



FGEF-6 PROJECT IDENTIFICATION FORM (PIF)

PROJECT TYPE: FSP

TYPE OF TRUST FUND: GEF TF

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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: ¹	9262
GEF Agency(ies):	UNDP	GEF Agency Project ID:	5704
Other Executing Partner(s):		Submission Date:	December 17, 2015
GEF Focal Area(s):	Multi-focal	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:	[if applicable]	Agency Fee (\$)	1,195,803

A. INDICATIVE FOCAL AREA STRATEGY FRAMEWORK AND OTHER PROGRAM STRATEGIES²

Objectives/Programs (Focal Areas, Integrated Approach Pilot, Corporate Programs)	Trust Fund	(in \$)	
		GEF Project Financing	Co-financing
BD-1 (<i>Improve sustainability of Protected Area Systems</i>); Program 1 (<i>Improving financial Sustainability and Effective Management of the National Ecological Infrastructure</i>)	GEFT	2,505,845	11,320,600
BD-4 (<i>Mainstream Biodiversity Conservation and Sustainable Use into Production Landscapes/Seascapes and Sectors</i>); Program 9 (<i>Managing the Human-Biodiversity Interface</i>)	GEFT	4,614,927	18,441,200
LD-2 (<i>Generate sustainable flows of ecosystem services from forests, including drylands</i>); Program 3 (<i>Landscape, Management and Restoration</i>).	GEFT	1,737,026	6,915,450
SFM-1 (<i>Maintained Forest Resources: Reduce the pressures on high conservation value forests by addressing the drivers of deforestation</i>)	GEFT	4,428,899	11,525,750
Total Project Cost		13,286,697	48,203,000

* Applying the STAR flexibility mechanism of GEF-6, resources for a total of US\$1,469,559 of CC STAR allocation are being transferred to the BD and LD focal areas for the FSP as follows: US\$348,219 are channeled to BD and US\$1,000,000 are transferred to LD, inclusive of the corresponding contributions to Project Management Cost. Thus, for the FSP a total amount of US\$7,120,772 of BD resources and a total amount of US\$1,737,026 of LD resources are being allocated. Amounts including fees are shown in Table D. In addition, resources for a total of US\$30,441 are also being channeled to the BD and LD focal areas for the PPG as follows: US\$7,262 are channeled to BD and US\$20,666 are channeled to LD. Thus, for the PPG a total amount of US\$147,553 of BD resources and a total amount of US\$35,934 of LD resources are being allocated. Amounts including fees are shown in Table E.

¹ Project ID number will be assigned by GEFSEC and to be entered by Agency in subsequent document submissions.

² When completing Table A, refer to the excerpts on [GEF 6 Results Frameworks for GETF, LDCF and SCCE](#).

B. INDICATIVE PROJECT DESCRIPTION SUMMARY

Project Objective: Strengthen the connectivity between protected areas and production landscapes to generate environmental, social, and economic benefits in the dry-humid biological corridor of southwestern Honduras						
Project Components	Financing Type ³	Project Outcomes	Project Outputs	Trust Fund	(in \$)	
					GEF Project Financing	Co-financing
1. Strengthened local and national governance for the dry-humid biological corridor with emphasis on protected areas (PAs) and production systems to contribute to the conservation of biodiversity and its sustainable use.	TA and INV	<p>National policy for biological corridors articulated with the Forestry Policy and facilitates connectivity between 1.27 million hectares (ha) of production landscapes and 287,802 ha of PAs to consolidate the dry-humid biological corridor.</p> <p>PA management effectiveness of 20 PAs covering 287,802 ha improved by 10% using the METT methodology (baseline to be determined during the PPG phase).</p> <p>The financial gap of 20 PAs covered by the project reduced by 10%.</p> <p>Populations of key indicator species including quetzals and ocelots are stable by the end of the project (baseline and target to be determined during the PPG phase).</p> <p>Tax exemption resolution for producers who protect at least 30% of their farms with landscape management tools (i.e., biological</p>	<p>Methodological and governance instruments for implementation of the biological corridor policy.</p> <p>Updated forestry and management plans for 20 PAs and selected watersheds.</p> <p>Extension work to identify and negotiate agreements for production systems including privately owned small watersheds, and establish tax exemption/deduction scheme</p> <p>Co-management committees and watershed advisory councils for PAs, corridor management and sustainable production strengthened.</p> <p>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.</p> <p>Financial sustainability</p>	GEF TF	3,396,019 (BD) 1,820,037 LD 443,976 SFM 1,132,006)	15,245,196

³ Financing type can be either investment or technical assistance.

		<p>micro-corridors, forest enhancement, hedges, live fences, wind barriers, etc.).</p> <p>Awareness by indigenous communities and farmers about the objectives in the project areas increased.</p>	<p>strategy for the PAs that articulate the biological conservation corridor.</p> <p>Program for training, market access and distribution of benefits for PAs derived from bird watching and agrotourism (These will be articulated with Ruta Lenka).</p> <p>Conservation program for a certain number of priority areas for the conservation of Ocelots and quetzals. The specific areas will be determined during PPG)</p> <p>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.</p> <p>National awareness and sensitization strategy for implementation of the biological corridor policy and scaling up efforts of the project.</p>			
2. Generation of environmental, social, and economic benefits to communities through	TA and INV	3,000 ha of landscape management tools (biological micro-corridors, enrichment of the	Landscape management tools, connecting production systems with PAs (biological micro-corridors,	GEF TF	6,406,015 (BD: 3,433,191 LD: 837,485 SFM:	14,694,857

<p>sustainable land management and rehabilitation of corridors to increase connectivity between PAs and production landscapes.</p>		<p>forests, hedges, live fences, and wind barriers) sequester 513,800 tCO₂ eq by project's end and facilitate the connectivity between production landscapes and PAs.</p> <p>25,000 producers covering 80,000 ha of farms who adopt sustainable practices of production of coffee, cocoa, and selected agroforestry products increase connectivity between their farms and PAs.</p> <p>2,000 ha of degraded ecosystems rehabilitated increase connectivity between production landscapes and PAs.</p> <p>Amount of CO₂ (tCO₂-eq) not released due to reduced demand for firewood resulting from the adoption of ecological stoves (target to be defined during the PPG phase).</p> <p>20% annual reduction in the areas affected by fires (baseline to be established during the PPG phase).</p> <p>Reduction of the erosion rate by 20% by project's end (baseline to be established during the PPG phase).</p> <p>Sustainable forest management of a certain extent of forest in public and private PAs (number</p>	<p>forest enrichment, hedges, live fences, and wind barriers firewood management).</p> <p>Carbon sequestration program certified by ICONTEC and/or other firms that provides such services in the region.</p> <p>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.</p> <p>50 nurseries providing 150,000 seedlings to be used with the landscape management tools and for rehabilitation practices, including firewood management.</p> <p>5,000 ecological stoves to reduce the demand for firewood and the risk of acute respiratory diseases.</p> <p>Incentive and control program with community participation to prevent fires.</p> <p>Program for soil management and rehabilitation with community participation to reduce erosion.</p>	<p>2,135,339)</p>	
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		to be determined during the PPG phase).				
3. Establishing supply chain initiatives to increase income of farmers derived from coffee, cocoa sustainable agroforestry and ecosystem services.	TA	<p>Annual net income increased by 15% estimated by producer and gender and derived from: a) certified and non-certified coffee, b) cocoa, c) agroforestry products, d) tax exemptions for farmers that protect 20% of their land with landscape management tools, and e) carbon sequestration harnessed through Component 2 of this PIF.</p> <p>15% increase in the income of the families (under temporary employment schemes) involved in the application of the landscape management tools financed through Component 2 of this PIF.</p> <p>Certified and non-certified coffee, cocoa, and agroforestry products that protect biodiversity. (During the PPG phase other agroforestry products that may be included in the interconnection areas and productive farms will be identified. Info on the status of certification for both products will also be collected)</p> <p>5,000 loans to promote sustainable</p>	<p>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).</p> <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> <p>South-south cooperation program to exchange knowledge about the sustainable production of coffee, cocoa, and other agroforestry products.</p> <p>Sustainability indicators for the production of coffee, cocoa, and agroforestry products strengthened along the value chain.</p>	<p>GEF TF</p>	<p>2,851,963 (BD: 1,528,460 LD: 372,849 SFM: 950,654)</p>	<p>15,967,566</p>

