



# GEF-6 REQUEST FOR PROJECT ENDORSEMENT/APPROVAL

PROJECT TYPE: FULL-SIZED PROJECT  
 TYPE OF TRUST FUND: GEF TRUST FUND

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## PART I: PROJECT INFORMATION

Project Title: Agroforestry landscapes and sustainable forest management that generate environmental and economic benefits globally and locally			
Country(ies):	Honduras	GEF Project ID: <sup>1</sup>	9262
GEF Agency(ies):	UNDP	GEF Agency Project ID:	5704
Other Executing Partner(s):	Secretary of Energy, Natural Resources, Environment and Mining (MiAmbiente)	Submission Date:	12/8/17
GEF Focal Area (s):	Multi-focal Areas	Project Duration (Months)	84
Integrated Approach Pilot	IAP-Cities <input type="checkbox"/> IAP-Commodities <input type="checkbox"/> IAP-Food Security <input type="checkbox"/>	Corporate Program: SGP <input type="checkbox"/>	
Name of Parent Program	NA	Agency Fee (\$)	1,195,803

### A. FOCAL AREA STRATEGY FRAMEWORK AND OTHER PROGRAM STRATEGIES<sup>2</sup>

Focal Area Objectives/Programs	Focal Area Outcomes	Trust Fund	(in \$)	
			GEF Project Financing	Co-financing
BD-1 Program 1	Outcome 1.1: Increased revenue for protected area systems and globally significant protected areas to meet total expenditures required for management. Outcome 1.2: Improved management effectiveness of protected areas.	GEFTF	2,505,845	9,447,273
BD-4 Program 9	Outcome 9.1: Increased area of production landscapes and seascapes that integrate conservation and sustainable use of biodiversity into management.	GEFTF	4,614,927	17,398,711
LD-2 Program 3	Outcome 2.2: Improved forest management and/or restoration. <sup>3</sup>	GEFTF	1,737,026	6,548,752
SFM-1	Outcome 2: Innovative mechanisms avoid the loss of high conservation value forest. <sup>3</sup>	GEFTF	4,428,899	16,697,368
<b>Total project costs</b>			<b>13,286,697</b>	<b>50,092,104</b>

### B. PROJECT DESCRIPTION SUMMARY

<b>Project Objective:</b> Strengthen the connectivity between protected areas (PAs) and production landscapes to generate environmental, social, and economic benefits in the dry-humid biological corridor of southwestern Honduras						
Project Components/Programs	Financing Type <sup>3</sup>	Project Outcomes	Project Outputs	Trust Fund	(in \$)	
					GEF Project Financing	Confirmed Co-financing
1. Strengthened local and national governance for the dry-humid biological corridor with	TA and INV	– At least one (1) biological corridor legally recognized as a result of the implementation of the	1. Documentation completed and submitted to MiAmbiente containing the requirements	GEFTF	3,985,500 (BD: 2,135,959; LD: 521,041; SFM: 1,328,500)	14,880,052

<sup>1</sup> Project ID number remains the same as the assigned PIF number.

<sup>2</sup> When completing Table A, refer to the excerpts on [GEF 6 Results Frameworks for GETF, LDCF and SCCF](#) and [CBIT programming directions](#).

<sup>3</sup> Financing type can be either investment or technical assistance.

<p>emphasis on PAs and production systems to contribute to the conservation of biodiversity and its sustainable use</p>		<p>regulation for establishing biological corridors</p> <ul style="list-style-type: none"> <li>– Change in the management effectiveness (as measured through the METT) of 15 PAs covering 389,223 ha: <b>(1.</b> Celaque National Park [NP]: from 70 to 80; <b>2.</b> Opalaca Biological Reserve [BR]: from 47 to 57; <b>3.</b> Cerro Azul Meambar NP: from 58 to 68; <b>4.</b> Lago de Yojoa Multiple Use Area [MUA]: from 66 to 76; <b>5.</b> Guajiquiro BR: from 14 to 24; <b>6.</b> El Jilguero Water Production Zone [WPZ]: from 42 to 52; <b>7.</b> Montecillos BR: from 39 to 49; <b>8.</b> Mixcure Wildlife Refuge (WR): from 38 to 48; <b>9.</b> Montaña Verde WR: from 47 to 57; <b>10.</b> Puca WR: from 38 to 48; <b>11.</b> Pacayita BR: from 11 to 21; <b>12.</b> Montecristo NP: from 51 to 61; <b>13.</b> Erapuca WR: from 37 to 47; <b>14.</b> Güisayote BR: from 50 to 60; <b>15.</b> Santa Bárbara Mountain NP: from 14 to 24.</li> <li>– Reduction from USD 3,628,867/year to USD 3,265,980/year (10% reduction) in the financial gap for covering basic management costs and investments in 15 prioritized PAs.</li> <li>– Stable presence of key indicator species in PAs and biological corridors: <b>1.</b> Quetzal (<i>Pharomachrus mocinno</i>); <b>2.</b> Golden-cheeked warbler (<i>Setophaga</i></li> </ul>	<p>established in Regulation 632-2015 to support the legal establishment of biological corridors.</p> <ol style="list-style-type: none"> <li>2. New or updated management plans for 15 PAs include implementation arrangements and financial sustainability strategy.</li> <li>3. Management plans for 62 subwatersheds in the selected corridors.</li> <li>4. Management or co-management committees for 15 PAs developed and/or strengthened (coordination, equipment, training, gender approach, participation of indigenous organizations).</li> <li>5. Watershed Boards (including Water Associations) established and/or strengthened for the management of the 62 subwatersheds (one in each municipality of the project area) with full participation of indigenous organizations for decision-making.</li> <li>6. Municipal resolutions for tax incentive schemes (tax exemption/deduction) for private owners and indigenous territories implementing sustainable practices (linked to Outcome 2 Agreements).</li> <li>7. Instrument to fund the National Protected Area and Wildlife Trust Fund (PA Fund; with emphasis on the 15 PAs prioritized by the project) with resources</li> </ol>			
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		<p><i>chrysoparia</i>); 3. Cougar (<i>Puma concolor</i>); 4. Ocelot (<i>Leopardus pardalis</i>); 5. Margay (<i>Leopardus wiedii</i>); and 6. Jaguarundi (<i>Puma yagouarundi</i>)</p> <p>– 177 organizational structures* participate in decision-making for the conciliation of biological corridors and PAs</p> <p>*Biological corridors local committees, NGOs, PA co-managers, watershed councils, indigenous organizations, coffee and cocoa value chain platforms</p>	<p>derived from the private production sector.</p> <p>8. Financial sustainability strategy for 15 PAs that articulates the biological conservation corridor (including business plans, tax exemption benefits for producers, and resources from the PA Fund).</p> <p>9. Program for training, access to markets (tour operators, managers, and guides), and distribution of benefits for PAs derived from birdwatching and agrotourism, articulated with the Lenca Route.</p> <p>10. Monitoring and conservation program for felines (puma, ocelot, jaguarundi) and quetzals in the 15 selected PAs.</p> <p>11. National and regional platforms for coffee and cocoa strengthened for the governance and management throughout the value chain that consider indicators of productivity, environmental sustainability, and social conflict resolution.</p> <p>12. National and local communication strategy (awareness-building, participation, and feedback) for the implementation of sustainable management practices of productive landscapes, biological corridors, and PAs.</p>			
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<p>2. Generation of environmental, social, and economic benefits for communities through sustainable land management and rehabilitation of corridors to increase connectivity between PAs and production landscapes</p>	<p>TA and INV</p>	<ul style="list-style-type: none"> <li>– 470,601 tCO<sub>2</sub>-eq<sup>4</sup> sequestered through the implementation of landscape management tools (LMTs; biological micro-corridors, forest enrichment, live fences, windbreaks) in 6,000 ha by project's end</li> <li>– 3,000 ha of improved connectivity in 13 prioritized biological areas by project's end</li> <li>– Reduction from 6,000 to 4,800 ha affected by fires annually</li> <li>– 800 ha of forest in private reserves under sustainable management</li> <li>– 16,103 people (11,184 men, 4,919 women) directly benefitting from strengthened livelihoods through solutions for management of natural resources and ecosystems services</li> </ul>	<ol style="list-style-type: none"> <li>1. LMTs connecting production systems with PAs (biological micro-corridors, forest enrichment, hedges, live fences, windbreaks, and firewood management).</li> <li>2. Conservation and sustainable use certification program for farms (National Forest Conservation and Development Institute [ICF], Rainforest Alliance, Honduran Coffee Institute [IHCAFE], etc.) in the prioritized areas, using certification schemes in effect in Honduras.</li> <li>3. 3,000 conservation and best social practice agreements signed with the producers of coffee, cocoa, and agroforestry products to adopt LMTs for the conservation and sustainable management of forests.</li> <li>4. At least 10 community, family, and public (e.g., ICF) nurseries providing over 100,000 seedlings to be used with the LMTs and for rehabilitation practices, including firewood management and the restoration of ecosystems for water recharge.</li> <li>5. Carbon sequestration program for the sale of carbon credits in national markets.</li> <li>6. 2,500 families with ecological stoves to reduce the demand for</li> </ol>	<p>GEFTF</p>	<p>5,165,187 (BD: 2,768,192; LD: 675,267; SFM: 1,721,728)</p>	<p>15,432,052</p>
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<sup>4</sup> Estimated using the Ex-Ante Carbon-balance Tool (EX-ACT) appraisal system developed by FAO, which provides estimates of the impact of agriculture and forestry development projects, programmes and policies on the carbon-balance. The carbon-balance is defined as the net balance from all GHGs expressed in CO<sub>2</sub> equivalent that were emitted or sequestered due to project implementation as compared to a business-as-usual scenario. Additional information can be found at <http://www.fao.org/tc/exact/ex-act-home/en/>.

