



## Global Environment Facility

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June 3, 2009

Dear Council Member,

UNDP as the Implementing Agency for the project entitled: ***Honduras: Conservation of Biodiversity in the Indigenous Productive Landscapes of the Moskitia***, has submitted the attached proposed project document for CEO endorsement prior to final approval of the project document in accordance with UNDP procedures.

The Secretariat has reviewed the project document. It is consistent with the proposal approved by Council in April 2008 and the proposed project remains consistent with the Instrument and GEF policies and procedures. The attached explanation prepared by UNDP satisfactorily details how Council's comments and those of the STAP have been addressed.

If by July 1, 2009, I have not received requests from at least four Council Members to have the proposed project reviewed at a Council meeting because in the Member's view the project is not consistent with the Instrument or GEF policies and procedures, I will complete the Secretariat's assessment with a view to endorsing the proposed project document.

We have today posted the proposed project document on the GEF website at [www.TheGEF.org](http://www.TheGEF.org). If you do not have access to the Web, you may request the local field office of UNDP or the World Bank to download the document for you. Alternatively, you may request a copy of the document from the Secretariat. If you make such a request, please confirm for us your current mailing address.

Sincerely,

A handwritten signature in black ink, appearing to read "Monique Barbut", written over a horizontal line.

Monique Barbut  
Chief Executive Officer and Chairperson

Attachment: Project Document

cc: Country Operational Focal Point, GEF Agencies, STAP Trustee



**REQUEST FOR CEO ENDORSEMENT/APPROVAL**  
**PROJECT TYPE: Full-sized Project**  
**THE GEF TRUST FUND**

**Submission Date:**

**PART I: PROJECT INFORMATION**

**GEFSEC PROJECT ID:** 3592

**GEF AGENCY PROJECT ID:** 3989

**COUNTRY(IES):** Honduras

**PROJECT TITLE:** Conservation of biodiversity in the indigenous productive landscapes of the Moskitia

**GEF AGENCY(IES):** UNDP

**OTHER EXECUTING PARTNER(S):** Ministry of Natural Resources and Environment (SERNA)

**GEF FOCAL AREA(S):** Biodiversity

**GEF-4 STRATEGIC PROGRAM(S):** BD-SP4, BD-SP5

**NAME OF PARENT PROGRAM/UMBRELLA PROJECT:** NA

Expected Calendar (mm/dd/yy)	
Milestones	Dates
Work Program (for FSPs only)	04/24/2008
Agency Approval date	08/31/2009
Implementation Start	11/30/2009
Mid-term Evaluation (if planned)	11/30/2011
Project Closing Date	11/30/2013

**A. PROJECT FRAMEWORK**

Project Objective: Biodiversity conservation in production landscapes managed by indigenous people in the Moskitia								
Project Components	Type	Expected Outcomes	Expected Outputs	GEF Financing <sup>1</sup>		Co-Financing <sup>1</sup>		Total (\$) c=a+ b
				(\$ a)	%	(\$ b)	%	
1. Strengthening capacities to apply modified and alternative production systems (subsistence, artisanal and community-based commercial) which favor biodiversity (BD)	TA	<ul style="list-style-type: none"> <li>- Populations and breeding success of keystone species stable until project end (Scarlet Macaw, Jabiru, Baird's Tapir)</li> <li>- Increase from 0 to 6 cooperatives, covering 96,213.77ha, with FSC certification</li> <li>- No significant change in <i>Centropomus</i> fish catch effort and hunting effort for white-tailed deer and peccary</li> <li>- Number of local people receiving benefits from forest management by cooperatives increases from 125 direct and 750 indirect to 1365 direct and 11,430 indirect</li> <li>- Number of forestry cooperatives executing Annual Work Plans effectively increases from 2 to 7</li> </ul>	<ul style="list-style-type: none"> <li>- Guidelines and agreements with Government agencies and NGOs on provision of support to application of BD-friendly practices</li> <li>- Market studies and agreements for the products of BD-friendly production systems (NTFPs, fish, tourism)</li> <li>- Forestry cooperatives with technical, financial, administrative and marketing capacities</li> <li>- FSC certifications of cooperatives</li> <li>- Pilot experiences of NTFP management, extraction, processing and marketing</li> <li>- Pilots and demonstrations of integrated fire management</li> <li>- Investment climate assessments for small BD-friendly businesses (e.g. ecotourism, NTFPs)</li> </ul>	713,195	13	4,850,746	87	5,563,941
		<ul style="list-style-type: none"> <li>- Number of people receiving benefits from sustainably managed NTFPs increases from</li> </ul>						

