



Part I: Project Information

GEF ID

10778

Project Type

FSP

Type of Trust Fund

GET

CBIT/NGI

CBIT No

NGI No

Project Title

Gulf of Fonseca Transboundary Management

Countries

Regional

Agency(ies)

World Bank

Other Executing Partner(s)

Comisi?n Centroamericana de Ambiente y Desarrollo

Executing Partner Type

Others

GEF Focal Area

International Waters

Sector

Taxonomy

Focal Areas, Land Degradation, Sustainable Land Management, Sustainable Forest, Integrated and Cross-sectoral approach, Restoration and Rehabilitation of Degraded Lands, Community-Based Natural Resource

Management, Sustainable Livelihoods, Ecosystem Approach, International Waters, Fisheries, Pollution, Nutrient pollution from Wastewater, Nutrient pollution from all sectors except wastewater, Biomes, Learning, Aquaculture, Coastal, Transboundary Diagnostic Analysis and Strategic Action Plan Preparation, Influencing models, Strengthen institutional capacity and decision-making, Transform policy and regulatory environments, Stakeholders, Local Communities, Civil Society, Non-Governmental Organization, Communications, Education, Behavior change, Public Campaigns, Awareness Raising, Type of Engagement, Partnership, Information Dissemination, Consultation, Participation, Beneficiaries, Private Sector, Individuals/Entrepreneurs, SMEs, Gender Equality, Gender results areas, Capacity Development, Access and control over natural resources, Participation and leadership, Access to benefits and services, Gender Mainstreaming, Sex-disaggregated indicators, Capacity, Knowledge and Research, Knowledge Exchange, Knowledge Generation, Enabling Activities, Targeted Research

Rio Markers

Climate Change Mitigation

No Contribution 0

Climate Change Adaptation

Significant Objective 1

Biodiversity

No Contribution 0

Land Degradation

No Contribution 0

Submission Date

9/18/2022

Expected Implementation Start

7/28/2023

Expected Completion Date

7/28/2028

Duration

36In Months

Agency Fee(\$)

475,000.00

A. FOCAL/NON-FOCAL AREA ELEMENTS

Objectives/Programs	Focal Area Outcomes	Trust Fund	GEF Amount(\$)	Co-Fin Amount(\$)
IW-1-1	Strengthen blue economy opportunities through sustainable healthy coastal and marine ecosystems	GET	5,000,000.00	108,134,300.00
Total Project Cost(\$)			5,000,000.00	108,134,300.00

B. Project description summary

Project Objective

To improve the capacity of participating countries to manage the transboundary natural resources of the Gulf of Fonseca, including for climate change adaptation

Project Component	Component Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
Component 1: Strengthen the strategic and regulatory framework for transboundary management of coastal resources of the Gulf of Fonseca	Technical Assistance	Preparation and endorsement of key documents for transboundary management of the Gulf of Fonseca (Transboundary Diagnostic Analysis; Strategic Action Program). These are the two key strategic documents for transboundary management of the Gulf of Fonseca that once endorsed by the riparian countries will help build the foundation for effective transboundary management of natural resources in the Gulf of Fonseca.	1.1 Transboundary Diagnostic Analysis (including climate change impacts) jointly prepared and endorsed at ministerial level in Honduras, El Salvador and Nicaragua. 1.2 Strategic Action Program (SAP) jointly prepared and endorsed at ministerial level in Honduras, El Salvador and Nicaragua.	GET	2,000,000.00	2,000,000.00

Project Component	Component Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
Component 2: Build capacity for the improved management of the Gulf of Fonseca	Technical Assistance	Enabling framework created for the improved transboundary management of the Gulf of Fonseca coastal resources, (Institutional Strengthening; Environmental, social and economic monitoring; Communication awareness raising, learning, and project monitoring ; Sustainable community investments)	<p>2.1 Institutional Strengthening . Enabling framework in place for transboundary management;</p> <p>2.2 Environmental, social and economic monitoring;</p> <p>2.3 Communication, awareness raising, learning, and project monitoring (&150,000);</p> <p>2.4 Small pilot grants program and potential pilot projects financed (minimum of 30 small grants) seeking opportunities to incentivize the entrepreneurship and participation of women in nature based sustainable resource management (Sustainable</p>	GET	2,765,000.00	100,985,048.00

Project Component	Component Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
			community investments).			
				Sub Total (\$)	4,765,000.00	102,985,048.00
Project Management Cost (PMC)						
	GET		235,000.00			5,149,252.00
	Sub Total(\$)		235,000.00			5,149,252.00
	Total Project Cost(\$)		5,000,000.00			108,134,300.00

Please provide justification

The PMC will aim to ensure project efficiency and efficacy through effective project management, the establishment of a system to monitor and evaluate project performance (including GEF indicators), as well as maintenance of the project's participation and consultation mechanisms. This will support the project implementation unit of CCAD in the implementation of project activities, financial management and procurement, overall monitoring of project results, production of progress reports, and ESF compliance, including the establishment of a culturally appropriate grievance redress mechanism. The component will also strengthen mechanisms for transboundary collaboration in the Gulf and the implementation of the project through a regional steering committee and project implementation unit. This component will establish dialogue with the line ministries and ministries in charge of finance, as well as key regional stakeholders in the riparian countries. The steering committee will exercise a strategic guidance and oversight role, while the project implementation unit will manage the project.

C. Sources of Co-financing for the Project by name and by type

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount(\$)
GEF Agency	World Bank PROBLUE multi-donor trust fund	Grant	Investment mobilized	2,000,000.00
Other	Central American Commission for Environment and Development (CCAD)	In-kind	Recurrent expenditures	2,000,000.00
Donor Agency	Central American Bank for Economic Integration (CABEI)	Public Investment	Investment mobilized	10,000,000.00
Donor Agency	Central American Bank for Economic Integration (CABEI)	In-kind	Recurrent expenditures	470,000.00
Donor Agency	Japanese International Cooperation Agency (JICA)	Grant	Investment mobilized	1,400,000.00
Donor Agency	Central American Bank for Economic Integration (CABEI) - GCF	Other	Investment mobilized	80,180,000.00
Donor Agency	World Food Programme	Grant	Investment mobilized	12,084,300.00
Total Co-Financing(\$)				108,134,300.00

Describe how any "Investment Mobilized" was identified

The Central American Bank for Economic Integration (CABEI) is funding the preparation and implementation of the Trinational Master Plan for Investment and Economic Development Projects in the Gulf of Fonseca, on which this GEF project is grounded. PROBLUE is an umbrella multi-donor trust fund that supports the sustainable and integrated development of marine and coastal resources in healthy oceans. It is supported by Australia, Canada, Denmark, the European Commission, France, Germany, Iceland, Ireland, Norway, Sweden, the United Kingdom and the United States. PROBLUE is part of the World Bank's overall Blue Economy program, which takes a multi-pronged, coordinated approach to ensuring the protection and sustainable use of marine and coastal resources. Co-financing from PROBLUE MTDf has been secured. Letter to be provided before package is delivered for GEF CEO Endorsement. Co-financing from CABEI, includes up to US\$ 470,000 in the form of Analytical and Advisory Services to complement PROBLUE MTDf for activities to be carried out in Nicaragua, and US\$ 10 million in the

form of feasibility studies for initiatives to be financed in the Gulf of Fonseca, subject to the recommendations of the Transboundary Diagnostic Analysis and the Strategic Action Plan. In addition, CABI has allocated \$80.18 million from the Green Climate Fund (GCF) (\$36.11 million loan, \$44.07 million grant) to the three participating countries through the "Ecosystem-based adaptation to increase climate resilience in the Central American Dry Corridor and Arid Zones of the Dominican Republic"; the GCF allocation is indicative and is subject to adjustment during project implementation. WFP co-financing is through the project 'Strengthening the Adaptation Capacities of Climate-Vulnerable Communities in the Goascoran Basin of El Salvador and Honduras through Integrated Community-Based Adaptation Practices and Services' supported by the Adaptation Fund. Link for project: <https://www.adaptation-fund.org/project/strengthening-the-adaptive-capacities-of-climate-vulnerable-communities-in-the-goascoran-watershed-of-el-salvador-and-honduras-through-integrated-community-based-adaptation-practices-and-services/> Japanese International Cooperation Agency (JICA) is co-financing a project which aims to strengthen regional institutionalism and governance for the conservation of biodiversity and the sustainable use of resources in the Central American region.