			<p>firewood and the risk of acute respiratory diseases.</p> <p>7. Fire prevention and control program in the project areas (national, community, and municipal forests) with community participation.</p> <p>8. At least 30 subwatersheds approved as water supply zones by the ICF and according to the Forest Law.</p>			
3. Establishing supply chain initiatives to increase income of farmers derived from coffee, cocoa, sustainable agroforestry, and ecosystem services	TA	<p>– Annual net income (USD) per producer and gender derived from: a) coffee under agroforestry and b) cocoa under agroforestry:</p> <p>a) Coffee (2 ha/family): from 1,197 to 2,595 (men); from 1,078 to 2,543 (women)</p> <p>b) Cocoa (2 ha/family): from 383 to 1,161 (men); from 344 to 1,138)</p> <p>– 2,775 coffee producer families and 225 cocoa producer families with access to credit and environmental incentives to promote sustainable and biodiversity-friendly practices, including product quality improvement and development approved for producers of coffee and cocoa under agroforestry.</p> <p>– 8,000 ha of farms (coffee: 7,400 ha; cocoa: 600 ha) that adopt sustainable practices for production of coffee and cocoa under agroforestry</p>	<p>1. Training and technical assistance program for 4,000 small- and medium-scale producers linked to field schools implementing best sustainable practices, access to certified genetic material, sustainable agroforestry plans for farms, environmental certifications impacting productivity, and good environmental practices that favor biodiversity conservation and connectivity of PAs.</p> <p>2. Capacity of producing families participating in at least one of the two production chains strengthened in organizational and business development themes fosters associativity and union under an approach for environmental sustainability and articulated to the market.</p> <p>3. Program to facilitate access by small- and medium-scale producers to at least two financial products and incentives to</p>	GEFTF	2,807,410 (BD: 1,504,583; LD: 367,024; SFM: 935,803)	15,725,000

		increase connectivity between their farms and PAs	promote sustainable practices includes indicators, environmental and social safeguards, and mechanisms to establish partnerships with the public, private, and banking sectors.			
4. Knowledge management and monitoring and evaluation (M&E)	TA	<ul style="list-style-type: none"> <li>– 10 documents on successful experiences in the incorporation of conservation of biodiversity, SFM, and reduction of land degradation objectives in PAs and sustainable production landscapes prioritized by the project.</li> <li>– Ten (10) replications of agroforestry systems using LMTs that strengthen one local biological corridor not covered by the project.</li> </ul>	<ol style="list-style-type: none"> <li>1. The experiences and lessons learned identified through the monitoring of the dry-humid biological corridor of southwestern Honduras systematized.</li> <li>2. South-South Cooperation program to exchange knowledge about the sustainable production of coffee, cocoa, and other agroforestry products.</li> </ol>	GEFTF	695,900 (BD: 372,954; LD: 90,978; SFM: 231,968)	1,548,395
Subtotal					12,653,997	47,585,499
Project Management Cost (PMC) <sup>5</sup> BD: 339,084; LD: 82,716; SFM: 210,900				GEFTF	632,700	2,506,605
<b>Total project costs</b>					<b>13,286,697</b>	<b>50,092,104</b>

### C. CONFIRMED SOURCES OF CO-FINANCING FOR THE PROJECT BY NAME AND BY TYPE

Please include evidence for co-financing for the project with this form.

Sources of Co-financing	Name of Co-financier	Type of Cofinancing	Amount (\$)
Private Sector	Honduran Coffee Institute (IHCAFE)	Grant	12,000,000
Other	Foundation for Rural Business Development (FUNDER)	Grant	2,000,000
Other	Rural Development Bank (BANRURAL)	Loans	14,000,000
Recipient Government	Secretary of Energy, Natural Resources, Environment and Mining (MiAmbiente)	In-kind	4,000,000
Recipient Government	Agriculture and Cattle-ranching Secretariat (SAG)	In-kind	2,000,000
Recipient Government	National Forest Conservation and Development Institute (ICF)	In-kind	3,592,104
Recipient Government	Sectoral Cabinet for Economic Development (GSDE)	Grant	5,000,000

<sup>5</sup> For GEF Project Financing up to \$2 million, PMC could be up to 10% of the subtotal; above \$2 million, PMC could be up to 5% of the subtotal. PMC should be charged proportionately to focal areas based on focal area project financing amount in Table D below.

Other	Global Coffee Platform (GCP)	Grant	500,000
Other	HEIFER Project	Grant	3,000,000
Other	International Union for the Conservation of Nature (IUCN)	Grant	4,000,000
<b>Total Co-financing</b>			<b>50,092,104</b>

**D. TRUST FUND RESOURCES REQUESTED BY AGENCY(IES), COUNTRY(IES), FOCAL AREA AND THE PROGRAMMING OF FUNDS**

GEF Agency	Trust Fund	Country Name/Global	Focal Area	Programming of Funds	(in \$)		
					GEF Project Financing (a)	Agency Fee <sup>a)</sup> (b) <sup>2</sup>	Total (c)=a+b
UNDP	GEFTF	Honduras	Biodiversity	N/A	7,120,772	640,869	7,761,641
UNDP	GEFTF	Honduras	Land Degradation	N/A	1,737,026	156,333	1,893,359
UNDP	GEFTF	Honduras	N/A	SFM	4,428,899	398,601	4,827,500
<b>Total Grant Resources</b>					<b>13,286,697</b>	<b>1,195,803</b>	<b>14,482,500</b>

a ) Refer to the [Fee Policy for GEF Partner Agencies](#)

**E. PROJECT'S TARGET CONTRIBUTIONS TO GLOBAL ENVIRONMENTAL BENEFITS<sup>6</sup>**

Provide the expected project targets as appropriate.

Corporate Results	Replenishment Targets	Project Targets
1. Maintain globally significant biodiversity and the ecosystem goods and services that it provides to society	Improved management of landscapes and seascapes covering 300 million hectares	389,223 hectares <sup>7</sup>
2. Sustainable land management in production systems (agriculture, rangelands, and forest landscapes)	120 million hectares under sustainable land management	582,529 hectares <sup>8</sup>

**F. DOES THE PROJECT INCLUDE A "NON-GRANT" INSTRUMENT?** No

**PART II: PROJECT JUSTIFICATION**

**A. DESCRIBE ANY CHANGES IN ALIGNMENT WITH THE PROJECT DESIGN WITH THE ORIGINAL PIF<sup>9</sup>**

**A.1. Project Description.**

<sup>6</sup> Update the applicable indicators provided at PIF stage. Progress in programming against these targets for the projects per the *Corporate Results Framework* in the [GEF-6 Programming Directions](#), will be aggregated and reported during mid-term and at the conclusion of the replenishment period.

<sup>7</sup> Area of 15 PAs that will benefit from the project.

<sup>8</sup> Area of biological corridors connecting 15 PAs, and consisting of mosaic landscapes, all those in which productive systems such as coffee are in greater proportion than natural ecosystems; and natural landscapes, all those in which the presence of cloud forest, mixed and pine ecosystems are in a greater proportion than the productive systems.