		1,174 to 2,000						
2. Creation of an enabling environment of policies and investments for collaborative BD-friendly production	TA	<ul style="list-style-type: none"> <li>- 80% of Government and NGO investments (by value) comply with norms applied by MASTA regarding compatibility with BD conservation</li> <li>- Number of representatives of ICF, DIGEPESCA and SERNA in the region increases from 7 to 12</li> <li>- Usufruct contracts (that are not taken as undermining Miskito claims to land title) have been formally entered into with indigenous organizations over 195,239 ha (up from 68,000 at present)</li> </ul>	<ul style="list-style-type: none"> <li>- Training and awareness raising programs for staff of Government and NGOs</li> <li>- Internal safeguards applied by Government, NGOs and international funding agencies, that take into account requirements for avoiding threats to BD and respecting cultural norms</li> <li>- System for evaluating the BD impacts and sustainability of initiatives proposed by external actors, for application by MASTA and local producer organizations</li> <li>- Models for integrated natural resource management plans, that coincide with the principles of indigenous communities, formally adopted by the ICF</li> <li>- Discussion documents for presentation by indigenous organizations to Government representatives, proposing modifications to legal and policy instruments required to ensure support to BD-friendly forms of resource management, based on sound evidence</li> <li>- Usufruct contracts between the ICF and local communities, cooperatives or federations, recognizing occupancy and use rights of indigenous people (without undermining Miskito claims to formal land titles)</li> </ul>	369,566	63	215,254	37	584,820
3. Strengthening local capacities for planning, monitoring, and regulation leading to an improved local governance framework for BD management in forestry and fisheries sectors	TA	<ul style="list-style-type: none"> <li>- 262,431 ha included in integrated natural resource management plans</li> <li>- 143,341 ha included in terrestrial set aside zones with no evidence of disturbance from productive activities</li> <li>- Number of aquatic sites set aside for fish breeding and population recovery increases from 4 to 10</li> <li>- Number of commercial fishers (members of</li> </ul>	<ul style="list-style-type: none"> <li>- Landscape level zoning plans agreed between municipal Governments and indigenous federations</li> <li>- Integrated resource management plans that include provisions for BD conservation and indigenous norms</li> <li>- Mechanisms and agreements for inter-institutional collaboration in planning, monitoring, regulation and enforcement</li> <li>- Strengthened and functioning community-based</li> </ul>	739,807	88	100,000	12	839,807

	PAMUPEL) applying practices that degrade fish populations reduces from 210 to 10 by project end.	<ul style="list-style-type: none"> <li>organizations planning, monitoring, regulating natural resource management and enforcing BD-related norms and regulations</li> <li>- Programme for collaborative monitoring of natural resources</li> <li>- Set-asides zones for fish populations</li> <li>- Norms for natural resource management, developed and adopted by local communities</li> <li>- Mechanisms and capacities for alternative conflict management</li> <li>- Rescue and rehabilitation centre for confiscated fauna</li> <li>- Environmental education programme and materials</li> <li>- Destination management plans for ecotourism</li> </ul>					
4. Project management			195,732	25	574,000	75	769,732
<b>Total Project Costs</b>			<b>2,018,300</b>	<b>26</b>	<b>5,740,000</b>	<b>74</b>	<b>7,758,300</b>

<sup>1</sup> List the \$ by project components. The percentage is the share of GEF and Co-financing respectively of the total amount for the component.

<sup>2</sup> TA = Technical Assistance; STA = Scientific & Technical Analysis.

**B. SOURCES OF CONFIRMED CO-FINANCING FOR THE PROJECT** (expand the table line items as necessary)

<i>Name of Co-financier (source)</i>	<i>Classification</i>	<i>Type</i>	<i>Project</i>	<i>%*</i>
Government (IADB funding for Pronegocios project)	Nat'l Gov't	Soft-loan	4,600,000	80%
Government (counterpart funding for IADB Pronegocios project)	Nat'l Gov't	In-kind	162,000	3%
Local beneficiaries' (counterpart contribution to IADB Pronegocios project)	Beneficiaries	In-kind	648,000	11%
World Bank/Norwegian Development Fund	Multilat. Agency	Grant	250,000	4%
UNDP (TRAC)	Impl. Agency	Grant	80,000	1%
<b>Total Co-financing</b>			<b>5,740,000</b>	<b>100%</b>

\* Percentage of each co-financier's contribution at CEO endorsement to total co-financing.

**C. FINANCING PLAN SUMMARY FOR THE PROJECT (\$)**

	<i>Project Preparation a</i>	<i>Project b</i>	<i>Total c = a + b</i>	<i>Agency Fee</i>	<i>For comparison: GEF and Co-financing at PIF</i>
GEF financing	141,000	2,018,300	2,159,300	215,930	2,375,230
Co-financing	145,000	5,740,000	5,885,000		5,899,000
<b>Total</b>	<b>286,000</b>	<b>7,758,300</b>	<b>8,044,300</b>	<b>215,930</b>	<b>8,274,230</b>

**D. GEF RESOURCES REQUESTED BY AGENCY(IES), FOCAL AREA(S) AND COUNTRY(IES)<sup>1</sup>**

N/A

**E. CONSULTANTS WORKING FOR TECHNICAL ASSISTANCE COMPONENTS:**

<i>Component</i>	<i>Estimated person weeks</i>	<i>GEF amount(\$)</i>	<i>Co-financing** (\$)</i>	<i>Project total (\$)</i>
<i>Local consultants*</i>	355	83,750	360,000	443,750
<i>International consultants*</i>	20	50,000	0	50,000
<b>Total</b>	375	133,750	360,000	493,750

\* Details to be provided in Annex C.

\*\*Pronegocios consultant support to preparation of business plans by local businesses

#### F. PROJECT MANAGEMENT BUDGET/COST

<i>Cost Items</i>	<i>Total Estimated person weeks/months</i>	<i>GEF amount (\$)</i>	<i>Co-financing (\$)</i>	<i>Project total (\$)</i>
<i>Local consultants*</i>	0	0	0	0
<i>International consultants*</i>	85	22,500	20,000	42,500
<i>Office facilities, equipment, vehicles and communications</i>		2,752	1,804	4,556
<i>Travel</i>		26,119	29,617	55,737
<i>Others**</i>		144,361	522,579	666,939
<b>Total</b>	0	195,732	574,000	769,732

\* Details provided in Annex C.

\*\***GEF:** Salaries and insurance of project coordinator (55%), secretary (100%), watchman (33%) and cleaner (33%); **co-financing:** salary of administrator (100%), project management costs of PRONEGOCIOS.