D. Trust Fund Resources Requested by Agency(ies), Country(ies), Focal Area and the Programming of Funds

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount(\$)	Fee(\$)	Total(\$)
World Bank	GE T	Regional	International Waters	International Waters	5,000,000	475,000	5,475,000.00
Total Grant Resources(\$)					5,000,000.00	475,000.00	5,475,000.00

E. Non Grant Instrument

NON-GRANT INSTRUMENT at CEO Endorsement

Includes Non grant instruments? **No**

Includes reflow to GEF? **No**

F. Project Preparation Grant (PPG)

PPG Required **true**

PPG Amount (\$)

136,986

PPG Agency Fee (\$)

13,014

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount(\$)	Fee(\$)	Total(\$)
World Bank	GET	Regional	International Waters	International Waters	136,986	13,014	150,000.00
Total Project Costs(\$)					136,986.00	13,014.00	150,000.00

Core Indicators

Indicator 7 Shared water ecosystems under new or improved cooperative management

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
Shared water Ecosystem	Pacific Central American Coastal	Pacific Central American Coastal		
Count	1	1	0	0

Indicator 7.1 Level of Transboundary Diagnostic Analysis and Strategic Action Program (TDA/SAP) formulation and implementation (scale of 1 to 4; see Guidance)

Shared Water Ecosystem	Rating (Expected at PIF)	Rating (Expected at CEO Endorsement)	Rating (Achieved at MTR)	Rating (Achieved at TE)
Pacific Central American Coastal	3	3		

Indicator 7.2 Level of Regional Legal Agreements and Regional management institution(s) (RMI) to support its implementation (scale of 1 to 4; see Guidance)

Shared Water Ecosystem	Rating (Expected at PIF)	Rating (Expected at CEO Endorsement)	Rating (Achieved at MTR)	Rating (Achieved at TE)

Indicator 7.3 Level of National/Local reforms and active participation of Inter-Ministerial Committees (IMC; scale 1 to 4; See Guidance)

Shared Water Ecosystem	Rating (Expected at PIF)	Rating (Expected at CEO Endorsement)	Rating (Achieved at MTR)	Rating (Achieved at TE)
Pacific Central American Coastal		2		

Indicator 7.4 Level of engagement in IWLEARN through participation and delivery of key products(scale 1 to 4; see Guidance)

Shared Water Ecosystem	Rating (Expected at PIF)	Rating (Expected at CEO Endorsement)	Rating (Achieved at MTR)	Rating (Achieved at TE)
Pacific Central American Coastal	3	2		

Indicator 11 People benefiting from GEF-financed investments

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
Female	1,500	1,500		
Male	1,500	1,500		
Total	3000	3000	0	0

Provide additional explanation on targets, other methodologies used, and other focal area specifics (i.e., Aichi targets in BD) including justification where core indicator targets are not provided

The project will finance the preparation of the TDA and the SAP through highly participatory engagement with stakeholders. It is envisioned that during project implementation, the participatory process required to prepare the TDA, stakeholders will identify specific geographic areas and actions to be addressed which will be reflected in the SEP. The small grants program and pilot project investments that will be financed under subcomponent 2.4 will stimulate job creation and revenue generation and support selected riparian communities engaged in sustainable resource use to foster their adhesion to a sustainable management framework for the Gulf of Fonseca. Given that the activities and outputs to be financed with funds from GEF IW will be implemented in parallel and under the overall Central America Blue Economy Program Results Framework, the target indicators proposed for the Project have been designed to be consistent with those under Central America Blue Economy Program. The project will contribute to Core Indicator 7 and sub-indicators 7.1, 7.3 and 7.4 through the following indicators included in the project's results framework: (i) Transboundary Diagnostic Analysis (including climate change impacts) jointly prepared and endorsed at ministerial level by each of the riparian countries that co-manage the Gulf of Fonseca; and (ii) Strategic Action Program (SAP) jointly prepared and endorsed at ministerial level by each of the riparian countries that co-manage the Gulf of Fonseca (correspond to C.I. 7.1 and target rating of "3"); (iii) Gulf of Fonseca Task Force established with representation from relevant ministries of each of the riparian countries that co-manage the Gulf of Fonseca (corresponds to C.I. 7.3 with target rating of "2"); (iv) Updates to project website compliant with IW:LEARN toolkit (corresponds to C.I.7.4 with target rating of "2"). The number of project beneficiaries is calculated as 30 sub-projects under sub-component 2.3 each with 100 beneficiaries. It is estimated that the number of people from civil society organizations and community groups that will participate in the small grants program sub-component of the project will conservatively be 3,000 individual direct beneficiaries (of which half are female).

Part II. Project Justification

1b. Project Map and Coordinates

Please provide geo-referenced information and map where the project interventions will take place.

Gulf of Fonseca: 13.2088° N, 87.5791° W



2. Stakeholders

Please provide the Stakeholder Engagement Plan or equivalent assessment.

The complex social context in the Gulf of Fonseca may pose challenges in designing, implementing and monitoring inclusive transboundary management activities in the tri-national coastal region. Given the presence of diverse Indigenous and Afro-Descendent communities, awareness raising products and material could risk being culturally inappropriate or fail to effectively reach all groups. The volatility of crime and violence may pose a threat to local populations and potential project beneficiaries, and migratory trends and waves should be accounted for as an ongoing regional phenomenon that can affect project activities.

Potential stakeholders have been identified as civil society, local communities, and their representative organizations and networks in the Gulf of Fonseca region. In 2020, CCAD completed a socio-

environmental diagnostic of the Gulf of Fonseca (Diagnóstico Socio Ambiental del Golfo de Fonseca ? CCAD, August 2020) which identified some of the principal stakeholders engaged in the management and use of the Gulf's natural resources.-[1]¹ CCAD has also developed local structures to enhance local governance of natural resources management. Drawing on this baseline, and experiences such as national intersectoral committees (NICs), project implementation will continue to engage all stakeholders, including civil society, indigenous people and local communities, through information sharing, listening to their views, involvement in planning and decision-making processes, capacity-building, and empowerment.

The project will adopt a participatory approach in the preparation of the TDA, the SAP and the Small Grants Program to ensure local stakeholders' buy-in and commitment. A SEP will be submitted to the World Bank prior to Grant Approval, consulted, and disclosed in the project's website in CCAD. The SEP will inform the participatory planning approach. Participants will be able to proactively provide feedback on the small grants competition process from the phase of call for proposals through the implementation. A culturally appropriate grievance mechanism (GM) will be established and communicated to stakeholders during project implementation. This GM will be functional throughout the project duration and will be open to allow stakeholders to provide unrestricted feedback on any issue pertaining to the Project. The SEP will ensure purposeful planning, inclusiveness, transparency, consistency, coherency, timely providing of meaningful information. CCAD will ensure that representation from affected communities particularly from producers, fishermen, rural tourism and shipping, as well as vulnerable groups is maintained first at national level and, when the scope is detailed, at local level. This engagement will be through national level organizations of these groups such as chambers, unions and then through local level organizations depending on each riparian country. Project collaborating agencies will have a critical role in this process. The Project will adopt a pro-active approach in involving vulnerable groups to project activities, which starts with careful screening of stakeholders at the local level. CCAD will ensure that local business associations and local NGOs are included in country specific stakeholder engagement plans, and additional engagement tools such as focus group meetings, face-to-face interviews are described for the individuals who are not represented via these organizations.