		and biodiversity-friendly practices, including product quality improvement and development approved for producers of coffee, cocoa, and agroforestry products.				
			Subtotal		12,653,997	45,907,619
			Project Management Cost (PMC) ⁴ BD 339,084; LD 82,716; SFM/REDD+ 210,900	GEF TF	632,700	2,295,381
			Total Project Cost		13,286,697	48,203,000

For multi-trust fund projects, provide the total amount of PMC in Table B, and indicate the split of PMC among the different trust funds here: ()

C. INDICATIVE SOURCES OF CO-FINANCING FOR THE PROJECT BY NAME AND BY TYPE, IF AVAILABLE

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Amount (\$)
Private Sector	Honduran Coffee Institute (IHCAFE)	Cash	10,000,000
		In-kind	3,000
Private Sector	Honduran Agricultural Research Foundation	Cash	1,000,000
Others	Honduran Bank for Production and Housing (BANHPROVI)	Cash	15,000,000
Others	Central American Bank for Economic Integration (CABEI)	Cash	10,000,000
Private Sector	Honduran Coffee Company (COHONDUCAFE)	Cash	100,000
Private Sector	SOGIMEX S.A.	Cash	100,000
Private Sector	Molinos de Honduras	Cash	100,000
Private Sector	Beneficio de Café Montecristo (BECAMO)	Cash	100,000
GEF Agency	United Nations Development Program (UNDP)	Cash	450,000
Recipient Government	Ministry of Energy, Natural Resources, Environment and Mines (MiAmbiente)	In-kind	1,400,000
Recipient Government	Protected Area Trust Fund/ Ministry of Energy, Natural Resources, Environment and Mines (MiAmbiente)	Cash	2,100,000
Recipient Government	Ministry of Agriculture and Livestock (SAG)	In-kind	2,000,000
Recipient Government	Forest Conservation Institute (ICF)	In-kind	3,000,000
Others	Zamorano Agricultural University	Cash	300,000
Others	National Agriculture University (UNA)	Cash	300,000
Others	USAID Pro-Parque project	Cash	400,000
Others	TECHNOSERVE project	Cash	600,000
Others	SNV project	Cash	550,000
Others	Agencia Española de Cooperación Internacional para el Desarrollo (AECID), Agencia Andaluza de Cooperación Internacional para el Desarrollo (AACID) / Fundación ETEA Project	Cash	500,000
Others	FAO COMRURAL Project	In-Kind	200,000
Total Co-financing			48,203,000

⁴ 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.

D. INDICATIVE TRUST FUND RESOURCES REQUESTED BY AGENCY(IES), COUNTRY(IES) AND THE PROGRAMMING OF FUNDS ^{a)}

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

REFER TO THE [FEE POLICY FOR GEF PARTNER AGENCIES](#).

E. PROJECT PREPARATION GRANT (PPG)⁵

Is Project Preparation Grant requested? Yes No If no, skip item E.

PPG AMOUNT REQUESTED BY AGENCY(IES), TRUST FUND, COUNTRY(IES) AND THE PROGRAMMING OF FUNDS

Project Preparation Grant amount requested: \$275,230					PPG Agency Fee: 24,770		
GEF Agency	Trust Fund	Country/ Regional/Global	Focal Area	Programming of Funds	(in \$)		
					PPG (a)	Agency Fee ⁶ (b)	Total c = a + b
UNDP	GEFTF	Honduras	Biodiversity	(select as applicable)	147,553	13,279	160,832
UNDP	GEFTF	Honduras	Land Degradation	(select as applicable)	35,934	3,234	39,168
UNDP	GEFTF	Honduras	(select)	SFM	91,743	8,257	100,000
Total PPG Amount					275,230	24,770	300,000

F. PROJECT'S TARGET CONTRIBUTIONS TO GLOBAL ENVIRONMENTAL BENEFITS⁷

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	287,802, Hectares
2. Sustainable land management in production systems (agriculture,	120 million hectares under sustainable land management	1.27 million Hectares

⁵ PPG requested amount is determined by the size of the GEF Project Financing (PF) as follows: Up to \$50k for PF up to \$2m (for MSP); up to \$100k for PF up to \$3m; \$150k for PF up to \$6m; \$200k for PF up to \$10m; and \$300k for PF above \$10m. On an exceptional basis, PPG amount may differ upon detailed discussion and justification with the GEFSEC.

⁶ PPG fee percentage follows the percentage of the Agency fee over the GEF Project Financing amount requested.

⁷ Provide those indicator values in this table to the extent applicable to your proposed project. 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. There is no need to complete this table for climate adaptation projects financed solely through LDCF and/or SCCF.

rangelands, and forest landscapes)		
3. Support to transformational shifts towards a low-emission and resilient development path	750 million tons of CO _{2e} mitigated (include both direct and indirect)	<i>Approximately 513,800 t CO_{2-eq}⁸</i>

PART II: PROJECT JUSTIFICATION

1. *Project Description.*

- 1) The global environmental and/or adaptation problems, root causes and barriers that need to be addressed.

Honduras is located in the central-northern part of the Central American region with a total area of 112,492 square kilometers (km²) and a population of over 8.3 million inhabitants, 6% of which are indigenous. The northern and eastern coasts of Honduras are bordered by the Caribbean Sea. Honduras is bordered by Nicaragua to the southwest, El Salvador to the south, and to the west by Guatemala. The country has direct access to the Pacific Ocean through the Gulf of Fonseca, which lies to the east of El Salvador. Honduras hosts an exceptionally high volume of biodiversity in relation to its size. The tropical location of the country between two oceans and its topographical conditions create a variety of habitats, from cloud forests to coral reefs, which are all favorable for a high diversity of flora and fauna. According to the Study on Biological Diversity of the Republic of Honduras, the biological wealth of the country currently represents 12% of the biological wealth of the entire planet. Approximately 8,000 plant species, 250 reptile and amphibian species, and more than 700 species of birds and 110 species of mammals, are reported to be distributed across the different ecological regions of Honduras.

The project's area of impact is located in the dry and wet areas in the south of the country and covers areas across in the Departments of Comayagua, Copán, El Paraíso, Francisco Morazan, Intibuca, La Paz, Lempira, Santa Barbara, Valle, Cortés, and Ocotepeque. The dry area is part of a region known as the Dry Corridor, which is named after the weather phenomenon where cyclical droughts of six or more months in the year happen. Adverse climatic effects that occur in this area have pronounced effects on the living organisms and the human populations of the ecoregion; this situation generates crises and disasters at both the environmental and social levels and affects economic productivity at the national and regional levels. The forest in this area is currently very fragmented and formed by small second-generation patches that are usually no larger than 10 hectares (ha) on average.