G. DOES THE PROJECT INCLUDE A “NON-GRANT” INSTRUMENT? yes  no X

#### H. DESCRIBE THE BUDGETED M & E PLAN:

1. Monitoring and evaluation of the project will be adapted from procedures established by UNDP and GEF for Full Size Projects and will be provided by the project team and the UNDP Country Office (UNDP-CO) with support from UNDP-GEF. The main components of project M&E will be the following:

- Inception workshop.
- Day to day monitoring of implementation progress by the Project Coordinator, based on the project’s Annual Work Plan and its indicators.
- Periodic monitoring of implementation progress by the UNDP-CO through quarterly meetings with the project proponent, or more frequently as deemed necessary.
- Annual Monitoring through Tripartite Programme/Project Review (TPR) meetings, which will occur at least once every year, and complying with mandatory annual reports.
- External evaluations in years 2 and 4.
- Terminal tripartite review, in the last month of the project period.

#### PART II: PROJECT JUSTIFICATION:

##### A. STATE THE ISSUE, HOW THE PROJECT SEEKS TO ADDRESS IT, AND THE EXPECTED GLOBAL ENVIRONMENTAL BENEFITS TO BE DELIVERED:

2. The Moskitia region, in the remote eastern extreme of Honduras, contains a number of production landscapes and waterscapes of high global and local value, that are subject to major threats at both ecosystem and species levels. The extensive lagoon complex, river mouths and coastal waters are major breeding areas for regionally important fish such as *Centropomus* (robalo) and *Carcharhinus* and *Sphyrna* (bull and hammerhead sharks) and threatened aquatic mammals such as the Manati (*Trichechus manatus*). These populations are threatened by overfishing (by increasingly commercial local fishers and poaching by industrial boats from outside the region) and the use of inappropriate equipment or net placement. The regionally outstanding *Pinus caribaea* forests and savannas are subject to degradation through the creaming of genetically superior trees and frequent wildfires. The bioregionally outstanding and vulnerable broadleaved forests of the area, which include calcareous mountains with high levels of endemism, are subject to

widespread deforestation by cattle ranchers from outside of the area, taking advantage of the fact that the indigenous Miskito people who make up the bulk of the population of the region have yet to have their land rights over the area formalized.

3. The Miskito people are motivated to conserve the natural resources of the Moskitia, on which their livelihoods depend. The long term solution to the threats affecting the biodiversity of the area is the promotion of forms of indigenous use of, and control over, its natural resources, backed up by sound principles of conservation biology and productive sustainability and a supporting environment of policies, legislation and regulation. At present, the achievement of this solution is impeded by a number of barriers. Firstly, local Miskito forest users and fishers lack the technical, organizational, financial and marketing capacities to make BD-friendly forms of production viable. Secondly, the Government does not invest adequately in the region, and the investments that it does make, in terms of personnel and projects, tend to have limited benefits or negative impacts by virtue of their not being adequately tailored to the peculiarities of the region. Thirdly, natural resource use is not planned in a coherent manner, nor is it subject to effective enforcement.

4. The project would seek to address these barriers by developing capacities within indigenous natural resource users to apply BD-friendly forms of production (modifying existing practices or adopting new ones as appropriate); providing information and guidance to the Government and outside agencies on the nature and needs of the area, in order to improve the effectiveness of their interventions; and strengthening the capacities of central Government, the armed forces, municipal Governments, NGOs, indigenous organizations and community-based organizations to plan and regulate resource use in an effective and coordinated manner, building where possible on traditional norms and mechanisms. GEF project resources would be accompanied by major co-financing from Interamerican Development Bank and World Bank projects aimed at supporting small rural businesses, and by investments from the GEF-funded CAMBIO project (GEF ID 2670). The promotion of biologically and productively sustainable forest management (for both timber and non-timber products), that is at the same time socially and economically viable, will have a particularly important role to play in enabling indigenous communities to assert their occupancy and use rights over their traditional lands, in the face of the threat of encroachment and deforestation by outsiders. In the fisheries sector, the emphasis will be more on the application of regulation, particularly through community-based norms, and the spatial planning and definition of fishing and set-aside areas to allow reproduction and population recovery. Activities in the tourism sector would focus on supporting the spatial planning and BD compatibility of co-financed investments.

#### **B. DESCRIBE THE CONSISTENCY OF THE PROJECT WITH NATIONAL AND/OR REGIONAL PRIORITIES/PLANS:**

5. Honduras ratified the Convention on Biological Diversity on the 21st February of 1995 (Decree number 30-95, published in the official publication La Gaceta on 10th June 1995). It is also a signatory to Convention 169 of the International Labour Organization, the Convention on the International Trade in Endangered Species (CITES) and the Convention for the Conservation of Biodiversity and the Protection of Priority Wild Areas in Central America.

6. The Moskitia was prioritized for conservation in the National Biodiversity Strategy. The Biodiversity Directorate (DIBIO) of the Environmental and Natural Resources Ministry (SERNA) also identified a number of specific priority sites for conservation within the region, on the basis of an analysis of the national distribution of critically threatened species and ecosystems. The Moskitia was prioritized by SERNA as the focus of investment of GEF RAF funds in the BD focal area, alongside pine-oak forests and dry forests.