<sup>9</sup> For questions A.1 –A.7 in Part II, if there are no changes since PIF , no need to respond, please enter "NA" after the respective question.

- 1) The global environmental and/or adaptation problems, root causes and barriers that need to be addressed. NA
- 2) The baseline scenario or any associated baseline projects. NA
- 3) The proposed alternative scenario, GEF focal area<sup>10</sup> strategies, with a brief description of expected outcomes and components of the project.

1. The project design is closely aligned to the original PIF. The structure of the project components closely resembles the PIF that was approved by the GEF. However, as per UNDP guidelines regarding Knowledge Management and M&E, a stand-alone Component 4 was included in the project results framework and also in the total budget and work plan. This component outlines the knowledge management strategy of the project focusing on the production of knowledge products, and the wider communication and dissemination of project lessons and experiences to support the replication and scaling-up of project results. A description of the project components is included in Section V: Results and Partnerships of the GEF-UNDP Project Document. In addition, changes were made to the project's outputs, which do not represent a departure from the project's strategy as defined originally in the PIF nor will they have an impact on the funds originally budgeted; these changes are described as follows:

PIF Outputs (Component 1)	Project Document Outputs (Component 1)
<i>Methodological and governance instruments for implementation of the biological corridor policy.</i>	<p><i>Documentation completed and submitted to MiAmbiente containing the requirements established in Regulation 632-2015 to support the legal establishment of biological corridors.</i></p> <p>As the Government of Honduras has already made progress in developing policies to consolidate biological corridors, the project will contribute to the implementation of the Regulation of Biological Corridors (Regulation 632-2015), which focuses on the legal approval of biological corridors.</p>
<i>Updated forestry and management plans for 20 PAs and selected watersheds.</i>	<p>This output was divided into two separate outputs to better address management needs. Also, the number of PAs was reduced from 20 to 15 based on the prioritization exercise to determine better opportunities and needs to strengthen connectivity between PAs and production landscapes.</p> <p><i>New or updated management plans for 15 PAs include implementation arrangements and financial sustainability strategy.</i></p> <p><i>Management plans for 62 subwatersheds in the selected corridors.</i></p>
<i>Extension work to identify and negotiate agreements for production systems, including privately owned small watersheds, and establish tax exemption/deduction scheme.</i>	<p><i>Municipal resolutions for tax incentive schemes (tax exemption/deduction) for private owners and indigenous territories implementing sustainable practices (linked to Outcome 2 Agreements).</i></p> <p>The project will directly focus on developing tax incentives to promote sustainable production in areas of importance for ecosystem connectivity, including the management of small watersheds in private lands.</p>

<sup>10</sup> For biodiversity projects, in addition to explaining the project's consistency with the biodiversity focal area strategy, objectives and programs, please also describe which [Aichi Target\(s\)](#) the project will directly contribute to achieving.



<p><i>Co-management committees and watershed advisory councils for PAs, corridor management and sustainable production strengthened.</i></p>	<p>This output was divided into two separate outputs to better address local governance needs:</p> <p><i>Management or co-management committees for 15 PAs developed and/or strengthened (coordination, equipment, training, gender approach, participation of indigenous organizations).</i></p> <p><i>Watershed Boards (including Water Associations) established and/or strengthened for the management of the 62 subwatersheds (one in each municipality of the project area) with full participation of indigenous organizations for decision-making.</i></p>
<p><i>National Protected Area Trust Fund strengthened with GEF resources (amount to be determined during the PPG phase) and income derived from birdwatching and sustainable agrotourism activities.</i></p>	<p>This output was divided into two separate outputs. In addition, it was determined that GEF resources will not be used directly to strengthen the PA Fund; instead, GEF resources will be used to promote private sector contributions to the Fund.</p> <p><i>Instrument to fund the National Protected Areas and Wildlife Trust Fund (with emphasis on the 15 PAs prioritized by the project) with resources derived from the private production sector.</i></p> <p><i>Program for training, access to markets (tour operators, managers, and guides), and distribution of benefits for PAs derived from birdwatching and agrotourism, articulated with the Lenca Route.</i></p>
<p><i>Conservation program for a certain number of priority areas for the conservation of Ocelots and quetzals. The specific areas will be determined during PPG)</i></p>	<p><i>Monitoring and conservation program for felines (puma, ocelot, jaguarundi) and quetzals in the 15 selected PAs.</i></p> <p>The output was reworded to indicate the species covered and the areas where the conservation program will be implemented. The program will also include a monitoring system, which will assess the project's impact on strengthening the connectivity between PAs and production landscapes (i.e., movement of key selected species between PAs).</p>
<p><i>National and regional platforms for coffee, cocoa, and agroforestry products that take into account indicators of productivity, environmental sustainability, and social conflict resolution throughout the value chain.</i></p>	<p><i>National and regional platforms for coffee and cocoa strengthened for the governance and management throughout the value chain that consider indicators of productivity, environmental sustainability, and social conflict resolution.</i></p> <p>The output was reworded to indicate that existing platforms will be strengthened.</p>
<p>PIF Outputs (Component 2)</p>	<p>Project Document Outputs (Component 2)</p>
	<p><i>Conservation and sustainable use certification program for farms (ICF, Rainforest Alliance, IHCAFE, etc.) in the prioritized areas, using certification schemes in effect in Honduras.</i></p> <p>This output was added to provide additional incentives for small- and medium-size farmers to implement sustainable production practices, including agroforestry.</p>

<p><i>Carbon sequestration program certified by ICONTEC and/or other firms that provides such services in the region.</i></p>	<p><i>Carbon sequestration program for the sale of carbon credits in national markets.</i></p> <p>The output was adjusted to indicate that the sale of carbon credits will be primarily in national markets; the reference to which entity will be certifying is included in the description of activities in the GEF-UNDP Project Document.</p>
<p><i>10,000 conservation and best social practice agreements signed with the producers of coffee, cocoa, and agroforestry products to adopt landscape management tools for the conservation and sustainable management of forests.</i></p>	<p><i>3,000 conservation and best social practice agreements signed with the producers of coffee, cocoa, and agroforestry products to adopt LMTs for the conservation and sustainable management of forests.</i></p> <p>The number of agreements to be established through the project for the implementation of LMTs was reduced based on a feasibility assessment conducted during the PPG for using these tools. Also, it responds to STAP's suggestion to reduce the scope and scale of activities of the project (See Annex B: Responses to Project Reviews).</p>
<p><i>50 nurseries providing 150,000 seedlings to be used with the landscape management tools and for rehabilitation practices, including firewood management.</i></p>	<p><i>At least 10 community, family, and public (e.g., ICF) nurseries providing over 100,000 seedlings to be used with the LMTs and for rehabilitation practices, including firewood management and for the restoration of ecosystems for water recharge.</i></p> <p>The number of nurseries to be established through the project to provide germplasm for the implementation of LMTs was reduced based on a feasibility assessment conducted during the PPG and in response to STAP's suggestion to the scope and scale of activities of the project (See Annex B: Responses to Project Reviews). In addition, the project will promote the implementation of family-based nurseries, as this type of nursery will help to develop a greater sense of belonging among the beneficiaries.</p>
<p><i>5,000 ecological stoves to reduce the demand for firewood and the risk of acute respiratory diseases.</i></p>	<p><i>2,500 families with ecological stoves to reduce the demand for firewood and the risk of acute respiratory diseases.</i></p> <p>The number of families with ecological stoves was reduced based on a feasibility assessment conducted during the PPG. Also, it responds to STAP's suggestion to reduce the scope and scale of activities of the project (See Annex B: Responses to Project Reviews).</p>
<p><i>Incentive and control program with community participation to prevent fires.</i></p>	<p><i>Fire prevention and control program in the project areas (national, community, and municipal forests) with community participation.</i></p> <p>The output was reworded to better reflect the scope of activities that will be implemented to reduce the threat of fire to natural forests.</p>
<p><i>Program for soil management and rehabilitation with community participation to reduce erosion.</i></p>	<p><i>At least 30 subwatersheds approved as water supply zones by the ICF and according to the Forest Law.</i></p>