The project's area of influence has higher poverty rates than the rest of the country. According to the National Statistics Institute (INE), in 2012 the departments with the highest numbers of impoverished villages were Intibuca, Lempira, Ocotepeque, and Copán, all of which are within the area of influence of the project. More than 30% of the populations of these departments are living in poverty. The communities in this area are usually formed by small farmers living by the mountain sides, characterized by high levels of population growth, unequal distribution of land, and low agricultural profitability. These families rely mainly on subsistence farming, harvesting tree products and agriculture on steep and stony land that once belonged to the dry forest. Many small farmers tend to keep some of the dry forest species within their crops (mostly trees) as alternative sources of fuel, electricity poles, and firewood.

According to the Food and Agriculture Organization (FAO)'s calculations, Honduras has a deforestation rate of 80,000 ha per year (ha/yr). This is mainly due to illegal logging and the expansion of the agricultural frontier, which employs inappropriate farming techniques such as grazing for large livestock, cultivation on mountainsides and/or hillsides, and slash and burn practices. The problem of deforestation and degradation, when analyzed from a social perspective, deserves careful consideration. Traditional customs in Honduras such as subsistence agriculture or migration and inappropriate use of the forest for firewood persist. For

⁸ Calculation has been Based on Kanninen, M. 2002. Secuestro de Carbono en los Bosques: El papel de los bosques en el Ciclo Global de Carbono. Available at http://www.fao.org/wairdocs/lead/x6366s/x6366s09.htm#P0_0.

example, in Honduras firewood is a very important source of energy, and is the only source for a large percentage of the rural population. The annual consumption of firewood reaches 6 million cubic meters (m³), 70% of which (4.2 million m³) is derived mostly from broad leaf forests, which are present in the area covered by the project.

Other social issues such as migration and poverty, which are linked to inadequate land distribution and rural marginalization, have prompted the colonization of forested areas in recent decades. Forest fires have also become an important threat to the forests in the project area. On average, 1,668 occur per year in Honduras, impacting more than 50,000 ha/yr. Although most of these occur in the dry area and are more severe in the areas with the highest levels of degradation, it has been determined that the fires are mostly caused by humans and are started on purpose. Finally, pests are also a cause of deforestation. It is estimated that pests and diseases have affected approximately 715,480 m³ of forest.

The development of economic and social alternatives is proposed herein as a long-term solution, mainly in the areas of interconnectivity between biological corridors, by strengthening the connectivity between protected areas (PAs) and productive landscapes. This includes actions that contribute to biodiversity conservation, sustainable management of forests, enhancement of carbon stocks, protection of water sources, and protection of agro-ecosystems, among others. However, there are currently three main barriers that stand in the way of achieving these objectives.

Barrier	Explanation
1. There is a lack of governance structures and the environmental authorities have limited management and planning capacities and lack training and access to information. These conditions affect their actions around biodiversity conservation, sustainable management of forests, climate change mitigation, and sustainable production at the landscape level.	Environmental authorities in Honduras lack the necessary tools for the planning and implementation of joint initiatives related to biodiversity loss, deforestation, forest and soil degradation, and others; this is the result of unsustainable practices at both the forest and agricultural landscape levels. This includes missing or outdated management plans for PAs and watersheds, lack of plans to promote connectivity between areas of biological importance with the productive landscapes, and others. At the local level, officials cannot perform monitoring and evaluation (M&E) in an appropriate manner, as the M&E system lacks a mechanism to define the specific guidelines or the roles for M&E. There are no early warning systems in place that would detect the occurrence of catastrophic events such as fires or storms in a timely manner. Furthermore, the National System for Protected Areas of Honduras (SINAPH) does not have sufficient financial resources to be able to manage the PAs according to their management plans. SINAPH currently faces a financial gap of 38% and does not have a strategy to ensure its financial sustainability.
2. Small-scale producers lack incentives to be involved in landscape management and they also lack access to information and training on sustainable production systems.	There are limitations for small-scale producers to develop and benefit from mechanisms such as payment for ecosystem services as there are only limited policy frameworks in place to ensure their economic potential. Moreover, Honduras has little to no experience in these types of schemes, and the farmers have very little information regarding the technical aspects of ecosystem services such as carbon sequestration and its markets. Local authorities lack the tools to involve farmers in long-term agreements tailored towards the conservation and strengthening of biological connectivity through the use of tools such as landscape management or more sustainable agricultural and forestry production models. They are also unaware of the processes for collecting, processing, monitoring, and evaluating long-term data and information using a results-based framework to measure impact indicators and provide periodic assessments of the state of the biodiversity and the ecosystem services that are generated due to more sustainable practices.
3. There is limited access to	Producers find it difficult to access markets for their sustainable agricultural

markets, credit, and incentives for sustainable production.	or forestry products to achieve increased revenue. Although this is due in part to the use of unproven technology in farms, low yields, and low quality of the products, it is also because there is no coordination between links and activities along the value chain. Organizations and individuals must develop the proper management capabilities to reach higher sustainable levels of production. This requires more detailed market research studies to help identify different niches, best practices, and certification schemes that are suitable for the products. Training programs should also be implemented with producers so that they gain knowledge and understanding about the markets and incentives for sustainable production and to expand their participation in the programs and projects.
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2) The baseline scenario or any associated baseline projects

Biodiversity: The SINAPH is an essential component for the *in situ* conservation of the Honduran Strategy for Biodiversity Conservation. The system comprises 91 PAs, 20 of which are in the project’s area of influence. These 20 PAs cover 287,802 ha. SINAPH continues to suffer from insufficient funding from the government; in 2012, the system had a financial gap of 38%. SINAPH has been receiving assistance from USAID’s Proparque Project, which has an anticipated 5-year timeframe (ending in 2015) for revamping the SINAPH. This was to be achieved through efforts in biodiversity, mitigation and adaptation to climate change and economic growth. Honduras also has a network of Private Natural Reserves (REHNAP), which is aimed at promoting a comprehensive management plan for transforming selected areas into Natural Private Reserves through the explicit will of the private owners and through partnerships among its members. These areas are comparable to PAs and can be certified as such by The National Institute of Forest Conservation and Development, Protected Areas and Wildlife (ICF). In Honduras, there are approximately 40 Private Natural Reserves, three of which are within the project’s area of influence. In addition, the ICF, through the implementation of the National Strategy for the Consolidation of Biological Corridors, has promoted the establishment of biological corridors as an independent formal unit of political territorial organization comprising both natural areas protected by law and the areas of connection between them. The project’s area of influence hosts 75 of these corridors, which are equivalent to 2,000,000 ha, 1,279,000 ha of which are merely interconnection areas. While these biological corridors have been physically identified, their borders drawn, and characterized, at this time they have not been formally implemented as they lack the methodological tools and governance capacity for such purpose. The planned investments in technical assistance that will take place over the next 84 months in the target area sum up to USD\$1,450,000 million and include the following: 1) Proparque USAID project with a total of USD 400,000 focusing on 2 PA (Celaque Mountain National Park and Cerro Azul Meámbar National Park); 2) Project to improve efficiency in the processing of coffee and to reduce the environmental impact of SNV / IDB in the amount of USD 550,000; 3) Project on food security, management of water and forest resources, improved agricultural productivity and marketing for 8 municipalities of the departments of Lempira and Ocotopeque with an investment of USD 500,000 from AECID. In addition, USD\$15 million have been made available from BANHPROVI CABEI for intermediary financial institutions to offer credits related to agroforestry production, which is biodiversity-friendly.