#### **C. DESCRIBE THE CONSISTENCY OF THE PROJECT WITH GEF STRATEGIES AND STRATEGIC PROGRAMS:**

7. The project will contribute to Strategic Objective 2 (SO2) of the Biodiversity Focal Area, 'To mainstream biodiversity in production landscapes/seascapes and sectors'. An SO2 approach has been chosen given the high levels of dependency of local populations on natural resource use, which would rule out the establishment of extensive areas of exclusive protected areas, and the fact that threats to BD stem from production activities. GEF-funded support will focus on the approach proposed under Strategic Program 4 (SP4), 'Strengthening the Policy and Regulatory Framework for Mainstreaming Biodiversity', as it will: modify how the Government interacts with local communities in support of BD friendly options, including the incorporation of BD criteria and regulations into programmes of technical, financial and marketing support; motivate increased investment in support of BD, by providing information to decision makers on the potential benefits that this could generate; and strengthen governance structures in local communities and capacities in local and national Government for planning and regulating resource management. Co-financed support will

in addition include attention to SP5, 'Fostering markets for biodiversity goods and services', as it will assist producers to develop viable small business with market access for BD-friendly forms of production.

**D. JUSTIFY THE TYPE OF FINANCING SUPPORT PROVIDED WITH THE GEF RESOURCES.**

8. GEF resources consist of a donation which will be used in a one-off manner to create lasting capacities.

**E. OUTLINE THE COORDINATION WITH OTHER RELATED INITIATIVES:**

9. The project will build upon initiatives supported by the GEF Small Grants Programme, including the formation of producer groups related to natural resource management, and the provision of financial support to BD-based businesses such as ecotourism ventures and butterfly farms. It will complement, but not overlap with, the GEF/World Bank 'Corazón Transboundary Biosphere Reserve' project. That project is focused on protected area management, whereas the present project is focused on BD conservation in adjacent production landscapes. Improved management of these landscapes will benefit the GEF/World Bank project as many of the species in the targeted PAs move seasonally into these areas. The project will also complement the GTZ-funded PRORENA project, which is working in the buffer zone of the Río Plátano Biosphere Reserve which directly abuts onto the western extreme of the project area; the territories and influence areas of many local people are shared between the areas covered by the two projects and there is much scope for synergy in the form of joint training and the exchange of lessons learnt regarding sustainable productive options. There will be major opportunities for synergy between this project and the Central American Markets for Biodiversity project (CAMBio), which is a potential source of investment funding and marketing support for the BD-based businesses to be promoted through this project. Neither CAMBio nor SGP will be providing the kinds of support to technical, organizational, regulatory or planning capacities foreseen under this project. Coordination between all of these projects will be in the form of regular working group meetings in order to interchange experiences and coordinate the planning of activities. The project will assist the IADB 'Pronegocios' project in the application of environmental safeguards, while the IADB project will help to open up markets and develop organization and entrepreneurial capacities for the BD-friendly forms of production identified through GEF-funded activities. The project will also complement the World Bank PATH project, by supporting the development land regularization models which are appropriate for application in indigenous areas and thereby do not generate the types of concern among indigenous people that have been expressed previously in relation to that project's land titling activities.

**F. DISCUSS THE VALUE-ADDED OF GEF INVOLVEMENT IN THE PROJECT DEMONSTRATED THROUGH INCREMENTAL REASONING :**

10. Under the baseline scenario, local stakeholders (principally Miskito indigenous people) would exercise little control over forest and fisheries resources. As a result, forests would continue to suffer degradation and clearance, principally at the hands of external actors, while populations of fish and forest fauna will continue to be overexploited, undermining in turn the livelihoods of local people. Under-resourced Government institutions (such as the forest authority ICF and the fisheries directorate DIGEPESCA) would do little to address this problem. Management plans have been produced by local stakeholders for a number of areas throughout the region, including the Karataska lagoon and the areas covered by forestry usufruct agreements, however under the baseline situation the provisions of these plans would not be translated into practice due to limited technical, financial and organizational capacities on the part of the local organizations and municipal governments responsible for their implementation.

11. GEF involvement in the project would enable local people to participate more actively in the management of BD, by developing their capacities to carry out productive activities which promote BD conservation while at the same time generating economic and social benefits. The capacities of local Government to plan and regulate the management of natural resources will be simultaneously enhanced. GEF investment will be complemented by significant levels of co-financing from a range of sources.

12. GEF funds will contribute value added in a number of specific areas:

- Development of technical, organizational and marketing capacities among forest user groups in order to allow them to apply sustainable forest management and thereby assert rights over their forests in the face of encroachment and deforestation by outsiders.
- Systematization and strengthening of community-based norms and regulations on the use and management of BD, complementing the regulatory role of the Government.
- Support to territorial land use planning, carried out jointly between indigenous federations and municipal Governments, in order to maximize the compatibility between development initiatives and BD conservation.

- Strengthening of the capacities of the Government to provide technical and financial support and to enforce legislation in support of BD conservation, through technical and cultural orientation and improved coordination of investments between different institutions.
- Optimization of the impacts of investments by the Government and NGOs in relation to BD, through the provision of guidelines and information and the development of local capacities to evaluate initiatives.

**G. INDICATE RISKS, INCLUDING CLIMATE CHANGE RISKS, THAT MIGHT PREVENT THE PROJECT OBJECTIVE(S) FROM BEING ACHIEVED AND OUTLINE RISK MANAGEMENT MEASURES:**

