



Netherlands Commission for
Environmental Assessment

CAPE VERDE (ORIO11/CV/21)

Quick Scan (Review) of the Draft ESIA for the ‘Maintain and develop Cape Verde as an attractive cruise destination’ Project



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Advice of the Secretariat

To RVO

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From The Netherlands Commission for Environmental Assessment (the NCEA)

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Subject Quick Scan (Review) of the draft ESIA for the 'Maintain and develop Cape Verde as an attractive cruise destination' project – April 2015

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Glossary

CV	Cabo Verde/Cape Verde
DGA	Direção Geral do Ambiente (Ministério do Ambiente, Habitação e Ordenamento do Território) (DG environment)
ENAPOR	Ports of Cape Verde – Portos de Cabo Verde (Empresa Nacional dos Portos)
ESIA	Environmental and Social Impact Assessment
ESMP	Environmental and Social Management Plan
IFC	International Finance Corporation
NCEA	Netherlands Commission for Environmental Assessment
ORIO	Facility for Infrastructure Development
PS1	IFC performance standard 1
RVO	Netherlands Enterprise Agency
SIA	Environmental Information System (sistema de informação ambiental)

1. Introduction

The global cruise market has shown an ongoing increase in numbers of tourists. To accommodate the demand new vessels are launched with larger capacity. The market is predicted to grow further. One of the key growth strategies of the Cape Verdean government is the transformation of the Cape Verdean economy into an internationally competitive, maritime-oriented and services-based economy. This effort is led by the tourism industry as the economy's most dynamic growth sector that aspires developing Cape Verde as an attractive cruise destination.

In that context the Cape Verdean Ministry of Infrastructures, Transports and Telecommunications, represented by its executive vehicle ENAPOR, has proposed a project with the objective to contribute to national economic growth by developing Cape Verde as an attractive cruise destination. The project comprises the realization of a dedicated cruise ship terminal and auxiliary facilities in the port of Porto Grande at Mindelo on the island of Sao Vicente and the development of the local tourist industry (local offer of touristic products) in Sao Vincente and St. Antão. The Ministry of Infrastructures, Transports and Telecommunications has applied to the Dutch ORIO facility for project funding. This facility is managed by the Dutch Enterprise Agency (RVO). According to the Cape Verdean EIA regulation, this project is subject to environmental impact assessment (EIA). A draft ESIA report was submitted to ORIO in April 2015. The RVO has requested the Netherlands Commission for Environmental Assessment (NCEA) to advise on the quality of the ESIA. In addition to the ESIA, the RVO has made available to the NCEA the project related ORIO Application Form and the Mindelo, Cape Verde Comprehensive Cruise Market Assessment, to which the ESIA refers.

In this report the NCEA presents the conclusions of the Quick Scan review that it has undertaken of the ESIA report. The review is done having taken knowledge of the information contained in the ORIO Application Form and the Cruise Market Assessment. Note that the NCEA does not express an opinion on the project itself, but comments on the quality and completeness of the ESIA. In the case of shortcomings, the consequences for decision making are assessed and recommendations are given for supplementary information needed to address these shortcomings. The NCEA advice is intended to inform decision-making at the RVO on project funding, and the funding conditions. Also the local authorities may benefit from the advice.

1.1 Approach to this Quick Scan

This Quick Scan review advice is a so-called NCEA 'Advice of the secretariat'. It has been prepared by the technical secretaries of the NCEA, by means of a desk study. Input has been provided by two external experts: Mr Gerco de Jong (environmental, ESIA and port safety expert) and Mr Van Maanen (hydrogeology and water expert). Note that a Quick Scan review neither constitutes a full in-depth, technical review of the ESIA report, nor are conclusions verified on the ground with a site visit¹. In the next chapter, the main overarching observations of the NCEA are set out. Here we address the key focal points for this ESIA. In chapter 3 we give more detailed comments on each aspect of the ESIA, taking into account to Cape

¹ Not having visited the project site and the receiving environment, the NCEA secretariat cannot guarantee the relevance of all observations it has made in this Quick scan. A site visit would facilitate a kind of 'scoping after the fact' and lead to an improved and more funded review advice that could provide guidance to formulation of a better ESIA.

Verdean EIA requirements. In 3.2 the NCEA summarily assesses the compliance of the ESIA with the IFC Performance 1 'Assessment and Management of Environmental and Social Risks and Impacts'.