Land Degradation: As a requirement of all signatories of the United Nations Convention on the fight Against Desertification and Drought (UNCCD), Honduras conducted the National Action Plan to Combat Desertification (PAN -LCD) (2014-2022), containing five main strategic axes, oriented towards more sustainable land management in the country. As per this document, the amount corresponding to the projects under implementation for the periods 2012-2017, which are being funded by the different international cooperation agencies in relation to SLM sums up to \$165 USD million. From this amount, \$20 million will be invested over the next 84 months in the target area on projects addressing primarily food security issues. Actions will help small farmers manage natural resources more productively, including adaptation practices to climate change through improved water management, crop selection, land practices and soil preparation.

Forests: Since 1993, the incentives embedded in the national legislation (Forestry Protected Areas and Wildlife Act) have promoted reforestation; forest, watershed, and micro-watershed protection; and sustainable management of forests. The Act provides more than 20 different incentives ranging from a full-income tax exemption to be reinvested in reforestation activities to the payment of technical assistance to implement reforestation projects, supply of plants, and other inputs. However, there are key limitations that hinder its proper application; for example, the limited budgets of the involved organizations make it difficult to hire a sufficient number of qualified staff to provide technical assistance, and also make it difficult to subsidize the operating costs associated with the incentives established in the law.

In Honduras the National Forestry Program (PRONAFOR) serves as a strategic planning tool for the government and works in consultation with the different stakeholders in the forestry sector. It is part of the State Policy for the Agrifood Sector and Rural Issues, and provides guidance for forest management for the period 2004-2021. This program seeks to strengthen the marketability of forest resources as a contribution to the alleviation of poverty, promote economic stability, and reduce the environmental vulnerability of the country. The financial resources required for the implementation of PRONAFOR during the 16-year period are \$1,611 million USD, which will be covered by different national budget allocations, as well as by bilateral and multilateral cooperation and by international non-governmental organizations (NGOs), among others. Of the \$ 1.6 billion from PRONAFOR, \$122 million were assigned to SFM practices nationwide for the entire protected area system and biological corridors, From this amount, \$16 m will be invested in the area of influence of the project for the next 84 months. The emphasis of PRONAFOR is on promoting forest management that strengthens the marketability of forest resources as a contribution to the alleviation of poverty and promotion of economic stability. The SFM increment from the GEF-6 project relates to the identification and monitoring of high conservation value forests protected by private owners described under Component 1 of this PIF. This process will strengthen connectivity at a landscape level within the context of the national policy for biological corridors and the Forestry Policy. This will be clearly articulated in the CEO Endorsement request.

In addition, the government has been working on a project titled “Eco-Stoves Building,” which directly affects the forest management project as it is aimed at reducing the consumption of firewood for cooking up to 70%, thus fighting deforestation and the corresponding greenhouse gas emissions (GHG). Through this project the government plans to install more than 9,500 stoves, particularly in some of the departments in which the project is located, such as Cortés, Olancho, Lempira, Comayagua, Ocotepeque, Copán, and Intibucá. The government of Honduras will invest \$13 million USD in the Eco-Stoves Building project, of which \$7 million correspond to the area targeted by this project.

According to the second national inventory of greenhouse gases (INGEI) conducted in 2000, the national balance between emissions and absorptions shows a negative emission of 13,828 Gg of CO₂, with an increase between the years 1995 and 2000 of 1,977 Gg, which provides evidence of an increase in deforestation throughout the country. While there was a reduction in the emissions in the agricultural sector between 1995 and 2000, it was attributed to a reduction in production in the sector, rather than the result of a sustainable production strategy. Honduras also has a National Strategy to Reduce Deforestation in the context of the Reducing Emissions from Deforestation and Forest Degradation (REDD+) program, which has been agreed upon with key stakeholders. In relation to this, the government of Honduras prepared the document R-PP (Readiness Preparation Proposal) for the Partnership Facility Forest Carbon (FCPF) in the amount of USD \$8,659,600.

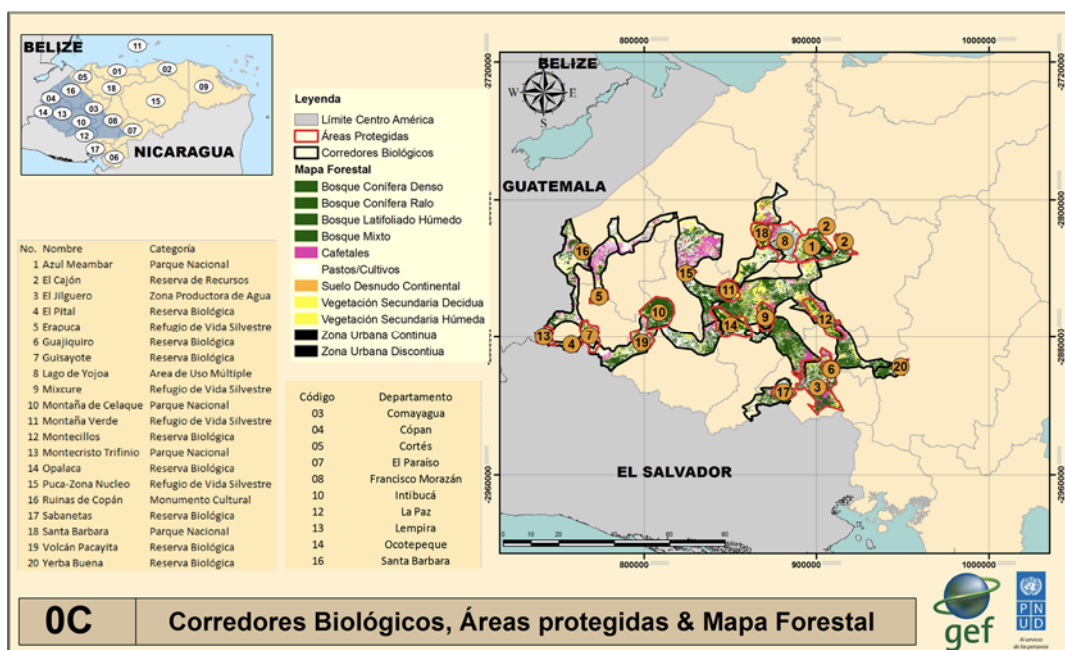
- 3) The proposed alternative scenario, GEF focal area⁹ strategies, with a brief description of expected outcomes and components of the project.

The objective of the project is to strengthen the connectivity between PAs and production landscapes and to generate social and economic benefits in the dry-humid biological corridor of southwestern Honduras. The project aims to build upon the initiatives already identified in the baseline, and it is expected that funding from the GEF will help counter the loss of dry and humid forest areas, carbon stocks, biodiversity of global

⁹ 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.

significance, and stem the occurrence of land degradation. The project area of influence is 3.1 million ha along the humid-dry corridor of Honduras. The project covers territories of the departments of Comayagua, Copán, El Paraíso, Francisco Morazán, Intibucá, La Paz, Lempira, Santa Barbara, Valley, Cortés and Ocotepeque, which comprise 147 municipalities. The project will be implemented throughout the biological corridors (1,279,000 ha) within the dry-humid biological corridor of Honduras, that connect 20 PAs with neighboring productive areas (see Annex 1). The dry-humid biological corridor can be understood as a network of microcorridors, which will be reforested across the landscapes.