The SEP will outline a) who the key stakeholders are; b) the specific types of engagement with them, especially regarding Indigenous Peoples' representatives, members of the afro descendant communities, women of all ethnicities, and other vulnerable groups, including persons with disabilities and LGBTI people; c) how often the engagement will occur throughout the project; d) how feedback will be solicited, recorded and monitored; e) who will be responsible with this engagement; f) timeline for this engagement; g) budget and human resources, among other details. To avoid or minimize the risk of leaving certain vulnerable groups behind, the SEP will describe the measures that will be used to remove obstacles to participation in the benefits of the Project, and how the views of differently affected groups will be captured. Where applicable, the SEP will include differentiated measures, some of which might be country-specific, to allow the effective participation of those identified as disadvantaged or vulnerable, focusing on Indigenous Peoples and small farmers without formal organizations.

Dedicated approaches and an increased level of resources may be needed for communication with such differently affected groups such as remote and dispersed populations so that they can obtain the information they need regarding the issues that will potentially affect them (positively or negatively). The SEP will also highlight if there are any risks or specific considerations around stakeholder engagement, grievance redress, and information disclosure/informed decision-making, particularly in the context of the Gulf of Fonseca and the potential engagement limitations with some local communities.

The SEP will be prepared to consider program design approaches to manage potential social impacts and to ensure adequate consultation and inclusion of a broad number of vulnerable groups at different levels of program design and implementation. The project will carry broad stakeholder engagement activities during its preparation stage, based on the stakeholder mapping carried out as part of the preparation of the SEP.

Information about the stakeholder engagement activities will be included in the SEP, along with the concerns and questions raised by the participants, as well as the answers provided or the way they were addressed by CCAD. Documentary evidence of the stakeholder engagement activities will be included in the SEP as well, taking into account privacy and anonymity criteria.

Consistent with the World Bank's Environmental and Social Framework, the project's Grievance Redress Mechanism (GRM) will be available to all project stakeholders, will be regionally accessible and culturally appropriate, and designed to guarantee confidentiality, accessibility, and translations to indigenous languages where necessary. The description of the GRM will cover its operational principles, processing responsibilities, internal administration, and the frequency of periodic monitoring reports.

In addition, provide a summary on how stakeholders will be consulted in project execution, the means and timing of engagement, how information will be disseminated, and an explanation of any resource requirements throughout the project/program cycle to ensure proper and meaningful stakeholder engagement

In 2020, CCAD completed a socio-environmental diagnostic of the Gulf of Fonseca (Diagnóstico Socio Ambiental del Golfo de Fonseca ? CCAD, August 2020) which identifies some of the principal stakeholders engaged in the management and use of the Gulf's natural resources. Drawing on this baseline, project implementation will continue to engage all stakeholders, including civil society, indigenous people and local communities, through information sharing, listening to their views, involvement in planning and decision-making processes, capacity-building, and empowerment.

Communities will be the main beneficiaries of this project. Their active involvement throughout the course of the project will be crucial for its success. The potential stakeholders have been identified as civil society, local communities, and their representative organizations and networks in the Gulf of Fonseca region.

Select what role civil society will play in the project:

Consulted only; Yes

Member of Advisory Body; Contractor;

Co-financier;

Member of project steering committee or equivalent decision-making body;

Executor or co-executor;

Other (Please explain)

3. Gender Equality and Women's Empowerment

Provide the gender analysis or equivalent socio-economic assesment.

The three participating countries have appropriate national policies and regulations for the promotion of gender equality and women empowerment. All of them are signatories and have ratified the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) and the Inter-American Convention on the Prevention, Punishment, and Eradication of Violence against Women Convention (Bel?m do Par?, 1994). In addition, SICA?s Regional Policy on Equity and Gender Equality is mandatory to its parties (COMMCA, 2013).

The Gender Inequality Index (GII)[1] measures inequality in three aspects of Human Development[2]: reproductive health, empowerment and economic status, among 189 countries. The participating countries have been placed (from lowest to highest) in a ranking according to the GII, described in Table 1 below as follows: El Salvador (91), Nicaragua (106), and Honduras (109).

UNDP and WWF recently prepared a gender analysis for the joint integrated, ecosystem-based management of the Pacific Central American Coastal Large Marine Ecosystem project (PACA, 2021). The gender analysis found that:

- i. Regarding empowerment, the conditions among the countries are similar based on education figures for women and men; however, there is not equitable access to labour force, since men?s participation is much higher.

ii. Women representation in parliaments and ministers in the region is still limited. Countries have a low representation (between 12% and 30%).

iii. Regional bodies in the Gulf of Fonseca- SICA and OSPESCA, have a disparity in women's representation, where most of the positions are held by men (63%, 77% respectively) in relation to much lower percentages occupied by women (between 37%, 23%).

iv. SICA formally integrates gender equality issues through the Council of Ministers for Women of Central America and Dominican Republic, as well as OSPESCA's Regional Working Group on Gender and Equality and Equity in Fisheries and Aquaculture.

v. In other SICA instances (related to environment, fisheries, and aquaculture) there are more men in decision making and management positions and there are more women in scientific research.

There is numerical evidence of inequality in participation and representation levels in SICA's relevant institutions where they have a percentage of 63% participation of men in relation to 37% of women.

In general, for the implementation of the present project the role of women in fisheries, tourism, environment, and aquaculture is not recognized and accepted, due to the biased perception that these sectors are mainly men's issues.

This is a barrier that women face to have an appropriate participation and empowerment. Information of the real contributions of women on these sectors is lacking, which limits decision-making for greater integration.

Table 1. Gender Inequality Index for 2018 in the countries that share the Gulf of Fonseca.

Country	Gender inequality Index (GII)		Reproductive health		Empowerment			Economic Status	
			Maternal Mortality Ratio (deaths per 100,000 live births)	Adolescent birth rate (births per 1,000 women ages 15-19)	Share of seats in parliament (% held by women)	Population with at least some secondary education (% ages 25 and older)		Labour force participation rate (% ages 15 and older)	
	Index	Rank				Female	Male	Female	Male
El Salvador	0.392	91	54	69.5	32.1	42.2	47.9	47.0	78.8
Honduras	0.461	109	129	70.8	25.8	36.8	33.5	50.9	85.8

Nicaragua	0.456	106	150	85.4	45.7	48.3	46.6	50.3	84.0
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Source: UNDP Human Development Report 2019. Gender Inequality Index.

