) is responsible for authorizing, planning, regulating, promoting and controlling all aspects of tourism according to the Tourism Law 541 and Law 84-79 which creates the Ministry. The National Tourism Development Plan (PEDTURD) dating from 2000 will be updated in the coming years. There is a need to increase government capacity to effectively integrate sustainability into the new Plan. However, the National Tourism Region Land Use Plan (PNOTT) of 1997 establishes the legal framework for subsequent land use plans in designated tourism zones and this has been a major focus of MITUR. Tourism strategies including tourism use zone planning are advanced through ministerial resolutions which have established five coastal Tourism Use Zone Plans in 2012. Land use planning is also managed through the Ministry of Economy, Planning and Development (MEPYD). All three ministries are engaged in activities relevant to coastal land use planning, although their initiatives are not in effect, integrated. In 2009 JICA sponsored the development of the National Ecotourism Strategy together with both MITUR and MA in a rare instance of inter-ministerial collaboration. This would do much to facilitate diversification away from the predominant high volume, sun and sand, all-inclusive tourism model. However, this plan has not yet been implemented.

24. In November, 2010 the Government added 31 new protected areas to the national protected areas system totalling 1,321,024 hectares of terrestrial and marine habitat for a system that now covers 26.5 % of the terrestrial area and 9.6% of the marine area of the country. Of the new protected areas, 217,455 hectares are in terrestrial habitats. The remaining 1,103,569 hectares are marine environments. However, the majority of these parks are not effectively managed. The MA budget for the PA system in 2007 was US\$ 7,103,393 divided among the 32 protected areas that have some form of management. \$6,93 million was invested in the system in 2007, well below the minimum estimated financial need to cover basic costs of \$22.57 million. (Baca y Arias, 2010). The overall annual budget allocated to PA management in 2011 accounted for 11,130,000 USD. The GEF through UNDP is currently supporting the Government to improve the financial sustainability of the National Protected Area System through a 3,2 million USD project which runs from 2010-2014 and designed specifically to address this financial gap.
25. This project will compliment projected government spending outlined in the Multi-year Public Sector Plan 2011-2014 (PNPSP) which assigns 0.04% of GDP (US\$23 million) to Tourism in 2012, rising to 0.05% in 2014, for the development of the Integrated Tourism Investment Program (Ventanilla Única de Turismo). This amount does not include funds managed by CONFOTUR, which plans to build and rehabilitate 260km of access roads to tourism zones, implement signposting in tourism zones and other tourism infrastructure works. Additionally the Transport sector will develop roads in the coastal tourism zones of Puerto Plata, Punta Cana, Miches and Samaná. There is a separate Tourism Promotion Fund (Ley 158-2001) which rises from US\$20 million in 2012 to US\$30 million in 2014.
26. There are a number of donor funded programs in activities related to this project: The MA is currently in the 4th year of implementing a \$10 million, 5-year USAID funded environmental protection project with TNC to improve the biodiversity conservation in the protected areas system. This includes a tourism management and monitoring plan for the Del Este NP and whale watching off Samaná; an ecosystem based zoning proposal for Samaná Bay; training for protected area managers and regional directors in implementing the threshold of sustainability for tourism, and tourism valuation studies in several protected areas. In 2012 USAID launched a 2 year, US\$2.4 million project with local partner the Dominican Tourism Competitiveness Consortium (CDCT), the network of regional tourism clusters, to promote sustainable tourism and strengthen the tourism clusters of Romana-Bayahibe, Barahona, Puerto Plata, Altigracia, and Samaná, including product diversification. USAID, the University of Rhode Island Coastal Resources Center (URICRC) and The Nature Conservancy (TNC) are developing proposal to manage changes in the volumes and quality of inflows of freshwater to Samaná Bay. KfW and GIZ invested USD 8,8 million and 1 million respectively between 2001 and 2008 through the project PROCARYN to arresting land degradation in the upper watersheds of the Yaque del Norte river which will alleviate pressures on coastal ecosystems around Montecristi.
27. The World Bank made a loan of US\$27 million for the 2010-2014 period to finance a Water and Sanitation in Tourist Areas project though it is behind schedule. The objectives include: (i) strengthening and consolidating the policy framework of the water and sanitation sector and (ii) improving and expanding access to sanitation and wastewater treatment and disposal services in the Puerto Plata region. The IDB Country Strategy 2010-2013 plans interventions aimed at supporting the diversification of the tourism sector. Actions focus on carrying out activities to strengthen tourism management, including participation of municipal government, local business leaders, and civil society through initiatives in regions where this sector is still under development. The Multilateral Investment Fund (MIF) of the IDB invested a US\$1,302,480 grant to support a project to develop a model for sustainable tourism management in the La Romana-Bayahibe in partnership with the La Romana-Bayahibe Hotel Association (AHB). Together with US\$500,000 from AHB, in 2011 the project developed a certification program for tour operators and small restaurants, a product diversification strategy and a sustainable destination development plan for the Bayahibe area. Lessons learned from this work will input into the current project. The IDB-MIF has also invested US\$535,000 in a coral gardening project with Fundacion Punta Cana aimed at engaging the tourism industry in reef conservation, this project will build on this private sector engagement.
28. Investment in the environment and tourism sectors are expected to be maintained or increased over the next five years and in particular, the total annual public sector capital investment in Environment/Sustainable Development is projected to rise from US \$62 million in 2011 to US\$92 million in 2014 (PNPSP). In 2012, 0.07% GDP (US\$41 million) is proposed for *environmental protection* (PNPSP), rising to US\$65 million in 2014. Within this total 30% is assigned to biodiversity protection and 70% to air, water and soil protection.