<b>Risk</b>	<b>Level</b>	<b>Mitigation strategy</b>
Increase in extreme climatic events due to climate change, interrupting project activities and prioritization by local people of BD issues	Moderate	Support to indigenous organizations and governance structures will facilitate effective local response to such events.
Climate change modifies ecosystem dynamics and fire regimes, leading to recession of ecosystems	Moderate	Inclusion in natural resource management plans of monitoring and adaptation strategies, such as modifications in prescriptions for integrated fire management
Changes in macroeconomic factors or Government incentives increase attractiveness of land uses that compete with natural ecosystems	Moderate	Alternative land uses such as oil palm for biofuels are normally promoted by external actors (they do not coincide with indigenous cultural and production systems) so would be combated by the project's strategy of strengthening indigenous occupancy rights and production systems.
Inadequate conditions of governance, including conflicts between stakeholders	Moderate	The project will strengthen community-based organizations and will promote the establishment of mechanisms and experiences of alternative conflict management.
Emergence of major new markets or actors that impose additional extractive pressures on resources	Moderate	Support to spatial planning of extraction in order to ensure that provision is made for resource regeneration (for example through set-asides) Strengthening of community-based norms and enforcement, awareness raising and environmental education
Failure of Government to make genuine long term commitments to supporting Miskito interests	Moderate	Raising of awareness in central Government of the economic benefits of sustainable natural resource management. Provision of methodological support and pilot activities to facilitate adaptation of Government programs to local conditions. Support to advocacy in central Government to accelerate formalization of occupancy and use rights.
Failure of Government to provide adequate resources to ICF, DIGESPESCA and SERNA in the region	Moderate	The project will support community-based mechanisms to complement formal Government planning and control functions, and mechanisms for inter-institutional coordination in order to maximize the impact of the available staff, funds and equipment

**H. EXPLAIN HOW COST-EFFECTIVENESS IS REFLECTED IN THE PROJECT DESIGN:**

**13.** The cost-effectiveness of the project will be ensured through the following strategies:

- i. A primary focus on conservation in production landscapes is more effective than an exclusive dependence on protected areas, as it will avoid the problems of resistance by indigenous people to PAs perceived as externally imposed, and the associated difficulty, conflict and cost that their establishment and management would imply.
- ii. An incentive-based approach to forest conservation, based on sustainable use that generates income for local people, is more cost-effective than the alternative of one based exclusively on regulation, as it would motivate and empower local people themselves to ensure the protection of their resources. The alternative would result in continued threats of encroachment by outsiders, who would consider forests that are not being managed productively as subject to appropriation and deforestation, requiring continuing high levels of investment to counter these threats.
- iii. A combination of community-based and Government regulation and enforcement would be more cost-effective than exclusive dependence on the Government. Given the magnitude and logistical difficulties of the area, and the current low levels of Government presence, major investments in infrastructure, equipment and staffing would be required for the Government to be able to achieve anything approaching satisfactory coverage.

- iv. In the fisheries sector, in contrast to the forestry sector, the project would focus principally on regulation and planning to achieve conservation. This will be more cost-effective than an approach based on market incentives, which would require high levels of initial investment (in refrigeration and processing facilities) and ongoing technical support, for producers to be able to access BD-friendly markets.

**PART III: INSTITUTIONAL COORDINATION AND SUPPORT**

**A. INSTITUTIONAL ARRANGEMENT:**

14. UNDP will be the sole implementing agency of the project.

**B. PROJECT IMPLEMENTATION ARRANGEMENT:**

15. The project would be executed under the NEX modality with the Ministry of Environment and Natural Resources (SERNA) as the executing agency. The duration of the project would be 4 years<sup>1</sup>.

**PART IV: EXPLAIN THE ALIGNMENT OF PROJECT DESIGN WITH THE ORIGINAL PIF:**

16. Project design as presented in the Project Document is close to that proposed in the original PIF. The only significant difference is the proposal to include activities in the tourism sector, due to the emergence of proposal by the World Bank to support this sector, which constitutes an opportunity for co-financing.

**PART V: AGENCY(IES) CERTIFICATION**

This request has been prepared in accordance with GEF policies and procedures and meets the GEF criteria for CEO Endorsement.

Agency Coordinator, Agency name	Signature	Date (Month, day, year)	Project Contact Person	Telephone	Email Address
Yannick Glemarec UNDP/GEF Executive Coordinator	<i>Y. Glemarec</i>	May 18, 2009	Santiago Carrizaosa	+507- 3024510	<a href="mailto:santiago.carrizosa@undp.org">santiago.carrizosa@undp.org</a>

<sup>1</sup> The PIF proposed a duration of 5 years, however assessments carried out during the PPG phase indicated that the targets of the project could be achieved within 4 years. This change also has the benefit of reducing the proportion of total project funds that it is necessary to assign to project management, given the existence of various fixed annual costs.

**ANNEX A: PROJECT RESULTS FRAMEWORK**

Vertical Logic	Indicators	Baseline value	Targets (Year 4)	Sources of verification	Assumptions
<b>Goal:</b> Conservation of biodiversity in the Moskitia region					
<b>Objective:</b> Biodiversity conservation in production landscapes managed by indigenous people in the Moskitia	Number of individuals of Jabiru recorded in overflights of pine savanna remains stable or increase	To be determined at project startup (available data are out of date)	To be determined at project startup	Biological transects and overflights	Climate change does not affect the biology of ecosystems and species
	Breeding success of Jabiru (number of successful rearings of fledglings per nest per year) remains stable or increases	To be determined at project startup (available data are out of date)	To be determined at project startup	Observations of selected nests	
	Number of individuals of Scarlet Macaw recorded in transects in pine savanna and broadleaved forest remains stable or increase	To be determined at project startup	To be determined at project startup	Biological transects	
	Breeding success of Scarlet Macaw (number of successful rearings of fledglings per nest per year) remains stable or increases	To be determined at project startup	To be determined at project startup	Observations of selected nests	
	Number of individuals of Baird's Tapir recorded in transects in broadleaved forest remains stable or increase	To be determined at project startup	To be determined at project startup	Biological transects	
	Number of bird species recorded in transects remains stable	To be determined at project startup	To be determined at project startup	Biological transects	
	Rate of forest loss decreases (hectares/year)	Average annual deforestation rates over 2003-2008 period to be determined at project startup (estimated to be between 3 and 5% annually)	To be determined at project startup	Multi-temporal study satellite images	Climate change does not accelerate forest loss. Macroeconomic factors or Government incentives do not increase pressures for conversion to other land uses.