	Soil management and rehabilitation will be addressed as part of the approval of water supply zones, which will include restoration and conservation activities for reducing forest and soil degradation as part of the implementation of action plans.
<b>PIF Outputs (Component 3)</b>	<b>Project Document Outputs (Component 3)</b>
<i>Extension work with 25,000 producers on sustainable practices, improved production chains, and revised business plans to gain access to niche markets for coffee, cacao, and agricultural products (i.e., gooseberry, blackberry, and pine resin).</i>	<p><i>Training and technical assistance program for 4,000 small- and medium-scale producers linked to field schools implementing best sustainable practices, access to certified genetic material, sustainable agroforestry plans for farms, environmental certifications impacting productivity, and good environmental practices that favor biodiversity conservation and connectivity of PAs.</i></p> <p>This output will provide training and technical assistance to families interested in sustainable production and conservation during the production phase of the value chain. The number of producers who will benefit from this output was reduced based on a feasibility assessment conducted during the PPG and in response to STAP's suggestion to reduce the scope and scale of activities of the project (See Annex B: Responses to Project Reviews). In addition, this output was reworded to reflect the fact that the project will focus only on coffee and cocoa production under agroforestry to promote biodiversity conservation and ecosystem connectivity.</p>
Support to small and medium producers of coffee, cocoa, and agroforestry products to access credit and technical assistance, which includes biodiversity-friendly practices, through existing financial instruments in the country.	<p><i>Capacity of producing families participating in at least one of the two production chains strengthened in organizational and business development themes foster associativity and union under an approach for environmental sustainability and articulated to the market.</i></p> <p>This output was reworded to emphasize that the project will strengthen the capacity of small- and medium-scale producer families living in the prioritized biological corridors in aspects related to the post-harvest and product quality in the coffee and cocoa production chains. This output will include developing a strategy with a focus on the value chain that includes establishing business partnerships, ensuring a fair market, and facilitating investments for environmental sustainability.</p>
<i>South-south cooperation program to exchange knowledge about the sustainable production of coffee, cocoa, and other agroforestry products.</i>	This output was maintained but included in Component 4, which is related to knowledge management in the project.
Sustainability indicators for the production of coffee, cocoa, and agroforestry products strengthened along the value chain.	<i>Program to facilitate access by small- and medium-scale producers to at least two financial products and incentives to promote sustainable practices includes indicators, environmental and social safeguards, and mechanisms to establish partnerships with the public, private, and banking sectors.</i>

As the supply of financial products and incentives associated with coffee and cocoa production chains with a focus on conservation of biodiversity, forests, and soils or the maximization of the role of biological corridors is currently limited in Honduras, the scope of this output was widened so that financial products (e.g., credit) and incentives will be available to incentivize producers to adopt sustainable production practices.

Changes to Project Outcomes: changes to Project outcomes were done to reflect the results framework (Annex 1) and suggestions made by STAP regarding reducing the scope and scale of activities. Based on this recommendation the following changes were made: a) reduction in the total area of work from 1.27 million ha to 971,752 ha; b) reduction in the number of PAs benefiting from the project from 20 to 15 PAs; c) reduction from 80,000 ha managed under sustainable agriculture and agroforestry to 8,000 ha; d) reduction from 10,000 conservation and best social practice agreements to 3,000 conservation and best social practice agreements for the implementation LMTs and SFM; e) reduction from 50 nurseries providing seedlings to be used with the LMTs and for rehabilitation practices to 10 nurseries; f) reduction from 5,000 ecological stoves to reduce the demand for firewood and the risk of acute respiratory diseases to 2,500 ecological stoves; and g) reduction in the number of beneficiaries of training and technical assistance to improve value chains from 25,000 to 4,000 producers.

4) [Incremental/additional cost reasoning](#) and expected contributions from the baseline, the GEFTF and [co-financing](#).

*Baseline NA*

*GEF Increment*

2. Component 1: The incremental funding for this component totals USD \$18,865,552; USD \$3,985,500 will be provided by the GEF and USD \$14,880,052 will be provided by the co-financing sources. The GEF alternative will include investments from the IHCAFE, FUNDER, MiAmbiente, SAG, ICF, GCP, HEIFER Project, and the IUCN, and will be directed to strengthening local and national governance, which is required for the consolidation of the dry-humid biological corridor, as well as to lay the groundwork for the incorporation of public participation in the process.

3. Component 2: The incremental funding for this component totals USD \$20,597,239; USD \$5,165,187 will be provided by the GEF and USD \$15,432,052 will be provided by the co-financing sources. The GEF alternative will include investments from IHCAFE, BANRURAL, MiAmbiente, SAG, ICF, GSDE, HEIFER Project, and the IUCN in order to strengthen the productions systems for coffee, cacao, and other agroforestry products. It will also facilitate the engagement of the producers to adopt SFM practices.

4. Component 3: The incremental funding for this component totals USD \$18,532,410; USD \$2,807,410 will be provided by the GEF and USD \$15,725,000 will be provided by the co-financing sources. The GEF alternative will include investments from IHCAFE, FUNDER, BANRURAL, and SAG to contribute to the increased income- generation for participants and to establish access credit lines for the development of stronger production chains.

5. Component 4: The knowledge management strategy of the project is outlined in this component, which has a total cost of USD \$2,244,295, of which GEF will provide USD \$695,900 and the co-financing sources will provide USD \$1,548,395.

6. Project management costs amount to USD \$3,139,305, USD \$632,700 of which will be provided by the GEF and USD \$2,506,605 will be provided by co-financing sources

7. Finally, it is noted that there was an increase in cofinancing in the amount of 1,889,104 USD.

5) [Global environmental benefits](#) (GEFTF).

8. The project's global environmental benefits include:

Biodiversity:

- Enhanced conservation of one Key Biodiversity Area (KBA) and/or Zero Extinction Site, and 14 PAs.

- Improved management effectiveness in 15 PAs (389,223 ha).
- Stable populations of indicator/keystone species of global importance: Quetzal (*Pharomachrus mocinno*), Golden-cheeked warbler (*Setophaga chrysoparia*), Cougar (*Puma concolor*), Ocelot (*Leopardus pardalis*), Margay (*Leopardus wiedii*), and Jaguarundi (*Puma yagouaroundi*)
- 971,752 ha of biological corridors provide connectivity to forest remnants and contribute to the conservation of biologically important areas.
- Key forest ecosystems (broadleaf cloud forest, broadleaf deciduous forest, dense and sparse conifer forest, and mixed forests) that provide ecosystem services are conserved and used in a sustainable manner.
- 8,000 ha of farms under sustainable production practices.

Land Degradation:

- 6,000 ha managed in production farms according to LMTs (i.e., micro-corridors, live fences, wind barriers, agroforestry systems, etc.).
- 30 subwatersheds approved as water supply zones ensure stable water supplies and contribute to the conservation of forests, soils, and water resources.

SFM:

- Sequestration of 470,601 tCO<sub>2</sub>-eq through the rehabilitation and reforestation and agroforestry systems using LMTs.
- 20% reduction in forest fires.
- 70% reduction in firewood consumption and greenhouse gas (GHG) emissions.
- 800 ha of forest in private reserves under sustainable management

6) Innovativeness, sustainability, and potential for scaling-up.

9. An updated description of the project's innovativeness, sustainability, and potential for scaling-up is included in Section VI: Feasibility, iv. Sustainability and Scaling Up of the GEF-UNDP Project Document.

A.2. *Child Project?* If this is a child project under a program, describe how the components contribute to the overall program impact.

No

A.3. Stakeholders. Identify key stakeholders and elaborate on how the key stakeholders engagement is incorporated in the preparation and implementation of the project. Do they include civil society organizations (yes  /no )? and indigenous peoples (yes  /no )? <sup>11</sup>

10. The successful implementation of the project will largely depend on the effective communication and coordination with the multiple project stakeholders and the implementation of mechanisms to ensure these stakeholders' participation. The key national and subnational stakeholders include MiAmbiente, ICF, INA, IHCAFE, SAG, among others. At the local level, the most relevant stakeholders are municipal governments, organizations of small- and medium-size farmers, producers' organizations of coffee and cocoa, women's groups, local communities, and indigenous peoples and organizations. Private sector agencies and financial institutions will play an active role in the project in promoting sustainable production, developing marketing strategies for coffee and cocoa products, and investing and facilitating access to financial products and incentives for farmers. The project's Stakeholder Engagement and Communication Plan is included in Annex L of the GEF-UNDP Project Document, and a list of people consulted during project development is included in Annex Q of the GEF-UNDP Project Document. In addition, an Indigenous Peoples Plan (IPP) was developed with the goal of achieving the effective participation of indigenous communities (Lenca and Maya Chortí) and

<sup>11</sup> As per the GEF-6 Corporate Results Framework in the GEF Programming Directions and GEF-6 Gender Core Indicators in the Gender Equality Action Plan, provide information on these specific indicators on stakeholders (including civil society organization and indigenous peoples) and gender.

guaranteeing the free, prior, and informed consent (FPIC) for implementation of the project; the IPP is included as Annex G of the GEF-UNDP Project Document.