Barrier Analysis

29. The following barriers to achieving the long term success of the baseline project have been identified:

<p>Legal, policy, planning and institutional instruments for integrating environmental sustainability into the tourism industry are inadequate and ineffective in terms of averting direct threats to coastal-marine biodiversity</p>	<p>Dominican Republic’s current legal, policy, planning, and institutional instruments for regulating coastal development, while being strengthened to address general environmental concerns, are deficient in dealing with biodiversity management needs specifically. Lack of coordinated and concerted action by Government institutions between Environment, Tourism, Economy, Planning and Development has meant that fragile coastal and marine have been severely impacted by resort and hotel development, resulting in loss of mangrove forest and destruction of sea grass and coral reef ecosystems. Legal instruments are not applied or do not specify sanctions and penalties that may be imposed in the case of environmental infractions affecting biodiversity. The environmental impact hierarchy - avoid, reduce, mitigate and offset, specifically as it relates to biodiversity is deficient. Even sensitive ecosystems within protected areas are increasingly being degraded by tourism activities and visitor pressure in particular. Additionally, the current institutional framework does not promote or facilitate the engagement of the tourism private sector with biodiversity conservation objectives of the Ministry of Environment. The tourism sector largely does not see the Ministry of Environment as an interlocutor, nor as fulfilling its expectation of safeguarding the natural attractions on which their businesses are based on. The Tourism Ministry on the other hand, is perceived as not consistent and thorough in the application of laws and regulations such that the tourism investments are seen by some within the sector, especially SMEs, as high risk. While the national tourism development strategy mentions a commitment to sustainability, in practice this is not manifested in a clear programme or budget, nor in coordination of strategies and actions with the Environment Ministry. Also, policies that prioritize increasing international tourist arrivals do not incorporate guidelines and regulations to ensure that the increased demand does not result in continuing erosion of biodiversity and further degradation of coastal ecosystems.</p> <p>Moreover, the existing national classification system for hotels and restaurants developed by MITUR does not specifically address biodiversity. Specific norms and standards to regulate tourism development at the enterprise and landscape level so as to reduce and mitigate threats are lacking. In practice, this means that biodiversity management needs are not factored into licensing decisions for development. In practice, without the said national biodiversity standards, and a better capacity in both key national institutions to monitor and ensure compliance, there is a risk that biodiversity management will be sidelined. There is also a lack of incentives to drive transition of sector to a sustainable model and promote diversification to e.g. ecotourism development (fiscal, financial, grants, etc.). Industry led measures to promote and support conservation in the tourism sector and voluntary mechanisms to cultivate good corporate environmental stewardship on the part of tourism businesses are lacking. A recognized national tourism certification system would provide for this—distinguishing between the performance of companies with a solid record of stewardship, from those with a poor one.</p> <p>Several PAs around the coastal tourism regions/zones are already well established, including los Haitises, Samana, Parque Nacional del Este, etc., but the capacity of PA sites to manage tourism pressure is asymmetric. There is a need to deconcentrate tourism in heavily visited areas, where tourism is placing pressure on the environment, which will require the development of infrastructure in new areas (waste management systems, interpretation facilities, trails etc) as well as the institution of visitor pressure controls in selected PAs accompanied by systematic monitoring of coastal-marine ecosystem health in and around PAs as called for in Goal 10 of the National BD Strategy</p>
<p>Weak capacity of governmental institutions, private sector and local stakeholders to manage the indirect threats and effects derived from current and future tourism development in coastal areas</p>	<p>Decision making is overly centralized, with many decisions requiring Ministerial sign off, which might otherwise be taken at site or regional level. This situation is further exacerbated by the fact that planning processes and evaluation of impacts in competing sectors are often done from a single sector standpoint. The national land-use master plans have not factored the indirect effects of tourism development on biodiversity and ecosystem functionality and the Government’s plans to expand the tourism industry including multiplying the number of international visitors by two are not taking into account the influx of new permanent and temporary settlers that will come along with the development of tourism related infrastructure and add more pressure on sensitive ecosystems. There is also a lack of integrated land use plans and regulations and monitoring mechanisms between Environment and Tourism Ministries. EIAs that are required for specific site interventions for example do not necessarily evaluate the off-site impacts or the cumulative and synergic indirect effects of tourism development activities over larger areas on biodiversity and ecosystem health. This is of particular concern given the fragility of ecosystems in the Dominican Republic—which already suffer from fragmentation. Effective management of the indirect impacts derived from tourism (see table) is hampered by the limited capacity of the Sectorial Ministries, PA authorities, provincial authorities, municipalities and local councils to plan and execute effective measures that address the cumulative impacts of multiple and often conflicting economic sectors at the landscape level indirectly related to tourism development. Across different institutions and key stakeholders in the country , the limitations include: (i) territorial land use plans that fail to consider indirect impacts of tourism on the forestry, water, agriculture, and fisheries sectors; (ii) the significant lack of information management</p>