<http://hdr.undp.org/en/composite/GII>

An implementation roadmap for the Gender Action Plan (GAP) will be prepared during project implementation, and will delineate the measures to be executed including the following general measures:

i. At all-times, promote a gender responsive approach which seeks to ensure that women and men are given equal opportunities to participate in and benefit from the project's interventions and promote targeted measures to address inequalities and promote the empowerment of women.

ii. The approach to work will be inclusive of women and vulnerable groups such as youth, indigenous people, and rural communities.

iii. For adequate regional representation in decision making, a representant of the Technical Secretariat for Women of the Council of Ministers for Women of Central America and Dominican Republic (STM-COMMCA) will be a member of the Task Force.

iv. For adequate regional representation in the technical aspects, the OSPESCA's Regional Working Group on Gender Equality and Equity in fisheries and aquaculture will be invited to participate in the Task Force.

v. The inclusion of women will be promoted in the project organization.

vi. Partnerships will be established with local organizations and businesses to leverage their resources and expertise. This will help build support for the project and ensure its sustainability.

vii. CCAD will appoint a Social and Gender Specialist (SGS) as part of the project management unit. The SGS will have experience in the incorporation of the gender approach. There will also be a person specialized in knowledge management and a communication specialist that will ensure appropriate advice for the project implementation with a gender-sensitive approach.

viii. Communication materials, project documents, and publications will use appropriate gender-sensitive, and culturally inclusive language. The process of documenting the project's lessons will pay special attention to recording and informing the contribution and role of women in the implemented activities.

ix. The participation in meetings, training courses and other activities will be documented using sex-disaggregated data. If pertinent, this will be applied in the collection of information of consultancies, studies and reports.

x. The budget will be formulated with a gender-sensitive approach considering the differences between men and women in terms of their needs, opportunities and resources. This would promote actions that do not exacerbate existing gender gaps.

[1] UNDP Human Development Report 2019. Gender Inequality Index.

<http://hdr.undp.org/en/composite/GII>

[2] GII measures: *Reproductive health* measured by maternal mortality rates and adolescent fertility rates; *Empowerment*, measured by the proportion of parliamentary positions held by women and the proportion of adult women and adult men (aged 25 years and over) with at least some level of secondary education; and *Economic status*, expressed in the participation in the labour market of men and women over 15 years.

Does the project expect to include any gender-responsive measures to address gender gaps or promote gender equality and women empowerment?

Yes

Closing gender gaps in access to and control over natural resources; Yes

Improving women's participation and decision making Yes

Generating socio-economic benefits or services or women Yes

Does the project's results framework or logical framework include gender-sensitive indicators?

Yes

4. Private sector engagement

Elaborate on the private sector's engagement in the project, if any.

The project will complement PROBLUE technical assistance efforts to fully engage the private sector in the development of the SAP. Support for the development of artisanal fishing and aquaculture value chains will focus on opportunities to catalyze private sector investment, which will also form an important element of coastal tourism development. In developing a strategy for the expansion of employment in the region, the SAP will help build a picture of private sector involvement in the blue economy (businesses, investments, jobs) and identify public measures to ease future private engagement. The project will also finance dedicated education and awareness-raising initiatives identified in the SAP, with a view to fostering the public understanding of and adherence to the principles of sustainable management of the Gulf's natural resources. Private sector engagement is included in outcome indicators under Components 1 and 2.

With a view to fostering the public understanding of and adherence to the principles of sustainable management of the Gulf's natural resources, the project will also finance dedicated education and

awareness-raising initiatives which will be reflected in the SAP. The SAP to be prepared will include initiatives that will foster private sector engagement by considering inter alia training, limited equipment, and support for networks, information centers, and clearing houses for the technical and scientific community, the private sector, the industrial and agricultural community, and NGOs.

11. Environmental and Social Safeguard (ESS) Risks

Provide information on the identified environmental and social risks and potential impacts associated with the project/program based on your organization's ESS systems and procedures

Overall Project/Program Risk Classification *

PIF	CEO Endorsement/Approval	MTR	TE
Medium/Moderate	High or Substantial		

Measures to address identified risks and impacts

Elaborate on the types and risk classifications/ratings of any identified environmental and social risks and impacts (considering the GEF ESS Minimum Standards) and any measures undertaken as well as planned management measures to address these risks during implementation.

The overall risk rating for this project is considered Substantial given the challenging political and macroeconomic context, and the need to sustain stakeholder participation at multiple levels of engagement.

Political and Governance risk is considered Substantial. The Project has received support from the Ministries of Environment from the riparian countries and will operate mostly at technical level, however the implementation of the activities will require coordination between the three riparian countries to share data, harmonize monitoring systems and regulations, and agree on environmental problems, their causes, and a Strategic Action Program to address them. Coordination will be required at local, national and regional levels. National and local political agendas may interfere with implementation of the activities. The project will adopt a bottom-up approach, collecting inputs nationally to build the TDA and SAP following the SEP that will guide stakeholder participation. Additionally, this risk is expected to be mitigated by establishing a Regional Steering Committee (RSC) for the Project. The RSC will include the GEF Focal Points of the three riparian countries, providing policy level and strategic guidance, ensuring linkages to sectoral policies and programs,

assisting in the resolution of any inter-sectoral conflicts, and debating and suggesting improvements in project strategy and operations.

Macroeconomic risk is considered Substantial. The impact of the COVID-19 recovery and the aftermath of the 2020 Hurricane season are expected to continue to constrain the fiscal space of the riparian countries. While this could increase the threats to the Gulf's natural resources and delay concerted action to improve their sustainable management, the project is also designed to contribute to the crisis recovery efforts by providing investments to stimulate job creation and revenue generation through sustainable natural resource management while the TDA and SAP are being finalized.

Sector strategy and policy risks are rated Moderate. The Project will build on long-standing policy commitments of the riparian countries, in particular the Managua Declaration signed in 2007, the Master Plan for the Gulf adopted in 2019 by the signatories to the Declaration, and SICA's regional strategy for blue growth (ERCA). The proposed Project will build on these strategic foundations to help ensure sustainable management of the Gulf's natural resources in line with the ERCA to support the development objectives of the Masterplan. The focus of the SAP on the generation of nature-based jobs also responds to the development priorities of the riparian countries.

Technical design risk is considered Moderate. The preparation of the TDA, SAP, and the small grants program are based on existing methodologies and models. However, with activities under each component happening in three countries, each one with different government structures responsible for coastal management, and different institutional culture and instruments, the stakeholder engagement needs to be planned and budgeted adequately. To manage these risks, the RSC will include representatives of the relevant national agencies mandated to coordinate and manage the transboundary coastal resources who will provide technical guidance for the overall implementation of the project, helping to build trust and ownership of the Project deliverables by the relevant agencies.

Institutional capacity for implementation and sustainability risk is considered Moderate. CCAD has managed and is currently managing several projects that present a similar level of complexity compared to the proposed operation. This risk will be further mitigated through the support provided by the World Bank team and the allocation of an adequate project management budget.

Fiduciary risk is considered Moderate. CCAD has acquired basic familiarity through handling several other similar projects. Capacities will be further strengthened with support from the project and the World Bank to adequately handle all Bank fiduciary requirements. The risk will be further mitigated through the hiring of qualified specialists preferably with prior World Bank experience as part of the PIU and providing targeted capacity building.

Environment and social risk is considered Substantial. The Project will result in mainly positive environmental and social impacts in the Gulf of Fonseca by mobilizing public, private sector and local communities for improved management of coastal resources, including for climate change adaptation. A highly participatory approach will be adopted to assess transboundary constraints, draft the SAP, and select pilot community driven activities. The potential risks and impacts of project activities (meetings between stakeholders, field missions, management, energy use etc.) will be temporary and reversible, low in magnitude and site specific, which can be mitigated through good management

practices. However, the complex social context in the Gulf of Fonseca may also pose challenges in designing, implementing, and monitoring inclusive transboundary management activities in the transnational coastal region.

Stakeholder risk is considered Substantial. Project implementation depends on the active involvement of various stakeholders who are often consulted for development initiatives, with the associated risk of creating false expectations regarding solutions. The risk will be mitigated by implementing the pilot program of small community grants in tandem with the preparation of the TDA and SAP. In addition, CCAD will aim to intensify networking and dissemination initiatives to inform stakeholders of the benefits and advantages of Project participation.