2. Key observations

2.1 The ORIO application

The NCEA

- The ESIA describes a project that is different from the project proposed in the ORIO application². From the ORIO proposal and specifically from the market study, it becomes clear that the receiving tourist industry in São Vicente and St Antão (the 'soft infrastructure', page 71 of the Cruise Market Assessment) is not up to standard and that making the investment in the cruise terminal without developing the receiving tourist infrastructure is possibly a risky investment. Development of the local tourist industry is therefore made part of the proposed project in the ORIO proposal. The ESIA does not address this element of the project and focusses on the physical infrastructure only.
- The ORIO application proposes for development of the 'soft infrastructure' (result 6) a budget of 100.000 euro while the proposed budget for the hard infrastructure amounts € 30.000.000.
- The NCEA recommends:
 - to see to it that all documents are coherent and address the same project;
 - to ascertain that the budget figure for the local sector development element of the project is the correct figure.

The ESIA

The ESIA includes substantial valuable information on potential environmental and social impacts of the construction and functioning of the proposed cruise terminal and increased influx of tourists. Notably the analyses of the degree of pollution of the to be dredged materials and the ecological study of Sao Vicente merit to be mentioned in this context. However the NCEA also observes that:

- the ESIA neither satisfies the Cape Verdean requirements on EIA, nor the performance standard 1 of the International Finance Corporation (IFC);
- the technical content of the ESIA does not allow for an adequate judgement of all possible environmental and social impacts and is specifically deficient on the following aspects:
 - the project is not justified referring to Cape Verdean declared (enacted) policy and Cape Verdean planning decisions made;
 - the project description is incomplete;
 - the ESIA does not consider alternatives;

²The information in the ESIA is not always coherent with the information in the ORIO-application. Some examples:

- Lay-out of the terminal: Figure 1 and 2 of the application and figure 1.2. in the ESIA. The application seems to date from 2011 or 2012 and includes a much more modest berth than described in the ESIA from 2015. The question seems justified whether the information contained in the application, under which the figures, is still correct.
- 4.4.3 of the ESIA with regard to the contribution to climate change and p. 42 of the application differ in their conclusions as the ESIA indicates: 'no contribution', application indicates 'contribution'.

- relevant potential impacts have not been addressed;
- the ESIA presents no proof of stakeholder consultations;
- the ESIA does not include a compliant Environmental and Social Management Plan and monitoring plan.

- The NCEA recommends to supplement the ESIA on the aspects mentioned.

3. Overall review and conformity with national EIA procedure of Cape Verde

3.1 Introduction

The basis for EIA in Cape Verde is law no 86/IV/93. Article 30 imposes EIA and article 33 imposes environmental licensing. Decree-law 14/97 determines the contents of an EIA report (in its annex 1). The Cape Verdean regulatory framework does not include scoping but its Environmental Information System (SIA)³ provides guidance on the required structure of the EIA. Decree-law 29/2006 determines for which activities EIA should be done and how it should be done. Ports and port installations should go through EIA (number 10), as should dredging activities (number 11).

The EIA legislation of Cape Verde does not distinguish A or B category EIAs. However, the activity described in this project does fall under the EIA subject activities as described in Decree-law 29/2006. This implies that an EIA might need to be submitted to the relevant Cape Verde authority for approval.

Although the ESIA refers to the Cape Verdean EIA legislation, it does, according to the NCEA, not apply in sufficient detail the structure indicated on the SIA website. The DG Environment (DGA) is not mentioned in the list of interviewed institutions and has probably not been consulted. By law 29/2006 article 13. 4. the DGA must approve the team that prepares the EIA. The ESIA does not present information that the team that prepared it has been approved by DGA.

- The NCEA advises to double check with the Cape Verdean EIA authorities if the project is following the appropriate procedural steps, confirm the application of the full EIA requirement and check EIA requirements that apply when the ESIA report will be submitted to DGA.

In the following paragraph, the review follows the structure (not the numbering) of the EIA as proposed by the SIA, addressing only the chapters on which NCEA has observations.