<p>systems that would allow the efficient integration of new information regarding indirect impacts into decision-making processes, for example regarding the placement of roads and other infrastructure including settlements; (iii) sub-optimal coverage of the PA system—in terms of safeguarding areas of highest biodiversity significance and connectivity in areas likely to be impacted by indirect pressures; (iv) weak capacity for co-management efforts at local level where cooperation between the State and communities would be critical to address threats from unsustainable utilization of wild resources—which will likely increase as a result of increasing market demand for wildlife curios and other natural resources; and (v) a limited capacity to field-test and mainstream BD conservation strategies</p> <p>There is a clear lack of knowledge among the tourism sector, the private sector and land-owners about biodiversity friendly tourism development strategies as well as the application of legal tools and incentives to adopt sustainable sector practices while maintaining or increasing household income amongst local communities. Also the staff of regional and local organizations in charge of guiding, developing and implementing territorial management plans have limited knowledge of the potential provided by environmentally friendly conservation schemes needed to maintain connectivity across the landscape and allow for the continued movement of wildlife between major habitat blocks.</p>

B. 2. Incremental /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/NPIF) or associated adaptation benefits (LDCF/SCCF) to be delivered by the project:

30. As a complement to national baseline investments in tourism and environment, the government of the DR is seeking support with this project for overcoming the above barriers and improving investment in strengthening its national capacities to ensure the conservation of biodiversity in ecologically important coastal areas threatened by the burgeoning tourism industry and associated physical development. In the absence of this project, globally significant biodiversity in the DR will continue to be lost as coastal tourism development intensifies to meet international visitor demand targets. Furthermore pressures on natural resources to sustain both growing demand and a growing tourism sector work force will lead to declines in ecosystem functionality to the point of serious loss in many areas. Protected areas will continue to lack the capacity to manage tourism pressure sustainably and prevent negative impacts and continue to deteriorate, reducing their attractiveness for future tourism activities.
31. The project arrives at a crucial time when the incoming government proposes to create a new National Tourism Development Plan which provides a critical opportunity to provide support. The requested GEF support represents a cost-effective approach to generating global benefits while supporting important development discussions among key national regional and local stakeholders. Coastal and marine biodiversity in the DR sustains a major component of the country’s GDP. The project will transform how the value of ecosystems and biodiversity is integrated into tourism development planning.
32. **Component 1. The policy, legal and planning framework in the tourism sector addresses the direct threats to biodiversity from coastal tourism developmet and activities.** The project will strengthen the regulatory framework at the national level in the Tourism and Environment ministries including a National Tourism Development Plan which will effectively mainstream biodiversity and ecosystem functionality in the tourism sector in support of the government’s commitment to a sustainable tourism model. The Plan will include guidance and regulation for the specific needs of PAs and other sensitive coastal and marine areas with regard to tourism planning and management, strengthened EIA mechanisms, permitting and licensing tools for coastal tourism development, and proscription of land uses in sensitive areas. This will be complimented by a protocol with technical and