



GEF-6 GEF SECRETARIAT REVIEW FOR FULL-SIZED/MEDIUM-SIZED PROJECTS THE GEF/LDCF/SCCF TRUST FUND

GEF ID:	9262		
Country/Region:	Honduras		
Project Title:	Agroforestry Landscapes and Sustainable Forest Management that Generate Environmental and Economic Benefits Globally and Locally		
GEF Agency:	UNDP	GEF Agency Project ID:	5704 (UNDP)
Type of Trust Fund:	GEF Trust Fund	GEF Focal Area (s):	Multi Focal Area
GEF-6 Focal Area/ LDCF/SCCF Objective (s):	BD-1 Program 1; BD-4 Program 9; LD-2 Program 3; SFM-1;		
Anticipated Financing PPG:	\$275,230	Project Grant:	\$13,286,697
Co-financing:	\$50,092,104	Total Project Cost:	\$63,654,031
PIF Approval:	May 04, 2016	Council Approval/Expected:	June 09, 2016
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Mark Zimsky	Agency Contact Person:	Santiago Carrizosa,

PIF Review			
Review Criteria	Questions	Secretariat Comment	Agency Response
Project Consistency	1. Is the project aligned with the relevant GEF strategic objectives and results framework? ¹	8-14-15 (JC/CS) The proposed activities do not fall under the Biodiversity Objective 1, Program 1. Most of the financial resources are targeting the production landscapes (BD Objective 4, program 9). Unless serious TA and INV are injected into the PA System to increase its sustainability, funding under BD-1 in the current PIF need to	

¹ For BD projects: has the project explicitly articulated which Aichi Target(s) the project will help achieve and are SMART indicators identified, that will be used to track the project's contribution toward achieving the Aichi Target(s)?

PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
		<p>migrate to BD-9. If BD-1 is to be maintain in the PIF, activities need to be more focused on development and implementation of comprehensive financing solutions that are real, tangible and viable. The sustainable financing of the high number of PAs identified will be essential for the long term sustainability.</p> <p>The proposed activities under LD, appear to be more in line with LD program 3, than LD program 1.</p> <p>The project document does not mention how it will help achieve the Aichi indicators, nor does it have any SMART indicators identified to track this contribution. Please address.</p> <p>9/14/2015</p> <p>Adequate revisions provided.</p>	
	<p>2. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions?</p>	<p>8-14-15 (JC/CS): The proposed project seems to be in line with the Honduras, however, considering the changes that need to happen on aligning the investment with the Strategic Objectives and the Programs, this may change. Will need to be reassessed when resubmitted.</p> <p>9/14/2015</p>	

PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
		Cleared.	
Project Design	3. Does the PIF sufficiently indicate the drivers ² of global environmental degradation, issues of sustainability, market transformation, scaling, and innovation?	<p>8-14-15 (JC/CS)</p> <p>Drivers of deforestation: Mentioned in the text and addressed (without making further connections) with the proposed activities on SFM and SLM.</p> <p>Market Transformation: 1) Please elaborate on the status of the certification of coffee and cocoa and explain what is missing to achieve the proposed outcomes. 2) Is it realistic to think that the project can provide extension work for 71,690 producers? Is this number is so accurate, it must come from a survey of an specific area, Please provide a map of the target area.</p> <p>Scaling: This needs to be developed.</p> <p>Innovation: State that the innovation is at the National level.</p> <p>9/14/2015</p> <p>Adequate revisions provided.</p>	
	4. Is the project designed with sound incremental reasoning?	<p>8-14-15 (JC/CS)</p> <p>Incremental reasoning is treated on a</p>	

² Need not apply to LDCF/SCCF projects.

PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
		<p>Focal Area Basis. It would have been better to do it at the landscape level, that is, in relation to the target area.</p> <p>Biodiversity: The information provided is on the "background" information, not the "Baseline". "Baseline" are the series of investments that will take place in the target area and in biodiversity over the next 84 months, whether or not the GEF gets approved. Please provide the upcoming investments.</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 thee 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>	

PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
		<p>9/14/2015</p> <p>Adequate revisions provided.</p>	
	<p>5. Are the components in Table B sound and sufficiently clear and appropriate to achieve project objectives and the GEBs?</p>	<p>8-14-15 (JC/CS)</p> <p>The structure of the project shows how the project will try to reach the objective. Nevertheless, there are issues that need to be address to better visualize the expected outcome of a landscape with increase connectivity between the PAs and the production landscape.</p> <p>Component 1.</p> <p>In order to visualize the objective, please provide a line-map of the "dry-humid" corridor (the target area) covering 1.27 million hectares of production landscapes and 721K of PAs. The map does not have to contain a great deal of detail. Enough for the GEF Secretariat and GEF Council Members to quickly relate to this corridor.</p> <p>If the project still aims at targeting the GEF BD-1 Program, the outputs and outcomes related to financial sustainability require refinement. Not clear how the financial sustainability and the management effectiveness of</p>	

PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
		<p>the PA System (of 63 in the target area with 721K ha) will be improved with the proposed activities. Please elaborate on the "new" financial mechanisms. Not clear is there are real possibilities in the horizon.</p> <p>Not clear how the project aims at increasing the PA management effectiveness of 63 PAs covering 721K ha by 10% with Technical Assistance. Even if the \$3.4M budget for this component were to used in support of this areas, the investment per unit area would be in the order of \$4.7/ha over the life of the project, and \$0.6 per ha per year. The resources allocated to this component are inadequate. Budget need to increase or number of PA decrease.</p> <p>The project needs to reduce the number of outcomes and outputs to better understand what this project is aiming at doing. Please refer to the Focal Area Outcomes and Indicators as guidance. In addition, there are some outcomes that are really outcomes like: "Sustainability indicators...", Conflict Resolution protocol...".</p> <p>Not clear how some of the outcomes can be achieved. Like the stabilization</p>	

PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
		<p>of the populations of quetzals and ocelots. No related outputs.</p> <p>Component 2.</p> <p>It is not clear how the proposed outcomes can be achieved with only Technical Advice in the amount of GEF \$6.4M. Investment appears to be a Sine qua non condition to obtain: 3K ha of landscape tools sequestering 513K of tCO₂, reaching 71K produces to adopt SLM practices, rehabilitation of degraded, reduction of erosion by 20%. etc.</p> <p>The experience of GEF investments in PES is that if buyers of ES are not already identifies, piloting PES schemes are likely to fail. This is putting this part of the project at risk of failure. In addition, these "pilots" will suck-up high levels of funding and TA. A project in itself.</p> <p>Not clear what are the activities that will be carried out to achieve the following GEBs: Reduction by at least 20% in the deforestation rate, and 70% reduction in firewood consumption and GHG emissions.</p> <p>Component 3.</p>	

PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
		<p>Please elaborate on the status of the "supply chains" of the proposed products [(coffee, cocoa and agroforestry (of what?))]While the outputs are realistic and doable as part of the project, the outcomes are not realistic (i.e. 15% annual net incommode increase. That is almost twice as high as the rate growth of the Chinese economy at its peak!).</p> <p>9/14/2015</p> <p>Adequate revisions provided.</p>	
	6. Are socio-economic aspects, including relevant gender elements, indigenous people, and CSOs considered?	<p>8-14-15 (JC/CS): Please make sure to mention that the project will be reporting on the GEF6 GENDER indicators.</p> <p>9/14/2015</p> <p>Cleared.</p>	
Availability of Resources	7. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
	<ul style="list-style-type: none"> • The STAR allocation? 	<p>8-14-15 (JC/CS)</p> <p>Honduras has \$10,952,072 available for programming as of today. That would be sufficient to cover the STAR component of the project \$9,655,000. There would be a residual of approx. \$1.2M after the \$275K PPG.</p>	

PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
	<ul style="list-style-type: none"> • The focal area allocation? 		
	<ul style="list-style-type: none"> • The LDCF under the principle of equitable access 		
	<ul style="list-style-type: none"> • The SCCF (Adaptation or Technology Transfer)? 		
	<ul style="list-style-type: none"> • Focal area set-aside? 		
Recommendations	<p>8. Is the PIF being recommended for clearance and PPG (if additional amount beyond the norm) justified?</p>	<p>8-14-15 (JC/CS): NO please address above comments.</p> <p>9/14/2015</p> <p>Adequate revisions have been provided to all previous comments. However, two data issues remain:</p> <p>1) The sum of the cofinance as given per source differs from Focal Area Strategic Framework's total cofinance (TABLE A).</p> <p>2) The sum of the cofinance as given per source differs from Project Framework's total cofinance (TABLE B).</p> <p>Please revise and resubmit.</p> <p>In addition, please note that many key design issues that have been identified in the PIF require further clarification and refinement during the design phase. Please ensure that all commitments to these design changes</p>	

PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
		<p>are clearly addressed and presented in the final project document.</p> <p>11/19/2015</p> <p>Thank you for the clarification with the cofinancing issue.</p> <p>Please clarify two issues.</p> <p>First, please clarify if new protected areas are to be created under this project, and if so, please clarify how they meet the KBA criteria as described in the GEF-6 strategy.</p> <p>Second, for the areas that will update management plans covering 287,802 hectares please clarify the global importance of these areas vis a vis the KBA criteria.</p> <p>The GEFSEC is available for a teleconference to discuss these final issues.</p> <p>12/14/2015</p> <p>The revised PIF clarified the first point in stating that no new protected areas will be created.</p> <p>For the updated management plans, the PIF demonstrates how some of the</p>	

PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
		<p>areas meet the KBA criteria and the global importance of other areas. At PIF stage this is deemed adequate for clearing the PIF. However, by the time of the CEO endorsement, present a table in the document that demonstrates how the sites in project area covering the identified 287,802 clearing meet the criteria for a KBA. Please refer to this website for more details: http://www.kbaconsultation.org/#!home/mainPage. The final criteria and their approval are in the final stages and should be final very soon. Please contact GEFSEC for any further clarification.</p> <p>The PM recommends CEO PIF clearance.</p>	
Review Date	Review	August 14, 2015	
	Additional Review (as necessary)	November 19, 2015	
	Additional Review (as necessary)	December 14, 2015	

CEO endorsement Review

Review Criteria	Questions	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
Project Design and Financing	1. If there are any changes from that presented in the PIF, have justifications been provided?	December 20, 2017 Numerous changes were made at the output level reflect enhanced understanding of realities on the ground, but these are in keeping with the original intent of the project and actually strengthen the project design. Cleared.	
	2. Is the project structure/ design appropriate to achieve the expected outcomes and outputs?	December 20, 2017 Although the project is challenging in its geographic scale and scope, the component structure and overall design is appropriate to achieve project outputs and outcomes. Cleared.	
	3. Is the financing adequate and does the project demonstrate a cost-effective approach to meet the project objective?	December 20, 2017 Yes, the project is robustly financed with significant cash cofinance and the design features the appropriate mix of actions from the public and private sector to achieve the projects ambitious objectives. Cleared.	
	4. Does the project take into account potential major risks, including the consequences of climate change, and describes sufficient risk response measures? (e.g., measures to enhance climate resilience)	December 20, 2017 A well developed and well reasoned identification of risks and mitigation measures are presented. Cleared.	
	5. Is co-financing confirmed and evidence provided?	December 20, 2017 Yes. Cleared.	

	6. Are relevant tracking tools completed?	December 20, 2017 Yes. Cleared.	
	7. <i>Only for Non-Grant Instrument:</i> Has a reflow calendar been presented?	December 20, 2017 NA	
	8. Is the project coordinated with other related initiatives and national/regional plans in the country or in the region?	December 20, 2017 Yes, adequate coordination outlined and the project management structure will allow for ongoing coordination with national initiatives. Cleared.	
	9. Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?	December 20, 2017 Yes, a robust logframe, indicators and targets and overall M&E plan is presented. Cleared.	
	10. Does the project have descriptions of a knowledge management plan?	December 20, 2017 Yes, a fully developed KM plan is presented. Cleared.	
Agency Responses	11. Has the Agency adequately responded to comments at the PIF ³ stage from:		
	• GEFSEC	December 20, 2017 Adequate response to GEFSEC comments. Cleared.	
	• STAP	December 20, 2017 Full response and explanation of how design of project considered STAP comments. Cleared.	
	• GEF Council	December 20, 2017 Full response and consideration of Council comments in the project design. Cleared.	

³ If it is a child project under a program, assess if the components of the child project align with the program criteria set for selection of child projects.

	<ul style="list-style-type: none"> Convention Secretariat 	December 20, 2017	
		NA.	
Recommendation	12. Is CEO endorsement recommended?	December 20, 2017	
		Yes.	
Review Date	Review	December 20, 2017	
	Additional Review (as necessary)		
	Additional Review (as necessary)		