Vertical Logic	Indicators	Baseline value			Targets (Year 4)	Sources of verification	Assumptions	
	Number of hectares of forest designated as set aside areas show no disturbance from productive activities	Condition of set aside areas to be determined at project startup, and disturbance criteria and index developed			Disturbance from productive activities is no greater than baseline level	Transects by biologists	Conditions of local governance. Macroeconomic factors or Government incentives do not increase pressures for productive activities.	
	Stability or increase in fish catch levels per unit effort, in aquatic environments	10-12 robalos per sport fisher /day in Auratá Lagoon			Catch levels per fisher/day remain at present levels or increase (assuming no change in fishing practices)	Questionnaires applied to fishers	Major new markets or actors do not emerge that impose additional extractive pressures on resources	
	Stability or decrease in time required by hunters to find prey (white-tailed deer and peccary) in terrestrial environments	Levels of catch per fisher/day in other areas be determined at project startup						
			White-tailed deer	Peccary ( <i>Tayassu pecari</i> )	Time required remains stable or decreases (assuming no change in hunting practices)	Questionnaires applied to hunters		
		Mokorón	24-48 hours	5-7 days				
		Auratá	1.5-2 hours	1-3 days				
		Rus Rus	0.25 hours	2 days				
		Auka	36 hours	2 days				
		Kruta	48 hours	5 days				
<b>Outcome 1:</b> Local people have the capacities to apply modified and alternative production systems (subsistence, artisanal and community-based commercial) which favor biodiversity (BD)	Increase in the number of local people (men and women) receiving monetary benefits from forest management by cooperatives, leading to increased motivation to protect lands against incursions by outsiders (baseline and target values by gender to be defined at startup)	<b>Management plan area</b>	<b>Beneficiaries</b>			<b>Beneficiaries</b>	Questionnaires applied to cooperative members	Granting of usufruct rights by ICF and agreement on management plans
			<b>Direct</b> (active cooperative members)	<b>Indirect</b> (family members)	All members of existing cooperatives	1,305		
		Auka	0	0	Members of new cooperatives	60		
		Buhutia	0	0				
		Layasicsa-Siksatigni-Wisplini	125	750	Dependents	11,430		
		<b>Total</b>	<b>125</b>	<b>750</b>	<b>Total</b>	<b>13,335</b>		
	Increase in the area of forest with FSC certification	0 ha (certification was withdrawn due to poor practices)			6 cooperatives covering 96,213.77ha (plus an indigenous cooperative in Ahuasbila, the area of which will be determined at Project startup).	Records of certification held by cooperatives	Commitment of cooperatives and ability to control activities of other community members	
	Increase in number of forestry cooperatives	2 out of 2 currently active cooperatives have APOs approved			7 cooperatives have APOs approved by ICF for the year in	ICF inspections of	Commitment of cooperatives	

	executing annual plans of operation (APOs) effectively	by ICF for the year in question and have an average level of execution of 60% in all of the activities approved in the previous year	question and have an average level of execution of 90% in all of the activities approved in the previous year	cooperatives	
	Increase in the number of forestry cooperatives with financial capacity to execute APOs	2 out of 2 currently active cooperatives depend on cash advances from timber buyers to operate	7 out of 7 cooperatives have adequate funding of their own to commence the activities foreseen in their APOs	Interviews with leaders of cooperatives	Commitment of cooperatives
	Active membership (men and women) of forestry cooperatives (men and women) remains stable due to improved capacity to plan and execute an increase diversity of activities (baseline and target levels by gender to be determined at startup)	In 2 out of 2 currently active cooperatives, active membership varies by at least 50% throughout the year	In 7 out of 7 cooperatives, active membership remains stable throughout the year	Interviews with leaders of cooperatives	Commitment of cooperatives
	Increase in the number of forestry cooperatives that maintain up to date and accurate financial records	0 out of the 2 currently active cooperatives maintain up to date and accurate financial records	7 out of 7 cooperatives maintain up to date and accurate financial records	Inspection of financial records	Commitment of cooperatives
	Increase in the number of forestry cooperatives with FSC certification	0 out of 2 currently active cooperatives	7 out of 7 cooperatives	Records of certification held by cooperatives	Commitment of cooperatives
	Increase in the number of forestry cooperatives in broadleaved forest marketing products other than mahogany or pine timber	0 out of 2 currently active cooperatives	7 out of 7 cooperatives	ICF inspections of cooperatives	Commitment of cooperatives
	Increase in the number of people (men and women) receiving benefits from NTFPs (swa, tuno etc.) (baseline and target values by gender to be determined at project startup)	1,174	2,000	Questionnaires applied to community members	Compatibility of NTFP production with local livelihood support systems
Output 1.1	Guidelines and agreements with Government agencies and NGOs on provision of effective support to local stakeholders and organizations for the application of BD-friendly practices				
Output 1.2	Market studies and marketing agreements for the products of BD-friendly production systems (NTFPs, fish, tourism)				
Output 1.3	Forestry cooperatives with technical, financial, administrative and marketing capacities necessary to be viable, to apply BD-friendly forms of resource management and to demonstrate occupancy of traditional lands				

Output 1.4	FSC certifications of cooperatives
Output 1.5	Pilot experiences of NTFP management, extraction, processing and marketing
Output 1.6	Pilots and demonstrations of integrated fire management in pine savanna
Output 1.7	Investment climate assessments for small BD-friendly businesses (e.g. ecotourism, NTFPs)