economic guidelines to advance recovery and restoration process in areas degraded by tourism activity, a system of penalties for malfeasance in the tourism sector reflecting a BD-friendly classification system and clarifications of the mandates of the different agencies responsible for enforcement. In order to monitor progress over time and provide long-term continuity, a Compliance and Monitoring System in BD-important areas will evaluate limits of acceptable change and support adaptive measures to reduce direct impacts. Protected areas contain some of the nation’s most important tourism attractions, so it is essential to implement tourism management capacities through the establishment of the threshold of sustainability for tourism in selected coastal PAs including interpretation and monitoring capacities.
33. The project will support the development and adoption by the sector of a nationally approved biodiversity-friendly certification system for hotels integrated into the MITUR classification system. A critical element will be the establishment of a multisectoral financing framework for cost-effective support for the implementation of the National Tourism Development Plan in coastal areas. In order to effectively engage the tourism industry in this transformative

process, this will include economic incentives for promoting private sector adherence to the reformed policies and regulations, adjustments to existing fiscal mechanisms to ensure the flow of appropriate levels of investment, particularly from the tourism sector and coastal developers into coastal and marine BD conservation, and enhanced capacity at MA to determine, collect and reinvest tourism-based revenues at site level.

34. **Component 2. Operational framework to protect biodiversity and ecosystems in areas highly vulnerable to the indirect effects of tourism development.** This component commissions a Strategic Environmental Assessment (SEA) of the impacts of tourism development on coastal biodiversity. This will provide critical input to land use plans and tourism permitting, in particular to the Tourism Zone Land Use Plans (POTTS) which are proposed currently for some areas and will likely be developed in other coastal areas in the next few years. Through this component the project will also use resources to support the Government and key sectors to acquire the skills for sound decision-making and coordination on land-uses in sensitive watersheds and biological corridors along the coastline likely to be further affected by the booming tourism industry based on reliable tools and updated GIS. The development of landscape level planning tools and land use plans for application by key stakeholders will help reduce pressure on sensitive ecosystems and reduce multisector conflicts by harmonizing planning, monitoring and impact mitigation measures across sectors for improved management of coastal habitats, protection from fire, conservation of water, conservation of carbon resources and management of forests. An institutionalized training program targeting MA, MITUR, MEPYD, the private sector and local authorities will, by the end of the project, have trained 300 people in conservation-compatible tourism and the application of efficient land use plans. Finally, under output 2.3 the project will demonstrate on the ground integrated natural resource management benefits which will produce BD benefits at local level. At the community level the project will support planning processes and agreements focusing on reducing conflicting land uses. It will define best uses of the natural resources and establish practices to ensure optimum management of ecosystems at local level while mapping out in parallel risks and vulnerability as well as addressing conflicts. Under this output the project will also promote a set of demonstration activities both for local actors and well as the hotel industry to identify the most appropriate conservation practices as well as management practices to address degraded areas (including sand dunes and mangroves) and identify best practices, costs and efforts needed that could be further upscaled.