The map below shows the network of microcorridors supported by the project, within the larger dry-humid corridor of Honduras.



The proposed 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).

To achieve the project’s objective, three main components have been formulated around the following premises: i) strengthening governance at the national and local levels so that PAs and biological corridors can be better managed; ii) generating benefits by increasing connectivity between production landscapes and PAs; and iii) increase in income for farmers through payments for ecosystem services schemes and sustainable production systems.

Component 1: *Strengthened local and national governance for the dry-humid biological corridor with emphasis on PAs and production systems to contribute to biodiversity conservation and its sustainable use.*

This component will develop an enabling environment to strengthen local and national governance required for the consolidation of the dry-humid biological corridor in southwestern Honduras. First, methodological and governance instruments that facilitate the connectivity between 1.27 million ha of productive landscapes and, 287,802 ha of PAs will be formulated. In addition, forest management plans for PAs and selected watersheds will be updated in order to gain a new understanding of the local deforestation threats, extraction and control limits, and surveillance procedures, among others. Such plans will include the management approach, while assigning monitoring procedures, roles and responsibilities to officials and designing control and surveillance

measures, among others, in order to achieve a better management capacity. It is expected that the PAs will achieve an improvement of 10% of the managerial capacity as per METT methodology. This will allow for the prioritization of public participation of all stakeholders, including local and indigenous communities, during the consolidation of the corridor. Therefore, the first step will encompass the development of a consultation protocol as a standard approach for the empowerment of indigenous communities in any decision-making processes. Second, the co-management committees for PAs and watershed areas will be strengthened. Aligned to this, extension work to identify and negotiate agreements for landscape management tools (i.e., biological micro-corridors, enrichment of the forests, hedges, live fences, wind barriers, etc.) with PAs including privately owned small watersheds, and establish tax exemption/deduction schemes with private owners.

In addition, this component will unite efforts to sensitize and raise awareness about the importance of such corridors, as well as about the governance structures and procedures entailed within, including training programs designed for government officials and for community members in general. This component will also help identify private PAs and small watersheds that contribute to the protection of high conservation value forest, providing connectivity in the corridor and/or the protection of water resources. This will be accomplished through the coordination between government agencies, co-management committees for PAs, community and watershed advisory councils and private owners to promote biodiversity conservation and the sustainable management of forests and corridor management.

In order to close the financial gap of the PAs by 10%, efforts will be made to secure funding from the state. On a first instance, the project will design a Financial Sustainability Strategy for the 20 PAs that articulate the biological corridor. This will include measures to ensure economic gain, such as benefit-sharing mechanisms and laws that reduce tax payments by producers that use landscape management tools (i.e., biological micro-corridors, enrichment of the forests, hedges, live fences, wind barriers, etc.) in a certain percentage of participating farms. In addition, the Project will help create a sinking fund within the Protected Area Trust Fund. GEF's contribution to this fund will be in conjunction with investment from the government (investment amounts will be defined during PPG). In addition, GEF resources will finance birdwatching and agrotourism program, including training and marketing. Income derived from these activities will be in turn re invested in the Trust Fund.

This component will also create national and regional platforms for coffee, cocoa and agroforestry products that are aimed at incorporating indicators related to productivity, environmental sustainability, and social conflict resolution throughout the value chain of the productive systems.

Component 2: Generation of environmental, social, and economic benefits through sustainable land management and rehabilitation of corridors to increase connectivity between PAs and production landscapes.

This component will allow the delivery of multiple global environmental benefits (biodiversity conservation, reduced deforestation, land degradation, carbon emissions, increased carbon storage) through the implementation of landscape initiatives that address loss in forest cover and degradation of soils. This component will facilitate the consolidation of 1.2 million ha of biological corridors, including the implementation of landscape management tools (biological micro-corridors, hedges live fences, wind barriers, firewood management, etc.) to connect production systems with PAs. This component will serve as a catalyst for 25,000 producers to commit themselves to employing more sustainable practices of coffee, cocoa, and selected agroforestry production and the conservation of watersheds in order to increase connectivity between their farms and PAs. First, payment mechanisms for carbon sequestration services that are based on the application of landscape management tools will be designed and implemented. Such tools will be used across 3,000 ha facilitating connectivity between production landscapes, remnants of nearby forests, and PAs, thereby enabling the capture of 513,800 tCO₂ eq and the rehabilitation of 2,000 ha of degraded ecosystems by the project's end. This will involve planting more than 150,000 plantules of native species along river basins and areas of interconnection within the corridor.

The schemes described above involve the voluntary participation of the producers and is subject to the signing of conservation and good social practices agreements for the implementation of landscape management tools and to facilitate the access to plant material from 50 plant nurseries that will be made available throughout the project

area. The structure of the incentives for carbon sequestration also includes the design of a certification program and the monitoring and verification of carbon using an appropriate clean development mechanism (CDM) methodology. Services from an experienced regional firm (ICONTEC) will be procured for the validation and certification of the carbon that has been captured by the project and to ensure a transparent tCO₂ count.

Through this component, social, environmental, and economic benefits will be achieved through the strengthening and implementation of eco-stoves programs in the project area. At least 5,000 eco-stoves will be distributed among participating members of the population during the life of the project, resulting in a reduction in the demand for firewood and therefore in a direct reduction of CO₂ emissions (amount will be determined during PPG phase). In addition, the population will experience less acute respiratory diseases since the direct exposure to scattered smoke generated by the rudimentary way of cooking will be diminished. Similarly, through programs with community participation involving incentives for control of fires and soil management plans, both the number of fires and the soil erosion rate will decrease by 20%.

Component 3: Establishing supply chain initiatives to increase income of farmers derived from coffee, cocoa sustainable agroforestry and ecosystem services in the dry-humid biological corridor.

This component will focus on generating an increase of 15% in the annual net income for approximately 25,000 producers and therefore contributing to the reduction of poverty of the communities living in the project area. This component will account for and implement programs designed in Components 1 and 2 that are related to income-generation for the population. These include revenue derived from a) tax exemption for producers adopting landscape management tools in an area equivalent to 30% of their land (Component 1), b) incentives for service generated by carbon sequestration (Component 2), and c) strengthening the production chains of biodiversity friendly coffee, cocoa, and other agroforestry products. During the PPG phase other agroforestry products that may be included in the interconnection areas and productive farms will be identified.

Strengthening productive chains for cocoa, coffee, and other agro-products such as gooseberry, blackberry and pine resins will take place in 80,000 ha of farms and will provide technical assistance for the following processes: i) adoption of more sustainable practices; ii) adoption of certification schemes if appropriate; and iii) the development of business plans and other marketing strategies. As such, the entry of products such as cocoa or coffee into niche markets will be facilitated. This component also includes a program that will increase producers' access to credit lines for biodiversity-friendly practices and sustainable forest management. Approximately 5,000 loans will be granted and are intended for value-adding improvements in the harvest and post-harvest handling of the products. During the PPG phase, a study will be undertaken in order to identify the most appropriate financial institution(s).

Through this component, coffee, cocoa and agroforestry producers will be trained in different aspects such as improved practices for generating better quality and biodiversity-friendly products and use of landscape management tools, among others. This will be achieved through a program implemented to build capacity and exchange knowledge, which will include the participation of national institutions such as FHIA and IHCAFE and international institutions such as National Federation of Coffee Growers of Colombia and cocoa growers as part of the South-South cooperation program. There will also be training and support provided so that the growers have more access to the previously mentioned sources of financing.