<b>Outcome 2:</b> BD-friendly forms of production are supported by an enabling environment of policies and investments	Percentage of Government and NGO investments (by value) that comply with norms defined by MASTA regarding compatibility with BD conservation (norms to be developed during project year 1)	Government and NGO investments are currently not subject to formal norms beyond broad-brush internal safeguards applied by individual agencies		80% of Government and NGO investments (by value) comply with norms applied by MASTA regarding compatibility with BD conservation		Interviews with agencies and MASTA	Willingness of Government and agencies to respect local norms
	Increase in the number of permanent technical staff in local offices of forestry, fisheries and environment authorities	ICF	1 director and 4 area coordinators	ICF	1 director and 6 area coordinators	Inspections of institutions	Commitment of Government
		DIGEPESCA	2 inspectors	DIGEPESCA	4 inspectors		
		SERNA	0	SERNA	1 technician		
Increase in the area of land covered by usufruct contracts between ICF and local communities, cooperatives or federations (that are not taken as undermining Miskito claims to land title)	Usufruct contracts have been formally entered into with indigenous organizations over 68,000ha		Usufruct contracts (that are not taken as undermining Miskito claims to land title) have been formally entered into with indigenous organizations over 195,239 ha (the existing area plus 126,239 ha in Auka)		ICF records	Government commitment and transparency on indigenous occupancy rights. Indigenous/colonist conflicts remain manageable	

Output 2.1.	Training and awareness raising programs for staff of Government and NGOs
Output 2.2.	Internal safeguards applied by Government, NGOs and international funding agencies, that take into account requirements for avoiding threats to BD and respecting cultural norms
Output 2.3.	System for evaluating the BD impacts and sustainability of initiatives proposed by external actors, for application by MASTA and local producer organizations
Output 2.4.	Models for integrated natural resource management plans, that coincide with the principles of indigenous communities, formally adopted by the ICF
Output 2.5.	Discussion documents for presentation by indigenous organizations to Government representatives, proposing modifications to legal and policy instruments required to ensure support to BD-friendly forms of resource management, based on sound evidence
Output 2.6.	Usufruct contracts between the ICF and local communities, cooperatives or federations, recognizing occupancy and use rights of indigenous people (without undermining Miskito claims to formal land titles)

<b>Outcome 3:</b> BD-friendly forms of management in forestry and fisheries sectors are subject to effective planning,	Increase in the area covered by management plans that meet ICF requirements and at the same time correspond with the resource management principles of indigenous	Auka: 92,153 ha covered by integrated resource management plan (pending approval by ICF)	Auka/Tipí sector: 126,239 ha covered by integrated resource management plan	Review of management plans	Agreement among community members on provisions of plans
		Auratá: 0 ha under ICF management plan	Auratá: 500 ha under integrated resource management plan	Review of management plans	Openness in ICF to proposals by
		Ahuasbila: forest management plan	Ahuasbila: area to be covered by	Review of	



	nets on time, wrong gauge, bad placement, fishing at river mouths)				
<p>Output 3.1. Landscape level zoning plans agreed between municipal Governments and indigenous federations</p> <p>Output 3.2. Integrated resource management plans, defined in agreement between local people and the ICF, that include provisions for BD conservation and respect indigenous cultural norms</p> <p>Output 3.3. Mechanisms and agreements for institutional collaboration in planning, monitoring, regulation and enforcement, to improve efficiency and effectiveness</p> <p>Output 3.4. Strengthened and functioning community-based organizations planning, monitoring, regulating natural resource management in accordance with BD considerations and enforcing BD-related norms and regulations</p> <p>Output 3.5. Programme for collaborative monitoring of natural resources by local communities, Government institutions and NGOs, including detailed baseline population studies and information management systems</p> <p>Output 3.6. Set-asides zones for fish populations</p> <p>Output 3.7. Norms for natural resource management, developed and adopted by local communities, providing for practices and limits required for BD conservation</p> <p>Output 3.8. Mechanisms and capacities for alternative conflict management, including definition of specific permanent responsibilities</p> <p>Output 3.9. Rescue and rehabilitation centre for confiscated fauna</p> <p>Output 3.10. Environmental education programme and materials aimed at increasing local commitment and capacities for enforcing BD conservation</p> <p>Output 3.11. Destination management plans for ecotourism</p>					
<b>Outcome 4:</b> Monitoring, learning, adaptive feedback & evaluation	Number of annual work plans and budgets and PIRs which adequately take into account the results of monitoring and evaluation	0 AWPBs or PIRs	4 AWPBs 4 PIRs	Review of AWPBs and PIRs	Stability and quality of project staff Efficiency of administrative procedures
	Number of documents on lessons learnt produced and disseminated within the GEF system	0 documents	2 by the end of year 3	Review of documents	