35. The planned GEF alternative and derivative benefits are summarized in Annex II

B.3. 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 (LDCE/SCCF):

39. The project will ensure long term integrity and sustainability of natural coastal ecosystems and the landscapes surrounding them. This will enable them to continue to generate environmental goods and services on which populations at a range of levels are dependant. For example, along the coastline, improved protection of coral reefs, sea grasses and mangroves will, in addition to safeguarding employment in the tourism and fisheries sectors, improve resilience to the impacts of climate change and contribute to a national strategy of climate change adaptation. An improved enabling environment for diversifying the tourism product of the Dominican Republic will increase tourism spending to a greater number of local SMEs in the tourism and services sectors, increasing the economic multiplier effect and creating new jobs and a more resilient tourism sector based on a more diverse market. Improved ecosystem health will benefit communities broadly and beyond just the tourism sector. For example fisheries stocks will improve as a result of this project's investments. At site level, the principal socio economic benefits of the project will derive from the avoidance and reduction of negative tourism development impacts. The project will aim to work with key social groups depending on the natural resources in the ecosystems and productive landscapes in the selected areas. The project will benefit these communities by ensuring: a) improvement of the natural resource management skills of local community members (including women) which will contribute to reduce their vulnerability (in particular catastrophic flooding and other natural disasters as a result of the occurrence of extreme climatic events in deforested areas); b) ecological rehabilitation activities cofunded by Government and private sector actors that will provide wage income and c) strengthen planning capacities. Together with community councils and local authorities, the project will develop community based management plans to safeguard resources likely to come under increased pressure from local market demand, infrastructure development and influx of new actors into these areas. The project will not only develop actions that enhance local user's environmental management capabilities but will also strengthen their abilities to work collectively and coordinate actions with government agencies, CSOs and private actors to protect their environmental and social interests. Capacity development measures will be included to accompany local development planning processes and will amongst other things strengthen landscape level planning, administration, surveillance and control of natural ecosystems and productive landscapes, and put in place mechanisms to facilitate negotiation, conciliation and conflict management.

40. During the PPG phase studies will be carried out to determine how tourism related ecosystem degradation affect men and women differentially, and to define how to incorporate gender issues into project design, for example, through the promotion of conservation activities which actively promote the status of women while at the same time contributing to the conservation of BD. The UNDP gender marker will be utilized to ensure that gender considerations are fully addressed in all these endeavours.

B.4 Indicate risks, including climate change risks that might prevent the project objectives from being achieved, and if possible, propose measures that address these risks to be further developed during the project design:

Risk	Level	Mitigation
Political support to establish cross sectoral integration between Ministries as well as support decentralized management at site level is not forthcoming.	M	The project will mitigate this risk by seeking presidential and ministerial support and mandate for the initiative and by the promotion and facilitation of policy dialogue between the relevant ministries, in particular Tourism and Environment.
Political support for policy changes including fiscal policy adjustments and investment from the tourism private sector is not forthcoming.	M	A dialogue with industry will be undertaken as part of the process of revising policies and regulations—to obtain industry buy in and address concerns, so as to improve compliance. At an early stage the project will facilitate public-private sector policy dialogue with key trade associations OPETUR, ASONAHORES, ASOTURE, CDCT and tourism clusters. Emphasis on improving competitiveness, quality and security both of investments and of clients are will be key.
Climate change-induced changes in coastal marine ecosystem health and possible unforeseen challenges for biodiversity further undermine ecosystem functionality and services on which tourism depends, changing the baseline and increasing costs of necessary interventions.	M	Early implementation to increase management capacities of coastal marine areas and reduce threats will increase resilience to climate change impacts.