- 2) Incremental/additional cost reasoning and expected contributions from the baseline, the GEFTF, LDCF, SCCF, and co-financing.

Component 1: The incremental funding for this component totals USD \$17,387,529; USD \$3,387,529 will be provided by the GEF and USD \$14,000,000 will be provided by the co-financing sources. The GEF alternative will include investments from the ICF, MiAmbiente, USAID, and UNDP, among others, 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 set the ground for the incorporation of public participation in the process.

Component 2: The incremental funding for this component totals USD \$22,035,000; USD \$6,390,000 will be provided by the GEF and USD \$15,645,000 will be provided by the co-financing sources. The GEF alternative will include investments from SAG, AECID, the Technoserve Project, and the SNV Project in order to strengthen the production systems for coffee, cacao, and other agroforestry products. It will also facilitate the engagement of the producers to adopt SFM practices.

Component 3: The incremental funding for this component totals USD \$19,844,833; USD \$2,844,833 will be provided by the GEF and USD \$17,000,000 will be provided by the co-financing sources. The GEF alternative will include investments from BAHNPROVI and CABEI in order to contribute to the increased income-generation for participants and to establish access credit lines for the development of stronger production chains.

Project management costs amount to USD \$3,099,335, USD \$664,335 of which will be provided by the GEF and USD \$2,455,000 will be provided by co-financing sources.

1) Global environmental benefits (GEFTF) and/or adaptation benefits (LDCF/SCCF).

The project will contribute to achieve the following global environmental benefits during the 7-year time period.

Biodiversity (see Annex 1):

- 3 Key Biodiversity Areas and/or Zero Extinction Sites.
- Stable populations of indicator and migratory species.
- Biological corridors of 1.27 million ha will provide connectivity to forest remnants and contribute to the conservation of biological important areas.
- Keystone Species of global importance such as quetzal, ocelot, and other species of migratory birds will benefit.
- Key ecosystems that provide ecosystem services are conserved and used in a sustainable manner.
- Increase in 20% of conservation areas in productive farms.

Land Degradation:

- 3,000 ha managed in production farms according to landscape management tools (i.e., micro-corridors, live fences, wind barriers, etc.).
- 80,000 ha managed under sustainable agriculture and agroforestry.
- 20% reduction of soil degradation.

SFM:

- Sequestration of 513,800 tCO₂ eq through the rehabilitation and reforestation and agroforestry systems using landscape management tools.
- Reduction by at least 20% in the deforestation rate.
- 70% reduction in firewood consumption and GHG emissions (tCO₂ will be confirmed during the PPG phase).

6) *Innovation, sustainability and potential for scaling up*

The project is innovative at a national level because it has an integrated view to the sustainable management of protected and interconnected areas within the ecological corridor is being promoted, which until now had been carried out under a sectorial vision. An intervention will be achieved through this project, in which agricultural production, sustainable management of forests, including carbon sequestration and biodiversity conservation, are linked to each other.

The project achieves *sustainability* by incorporating the very factors that are affecting it. First, the participation of institutions will be strengthened, which guarantees not only the forward progression of the project, but also

ensures the means and resources to make it sustainable over time. Therefore, actions such as seeking support in different public sector entities, coordination with other similar projects, training staff in relevant issues, etc. have been incorporated. From a technical standpoint, the project ensures sustainability, as successful past experiences are incorporated during the design phase, such as the Coffee Project in Colombia. Similarly, financial factors have been taken into account to ensure the project's sustainability. To this end, the project's impact on the institutions' and producers' finances is being analyzed to maintain viability over time. This project includes a scheme that will generate external contributions through carbon sequestration, benefit distribution mechanisms for PAs derived from bird-watching activities and agrotourism, and the strengthening of productive agricultural and agroforestry chains, such as coffee and cacao, among others.

This project has the potential of scaling up in different regions in Honduras as the main elements of the proposed project could be easily found in other parts of the country. Firstly, a network of biological corridors throughout the country connecting PAs, has already been selected and delimited throughout the country. This network could be strengthened in selected regions of the country, through the design of microcorridors connecting productive systems, such as agroforestry landscapes and sustainable forest management with relevant PAs. This will be achieved in Component 1 through the national awareness and sensitization strategy for implementation of the biological corridor policy, and platforms created to explore expansion of the network. Although, the type of productive systems may vary, depending on the region, the potential for sustainable coffee and cacao in various regions has already been identified and this is key since it constitute a viable economic and sustainable for local farmers. Opportunities will be created in Component 3 – both nationally through extension work with producer associations, and regionally through the South-south cooperation program to exchange knowledge.

2. *Stakeholders.* Will project design include the participation of relevant stakeholders from civil society and indigenous people? (yes /no) If yes, identify key stakeholders and briefly describe how they will be engaged in project design/preparation.

Stakeholder	Role in the Project
MiAmbiente	MiAmbiente is the Operational Focal Point for the GEF. The agency is responsible for the development and execution of Honduras's environmental policies.
Secretariat of Agriculture and Livestock (SAG)	The SAG is the national entity in charge of promoting the marketability and sustainability of the agricultural and livestock sectors. The agency will participate in providing support in the identification of products with market potential that shall be introduced in agroforestry models, it will also provide capacity-building and technical assistance for strengthening of value chains and the selection of best practices.
Foundation for Agricultural Research (FHIA)	The FHIA is a private non-profit foundation responsible for conducting research and transferring technology with regard to traditional export crops and diversification. FHIA will be responsible for providing technical assistance and training for the production of cocoa. Due to its experience in other related projects, FHIA will provide support in the implementation of best practices and in strengthening the value chain.
General Directorate for Biodiversity (DiBio)	The DiBio is a government agency within the MiAmbiente in charge of collecting and management data with regard to biodiversity issues. In this project, DiBio will provide support for updating the management plans. It will also serve as the coordinating entity in the promotion of sustainable forest management practices.
Coffee Institute of Honduras (IHCAFE)	The IHCAFE is an autonomous and private entity responsible for promoting the profitability and competitiveness of coffee growers in Honduras. IHCAFE will provide technical assistance and training in the implementation of best practices for the sustainable production of coffee. It will help coordinate and group together the coffee growers to achieve agreements for the implementation of landscape management tools. It will also help identify new areas within the project's area where shade and/or more sustainable coffee can be grown.
National Institute for Conservation and	The ICF is the government entity in charge of the implementation of the national Policy of Forest Conservation and Development, Protected Areas and Wildlife. ICF's

Forestry Development (ICF)	role in the project will be to provide support in the identification of new private PAs and watershed areas.
National System of Protected Areas of Honduras (SINAPH)	The SINAPH is the government agency in charge of managing the PAs. The SINAPH will be in charge of the coordination of actions around the improvement of management of PAs within the project area. It will facilitate the creation of new private conservation areas as well as watershed areas. It will also serve as coordinating entity for the implementation of best productive practices along the corridor.
El Zamorano Pan-American School of Agriculture	The El Zamorano Pan-American School of Agriculture will provide information to the project regarding studies of biodiversity performed in the area. It will also provide assistance in identifying indicator species and monitoring procedures.
General Directorate for Water Resources	The role of the General Directorate for Water Resources in the project will be to help identify key micro-basins along the biological corridors.
UNDP	

3. *Gender Considerations.* Are gender considerations taken into account? (yes /no). If yes, briefly describe how gender considerations will be mainstreamed into project preparation, taken into account the differences, needs, roles and priorities of men and women.