³ <http://www.sia.cv/index.php/avaliacao-de-impacte-ambiental-aia/estrutura-do-eia>

3.2 Review findings

3.2.1 General observations

- The draft ESIA-report is not finished. It includes observations (in blue) and questions that amongst others ENAPOR should answer (e.g. pages 11, 13 and 80, sections that ENAPOR should fill in and comments from FFCD (pages 2 and 5; unclear who/what FFCD is).
- Presentation:
 - the ESIA report does not follow instructions of the Cape Verdean Directorate General for the Environment (DGA) as published on the SIA website of Cape Verde on structure of the ESIA. Instead of following the required structure, it describes baseline, potential impact, mitigation measures and monitoring issues per resource. The result of this approach is that the report becomes much less accessible and clear;
 - tables in the main text body and in annexes 2 and 3 are difficultly readable.
- The ESIA does not make clear for which decision(s) the ESIA is prepared and which authorities are competent to take the decision(s).
 - For a next draft of the ESIA, the NCEA advises to include the contributions of all partakers in the project, to follow the structure as proposed by the DGA, to improve readability of tables and to include details on decision-making procedures in Cape Verde

3.2.2 Legal and policy context

The ESIA chapter (2) on Legal Policy and Regulatory Framework:

- does list applicable laws, decrees and conventions but does not deduct from these the set of environmental and social requirements, norms and standards with which the proposed project must comply. Hence, on the basis of this ESIA it cannot be judged whether the proposed project will indeed comply with all relevant requirements;
 - The NCEA recommends to include in the ESIA information (tables) that presents the applicable agreements and conventions, laws, decrees and norm and standard sets and describes qualitatively and quantitatively their implication for the proposed project.
- Does not justify the project in relation to the Cape Verdean development policy and planning in force. From own verification of documentation published on the internet, the NCEA observes that :
 - the project is not foreseen in the most recent tourism sector development strategy for Cape Verde (2010–2013);
 - the inventory of the Sao Vicente tourism infrastructure (2014) does not make mention of the proposed project;
 - the project is not mentioned in the 2012 spatial plan (EROT) for Sao Vicente;
 - the project is not mentioned in the list of ENAPOR projects for Porto Grande. ENAPOR, however, does make mention (in its list of projects for Porto Grande) of a project of establishing a new container terminal on the opposite shore of the Mindelo bay (the same bay in which the Cruise Terminal will be established). Although the

project design dates back to 2004 and concrete dates for its execution are not mentioned on the ENAPOR website, the plan does not seem to be abolished. The ESIA leaves this plan undiscussed.

- The NCEA recommends that the ESIA addresses the status of the ENAPOR plan. If execution is still on the agenda, it should be mentioned under the chapter 'autonomous development' and various chapters of the ESIA should assess the impact of the proposed cruise terminal as cumulative to impacts of this already planned port development. Moreover, if the plan is still on the agenda, it opens opportunities for development of possibly less environmentally invasive and cheaper alternatives for the proposed cruise terminal on the existing container terminal.
- As there is no reference to any relevant sector, spatial and tourism policy in the ESIA, it cannot be checked whether this initiative fits within the priorities of Cape Verdean Government. The ESIA should further elaborate on this aspect.

3.2.3 The description of the project

The NCEA observes the following:

- The description of the project brings little detail on many aspects of the project. This is specifically problematic if impacts and risks may be expected from the aspect to be described. Aspects for which too little detail is given and on the basis of which no impact or risk assessment is possible include:
 - reclamation of the marina beach (may influence geohydrology);
 - environmental characteristics at the location where 96.000 m³ of dredged material will be dumped (location may have values, e.g. currents may change);
 - building materials needed and their quarrying. ESIA states that materials will be mostly of local origin but gives no mining locations and quantities;
 - time line indicating the various development activities;
 - port safety:
 - existing and future handling of hazardous materials and fuels;
 - projections in time of port calls (in addition of cruise calls and taking into account the planned new container port in the bay of Mindelo);
 - contingency plans, emergency and oil spill response and emergency response equipment;
 - nautical safety:
 - projections of nautical movements in time per category;
 - organisation of nautical safety;
 - equipment necessary to facilitate nautical safety;
 - infrastructure for port access, circulation plan;
 - cruise ships' expected use of port services: water and fuel bunkering and acceptance and treatment of garbage, waste water, bilge water and dirty ballast water, the capacity of Porto Grande to adequately deliver these services and the expected environmental and social impacts thereof (Porto Grande is not ISO 16304 certified);
 - handling of hazardous materials.
- Phasing of the project: the ESIA distinguishes planning and preparatory phase, construction phase and operational phase. The decommissioning phase of the project is not

described (as required by DGA). The ESIA justifies not describing the decommissioning phase referring to the expected life time of the terminal. This expected lifetime is not given.