B.5. Identify key stakeholders involved in the project including the private sector, civil society organizations, local and indigenous communities, and their respective roles, as applicable:

Stakeholders	Project Implementation Role
Ministry of Environment and Natural Resources (MA) Vice Ministry Protected Areas; VM Environmental Management, VM Coastal Resources	MA is the GEF focal point and the public agency responsible for the formulation of national policy related to the environment and natural resources and to ensure the sustainable use and management of renewable natural resources and the environment. MA will be in charge of guiding activities related to BD conservation, and policy issues through the implementation of national plans and policies related to conservation of BD. Specific dependant vice ministries and Directorates listed may be involved to a greater or lesser degree with specific aspects of implementation.
MITUR - Ministry of Tourism VM Técnico; Viceministerio Planificación y Desarrollo	Regulates and promotes the tourism sector. Will be co-implementer for several core Outputs of this project.
Dominican Council of Fishing and Aquaculture	Fishing and aquaculture activities fall under the jurisdiction of the DCFA, established by the Law No. 307 in 2004.
MEPYD -Ministerio de Economía, Planificación y Desarrollo	Responsible for land use planning and key role in determining financial flows, national budgets and so on.
ANAMAR - Autoridad Nacional de Asuntos	Newly created government research and conservation agency with budget. The Ministry of

Stakeholders	Project Implementation Role
Marítimas	Environment is a member of ANAMAR's Administrative Council.
OPETUR Tour operator association	A key actor in the sector mobilizing hotel guests and cruise passengers to coastal destinations.
ASONAHORES- The National Hoteliers Association	A key actor in the Tourism sector, its members have developed large extensions of coastline.
ASOTURE	National Tour Operator Association
Consortio Dominicano de Competitividad Turística (CDCT)	Groups the regional tourism clusters to promote competitiveness, sustainability and equity in the tourism sector. Functions of the consortium include providing technical assistance to the clusters on environmental protection, community engagement, product diversification and SME promotion.
UNIBE – Tourism Business School	Source of tourism research and research capacity .
Regional Tourism Clusters	Each region including those of the Pilot Project sites has a tourism cluster grouping tourism related SMEs and local organizations with an interest or involvement in tourism.
Fundación Taigüey	Managing a program on Certification of Sustainable Tourism - Kiskeya Alternativa
Red Dominicana de Turismo Rural (REDOTUR)	Promotes rural tourism. Supported by UNDP small grants programme MIMARENA, MITUR and CORDAID
Grupo Jaragua	National NGOs working on coastal-marine issues.
Reef Check	UNDP small grant recipient for La Caleta. Thematic expertise nationally.
CEBSE	Center for the Conservation and Eco-Development of the Samana Bay and its surroundings.
Centro de Investigaciones de Biología Marina (CIBIMA)	At Universidad Autonoma de Santo Domingo Civil society organizations make an important contribution to the management of PAs surrounding landscapes and to obtaining resources. They will be involved early on in providing technical assistance for the implementation of the project.
Municipalities	Responsible for overseeing land-use management at local level, within their areas of jurisdiction, for ensuring that management strategies are appropriate to local needs and for ensuring that the needs of local stakeholders are taken into account in the definition of management strategies.
Local communities	Local communities and rural users of natural resources will be direct beneficiaries of the project in terms of enhancing capacities for governance systems, planning issues, participation tools.

B.6. Outline the coordination with other related initiatives:

41. This project will build on and complement a number of initiatives being implemented currently in the areas of biodiversity conservation and sustainable tourism development. GEF/UNDP is supporting the MA's Re-Engineering of the PA system project. This focuses on establishing the institutional and legal framework required to facilitate the financial sustainability of the PA system. Key outcomes of this project will serve as a critical input to the current project. For example the current project will ensure that the PA valuation and fee systems proposed will be adopted and implemented at PAs in the two key project areas. The GEF/UNDP/UNEP CLME Program to develop ecosystem-based fisheries zoning plans on the coral reefs and regulatory framework at Montecristi NP will form an integral part of the current project. The project will also incorporate lessons learnt in the field of local land use planning and application of natural resource management tools from an earlier GEF funded initiative through UNDP: Sustainable Land Management in the Upper Sabana Yegua Watershed System which operated in an area of influence of the Montecristi bay. During the PPG phase, the project will also identify coordination mechanisms with key partners such as IDB, USAID and TNC and build upon the work currently underway described in the baseline section. The project will incorporate experiences learnt and scale up relevant site specific

management and planning tools developed by these partners. In particular the project will capitalize on the progress made on tourism diversification, regional tourism clusters and private sector engagement especially in the la Romana –Bayahibe area, Parque Nacional del Este and in Punta Cana.