A.4. *Gender Equality and Women's Empowerment*. Elaborate on how gender equality and women's empowerment issues are mainstreamed into the project implementation and monitoring, taking into account the differences, needs, roles and priorities of women and men. In addition, 1) did the project conduct a gender analysis during project preparation (yes  /no )?; 2) did the project incorporate a gender responsive project results framework, including sex-disaggregated indicators (yes  /no )?; and 3) what is the share of women and men direct beneficiaries (women 30%, men 70%)? <sup>12</sup>

11. According to the project objective and the proposed actions, it is categorized as *Gender-responsive: results addressed differential needs of men or women and equitable distribution of benefits, resources, status, and rights, but do not address root causes of inequalities in their lives*. During the PPG a Gender Mainstreaming Plan (included as Annex K of the GEF-UNDP Project Document) was developed to ensure gender mainstreaming in the project; specific gender-based indicators will be used for monitoring and a gender specialist will be hired to facilitate improvements on gender equality and women's empowerment.

A.5 *Risk*. Elaborate on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, the proposed measures that address these risks at the time of project implementation.(table format acceptable).

12. An updated description of the project's risk is included in Annex I: UNDP Risk Log of the GEF-UNDP Project Document.

A.6. *Institutional Arrangement and Coordination*. Describe the institutional arrangement for project implementation. Elaborate on the planned coordination with other relevant GEF-financed projects and other initiatives.

13. Institutional arrangements are described in Section IX: Governance and Management Arrangements of the GEF-UNDP Project Document.

#### Additional Information not well elaborated at PIF Stage:

A.7 *Benefits*. Describe the socioeconomic benefits to be delivered by the project at the national and local levels. How do these benefits translate in supporting the achievement of global environment benefits (GEF Trust Fund)?

14. The project will ensure the direct, free, and equal participation of all national, subnational, and local stakeholders in the planning and implementation of measures that will result in strengthened connectivity between PAs and production landscapes in the dry-humid biological corridor of southwestern Honduras, while at the same time generating environmental, social, and economic benefits. At the local level, the project will provide monetary and non-monetary benefits equally to the local stakeholders, including the Chortí and Lenca communities, independently of their conditions, and will result in the following: a) increase in the income of small- and medium-scale producers, including women and indigenous people, resulting from the implementation of sustainable coffee and cocoa agroforestry and agricultural production practices and the use of economic incentives (e.g., municipal tax exemption/deductions, price premiums through environmental certification, and sale of carbon credits) to promote sustainable production and forest conservation; b) access to markets, financial products, and business partners for sustainable production by small- and medium-scale coffee and cocoa producers; c) improved access to plant material for the implementation of agroforestry, soil stabilization along river banks, and rehabilitation of degraded lands and forests through community, family, and publicly operated nurseries; d) improved cooking, heating, and health conditions of local families through the use of ecological stoves, which will reduce firewood consumption and GHG emissions; e) empowerment of local communities through their direct participation in the development of management plans for 15 PAs, strengthened co-management mechanisms for PAs, the development of management plans for 62 subwatersheds in the selected corridors, and the strengthening or creation of new watershed boards, including local water associations, for improved watershed and water and sanitation

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<sup>12</sup> Same as footnote 8 above.

management; and f) new national and regional coffee and cocoa platforms to improve management throughout the value chain of selected products.

15. In addition, the project will train local community members, indigenous peoples and organizations, women's groups, municipal officials, PA co-managers, biological corridor council members (to be established through the project), and members of water boards, among other civil society organizations so that they become the principal facilitators and decision-makers for biodiversity conservation, sustainable land management (SLM), and sustainable forest management (SFM) in the project's prioritized landscape/biological corridors. A total of 16,103 people (11,184 men and 4,919 women) will benefit from the project.

16. Through the conservation and sustainable use of locally and globally important ecosystems (e.g., broadleaf cloud forest, broadleaf deciduous forest, dense and sparse conifer forest, and mixed forests), reduction in the loss of forest cover, and protection and sustainable management of watersheds, the services these ecosystems provide (maintenance of soil quality, erosion control, food and forest materials production, regulation of water regimes, carbon storage, climate regulation, and habitat for biodiversity) will be improved and positively impact the well-being of the communities that live in the dry-humid biological corridor of southwestern Honduras. Finally, the project will provide lessons learned and generate knowledge that will be used for replication and scaling-up of project results, benefiting farmers and producers, PA co-managers, indigenous organizations, and others, in other production landscapes and corridors of the country.

*A.8 Knowledge Management.* Elaborate on the knowledge management approach for the project, including, if any, plans for the project to learn from other relevant projects and initiatives (e.g. participate in trainings, conferences, stakeholder exchanges, virtual networks, project twinning) and plans for the project to assess and document in a user-friendly form (e.g. lessons learned briefs, engaging websites, guidebooks based on experience) and share these experiences and expertise (e.g. participate in community of practices, organize seminars, trainings and conferences) with relevant stakeholders.

17. Project Component 4: Knowledge management and M&E outlines the knowledge management strategy for the project. This strategy includes specific outputs regarding how best practices will be documented and experiences will be shared with other biodiversity, land degradation, and SFM projects using existing information-exchange platforms. This will include: a) the development of 10 documents on successful experiences in the incorporation of conservation of biodiversity, SFM, and reduction of land degradation objectives in PAs and sustainable production landscapes prioritized by the project; and b) at least one initiative under implementation for sustainable production systems and increased connectivity in other landscapes in the country. In addition, the results from the project will be disseminated within and beyond the project intervention area through a number of existing information-sharing networks and forums. A description of the knowledge management approach for the project is provided in Section V: Results and Partnerships of the GEF-UNDP Project Document.

## **B. DESCRIPTION OF THE CONSISTENCY OF THE PROJECT WITH:**

*B.1 Consistency with National Priorities.* Describe the consistency of the project with national strategies and plans or reports and assessments under relevant conventions such as NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, INDCs, etc.:

18. The project is aligned with the National Biodiversity Strategy and Action Plan and particularly with Objectives relevant to Protected Areas and In Situ Conservation, Sustainable use of Biodiversity and Incentives. The project is consistent with the Strategic Plan for the National System of Protected Areas and its objectives, namely, O.1. "Ensure coordination between different actors involved with the SINAPH", O.3 "Develop and update management Plans for Protected Areas according to Management Categories", O.4. "Establish conditions for the marketing of environmental services in Protected Areas" and "Developing and implementing business plans for the sustainable use of environmental goods and services in PA", O.6 "Ensure that the state guarantees the allocation of budget resources to feed and strengthen the SINAPH". The project is aligned with the National Forestry Program PRONAFOR (2004-2021), which is part of the National Policy for Agrifood sector and Rural Affairs and is the operating arm of the Forestry Policy. It will contribute to achieving the objectives contained in the following programs: Program for Forests and Community Development, Program for Forest, Water and Environmental Services and the Program for Forests and Biodiversity. The project will also take action to reduce GHG emissions as established in the National Strategy for Climate Change, and the Framework Law for Climate Change (2014).

19. The project will contribute to the achievement of the following Aichi Targets: Target 2 (Integrate biodiversity and development), Target 4 (Sustainable production and consumption), Target 5 (Halve rate of habitat loss), Target 7 (Sustainable agriculture, aquaculture, forestry), Target 14 (Restore and safeguard essential ecosystem services); and Target 15 (Enhance ecosystem resilience and carbon stocks)

20. 24. The project is part of UNDP's effort to support the progress of Honduras towards achieving the Sustainable Development Goals (SDGs). In particular, the project will contribute to achieving the following SDGs: Goal 1: End poverty in all its forms everywhere; Goal 2: Zero hunger; Goal 5: Achieve gender equality and empower all women and girls; and Goal 12: Responsible consumption and production; and Goal 15: Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss

21. The project is in line with the United Nations Convention to Combat Desertification (UNCCD) National Action Plan (NAP; 2005). In particular the project will contribute to the NAP's Strategies: a) Sustainable Agricultural and Livestock Production; b) Planning, Conservation, and Reforestation of Priority Watersheds; c) Education and Environmental Awareness for Sustainable Development; and d) Institutional Strengthening and Development of Local Capacities. For each of these strategies the project will contribute to the following targets: a) transform at least 50% (30,000) of existing farms into farms with sustainable production systems; b) maintain 228 priority microwatersheds under comprehensive and sustainable management (at least three per municipality); c) 100,000 families (approximately two out of three) aware on issues of sustainable use of natural resources; and d) 228 local civil society organizations (corresponding to three microwatersheds to be served per municipality) organized with a gender perspective, strengthened, and implementing microwatersheds management plans.