The environmental and social risk rating is considered Substantial. The project will mostly finance technical assistance, and capacity building activities to strengthen the transboundary institutional framework for the sustainable management of the marine and coastal resources in the Gulf of Fonseca. The project will also finance a range of small-scale sustainable community investments in selected areas to engage riparian communities in the sustainable use of the Gulf's living natural resources, such as mangrove restoration, beach clean-ups, and refurbishment of small-scale eco-tourism infrastructure. These activities are not expected to have significant negative environmental risks and impacts. Overall, the project will contribute to the conservation of local and national important ecosystems and biodiversity, increase the provision of environmental services, reduce coastal flooding, and stabilize the coastline.

The principal environmental risks and impacts are expected to result from any minor civil works to be financed under the sustainable community investments to be identified during project preparation. These risks and impacts expected to be site-specific, short-term, and reversible. The SAP and the small grants program are not expected to generate displacement of formal or informal occupants in communities around the Gulf of Fonseca. The project will include a Resettlement Policy Framework to be prepared and disclosed prior to Grant Approval. In addition to the process for resolving disputes relating to resources, a Process Framework includes a description of the participatory process by which a range of issues are agreed by a community, including preparation and implementation of relevant project components and mitigation measures. The Environmental and Social Management Framework (ESMF) and the Stakeholder Engagement Plan to be prepared for the project will include measures to manage these risks and impacts in accordance with the mitigation hierarchy and in a manner appropriate to the scale and nature of the activities. Given the current global situation caused by the COVID-19 pandemic, the project will also include measures for transmission prevention.

While the context in which the project will operate can intensify the social risk levels, it is still uncertain the extent to which contextual risks may be influential on project activities. Honduras, El Salvador and Nicaragua have experienced, over the last decade, numerous social conflicts related to, among others, poverty, exclusion, citizen security, and access to water, which are all present in the Gulf area. Community groups and organizations in the region have faced conflicts over maritime borders, sovereign disputes, and historical tensions due to access to resources. Other identified social risks related to the context include: (i) rural communities in the area, particularly those living in poverty and extreme poverty, have been sensitive to the impacts of climate change along the Dry

Corridor, with droughts and irregular weather patterns affecting crops and food availability, (ii) in Honduras, El Salvador and Nicaragua, the impact of crime and violence has affected local communities, more so in the absence of robust institutional presence; (iii) vulnerable groups, including small pockets of Indigenous communities, subsistence farmers, persons with disabilities, and LGBTI people, among others, face discrimination and have had limited access to job opportunities and access to services tailored to their needs; (iv) women, particularly those living in extreme poverty and in charge of their household, face disproportionate social limitations and lack of opportunities in all the Gulf's region. Determining if the project overlaps with any indigenous territories will be a key priority early in preparation to more accurately understand the full scope of risks facing the project. The complex social context in the Gulf of Fonseca may also pose challenges in designing, implementing, and monitoring inclusive transboundary management activities in a tri-national coastal region.

Environmental and social technical capacity in the region is relatively weak, however CCAD has previous experience meeting Bank safeguard policies and other applicable donor requirements. CCAD staff has strong environmental background in project preparation, implementation and monitoring, and it is expected that in-house environmental specialists will support the preparation and implementation of ESF related risk management requirements.

Training, capacity building, and other support activities are included in the project so that the counterparts have a clear understanding of and can implement the various management plans and instruments for project environmental, social, health and safety risk management. Strong capacity to carry out continuous stakeholder engagement will be key to managing perceptions, as well as to oversee implementation of plans for managing biodiversity, labor, community health and safety, land acquisition (if needed), indigenous peoples, inclusion of vulnerable groups and cultural heritage issues. The Terms of Reference for technical assistance to be provided as part of the proposed operation will reflect ESF principles.

Supporting Documents

Upload available ESS supporting documents.

Title	Module	Submitted
Gulf of Fonseca ESCP P176323 101922	CEO Endorsement ESS	
Gulf of Fonseca ESRS P176323 101922	CEO Endorsement ESS	
Concept ESRS - March 22-21	Project PIF ESS	

ANNEX A: PROJECT RESULTS FRAMEWORK (either copy and paste here the framework from the Agency document, or provide reference to the page in the project document where the framework could be found).

Results Framework

COUNTRY : Central America

Gulf of Fonseca Transboundary Management of Coastal Natural Resources

Project Development Objectives

The project development objective is to improve the capacity of participating countries to manage the natural resources of the Gulf of Fonseca, including for climate change adaptation.

Project Development Objective Indicators

Indicator Name	Corporate	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
<p>Name: Transboundary Diagnostic Analysis (including climate change impacts) jointly prepared and endorsed at ministerial level by each of the riparian countries that co-manage the Gulf of Fonseca. (corresponds to GEF C.I. 7.1)</p>		Number	0.00	1.00	Once	Letters of endorsement at ministerial level from each of the riparian countries that co-manage the Gulf of Fonseca	CCAD
Description:							
<p>Name: Strategic Action Program (SAP) jointly prepared and endorsed at ministerial level by each of the riparian countries that co-manage the Gulf of Fonseca. (corresponds to GEF C.I. 7.1)</p>		Number	0.00	1.00	Once	Letters of endorsement at ministerial level from each of the riparian countries that co-manage the Gulf of Fonseca	CCAD
Description:							
<p>Name: Annual reports prepared by the Gulf of Fonseca Task Force and submitted at ministerial level to each of the riparian countries that co-manage the Gulf of Fonseca</p>		Number	0.00	5.00	Annually	Letters from Gulf of Fonseca Task Force submitting annual reports at ministerial level to each of the riparian countries that co-manage the Gulf of Fonseca	CCAD
Description:							

Indicator Name	Corporate	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
<p>Name: Transboundary Diagnostic Analysis (including climate change impacts) jointly prepared and endorsed at ministerial level by each of the riparian countries that co-manage the Gulf of Fonseca. (corresponds to GEF C.I. 7.1)</p>		Number	0.00	1.00	Once	Letters of endorsement at ministerial level from each of the riparian countries that co-manage the Gulf of Fonseca	CCAD
Description:							
<p>Name: Strategic Action Program (SAP) jointly prepared and endorsed at ministerial level by each of the riparian countries that co-manage the Gulf of Fonseca. (corresponds to GEF C.I. 7.1)</p>		Number	0.00	1.00	Once	Letters of endorsement at ministerial level from each of the riparian countries that co-manage the Gulf of Fonseca	CCAD
Description:							
<p>Name: Annual reports prepared by the Gulf of Fonseca Task Force and submitted at ministerial level to each of the riparian countries that co-manage the Gulf of Fonseca</p>		Number	0.00	5.00	Annually	Letters from Gulf of Fonseca Task Force submitting annual reports at ministerial level to each of the riparian countries that co-manage the Gulf of Fonseca	CCAD
Description:							

Name: Climate co-benefits of activities supported by SAP		Percentage	0.00	35.00	Once	The estimated climate co-benefits will be included in the Strategic Action Program (SAP) as endorsed at the ministerial level by each of the riparian countries that co-manage the Gulf of Fonseca.	CCAD
Description: The climate co-benefits of the activities included in the SAP will be estimated using the most current version of the multilateral development banks' Common Principles for Climate Change Adaptation Finance Tracking and Common Principles for Climate Change Mitigation Finance Tracking.							