C. DESCRIBE THE GEF AGENCY’S COMPARATIVE ADVANTAGE TO IMPLEMENT THIS PROJECT:

42. UNDP provides a comparative advantage for this project given its strengths as a development agency with a mandate to lead the UN’s work on environment, risk reduction, poverty reduction and governance issues. UNDP has a strong and significant experience in working with productive economic sectors, specifically including initiatives to mainstream BD into their practices as well as with the management of PAs in Latin America, the Caribbean and worldwide. UNDP’s work on BD and environmental management through past and ongoing initiatives at the national and regional level has resulted in a strong relationship with the GoDR that will facilitate effective actions by government executing agencies and stakeholders participating in this project. In addition, UNDP’s extensive experience in developing governance frameworks and inter-sectoral coordination will be of great benefit to the project. The project will not only benefit from UNDP’s extensive experience in the field of sector and landscapes management but will also build upon its current initiatives addressing BD mainstreaming in the tourism sector such as Jordan and Cuba as well as in other productive sectors such as mining and forestry(Colombia, Mexico)

C.1 Indicate the co-financing amount the GEF agency is bringing to the project:

43. UNDP’s comparative advantage lies in its capacity to broker finance from national and international sources to assist countries to meet their environmental finance needs. In line with UNDP’s mandate as chair of the UNDG, it plays a key role in the leveraging of resources from a range of funding sources in the construction of a project funding packages. UNDP has brokered US\$350,000 for this project from multiple sources, to be confirmed during further project preparation. UNDP also will provide in-kind support through its broader governance portfolio and through a range of technical staff working in the environment program

C.2 How does the project fit into the GEF agency’s program (reflected in documents such as UNDAF, CAS, etc.) and staff capacity in the country to follow up project implementation:

44. The proposed project is in line with the 2012-2016 United Nations Development Assistance Framework (UNDAF) agreed between the Government of Dominican Republic and the UN, in particular in the cooperation area of “Environmental Sustainability and Risk Management”, with its stated outcome “By 2016, the State and Civil Society work together to contribute to a sustainable environmental management”. The project also is aligned with UNDP Dominican Republic 2012-2016 Country Programme Document, which identified the need to improve the sustainability of the tourism sector and sustainable management of natural resources, and agreed with the Dominican government to contribute with the development of capacities to design and implement policies, tools and actions for sustainable development, in order to guarantee the supply of critical ecosystem goods and services”. In this regard, the UNDP commits through the project to support capacity building at the national, regional and local levels. UNDP Dominican Republic has a well-established group of professionals in its environment team that will support project implementation, composed of 04 individuals who have worked for many years on the design, implementation and monitoring of GEF projects in BD, SLM, CC and POPs. This team will receive technical support from the specialists in UNDP’s Environment and Energy Practice in the Latin American Regional Service Centre, as well as technical backstopping from UNDP’s global network of specialists.

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 template).

NAME	POSITION	MINISTRY	DATE(MM/dd/yyyy)
Patricia Abreu Fernández	Deputy Minister for International Cooperation	Ministry of Environment and Natural Resources	DECEMBER 19, 2012

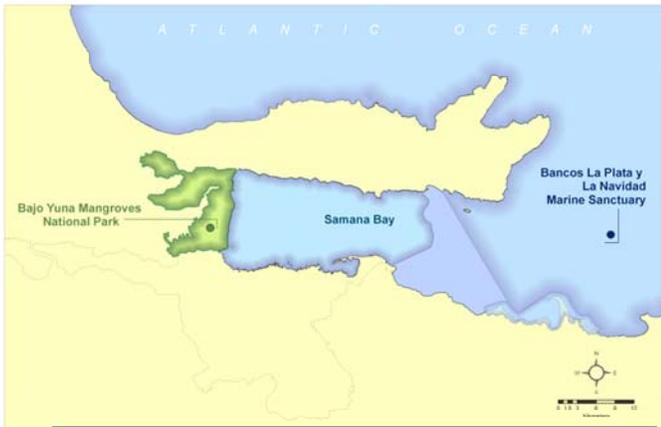
B. GEFAGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF/LDCF/SCCF/NPIF policies and procedures and meets the GEF/LDCF/SCCF/NPIF criteria for project identification and preparation.					
Agency Coordinator, Agency Name	Signature	Date (MM/DD/YY YY)	Project Contact Person	Telephone	Email Address