22. Finally the project is in line with the Country Vision 2010-2038 and Nation Plan 2010-2022, which have among its goals, a Honduras that is productive, generator of opportunities and employment, and which makes the most of its resources and reduces environmental vulnerability in a sustainable way. More specifically, the project is framed within the strategic line Regional Development, Natural Resources and Environment. The project will contribute to incorporate civil society and communities as principal actors in the use, conservation, and protection of the country's natural heritage. In addition, it will contribute to implement economic instruments for generating income for the implementation of management plans for protected areas and the protection of water recharge zones.


**C. DESCRIBE THE BUDGETED M & E PLAN:** The budgeted M&E plan is included in Section VIII: Monitoring and Evaluation (M&E) Plan of the GEF-UNDP Project Document.



**PART III: CERTIFICATION BY GEF PARTNER AGENCY(IES)**

**A. GEF Agency(ies) certification**

This request has been prepared in accordance with GEF policies<sup>13</sup> and procedures and meets the GEF criteria for CEO endorsement under GEF-6.

<b>Agency Coordinator, Agency name</b>	<b>Signature</b>	<b>Date (MM/dd/yyyy)</b>	<b>Project Contact Person</b>	<b>Telephone</b>	<b>Email Address</b>
Adriana Dinu, UNDP-GEF Executive Coordinator.		12/8/2017	Santiago Carrizosa, STA, EBD	+507 302-4510	santiago.carrizosa@undp.org

<sup>13</sup> GEF policies encompass all managed trust funds, namely: GEFTF, LDCF, SCCF and CBIT  
GEF6 CEO Endorsement /Approval Template-August2016

**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).

Please refer to Section VII. Project Results Framework of the GEF-UNDP Project Document.

**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).

Reviewer's comments	Responses	Reference in CEO Endorsement Document
<b>Secretariat Comment at CEO Endorsement (FSP)/Approval (MSP): 8-14-15</b>		
<p><i>4. Is the project designed with sound incremental reasoning?</i></p> <p>Land Degradation: Provides a figure of \$165M in investments by different areas. For CEO Endorsement, it would be necessary to articulate how the GEF funding allocated to SLM activities pays for the "incremental" costs.</p> <p>Forests: Provides figures of \$1.6 billion from PRONAFOR and \$13M fro Eco-Stoves project. As with LD, and for CEO Endorsement, it would be necessary to articulate how the GEF funding allocated to the activities pays for the "incremental" costs of investments in Forests. This is a challenging task considering that the proposed investments in forests are insignificant compared to the PRONAFOR funding.</p>	<p>Only \$20 million of the \$165 million will be invested over the next 84 months in projects addressing primarily food security issues in the target area. The project's incremental costs will result from investing in environmental issues not covered by the baseline SLM investment, including: 1) implementation of LMTs and sustainable agroforestry for soil stabilization and improved soil productivity, 2) certification of coffee producers who incorporate best agricultural practices for soil erosion control and soil management into their farms, and 3) establishing small watersheds as water supply zones in accordance with the Forest Law, which will contribute to the conservation of forests, soils, and water resources and the restoration of degraded lands within these small watersheds.</p> <p>Only \$16 million from PRONAFOR will be invested in the project's area of influence over the next 84 months. The SFM increment from the project relates to the identification and monitoring of high-conservation-value forests in private lands and the development of agroforestry that will contribute to enhancing the connectivity between these forest patches and selected PAs.</p> <p>With regard to the ecological stoves, only \$7 million will be invested in the area targeted by the project. The GEF funding will focus primarily on working with indigenous populations using an approach that considers the views and knowledge of the Chorti and Lenca communities with respect to their use of forests and firewood. These communities use traditional fires for cooking and heating; the replacement of traditional fires with ecological stoves requires extensive consultation and awareness-raising that considers the needs and cultural views of these communities so that changing the ways they use forests and fire for cooking and heating will be made with the least cultural impact and ensuring that their adoption of ecological stoves will be sustainable.</p>	NA
<b>STAP Scientific and Technical screening of the Project Identification Form (PIF): May 10, 2016</b>		
<p>1. The barriers as described are severe. Considering in particular the deficiencies in governance and capacity, the scope and scale of activities seems ambitious. STAP suggests that the project maybe more effective if the scale is reduced, and that it would</p>	<p>As suggested, the scope and scale of the activities was reduced. This includes: a) reduction in the total area of work from 1.27 million ha to 971,752 ha; b) reduction in the number of PAs benefiting from the project from 20 to 15 PAs; c) reduction from 80,000 ha managed under sustainable agriculture and agroforestry to 8,000 ha; d) reduction from 10,000 conservation and best social practice agreements to 3,000 conservation and</p>	<p>Part I: Project Information; A. Focal Area Strategy Framework And Other Program Strategies</p>

<p>be prudent to commence with a pilot or prototype of each of the elements, so that the design can be bested and refined, and then scaled up, once proven</p>	<p>best social practice agreements for the implementation LMTs and SFM; e) reduction from 50 nurseries providing seedlings to be used with the LMTs and for rehabilitation practices to 10 nurseries; f) reduction from 5,000 ecological stoves to reduce the demand for firewood and the risk of acute respiratory diseases to 2,500 ecological stoves; and g) reduction in the number of beneficiaries of training and technical assistance to improve value chains from 25,000 to 4,000 producers.</p>	
<p>2. Detail further how the different ministries (SAG, SINAPH, ICF, DiBio) will work jointly to overcome the identified deficiencies in planning and implementation, in order to achieve the project objective. These entities have complementary roles and there are a number of opportunities for collaboration on mainstreaming biodiversity in the agricultural/forestry sectors, strengthening forest management plans, and improving livelihood strategies.</p>	<p>The project will operate within the collaborative framework outlined in Regulation 632-2015 (Regulation of Biological Corridors), which mandates the interinstitutional relationship of communication, coordination, collaboration, and mutual assistance between MiAmbiente (which includes DiBio) and ICF (which includes SINAPH). In addition, ICF and MiAmbiente will be part of the Project Board, which will facilitate coordination and collaboration between the two agencies. Coordination and collaboration will be achieved through the Honduran Coffee Institute (IHCAFE), a responsible party of the project who will play an active role in establishing supply chain initiatives to increase the income of farmers derived from sustainable coffee and cocoa under agroforestry and ecosystem services (Component 3). SAG and IHCAFE will collaborate to identify products with market potential that will be introduced into the agroforestry models, promote SFM practices, and facilitate partnerships and agreements with the private sector to seek financing to support sustainable production. In addition, SAG and IHCAFE are project co-financiers.</p>	<p>Section IX: Governance and Management Arrangements of the GEF-UNDP Project Document.</p>
<p>3. STAP would like to see supporting evidence for the interventions proposed. For example, it would be appropriate to provide examples or references on the effectiveness of micro-corridors and live fences in enhancing biodiversity and increasing the resilience of protected areas. Additionally, further information should be provided on how the interventions will address the following identified problems: 1) overcoming the impacts of regular dry periods; 2) reducing forest fires; and, 3) managing the pests and diseases causing deforestation. On the proposed tax incentive, STAP recommends analysing: 1) whether it will deliver sufficient encouragement to change behaviour, and, 2) will the tax incentive be affordable to the government. STAP suggests that articulating the basis for the proposed interventions, with</p>	<p>LMTs (i.e., micro-corridors, live fences, silvopastoral systems, etc.) for biodiversity conservation in production landscapes are landscape elements that create or improve habitat, increase functional connectivity, or comply simultaneously with these functions to benefit the native biodiversity (Lozano-Zambrano, F. H. [ed]. 2009. <i>Herramientas de manejo para la conservación de biodiversidad en paisajes rurales</i>. Instituto de Investigación de Recursos Biológicos. Alexander von Humboldt y Corporación Autónoma Regional de Cundinamarca (CAR). Bogotá, D. C., Colombia. 238 p.]). The use of LMTs in GEF projects can be traced back to the <i>Conservation and Sustainable Use of Biodiversity in the Andes Region</i> project (ID 774), which was implemented between 2002 and 2007 in Colombia and included a landscape approach to conservation and the implementation of LMTs in Los Nevados and Iguaque National Parks and their surrounding landscapes. The contribution of this project to increasing connectivity among ecosystems previously managed separately was highlighted in a recent GEF paper: <i>Impact Evaluation of GEF Support to Protected Areas and Protected Area Systems</i> (GEF/ME/C.49/Inf.02 October 06, 2015). Since then, LMTs have been included in other GEF projects in</p>	<p>Section V: Results and Partnerships of the GEF-UNDP Project Document.</p>