- Employment offered by the project in various phases is not given.
 - Development of additional infrastructure (power lines, water etc.) is not described.
 - Paragraph 3.4.4 of the ESIA mentions a volume to be dredged of 105.000m³. The ESIA does not provide information (detailed map with dredging locations and quantities) that allows to verify the correctness of this figure. Also, the ESIA does not describe the location where 96.000 m³ of the dredged material will be disposed. Dredging can be done in various ways, with, depending on the equipment used, varying levels of environmental impact. The ESIA does not describe the dredging method that will be applied, and hence, the environmental impacts cannot be assessed.
- The NCEA recommends to include a more complete description of the project activities in the ESIA, allowing the reader to fully understand what exactly is being proposed, including all the aspects listed above which are currently lacking. On the basis of this more complete description of the project the NCEA recommends to repeat scoping to identify additional issues that need to be addressed in the following chapters of this EIA.

3.2.4 Alternatives

The ESIA presents a justification for not studying alternative locations for the terminal. Alternatives for speed of tourism development (e.g. in line with the speed of development of the 'soft' local tourism infrastructure), types of vessels the terminal must be able to accommodate, capacity of the terminal (e.g. phased development), terminal lay out, relating infrastructure etc. are not described in the ESIA. Some alternatives seem to have been studied, as the ESIA makes reference to a marked study (July 2014) and scenario's in that study. The alternative scenario's themselves have however not been included in the ESIA. Probably the conclusions of this market study determine the package of requirements for the cruise terminal⁴. NCEA wonders whether this package has indeed been formulated⁵. If it has been formulated it is not reproduced in the ESIA.

- Good practice EIA usually puts specific emphasis on the development of alternatives, requiring a separate chapter with a full description of realistic alternatives, allowing comparison of costs and benefits of each alternative, and associated mitigation measures. If this is not possible, the consultant is required to provide an explanation and a justification of the choices made. Yet, the NCEA notes there is very limited information on alternative options to the project. Therefore, the NCEA recommends a more elaborate description of alternative options to the project, to such an extent that equal comparison of alternatives is made possible. Interesting alternatives to consider would for example be the ones mentioned above.

⁴ Including requirements with regard to port services and local tourism infrastructure.

⁵ If the package has been formulated it cannot have been used as basis for the ORIO application (which dates back to 2011).

3.2.5 Base line and autonomous development

The NCEA has the following observations:

- The ESIA presents very few base line data in a quantified way. As a consequence, comparison with norms and standards and measuring/judging of project impacts are impossible.
 - The ESIA correctly describes the baseline with regard to the quality of the dredged material and credibly motivates that, according to Dutch regulations, there are no limitations (in terms of quality) to dispose of the material.
 - Without plausible argumentation, the ESIA states that maintenance dredging is expected not to be necessary. The ESIA doesn't give information on possible existing or future to be expected sediment transports. The statement that maintenance dredging will not be necessary cannot be verified.
 - The ESIA states (page 34) that coastal infrastructures are already vulnerable to the climate and will be more vulnerable due to climate change. Thus climate change must have consequences for design parameters for the cruise terminal project. The ESIA does not make projections (over the life time of the terminal) of the development of climate change related parameters like mean sea level, currents, wave height and direction in extreme conditions, frequency and seasonality of extreme conditions (storms) and wind speed in extreme conditions. It does not describe which extreme values have been chosen as design parameters for the infrastructure, and how these have worked out in the design and in management prescriptions for the terminal.
 - The ESIA states that salt intrusion in coastal aquifers is a problem in São Vicente but does not specify the locations where the problems are located. This can be relevant as the project involves dredging along the coast. Dredging can pierce impermeable layers and cause or increase salt water intrusion. If this will not be the case, the ESIA should have made that credible.
 - Drinking water: NCEA doubts the figures given in the ESIA (6.600 m³/day in 2009). NCEA found São Vicente's production levels of drinking water to be 3.200 m³ per day for 2010 while demand was 5000 m³ per day. In 2010 drinking water supply to cruise ships and to visiting tourists concurred with drinking water supply to inhabitants. The ESIA should provide reliable information on the 2015 situation.
 - Soil quality at the landside and water quality in the port and bay: the assessment is not, but should be part of the ESIA.
- The NCEA recommends a revision of this chapter on baseline information and autonomous development along the lines of the above observations. Specific attention will need to be paid to the verifiability of the information.

3.2.6 Impacts

- With exception of the quality of Dredged materials and ecological impact of dredging in de bay of Mindelo, nearly all impacts are described utterly summarily and qualitatively. The appreciation of their importance lacks a thorough basis.
- In general, impacts of dredging have been addressed in sufficient detail, but impacts of dredging on wave penetration in the harbour under normal conditions and under extreme situations (including climate change effects) have not been assessed.