Intermediate Results Indicators

Indicator Name	Corporate	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
Name: Gulf of Fonseca Task Force established with representation from relevant ministries of each of the riparian countries that co-manage the Gulf of Fonseca (corresponds to GEF C.I. 7.3)		Yes/No	N	Y	Once	Notification of the establishment of the Gulf of Fonseca Task Force issued by CCAD to each of the riparian countries that co-manage the Gulf of Fonseca	CCAD
Description:							
Name: Regional Steering Committee established with representation from the GEF focal points assigned by the governments of the three riparian countries, representatives of civil society, and the private sector		Yes/No	N	Y	Once	Notification of the establishment of the Regional Steering Committee issued by CCAD to each of the riparian countries that co-manage the Gulf of Fonseca	CCAD
Description:							
Name: Stakeholder feedback incorporated into TDA		Yes/No	N	Y	Once	Endorsed version of the TDA	CCAD
Description: The TDA will include an annex on the consultation process followed, identifying the stakeholders consulted and the key recommendations from this process incorporated into the final version of the TDA.							
Name: Stakeholder feedback incorporated into SAP		Yes/No	N	Y	Once	Endorsed version of the SAP	CCAD

Indicator Name	Corporate	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
Name: Gulf of Fonseca Task Force established with representation from relevant ministries of each of the riparian countries that co-manage the Gulf of Fonseca (corresponds to GEF C.I. 7.3)		Yes/No	N	Y	Once	Notification of the establishment of the Gulf of Fonseca Task Force issued by CCAD to each of the riparian countries that co-manage the Gulf of Fonseca	CCAD
Description:							
Name: Regional Steering Committee established with representation from the GEF focal points assigned by the governments of the three riparian countries, representatives of civil society, and the private sector		Yes/No	N	Y	Once	Notification of the establishment of the Regional Steering Committee issued by CCAD to each of the riparian countries that co-manage the Gulf of Fonseca	CCAD
Description:							
Name: Stakeholder feedback incorporated into TDA		Yes/No	N	Y	Once	Endorsed version of the TDA	CCAD
Description: The TDA will include an annex on the consultation process followed, identifying the stakeholders consulted and the key recommendations from this process incorporated into the final version of the TDA.							
Name: Stakeholder feedback incorporated into SAP		Yes/No	N	Y	Once	Endorsed version of the SAP	CCAD
Description: The SAP will include an annex on the consultation process followed, identifying the stakeholders consulted and the key recommendations from this process incorporated into the final version of the SAP.							

Name: Lessons learned from small grants program compiled and shared with RSC		Yes/No	N	Y	Once	Letter submitting to Regional Steering Committee report on lessons learned from small grants program	CCAD
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Description:

Name: Number of small grants implemented		Number	0.00	30.00	Every six months	Project reports	CCAD
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Description:

Name: Trinational environment, social and economic monitoring system for the Gulf of Fonseca endorsed at ministerial level		Yes/No	N	Y	Once	Letters of endorsement at ministerial level from each of the riparian countries that co-manage the Gulf of Fonseca	CCAD
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Description:

Name: Updates to project website compliant with IW:LEARN toolkit (corresponds to GEF C.I. 4)		Number	0.00	10.00	Every six months	Project website	CCAD
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Description: The project website will be updated at least every six-months with knowledge products, data platforms, maps and communication materials generated by the project, compliant with the IW: LEARN toolkit.

Target Values

Project Development Objective Indicators

RESULT_FRAME_TBL_PDO

Indicator Name	End Target
Transboundary Diagnostic Analysis (including climate change impacts) jointly prepared and endorsed at ministerial level by each of the riparian countries that co-manage the Gulf of Fonseca.	1.00

Strategic Action Program (SAP) jointly prepared and endorsed at ministerial level by each of the riparian countries that co-manage the Gulf of Fonseca.	1.00	
Annual reports prepared by the Gulf of Fonseca Task Force and submitted at ministerial level to each of the riparian countries that co-manage the Gulf of Fonseca	5.00	
Climate co-benefits of activities supported by SAP	35.00	
Direct project beneficiaries	3,000.00	
Of which female	50.00	
Intermediate Results Indicators		
RESULT_FRAME_TBL_IO		
Indicator Name	Baseline	End Target
Gulf of Fonseca Task Force established with representation from relevant ministries of each of the riparian countries that co-manage the Gulf of Fonseca	N	Yes
Regional Steering Committee established with representation from the GEF focal points assigned by the governments of the three riparian countries, representatives of civil society, and the private sec	N	Yes
Stakeholder feedback incorporated into TDA	N	Yes
Stakeholder feedback incorporated into SAP	N	Yes
Lessons learned from small grants program compiled and shared with RSC	N	Yes
Number of small grants implemented	0.00	30.00
Trinational environment, social and economic monitoring system for the Gulf of Fonseca endorsed at ministerial level	N	Yes
Updates to project website compliant with IW:LEARN toolkit	0.00	10.00

ANNEX B: RESPONSES TO PROJECT REVIEWS (from GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF).

?	Comments	Response
	<p>The PIF does not provide concise information about intended objectives and impacts. Section B is by far too generic and should elaborate more on the specific topics to be addressed by this project, e.g. marine ecosystems, pollutant input etc. as well as on specific target groups and how interventions will increase their resilience (see comment below).</p> <p>?</p>	<p>The process of developing the TDA will include identifying, quantifying, and setting priorities for managing transboundary environmental challenges. As noted in the project paper, identified challenges include overfishing, mangrove degradation, pollution, and sedimentation, all of which may be compounded by climate variability and change. Other environmental challenges may be identified and responses to them prioritized through the TDA process.</p>

Indicators are mainly output indicators instead of outcome indicators. Approval would require a more detailed conceptual elaboration, including more detailed information on the small grants programme and/ or envisaged no-regret/ infrastructure measures

The small grants will pilot no-regrets initiatives (for example mangrove restoration and the refurbishment of small-scale eco-tourism infrastructure) to stimulate job creation and revenue generation. The principal categories of activities to be supported by the small grants program include: (i) reforestation through mangrove restoration, agroforestry and silvopastoral systems; (ii) integrated landscape management practices in Gulf of Fonseca watersheds targeting soil and water conservation; (iii) waste and pollution management in Gulf of Fonseca watersheds; (iv) sustainable fishing and aquaculture activities with a focus on strengthening value chains; and (v) community-scale investments in nature-based tourism. Awards under the small grants program will not exceed US\$ 30,000, with criteria for the grants based on: (i) impact of the investment on improved management of coastal resources; (ii) readiness of the grantee to receive and manage grants; (iii) potential of the grant to leverage co-financing for the proposed initiative, including from the private sector; (iv) environmental, social and economic sustainability of the proposed activity; (v) replicability and scalability of the investment; (vi) social impact on community enhancement, job creation, gender equality, and the inclusion of Indigenous People. Decisions on investment award selection will be made transparently with key stakeholders as indicated in the Stakeholder Engagement Plan (SEP) for the project. Further details on selection,

		<p>eligibility entity criteria, procurement, financial management, environmental and social risk management will be detailed in the project's operational manual and in the Environmental and Social Management Framework (ESMF).</p>
	<p>Further, aiming at (sustainable) transboundary water and natural resources management at the Gulf of Fonseca requires the active and assured inclusion of all three neighboring nations (Honduras, El Salvador and Nicaragua). The involvement of Nicaragua at this stage seems not to be guaranteed and should be assured prior to project approval</p>	<p>The involvement of Nicaragua has been assured as reflected in the updated project paper.</p>

Germany requests more information on the conceptual inclusion of climate change into the project design. Strengthening resilience should become an intrinsic conceptual element of the proposal. This should start with a concise climate risk and vulnerability assessment. Further it should also include pandemic resilience and community resilience.

The Gulf of Fonseca's capacity to provide critical environmental services is jeopardized by increasing pressure on ecosystems. Declining fish stocks, decreasing coverage of healthy mangrove forests, increasing pollution from inland sources and aquaculture, and increasing sedimentation from upstream deforestation, all point to uncontrolled anthropogenic pressures are all being aggravated by the impacts of climate change.