<p>respect to the problems identified, will assist in developing effective interventions.</p>	<p>Colombia, Guatemala, and Costa Rica, as well as that proposed herein for Honduras.</p> <p>The project will address the following identified problems:</p> <p>1) Overcoming the impacts of regular dry periods: establishing 30 small watersheds as water supply zones (Output 2.8), which responds to the high demand by local communities for ensuring access to water. This will contribute to the conservation of forest and water resources and includes the protection of water sources and recharge areas and a monitoring system that will allow the periodic assessment of the condition of water sources, performing water analyses, and monitoring land use changes that may affect the quality and supply.</p> <p>2) Reducing forest fires: a fire prevention and control program will be implemented in the project area with community participation, including: a) a forest fire risk mapping and monitoring system in the prioritized PAs and biological corridors; b) training activities targeting small-scale agricultural producers for carrying out controlled burns; c) environmental education about the importance of the ecosystem services provided by forests; d) creation of community firefighter brigades and committees, including training and equipment; e) creation of community-based control centers for fire prevention and control; and f) monitoring of forest fires through the use of cameras, satellite imagery, and local media and communication (radio, text messages, social media, etc.), including improvements to the existing protocols for forest fire monitoring.</p> <p>3) Managing the pests and diseases that cause deforestation: the project will not contribute to the management of pests and diseases, as there are different initiatives underway in this regard, including a \$25 million loan from the InterAmerican Development Bank to the Government of Honduras to manage damages caused by an outbreak of the pine beetle in recent years and to contribute to improving the overall health of forests, including portions of the project area. The loan will be administered by ICF, a principal project partner.</p> <p>With regard to tax incentives, the project will pilot a municipal tax exemption/deduction initiative in 13 of the 62 municipalities in the project area. The project will take advantage of new tax regulations in Honduras that require producers to document business transactions (e.g., sales receipts and contracts), which will be used for taxing purpose considering that in some of the these municipalities there are no mechanisms in place to ensure the collection of taxes. As many of the producers in the project area traditionally have not paid taxes, and in line with the new regulations, the project will work with the municipal authorities to use a tax exemption/deduction</p>	
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	<p>scheme that will reduce the amount of taxes that producers must pay when they implement sustainable production or conservation practices. As these will be considered new revenue for the municipalities, this will not represent a reduction in their current levels of revenue from taxes.</p>	
<p>4. STAP also recommends detailing the approach used to engage the multiple stakeholders, and to identify governance arrangements. Developing and implementing an effective stakeholder engagement and governance will be important, given the complexities involved in strengthening governance, supporting biodiversity conservation and landscape management, and supporting value chain activities on coffee and cacao production. STAP's guidelines on applying the Resilience, Adaptation Pathways, and Transformation Assessment (RAPTA) Framework includes components on multi-stakeholder engagement and governance, and theory of change (e.g. an explicit description of how planned interventions will achieve, or contribute to the objective, underpinned by a set of assumptions) that will be useful in designing the project. Additionally, RAPTA is useful in assessing the resilience of protected areas and production landscapes, and the need for adapting or transforming the social-ecological system in order to achieve sustainability. The guidelines can be downloaded at: <a href="http://www.stapgef.org/the-resilience-adaptation-and-transformation-assessment-framework/">http://www.stapgef.org/the-resilience-adaptation-and-transformation-assessment-framework/</a></p>	<p>During the PPG, a detailed stakeholder analysis was conducted that served as the basis for outlining the project's Stakeholder Engagement and Communication Plan (Annex L of the GEF-UNDP Project Document) and defined the governance arrangement. During this analysis over 400 people were consulted, including members of local and indigenous organizations. The project also includes an Indigenous Peoples Plan (IPP) to achieve the effective participation of indigenous communities (Lenca and Maya Chortí) and guarantee their free, prior, and informed consent (FPIC) for implementation of the project. The IPP is included as Annex G of the GEF-UNDP Project Document and is part of the response by the project to address environmental and social safeguards per UNDP guidelines.</p> <p>Regarding adopting the RAPTA Framework for establishing baselines (social, economic, and biophysical) and identifying impact indicators, the project team and project partners would like to thank STAP for the suggestion, although it was not adopted.</p>	<p>Annex L of the GEF-UNDP Project Document.</p> <p>Annex G of the GEF-UNDP Project Document.</p>
<p>5. Define further the indicators that will be used to monitor biodiversity conservation, sustainable land management, and sustainable forest management. For the latter, please also provide the methodology that is used to estimate carbon sequestration</p>	<p>The indicators that will be used to monitor biodiversity conservation, SLM, and SFM are included in the Projects Results Framework, Section VII. of the GEF-UNDP Project Document.</p> <p>The methodology used to estimate carbon sequestration was the Ex-Ante Carbon-balance Tool (EX-ACT) appraisal system developed by FAO, which provides estimates of the impact of agriculture and forestry development projects, programmes, and policies on the carbon-balance. The carbon-balance is defined as the net balance from all GHGs expressed in CO<sub>2</sub> equivalent that were emitted or sequestered due to</p>	<p>Section VII. Project Results Framework of the GEF-UNDP Project Document.</p>

	project implementation as compared to a business-as-usual scenario. Additional information can be found at <a href="http://www.fao.org/tc/exact/ex-act-home/en/">http://www.fao.org/tc/exact/ex-act-home/en/</a> .	
<p>6. To strengthen knowledge and learning on sustainability certification, STAP recommends applying its advice on certification detailed in its publication "Environmental Certification and the Global Environment Facility" (2010): <a href="http://www.stapgef.org/stap/wp-content/uploads/2013/05/Environmental-Certification-and-the-GEF.pdf">http://www.stapgef.org/stap/wp-content/uploads/2013/05/Environmental-Certification-and-the-GEF.pdf</a></p> <p>In addition, STAP also recommends review of the following STAP Advisory Documents: The Evidence Base for Community Forest Management as a Mechanism for Supplying Global Environmental Benefits and Improving Local Welfare (<a href="http://www.stapgef.org/the-evidence-base-for-community-forest-management-as-a-mechanism-for-supplying-global-environmental-benefits-and-improving-local-welfare/">http://www.stapgef.org/the-evidence-base-for-community-forest-management-as-a-mechanism-for-supplying-global-environmental-benefits-and-improving-local-welfare/</a>); and Payments for Environmental Services and the Global Environment Facility (<a href="http://www.stapgef.org/payments-for-environmental-services-and-the-global-environment-facility/">http://www.stapgef.org/payments-for-environmental-services-and-the-global-environment-facility/</a>)</p>	<p>A conservation and sustainable use certification program for farms will be implemented in the prioritized areas, using certification schemes already in place in Honduras, principally the ICF scheme, Rainforest Alliance certification, and the IHCAFE scheme. ICF provides a certification for the appropriate management of forests and private natural reserves and the declaration of protection of water sources; IHCAFE recognizes coffee producers who incorporate best agricultural practices in soil erosion control, appropriate management of toxic chemicals, and soil management into their farms. GEF guidelines regarding certification will be considered and recommendations will be adapted to the ICF and IHCAFE schemes.</p> <p>In line with STAP Advisory Document "The Evidence Base for Community Forest Management as a Mechanism for Supplying Global Environmental Benefits and Improving Local Welfare," the project will work actively with indigenous communities and organizations and local groups (e.g., water boards, PA advisory councils) to actively involve them in decision-making processes to build governance and authority, which will serve as incentives to manage forests sustainably. In addition, the project includes multiple activities to build technical and institutional capacities among local and indigenous communities, empowering them to become principal agents for SFM. To avoid conflicts between private and public interests, the project through Component 3 will strengthen supply chains and provide incentives and financial options to support sustainable agroforestry production in private lands (farms), which will in turn contribute to strengthening the connectivity between forests in private land (PAs). This complementary approach is considered beneficial for the interests of local communities and producers and the conservation community in Honduras, and is not expected to result in leakages.</p> <p>With regard to payments for environmental services, the project will focus primarily on the sale of carbon sequestered by the LMTs in national markets through a carbon sequestration program (Output 2.5) that replicates the success of GEF-UNDP Project 3590, <i>Mainstreaming Biodiversity in the Coffee Sector in Colombia</i>.</p>	Section V: Results and Partnerships of the GEF-UNDP Project Document.
7. For component 2, further details would be useful on the improved cooking stoves. This includes providing details on: 1) what type of design are they? 2) will there be an industry to manufacture the stoves in Honduras or how are they being supplied?; 3) a description of	The GEF funding will focus primarily on working with indigenous populations and using an approach that considers the views and knowledge of the Chortí and Lenca communities living in the project area with respect to their use of forests and firewood. These communities use traditional fires for cooking and heating; replacement of these traditional fires with ecological stoves requires extensive consultation and	Section V: Results and Partnerships of the GEF-UNDP Project Document.