Yannick Glemarec, UNDP/GEF Executive Coordinator		December 19, 2012	Lyes Ferroukhi, Regional Technical Advisor, EBD	+507 302-4576	lyes.ferroukhi@undp.org
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ANNEX I: Maps of Project sites

a) Samana-Los Haitises Complex



b) Montecristi –Estero Hondo Complex



c) Distribution of coral reefs in nthe Samana-Los Haitises complex - ReefBase (2005).



Annex II: The planned GEF alternative and derivative Global Environmental Benefits

Current Practices	Alternatives to be put in place by the project	Global Environmental Benefits
<p>Tourism and Environment Ministries work independently on tourism policy, planning and coastal land use planning.</p> <p>Biodiversity management not effectively integrated into tourism development planning.</p> <p>Protected areas have no systematic dialogue with tourism industry.</p> <p>Insufficient capacity of PA authorities to address increased tourism pressure and threats to biodiversity and ecosystem functionality from tourism in buffer zones.</p> <p>No engagement of PA management with local community stakeholders to address threats in buffer zones and surrounding landscapes</p> <p>Degradation of mangrove forests, wetlands, dunes and beaches by tourism infrastructure development and population expansion in the wake of tourism development.</p> <p>Local authorities and other local stakeholders not engaged in coastal land use planning.</p> <p>No monitoring of freshwater quality e.g., sedimentation.</p>	<p>A Strategic Environmental Assessment (SEA) facilitates mainstreaming of biodiversity and ecosystem functionality into the National Tourism Development Plan.</p> <p>Tourism and Environment Ministries at national and regional level engage in policy dialogues and project interventions with the private sector</p> <p>12 protected areas in two critical project areas establish the threshold of sustainability for tourism.</p> <p>Capacities of PAs to engage systematically with local communities</p> <p>Multisectoral land use development plans (POTTs) circumscribes development of tourism infrastructure in sensitive areas (PAs and other important areas) and include measures to reduce pressure elsewhere</p> <p>Coastal zone management plans provide tools for regional and local authorities to monitor threats and control sources of degradation .</p> <p>Biodiversity offset programmes used by tourism industry and local authorities</p> <p>Regional tourism clusters engaged in coastal zone management planning.</p> <p>Pilot project areas at Samaná and Montecristi have integrated land use plans, strengthened management capacity. Improved visitor experience, (interpretation programmes, infrastructure) improved ecosystem functionality and effectively maintained or increased populations of turtles, manatees and reef fish.</p> <p>Established indicators, standards and monitoring capacity of freshwater quality in selected watersheds that have a strong influence on coastal ecosystem functionality.</p> <p>Improved management practices and connectivity over an area of 7000ha in key BD rich areas of Samana and Montecristi including: rehabilitation of degraded dunes, wetlands and mangrove areas and improving management (e.g. reducing plastic waste, protecting freshwater flows into the sea for manatees, elimination of sea grass removal), reversing ecosystem degradation process.</p>	<p>Conservation of critical habitats through improved management effectiveness in addressing visitor pressures in 12 coastal and marine PAs</p> <p>Local communities adopt biodiversity compatible livelihoods and practices that reduces threats and improves habitat integrity and connectivity</p> <p>The tourism sector has improved its decision making processes and management with regards to biodiversity resulting in better conservation status of ecosystems and species and increase in connectivity of key ecosystems.</p> <p>No net loss of habitat and ecosystem functionality in 15,403 ha. of mangroves in two project areas</p> <p>Reduced fragmentation and sedimentation at two project sites (7,000 ha.)</p> <p>Conservation status of wild resources threatened by over-harvesting improved</p>