Climate change is also affecting critical ecosystems impacting biodiversity, livelihoods, food security, and tourism. The 5th Assessment Report of the IPCC projects a continuation of the warming already observed in Central America, where temperatures increased by 0.7 to 1°C since the mid-1970s and are expected to gain an additional 1.6 to 4°C by 2100. Climate change is modifying the distribution of marine species and their productivity, with changes in temperature affecting the physiological processes of fish and crop species. Annual rainfall has decreased in the last fifty years, and the IPCC projects changes ranging from -22 percent to +7 percent by 2100. The aquaculture sector will face potential future water shortages and increased competition from other users such as agriculture

and livestock.¹ The last 30 years saw a steady increase in extreme events, including storms, floods, and droughts, that is projected to continue.²

The SAP will contribute to mitigation of GHG emissions through national and regional actions to restore mangroves, manage wetlands and reduce pollution in the Gulf of Fonseca. Mangrove restoration will contribute to carbon sequestration while at the same time building resilience to climate change by strengthening coastal protection against storm damage. The release of high levels of nutrients in wastewater leads to eutrophication, causing increased emissions of methane (a powerful greenhouse gas) whereas healthy marine ecosystems are natural carbon sinks. Investment recommendations for pollution reduction and management will include nature-based solutions such as wetlands. These ecosystems not only filter pollution but also protect coasts from erosion and floods which are forecasted to amplify in intensity and frequency because of climate change. At the same time, wetlands possess superior carbon sequestration properties to terrestrial forests. Preparation of the TDA and SAP will include assessment of the climate adaptation and mitigation

		<p>benefits of proposed actions.</p> <p>Themes of climate resilience, pandemic resilience and community resilience are interwoven throughout the project paper.</p>
	<p>Grant programme and pilot measures should further actively support the design and implementation of Nature-based solutions (NbS) or EbA (Ecosystem-based adaptation) approaches. It should complement or substitute grey infrastructure measures and support sustainable, transboundary natural resource management. This includes water security (quality and quantity) in the neighboring countries</p>	<p>The principal categories of activities to be supported by the small grants program indicated above constitute nature-based solutions and ecosystem-based adaptation approaches that will complement and reduce the need for investment in grey infrastructure measures for adaptation to climate change. The final Project Paper and? Project Operations Manual further describe the design and implementation of NBS or EBS</p>

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Germany		
	<p>On the?proposed alternative scenario?with a brief description of expected outcomes and components of the project:</p> <p>What is the sequence of events (required or expected) that will lead to the desired outcomes?</p> <p>What is the set of linked activities, outputs, and outcomes to address the project?s objectives?</p> <p>Are the mechanisms of change plausible, and is there a well-informed identification of the underlying assumptions?</p> <p>Is there a recognition of what adaptations may be required during project implementation to respond to changing conditions in pursuit of the targeted outcomes?</p> <p>?</p>	<p>The theory of change for the project and its interventions is given in Annex 1 (it is not possible to paste it in this comments matrix).</p>

	<p>On the global environmental benefits (GEF trust fund) and/or adaptation benefits (LDCF/SCCF)</p> <p>Are the benefits truly global environmental benefits/adaptation benefits, and are they measurable</p>	<p>The Project interventions are designed to achieve the development objective of improving the capacity of the riparian countries to manage the transboundary natural resources of the Gulf of Fonseca. Project investments are focused on the preparation of the TDA and SAP, strengthening transboundary and regional institutions, and building stakeholder participation, including through a pilot program of small community grants intended to provide demonstration effects and build stakeholder ownership of the planning process. While these initiatives will provide a framework for subsequent investment in the sustainable development of the Gulf, the economic benefits of the Project interventions have not been estimated given their highly upstream nature. Global benefits will be provided in the form of planning and capacity development for: (i) enhanced protection of biodiversity of global importance (e.g., mangroves, coastal and marine protected areas); (ii) reduced transboundary pollution; and (iii) greenhouse gas emission reductions, in particular through mangrove restoration and reduced eutrophication as a result of improved pollution management.</p>
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On innovative, sustainability and potential for scaling-up

Is there a clearly articulated vision of how the innovation will be scaled-up, for example, over time, across geographies, among institutional actors?

The riparian countries? commitment to trinational cooperation on economic and environmental issues in the Gulf of Fonseca is the origin of this project, and a positive sign for the sustainability of its outcomes. The Project will focus on enhancing regional capacity by using and strengthening existing regional arrangements through which Gulf of Fonseca countries can share knowledge and experiences to learn from each other. The Project activities are designed to build a foundation for potential long-term engagement, focusing on supporting CCAD as a well-established and dedicated regional organization supported by the Gulf of Fonseca countries. The Project is innovative as it seeks to strengthen the capacity and functions of CCAD and OSPESCA to better deliver on their

STAP	management of the Gulf's coastal resources.
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**ANNEX C: Status of Utilization of Project Preparation Grant (PPG).
(Provide detailed funding amount of the PPG activities financing status
in the table below:**

The analysis of the fiduciary capacity of CCAD to manage the PPG funds took longer than expected. The governing structure of CCAD required its Board of Directors which is comprised with the ministers of environment for Central America and Dominican Republic, to authorize CCAD receive, administer grants, and implement resources prior to signing the PPG. While authorization was discussed with the Board in October 2021, the changes in government administration that occurred in Honduras in November 2021 delayed the authorization until May 2022. CCAD prepared in parallel the necessary financial and procurement policies and procedures that the World Bank requires prior to releasing funds from the PPG, except the preparation of the Environmental and Social Commitment Plan (ESCP) and the final budget. These were finally submitted to the Bank on September 16, 2022. Subsequently, the World Bank Legal department determined that there is a legal requirement for the SICA Council of Ministers to provide signatory authority to the SICA Secretary General for the PPG agreement, expected at the next meeting of the Council in April 2023. The proposed PPG financing table is provided below:

Project Preparation Activity	Budgeted Amount (USD)	Amount Spent to Date (USD)	Amount Committed (USD)	Planned Start Date
1. Coordination and Management	\$ 87,200.00	\$ -	\$ -	-
1.1 Social Specialist	\$ 27,000.00	\$ -	\$ -	~2023-07-28
1.2 Environmental Specialist	\$ 36,000.00	\$ -	\$ -	~2023-07-28
1.3 Specialist in facilitation and systematization of consultation processes and workshops	\$ 15,000.00	\$ -	\$ -	~2023-07-28
1.4 Operations and Logistics Assistance	\$ 9,200.00	\$ -	\$ -	~2023-07-28
2. Consultation and Community Participation Workshops	\$ 8,000.00	\$ -	\$ -	-
2.1 Consultation workshops (includes food and lodging services for workshop participants)	\$ 8,000.00	\$ -	\$ -	~2023-07-28

3. Communication and Marketing	\$ 00.00	7,0	\$ -	\$ -	-
3.1 Translation	\$ 00.00	5,0	\$ -	\$ -	~2023-07-28
3.2 Use of Virtual Platforms	\$ 00.00	2,0	\$ -	\$ -	~2023-07-28
4. Monitoring and Follow-up	\$ 00.00	2,5	\$ -	\$ -	-
4.2 External Audit	\$ 00.00	2,5	\$ -	\$ -	~2023-07-28
5. Survey of Catographic Information	\$ 00.00	6,0	\$ -	\$ -	-
5.1 Equipment	\$ 00.00	3,0	\$ -	\$ -	~2023-07-28
5.2 Purchase of Satellite Images and Maps	\$ 00.00	3,0	\$ -	\$ -	~2023-07-28
5. Operating Expenses	\$ 86.00	26,2	\$ -	\$ -	-
5.3 Air Tickets for Missions (For SE-CCAD officials)	\$ 86.00	9,1	\$ -	\$ -	~2023-07-28
5.4 Travel expenses (per diem for SE-CCAD officials)	\$ 00.00	9,4	\$ -	\$ -	~2023-07-28
5.5 Ground transportation and fuel (vehicle rental)	\$ 00.00	5,0	\$ -	\$ -	~2023-07-28
5.6 Stationary supplies and Teaching Materials	\$ 00.00	2,7	\$ -	\$ -	~2023-07-28
Subtotal	\$ 86.00	136,9	\$ -	\$ -	-
Total	\$ 86.00	136,9			

ANNEX D: Project Map(s) and Coordinates

Please attach the geographical location of the project area, if possible.