According to the latest data from INE (2014), women comprise 52% of the population of Honduras. However, only 34.6% of women who are categorized as being of economically active age in rural areas are performing some kind of work. Due to this situation, the project will give special priority on ensuring that women are well represented in the design and the implementation processes of the project and that impact indicators related to them are incorporated. A comprehensive study will be carried out during the PPG phase in which the situation of women in the project area will be better understood and therefore, its most appropriate role in the implementation of the project can be determined. In addition, the UNDP Gender Marker will be adopted and will include a brief analysis of how the project will achieve the environmental targets, while at the same time addressing differences in the needs and roles between men and women. In addition, the project will be reporting on the GEF6 gender indicators.

4 *Risks.* Indicate risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, propose measures that address these risks to be further developed during the project design (table format acceptable).

Risks	Level*	Risk mitigation measures
Lack of coordination and therefore, duplication and overlapping of responsibilities due to lack of political will of the different institutions involved in the project.	L	In order to ensure support and coordination, the project will involve the institutions and key stakeholders from an early stage. The participation of the institutions will commence during the PPG phase and will follow through to the implementation stage. The dialogue and decision-making processes will be strengthened by engaging key stakeholders at all levels and by strengthening capacity-building processes.
Lack of compliance in the certification of biodiversity- and environmentally friendly products (if any), carbon sequestration schemes, and in/or agreements for the use of landscape management tools.	L	The project will develop protocols and monitoring plans to verify compliance of certification standards, carbon sequestration methodologies, and/or proper usage of landscape management tools on the farms that agree to implement some or all of these models. Verification and monitoring practices will take place periodically throughout the implementation of the project.
Economic benefits derived from conservation and sustainable management of	M	The project will work with different sources of income such as economic incentives for water production and improved carbon stocks and biodiversity conservation. It will also foster agrotourism

forests do not materialize due to external causes, mainly market limitations.		activities, sustainable production of cacao, coffee and/or other agroforestry products, among others. The possible beneficiaries of these schemes will be adequately informed and trained, receiving technical assistance for the development of integrated management plans for their farms and business plans, in such a way that they will receive benefits for either practice (directly or indirectly, depending upon each practice).
Low prices in global markets for coffee and cocoa (the two main agricultural products of the project).	M	Although the project cannot totally mitigate this risk, it can focus its production towards more sustainable and better quality practices in a way that it can be directed to other niche markets.
Climate change and/or other extreme climatic/natural events.	M	The project will promote actions that will lead to better connectivity, which will then lead to more extended and solid forest covers, and therefore more resilient ecosystems. Similarly, there will be an increased protection of soils and a better regulation of the water cycle that will in turn, create stable micro-climatic conditions, thereby benefiting forest species as well as reducing the vulnerability of human populations to climate change.

*L = Low; M = Medium; H = High.

5. *Coordination.* Outline the coordination with other relevant GEF-financed and other initiatives.

The project will incorporate best management practices and lessons learned through the GEF-UNDP Project “*Mainstreaming biodiversity in the coffee region in Colombia*”, regarding marketing of certified and non-certified agricultural and forest products, compensation for carbons sequestration, and rehabilitation programs. This project ended in 2014 and its final evaluation was successful in achieving the expected goals and results and in producing a positive impact on the community.

Furthermore, the project will coordinate actions and draw lessons learned from the following three projects related to the strengthening of cacao production that are currently under implementation by FHIA: 1) “*Promoting High Value Agroforestry Systems with Cacao in Honduras*”, which goes from 2010-2017 and is being financed by the government of Canada. 2) “*Promotion of High Value Agroforestry Systems*” and “*Promotion of agribusiness initiatives to improve productivity and competitiveness of cocoa producers in the Maya Corridor*”, which is being financed by the ETEA Foundation until 2016 and is being implemented in the western part of Honduras. 3). “*Project for the improvement of income for cocoa producers in Central America – Honduras Component*”, which goes until 2017 and is being financed by the Swiss Agency for Development and Cooperation (COSUDE).

6. *Consistency with National Priorities.* Is the project consistent with the National strategies and plans or reports and assessments under relevant conventions? (yes /no). If yes, which ones and how: NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, etc.

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)**.

7. *Knowledge Management*. Outline the knowledge management approach for the project, including, if any, plans for the project to learn from other relevant projects and initiatives, to assess and document in a user-friendly form, and share these experiences and expertise with relevant stakeholders.

Knowledge management will be an integral part of project, enabling institutional memory, promoting learning and continuous improvement, generating documents for up-scaling of lessons and experiences and visibility strategies for capacity development and political advocacy. Results from the project will be disseminated within the project intervention area through the different networks and forums available. In addition, the project will participate in the electronic platform for sharing lessons learned among managers established by the UNDP-GEF Regional Coordination Unit (RCU).

PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)


A. RECORD OF ENDORSEMENT¹⁰ OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S):

(Please attach the [Operational Focal Point endorsement letter\(s\)](#) with this template. For SGP, use this [SGP OFP endorsement letter](#)).

NAME	POSITION	MINISTRY	DATE (MM/dd/yyyy)
Rosibel Martínez Arriaga	Director of External Cooperation and Resource Mobilization	Secretariat of Energy, Natural Resources, Environment and Mines	JULY 16, 2015

B. GEF AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF policies¹¹ and procedures and meets the GEF criteria for project identification and preparation under GEF-6.

Agency Coordinator, Agency name	Signature	Date (MM/dd/yyyy)	Project Contact Person	Telephone	Email
Adriana Dinu, Executive Coordinator, UNDP-GEF		December 17, 2015	Santiago Carrizosa, Senior Technical Advisor, EBD	+507 302-4510	santiago.carrizosa@undp.org

Annex 1. Biological importance of the project's PAs and Connectivity Zones

¹⁰ For regional and/or global projects in which participating countries are identified, OFP endorsement letters from these countries are required

even though there may not be a STAR allocation associated with the project.

¹¹ GEF policies encompass all managed trust funds, namely: GEFTF, LDCF, and SCCF.

The 20 protected areas (PA) covering 287,802 has have been grouped into 5 main zones of connectivity, according to their location and proximity to forest remnants. The paragraphs below provide a description of the biodiversity of global importance protected by the PAs, including the PA designation and IUCN category, as well as if they are Key Biodiversity Areas (KBA) and/or Zero Extinction Sites (AZE) as per the Integrated Biodiversity Assessment Tool (IBAT).

Conectivity Zone I

Name	PA Designation assigned by the country	IUCN Category	KBA and AZE
1. Montecristo Trifinio	National Park	Category II	
2. El Guisayote	Biological Reserve	Category IV	
3. El Pital	Biological Reserve	Category IV	KBA and AZE site
4. Montaña de Celaque	National Park	Category II	KBA and AZE site
5. Volcan Pacayita	Biological Reserve		

El Pital Biological Reserve is part of the El Pital Transboundary AZE based on the presence of a critically endangered (CR) species of Amphibian known as the Cerro Pital Salamander (*Bolitoglossa synoria*). The Montaña de Celaque National Park (MCNP) has been identified as a KBA based on the presence of significant populations of globally threatened species and populations of endemic species known only to be found in a limited area. In addition, the area has been identified as an Alliance for Zero Extinction (AZE) Site based upon the presence of one population of the Corquin Robber Frog (*Craugastor anciano*), which has also been classified on the IUCN Red List of threatened species as CR.