- Impacts of disposal of 96.000 m³ of dredged materials have not been addressed. What has correctly been assessed is their granular composition and degree of pollution, leading to the conclusion that, according to Dutch standards, they can be disposed of on open sea.
 - The ESIA shows that the highest levels of pollution in materials to be dredged are found near-shore and, not surprisingly, coincide with the highest levels of silt and clay in the material. Silt and clay will remain suspended over longer times than the coarser fractions sand and gravel. As a consequence, the pollution that is present will probably partly disperse over Mindelo bay if no low turbidity generating equipment is used for dredging. The ESIA does not identify this specific risk but does propose to mitigate it by carefully selecting the dredging method. This is all the more important as the cruise ships will time and again re-disperse the sediment (page 58) in the bay. The ESIA (ecological study) has assessed that marine fauna can cope with temporary (<3 weeks) exposure to turbidity. It has not assessed the impact on the fauna of permanent (10 times a week repetitive from cruise ships and additional times if the proposed container terminal will materialize) exposure to turbidity caused by the vessels.
 - The study area in the ESIA is limited to São Vicente. The project, however, will have impacts on both São Vicente and St. Antão, as the tourists are also foreseen to make day-trips to St. Antão. The receiving environment and impacts on St Antão and the route in between should also have been addressed in the ESIA.
 - Cumulative impacts of the proposed cruise terminal and the projected container terminal in the same bay of Mindelo are not addressed.
- The NCEA recommends to provide additional information on those impacts which are currently described insufficiently or are lacking in this ESIA report, These should be formulated in a SMART way as much as possible.

3.2.7 Environmental Management Plan

- The choice of mitigating measures is not underpinned and justified; the effectiveness of mitigating measures and the impacts of the measures themselves and residual impact are not assessed.
 - Annex 3 summarises mitigation measures. It remains unclear who will be responsible for application of these mitigation measures, when they will be implemented and whether the cost of their implementation is part of the project budget or coverage (and implementation of the plan) is guaranteed from other sources. In this sense Annex 3 cannot be considered as a being part of a valid Environmental and Social Management Plan (ESMP).
- The NCEA recommends the elaboration of an ESMP, and its direct integration in the ESIA report. The EMP should present its information in a form allowing for a quick and accessible overview of 1) project impacts (type and significance), 2) their mitigation including agencies responsible for mitigation and budget requirements and coverage, 3) residual impacts (after mitigation), so that the decision maker can easily appreciate the acceptability of the proposed project.

3.2.8 Monitoring plan

Annexe 3 summarises monitoring items. It remains unclear who will be responsible for implementing monitoring, and whether the cost of monitoring is part of the project budget or coverage is guaranteed from other sources. In this sense Annex 3 cannot be considered as a being part of a valid Environmental Management Plan.

- Similarly, the NCEA recommends the elaboration and integration in the EIA report of a detailed plan to monitor implementation of the ESMP. This monitoring plan should specify per impact the parameters to be monitored and the agency responsible for monitoring. The plan should also assess the institutional capacity of the responsible agency (agencies) and reporting obligations on project monitoring. The monitoring plan can be integrated in the ESMP.

3.2.9 ESIA conclusion

The NCEA has the opinion that the ESIA comes to conclusions on the basis of too little information of too low quality.

- The NCEA concludes that the ESIA does not comply with Cape Verdean regulations and requirements on EIA and recommends, before submitting the ESIA to the DGA, to supplement the ESIA following the NCEA recommendations given in each paragraph above.

3.3 Conformity with IFC performance standard 1

Performance standard 1 (2012) states in Guidance note 27 that the national legislation is leading in the question whether a full scale ESIA is required or a limited or focussed ESIA will suffice. Decree-Law 29/2006 does not distinguish EIA categories. To comply with PS1, full scale e.i.a. is applicable to this project.

In addition to the requirements of the Cape Verdean EIA regulatory framework, PS1 requires early stakeholder analysis and engagement planning (para 25 – 28), disclosure of project information (para 29) and consultation of the public (para 30). The ESIA presents no information on public consultation events. In the case of this project this is particularly important as the development of the 'soft tourism infrastructure', (condition for success of the project according to the cruise market study) requires involvement of many stakeholders.

On the consultation issue, the ESIA does thus not comply with the PS 1, nor with good practise EIA.

- The NCEA recommends to supplement the ESIA process with public consultation actions and reports as soon as possible i.e. motivated identification of stakeholders (individuals and groups)⁶ report(s) on the stakeholder consultation meetings, a listing of stakeholder's views and standpoints and a reaction of the proponent on how these views and standpoints will be taken into account.

⁶An explanation of their interest in the project and how the project might affect their employment and/or current livelihoods.