Gulf of Fonseca coordinate: [13.2088° N, 87.5791° W](#)



ANNEX E: Project Budget Table

Please attach a project budget table.

Expenditure Category	Detailed Description	Component (US\$)								Total (US\$)	Responsible Entity (Executing Entity receiving funds from the GEF Agency)[1]	
		Component 1 Preparation of key documents for transboundary management		Component 2 Enabling framework for the improved management of the Gulf of Fonseca				Sub-Total	M&E			PMC
		Outcome 1.1 Transboundary Diagnostic Analysis	Outcome 1.2 Strategic Action Program	Outcome 2.1 Institutional strengthening	Outcome 2.2 Environmental, social and economic observatory	Outcome 2.3 Communication, Knowledge Management, and awareness-raising	Outcome 2.4 Pilot sustainable community investments					
Goods	equipment and tools for environmental, social, and economic monitoring				200,000			200,000		200,000	Comisión Centroamericana de Ambiente y Desarrollo (CCAD)	
	Goods and publicity for dedicated education and awareness-raising initiatives							245,000		245,000	CCAD	
Grants/ Sub-grants	Subgrants for local communities to pilot sustainable community investments							900,000		900,000	CCAD	
International Consultants	International consultant firm(s) to lead preparation of TDA and SAP	190,000	190,000					380,000		380,000	CCAD	
	International consultant firm(s) to prepare: (i) TDA thematic reports (e.g., on ecosystem status, stakeholder analysis, governance arrangements); (ii) estimates of the financial resources required for SAP implementation (including for Monitoring and Evaluation), and estimate of the climate co-benefits of the proposed investments; and (iii) detailed methodology for environmental, social and	190,000	190,000		50,000			430,000		430,000	CCAD	
Local Consultants	Technical/specialized local consultants hired to support the TDA and Strategic Action Plan	350,000	350,000					700,000		700,000	CCAD	
	Local Consultants to design environment, social and economic monitoring system				100,000			100,000		100,000	CCAD	
	Local Consultants to perform project monitoring and learning, annual reporting, data collection mid-term and terminal evaluations							-	150,000	150,000	CCAD	
Salary and benefits / Staff costs	Technical project coordinators hired in each country to support the TDA and Strategic Action Plan (Honduras, El Salvador, & Nicaragua)	270,000	270,000					540,000		540,000	CCAD	
	Project Manager/Administrative							-	175,000	175,000	CCAD	
Trainings, Workshops, Meetings	Technical assistance for the development of institutional capacities; national institutions capacity training			300,000		85,000		385,000		385,000	CCAD	
	Technical assistance for the development of institutional capacities; inter-governmental capacity training			200,000		85,000		285,000		285,000	CCAD	
	Meetings & Workshops			200,000				200,000		200,000	CCAD	
	Technical assistance in knowledge management and communications for the sustainable management of the resources of the Gulf; knowledge sharing publication and events					150,000		150,000		150,000	CCAD	
Travel	IW Learn International and Domestic travel and transportation (air, terrestrial, and fluvial), as needed, directly related to the major activities.					100,000		100,000		100,000	CCAD	
Office Supplies	Consumables and office equipment/supplies to be used in the performance of the project							-	30,000	30,000	CCAD	
Other Operating Costs	Operating costs associated with project operation on a day-to-day basis and administrative management, as bank charges, office costs (rents, utilities, communications, insurance), among others.							-	20,000	20,000	CCAD	
Grand Total		1,000,000	1,000,000	700,000	350,000	665,000	900,000	4,615,000	150,000	235,000	5,000,000	
			2,000,000				2,615,000					
Component Subtotal			2,000,000			2,615,000	2,765,000	4,615,000	150,000	235,000	5,000,000	

[1] In exceptional cases where GEF Agency receives funds for execution, Terms of Reference for specific activities are reviewed by GEF Secretariat

Component 2 detail:

Outcome 2.1: Institutional Strengthening				
	Cost per unit	Total number	Explanation	Total cost
Technical assistance for the development of institutional capacities; national institutions capacity training	\$ 7,500	40	Two trainings every year for each of the three countries + SICA for five years	\$ 300,000
Technical assistance for the development of institutional capacities; inter-governmental capacity training	\$ 10,000	20	One training every year for each of the three countries + SICA for five years	\$ 200,000
Meetings & Workshops	\$ 5,000	40	Two meetings/workshops every year for each of the three countries + SICA for five years	\$ 200,000
Total Cost				\$ 700,000
Outcome 2.2: Environmental, Social and Economic Observatory				
	Cost per unit	Total number	Explanation	Total cost
Equipment and tools for environmental, social, and economic monitoring	\$ 20,000	1	Design of a trinational environment, social and economic monitoring observatory system for the Gulf of Fonseca	\$ 200,000
International consultant firm(s)	\$ 50,000	1	International consultant to prepare detailed methodology for environmental, social and economic	\$ 50,000
Local Consultants	\$ 33,333	3	Local consultants to design environment, social and economic monitoring system	\$ 100,000
Total Cost				\$ 350,000
Outcome 2.3: Communication, KM, Awareness Raising				
	Cost per unit	Total number	Explanation	Total cost
Goods and publicity for dedicated education and awareness-raising initiatives	\$ 245,000	1	Publicity budget	\$ 245,000
Communication and awareness for the development of institutional capacities; national institutions capacity training	\$ 2,125	40	Two trainings every year for each of the three countries + SICA for five years	\$ 85,000
Communication and awareness for the development of institutional capacities; inter-governmental capacity training	\$ 4,250	20	One training every year for each of the three countries + SICA for five years	\$ 85,000
Knowledge management and communications for the sustainable management of the resources of the Gulf; knowledge sharing publication	\$ 150,000	1		\$ 150,000

ANNEX F: (For NGI only) Termsheet

Instructions. Please submit a finalized termsheet in this section. The NGI Program Call for Proposals provided a template in Annex A of the Call for Proposals that can be used by the Agency. Agencies can use their own termsheets but must add sections on Currency Risk, Co-financing Ratio and Financial Additionality as defined in the template provided in Annex A of the Call for proposals. Termsheets submitted at CEO endorsement stage should include final terms and conditions of the financing.

ANNEX G: (For NGI only) Reflows

Instructions. Please submit a reflows table as provided in Annex B of the NGI Program Call for Proposals and the Trustee excel sheet for reflows (as provided by the Secretariat or the Trustee) in the Document Section of the CEO endorsement. The Agency is required to quantify any expected financial return/gains/interests earned on non-grant instruments that will be transferred to the GEF Trust Fund as noted in the Guidelines on the Project and Program Cycle Policy. Partner Agencies will be required to comply with the reflows procedures established in their respective Financial Procedures Agreement with the GEF Trustee. Agencies are welcomed to provide assumptions that explain expected financial reflow schedules.

ANNEX H: (For NGI only) Agency Capacity to generate reflows

Instructions. The GEF Agency submitting the CEO endorsement request is required to respond to any questions raised as part of the PIF review process that required clarifications on the Agency Capacity to manage reflows. This Annex seeks to demonstrate Agencies' capacity and eligibility to administer NGI resources as established in the Guidelines on the Project and Program Cycle Policy, GEF/C.52/Inf.06/Rev.01, June 9, 2017 (Annex 5).