In terms of bird species, some studies report the temporary presence of up to 269 species, belonging to 39 families, of which 19 inhabit the cloud forest. The bird species highlighted because of their decreasing populations as per the IUCN endangered species include: quetzal, emerald toucanet (*Aulacorhynchus prasinus*), goldfinch (*Myadestes unicolor*), Crested Guan (*Penelope purpurascens*) and black chachalaca (*Penelopina nigra*). The presence of a small migratory bird known as the golden-cheeked warbler (*Dendroica chrysoparia*), which has been classified as endangered (EN), has also been reported along the buffer zones of the MCNP.

The importance of enhancing connectivity between these 5 Protected Areas lies in the reports of two species of endangered mammals which are the flying squirrel (*Glaucomys volans*) and the Jaguarundi (*Felis yagouaroundi*). Reports have also been obtained regarding diminishing populations in the MCNP of, species such as the howler monkey (*Ateles sp.*), the puma (*Felis concolor*), the ocelot (*Felis pardalis*) and the peccary (*Tayassu tajacu*).

In this connectivity zone, different types of forests can be found including the subtropical wet forest, the mixed montane forest, the lower montane forest, as well as the cloud forest. Species such as *Liquidambar spp*, *Styracifolia spp*, *Clethra spp.*, *Nectandra spp.* and *Symplocos spp* can be found in the lower parts and between 1,800 and 1,900 m.a.s.l., where the cloud forest begins, species such as *Alfaroa hondurensis*, *Abies guatemalensis*, *Persea americana*, *Cornus disciflora*, all classified as vulnerable (VU) under IUCN Red list and *Oreopanax lempirana*,

which is endemic to MCNP and classified as CR, prevail. In 1996, a new endemic species (*Miconia celaquensis*) was discovered, being the second endemic species of the *Melastomataceae* family found in Honduras.

Reptile species found in the Conectivity Zone 1 include 29 species, distributed in 11 families, non of which are endangered, except for the snake (*Crotalus durissus*), which is under category III of CITES appendix. In 1993, a new species of Salamander (*Bolitoglossa celaque*) was described and it has been classified as “endangered” as per the IUCN list.

Furthermore, in 1994, a new endemic species of beetle (*Plusiotis pastori*) was identified in the PNMC and in 1997 the species *Paratype Celaque* was collected in an isolated broadleaf forest.

Conectivity Zone II

Name	PA Designation assigned by the country	IUCN Category	KBA and AZE
6. Ruinas de Copan	Cultural Monument	Category III	
7. Erapuca	Wildlife Refuge	Category IV	

In this connectivity zone, the cloud forest ecosystem, as well as the pine-oak forest prevail. Other plant species representative of this area are the aguacatillo and a great variety of bromeliads, ferns and orchids. Due to the partial isolated condition of this zone, the forests are not inhabited by large animals. In this zone, the white-tailed deer (*Odocoileus virginianus*), is very common. This species has been classified under appendix III of CITES. Other animal species, which predominate this sites are mice, bats, along with several endemic species of reptiles and amphibians. These two PAs are known to be a resting place for migratory birds, that travel form the northern and southern hemispheres, and therefore these forests have an impact on biodiversity that goes beyond political borders.

Conectivity Zone III

Name	PA Designation assigned by the country	IUCN Category	KBA and AZE
8. Puca	Wildlife Refuge	Category IV	
9. Montana Verde	Wildlife Refuge	Category IV	
10. Opalaca	Biological Reserve	Category IV	
11. Mixcure	Wildlife Refuge	Category IV	

In this connectivity zone it is common to find stands of pine ocote (*Pinus oocarpa*), although in some areas it can be found mixed with some hardwoods such as oak trees (*Quercus sp.*) or nance (*Byrsonima sp.*). In the transition area, an overlap of species such as the fir (*Pinus maximinoi*), sweetgum (*Liquidambar styraciflua*), white poplar (*Clethra macrophylla*), which is currently on a vulnerable state as per the IUCN list, and the naked Indian (*Bursera simaruba*), among others can be observed.

Connectivity Zone IV

Name	PA Designation assigned by the country	IUCN Category	KBA and AZE
12. Sabanetas	Biological Reserve		
13. El Jilguero	Water Protection Reserve		
14. Guajiquiro	Biological Reserve	Category IV	
15. Yerba Buena	Biological Reserve	Category IV	KBA and AZE site
16. Montecillos	Biological Reserve	Category IV	

In all PAs of this connectivity zone stands the presence of pine-oak associations, broadleaf forests and cloud forests. Among the representative fauna of this zone there are: whitetail deer, coyotes, jaguarundi, foxes, agouti, sloths, toucans, goldfinches, quetzals and jaguillas. Of these, the jaguarundi or eyra cat (*Herpailurus yaguarondi*) and the slate-coloured solitaire (*Myadestes unicolor*) have decreasing populations and the eyre cat has been listed under Appendix I of CITES.

The Biological Reserve Yerba Buena is relevant since it produces a water reservoir that supplies drinking water to Tegucigalpa and to other important watersheds of the Pacific watershed. This reserve overlaps with a KBA, as well as with a AZE site. The Biological Reserve of Guajiquiro is the only PA in central Honduras, and perhaps in the whole of Central America, where six of the seven species of pine trees are found together.

Connectivity Zone V.

Name	PA Designation assigned by the country	IUCN Category	KBA and AZE
17. Santa Barbara	National Park	Category II	
18. Lago de Yojoa	Multiple Use Area		
19. Azul Meambar	National Park	Category II	
20. El Cajon	Resource Reserve		

Although it has some mountain plant species in common with the CMNP, such as *Abies guatemalensis*, *Taxus globosa* and *Drimys granadensis*, the limestone composition, topography and surface water shortages have created special ecosystems.

Several types of ecosystems in the Santa Barbara National Park are very similar to the rest of this area of connectivity, which are rare in other parts of of Central America. This is the case of the upper montane broadleaf evergreen forest, which contains a considerable amount of oak trees such as *Quercus cortesi*, *Quercus bumeliodes*, *Quercus lancifolia* and *Quercus laurina* and various types of aguacatillos or avocados as *Nectandra heydeana*, *Ocotea veraguensis* and *Phoebe hilictirifolia*. The endemic fern, *Anemia doncel - smithii*, found only in the Santa Barbara mountain, and the endemic tree, *Alfaroa hondurensis*, are present in the understory of this ecosystem. In this area, various kinds of epiphytes have been registered, including

bromeliads where the endemic amphibian, *Nototriton nasal* resides. Similarly, the endemic lizard, *Norops rubribarbaris*, has also been registred.

The mixed broadleaf evergreen montane forest of Central America exists only in the Santa Barbara Mountain. This is the habitat for two endemic species: the shrub *Mahonia glauca* and the salamander without lungs, *Dendrotriton sanctibarbarus*, being this the only amphibian in Honduras living above 2,700 m.a.s.l.

The Santa Barbara National Park is bordered on the east by Lake Yojoa and east by the National Park Cerro Azul Meámbar. The lake and the two National Parks constitute one of the most biologically diverse regions in Honduras. The regions have 17 ecosystems in which 169 species of ferns (25% of the ferns reported for Honduras), 407 birds (representing 55% of the total bird species of Honduras), 15 endemic plants and approximately 40% of the reptiles and amphibians reported for Honduras are found.