<p>how the stoves are (a) fuel wood efficient (e.g. how will contribute to forest biomass); (b)affordable to the stakeholders; and,(c) contribute to human health by reducing pollutants. Additionally, UNDP may wish to consider alternative bioenergy technologies, such as those evaluated in the following paper that assesses cook stoves and other options for biomass use in Honduras: "Assessment of biomass energy sources and technologies: Cutz, L. et al. "The case of Central America". Renewable and Sustainable Energy Reviews, Volume 58, May 2016, Pages 1411-143.</p>	<p>awareness-raising that considers the needs and cultural views of these communities so that changes in the ways they use forests and fire will be made with the least cultural impact and ensure that their adoption of ecological stoves will be sustainable. Accordingly, the design of the stoves will result from this consultation process. The ecological stoves program will be oriented to reducing the use of firewood; thus, the stoves are expected to be fuel-efficient. The stoves will be manufactured in Honduras where there is extensive experience in the construction and use of efficient stoves. The stoves will be affordable, and will include a counterpart mechanism through which beneficiary families collaborate in the construction and installation of the ecological stoves. In addition, families will be trained in the appropriate installation, use, and maintenance of the ecological stoves to minimize potential costs to the families related to the stoves' operation.</p>	
<p>8. Additionally, the following paper on the impact of social networks in the adoption of improved cook stoves in western Honduras, which includes some of the target sites, can be used in the project design to further support component 2: " Ramirez, S. et al. "Diffusion of non-traditional cook stoves across western Honduras: A social network analysis." Energy Policy, Volume 66, March 2014, Pages 379-389.</p>	<p>Thank you for your suggestion. This experience in the adoption of improved cook stoves will be considered during the final selection of stove types to be implemented though the project. This selection will consider the views and knowledge of the Chortí and Lenca communities living in the project area with respect to their use of forests and firewood.</p>	<p>Section V: Results and Partnerships of the GEF-UNDP Project Document.</p>
<p>9. Climate data from the CGIAR climate portal can be used to describe climate trends/projections in the target area, and how the project will address climate risks. The CGIAR portal can be accessed at: <a href="http://ccafs-climate.org/data_bias_corrected/">http://ccafs-climate.org/data_bias_corrected/</a></p>	<p>Thank you for your suggestion. The information from the CGIAR portal will be used to address climate risks as part of the project's risk assessment and monitoring strategy (i.e., UNDP risk log).</p>	<p>Project Document, Annex I: UNDP Risk Log.</p>
<p><b>Comments submitted by council members on the GEF XX Work Program: Germany</b></p>		
<p>1. Germany acknowledges the high importance of this topic and the envisaged interventions.</p>	<p>N/A</p>	
<p>2. Germany recommends reviewing the geographical distribution of the project region (project justification): e.g. Choluteca, Valle and El Paraiso constitute in our understanding the Southern Part of the country, characterized by a hot and dry climate; the "corredor seco" stretches from south up to Copán along the western part of Honduras, titling it as "corredor</p>	<p>Although the project's prioritized area is located within the larger "corridor seco" of Honduras, the annual rate of precipitation ranges between 200 and 2,800 millimeters (mm) in the project area. High precipitation occurs in places of higher elevation within the corridor such as 1) the Montaña de Celaque National Park, which is classified as a cloud forest PA with a mean precipitation of 1,600 mm at lower altitudes and a mean of 2,400 mm at higher altitudes, and 2) the Montaña de Santa Bárbara National Park, where precipitation may reach 2,800 mm or more. These two mountains are the tallest mountains in</p>	<p>NA</p>



<p>seco-húmedo” does not seem correct.</p>	<p>Honduras. Based on the altitude and precipitation variation in the project area and its location within the dry corridor of Honduras, the project region has been titled “corredor seco-húmedo.” In addition, the lower lands in the Guajiquiro area also present precipitation levels and ecosystems present in wet areas.</p>	
<p>3. Germany seeks further clarification on the compensation of ecosystem services and the role of private users of resources in this regard, also bearing in mind that the awareness regarding the value of ecosystem services is still limited among the population.</p>	<p>The project will have a strong component for raising awareness about compensation for ecosystems services among private users of resources, including watershed services (Outputs 1.3 and 2.8), habitat for biodiversity and nutrient cycling (Output 2.3), carbon sequestration (Output 2.5), and forest services (Output 2.7).</p>	<p>Section V: Results and Partnerships of the GEF-UNDP Project Document.</p>
<p>4. Given that “Eco-stoves” is a well-known concept in the country, Germany suggests building on and utilizing experiences and lessons learnt.</p>	<p>The project will use experiences and lessons learned from the program “Better Life with High-Performance Ecological Stoves,” a government-sponsored initiative to promote the replacement of wood-burning stoves with ecological stoves that save up to 70% in firewood consumption, and at the same time reduce smoke and lessen the health risks among families. The project will also consider the “Profogones Honduras” initiative implemented by the Fundacion Vida with financial support from the Inter-American Development Bank/ Multilateral Investment Fund. Other current and past experiences will be considered during the final selection of the types of stoves to be implemented through the project, which will consider the views and knowledge of the Chortí and Lenca communities living in the project area with respect to their use of forests and firewood.</p>	<p>Section V: Results and Partnerships of the GEF-UNDP Project Document.</p>
<p>5. The project proposal would benefit from taking into account other closely related projects, including in the same geographical region, such as GIZ’s “PROCAMBIO” Project and coordination with such projects should be ensured.</p>	<p>The project will build on synergies and coordinate efforts with the GIZ PROCAMBIO Project <i>Gestión Sostenible de los Recursos Naturales con Enfoque a la Adaptación del Cambio Climático</i> as part of the activities planned for establishing supply chain initiatives to increase farmers’ income derived from coffee and cocoa production under sustainable agroforestry (Component 3). The project will have the IHCAFE as a project partner to lead coordination efforts with the GIZ PROCAMBIO Project, as well as other initiatives in the project area regarding the strengthening of supply chains.</p>	<p>Section V: Results and Partnerships of the GEF-UNDP Project Document.</p>

ANNEX C: STATUS OF IMPLEMENTATION OF PROJECT PREPARATION ACTIVITIES AND THE USE OF FUNDS<sup>14</sup>

A. Provide detailed funding amount of the PPG activities financing status in the table below:

PPG Grant Approved at PIF: <b>275,230</b>			
<i>Project Preparation Activities Implemented</i>	<i>GETF/LDCF/SCCF/CBIT Amount (\$)</i>		
	<i>Budgeted Amount</i>	<i>Amount Spent To date</i>	<i>Amount Committed</i>
Component A: Technical review	224,180	196,354	28,060
Component B: Institutional arrangements, monitoring and evaluation	10,000		10,000
Component C: Financial planning and co-financing investments	500	532	
Component D: Validation workshop	5,000	4,734	
Component E: Completion of project documentation	35,550	7,110	28,440
<b>Total</b>	<b>275,230</b>	<b>208,730</b>	<b>66,500</b>

<sup>14</sup> If at CEO Endorsement, the PPG activities have not been completed and there is a balance of unspent fund, Agencies can continue to undertake the activities up to one year of project start. No later than one year from start of project implementation, Agencies should report this table to the GEF Secretariat on the completion of PPG activities and the amount spent for the activities. Agencies should also report closing of PPG to Trustee in its Quarterly Report.

**ANNEX D: CALENDAR OF EXPECTED REFLOWS (if non-grant instrument is used)**

Provide a calendar of expected reflows to the GEF/LDCF/SCCF/CBIT Trust Funds or to your Agency (and/or revolving fund that will be set up)

NA