**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)

**STAP Scientific and Technical screening of the Project Identification Form (PIF), 4<sup>th</sup> March 2008**

Reviewer's comments	Responses
<p>The connection between (1) the proposed investments in alternative forest management activities for an indigenous land user group using the ecosystems for largely traditional uses and (2) the conservation outcomes, which are threatened by non-indigenous people conducting commercial activities with high impact, is unclear. While the notion that offering Miskitos stronger occupancy and use rights is clearly connected to efforts to stop or reverse the expansion of unsustainable exploitation by ladino immigrants, it is unclear why such strengthening of rights has to be done "through the application of sustainable resource management activities on lands which are currently considered by outsiders as open access." The argument seems to imply that the government would only consider newly proposed "sustainable resource management activities" as worthy of offering stronger rights to the Miskitos. If true, the proposal should be more explicit.</p>	<p>The legal situation regarding the possibilities of titling land in the Moskitia to indigenous communities is far from clear, particularly in relation to which areas of land qualify for titling by virtue of being non-forest, and whether titles can be given to communities or federations rather than to individuals. There is likewise a dearth of experience and capacities in relation to titling in areas where such doubts exist. At least at the moment, therefore, usufruct contracts offer the only viable option for establishing exclusive occupancy rights and thereby challenging incursions by outsiders. Usufruct contracts do not necessarily require that land is subjected to active management (such as sustainable forestry management for timber) however in practice there is an assumption in Honduras that land which is not clearly being used in a productive manner is an open access resource and ripe for grabbing. This is in part a hangover of the situation prior to the 1992 Law for the Modernisation and Development of the Agricultural Sector (LMDSA) of 1992, when 'idle' land was subject to expropriation or titling.</p>
<p>If the Miskitos themselves are a serious threat (not always clear in the proposal), then the proposal is quite vague on what the current incentives are and why the proposed activities will change them. The proposal seems to merely name the current activities that are "unsustainable" and then list some "sustainable" options that they will develop that will be supported by stronger rules (although the proposal states that local authorities have few incentives to enforce the current rules).</p>	<p>The main threats arising from the Miskitos themselves are 1) the extraction of timber from pine savannas in ways and quantities that are incompatible with long term regeneration and sustainability; 2) the use of fire to renew pasture grasses and flush out game; 3) the use of fishing practices that degrade fish stocks (e.g. poor placement and irregular checking of nets) and 4) hunting of globally rare species. The opportunity of gaining income from forest management has been proven to lead community members to take effective action to control activities by other Miskito people that threaten to degrade the forestry resource, such as unsustainable extraction or frequent burning. Given the weakness of municipal authorities and agencies of central Government, changes in practice in the fisheries sector will be achieved by a combination of community-level regulation and enforcement, and the designation of no-take zones, both of which strategies are based on traditional practices that recognize the need for ensuring long-term resource sustainability.</p>
<p>To strengthen the proposal, STAP has a few suggestions that could be addressed as the proposal is developed further</p>	
<p>1. Establish a baseline to monitor the various and distinct outputs the project intends to address.</p>	<p>Baselines have been established for a number of key outputs and outcome indicators, such as the extent of forest management plans and set-aside areas, and institutional resources. It is proposed that detailed studies will be carried out, during the implementation stage, of the status of fish populations and selected plant species that are subject to extraction, and of deforestation rates. These require a level of investment that is beyond that achievable with PPG resources.</p>
<p>2. Define clearly the global environment benefit(s) of the project. At the moment, the benefits are not defined explicitly.</p>	<p>Box 1 on page 31 of the Project Document lists clearly the global environmental benefits that will be generated by the project.</p>

<p>3. In order to market successful biodiversity friendly products, a good access to a market is needed. Given the remoteness of the project site, how does the project intend to assist communities access markets - local and regional? This could be taken into account when an explicit market strategy is identified.</p>	<p>Detailed marketing strategies will be defined during the implementation phase. It is foreseen that the project will facilitate contacts between local producers and potential buyers of BD-friendly products. Problems of physical access will be taken into account by focusing on non-perishable products such as timber and latex, for which transport routes (principally by river) are already clearly defined. It is not expected to be practical to develop BD-friendly markets for fisheries products given the infrastructure that would be required (currently fish is mostly salted for national consumption but there are limited possibilities of introducing incentives for sustainable practices into this market).</p>
<p>4. What lessons from the GEF Small Grants Programme could be applied to this project to strengthen the development and impact of biodiversity businesses on local conservation?</p>	<p>The project has been developed in close consultation with representatives of the SGP in Tegucigalpa and with members of local organizations and producer groups supported by the SGP in the Moskitia. The principal lessons learnt from the SGP to date that are of relevance to this project are the following:</p> <ul style="list-style-type: none"> <li>- Genuine participation of local people in decision making and the management of project resources improves the level of local appropriation of initiatives and their effectiveness</li> <li>- At the same time, there are suggestions of polarization of stakeholders between those directly involved in the SGP and those that are not, a situation which is largely due to cultural conditions in the Moskitia: a key lesson for the project is therefore the importance of promoting broad awareness of and participation in the project, addressing diverse stakeholder groups.</li> </ul>
<p>5. How will the project's efforts "...to assist local communities to develop and apply regulations for natural resource management..." (strengthening local capacities for planning, monitoring, and regulating) link to the project's efforts to work with the municipal and national government to develop appropriate policies and legislation on land tenure and conservation?</p>	<p>Community-based and Governmental norms will complement each other. This is essential given the size and remoteness of the area, and the limited resources available to Government entities, which will always make it difficult to ensure adequate enforcement of Governmental norms and regulations. The project will pay particular attention to harmonizing community-based and Governmental norms, for example by generating sound biological information (e.g. on fish populations) on which to base both types of norms, and through participatory joint workshops aimed at identifying areas in which they complement or conflict with each other, and arriving at agreements on harmonization (which may involve some compromise on both sides). It should be noted that local people recognize the role of the Government in enforcing environmental legislation.</p>
<p>What opportunities exist for the project to work with the local and national governments to address competing uses of local forest resources (mainly timber) by non-local groups?</p>	<p>The main forms of competing use by non-local actors are the conversion of forest land to pasture and the poaching of fish stocks in coastal waters. The project, in collaboration with the indigenous organization MASTA, would advise entities of the national Government on needs for modifications to policies (particularly in relation to tenure) that currently favour forest encroachment. The project would also strengthen the enforcement capacities of Government entities (principally ICF, DIGEPESCA, the Army and the Navy), largely by facilitating the development of agreements on the coordination of efforts and resources, but also through the provision of technical and cultural orientation.</p>
<p>6. The project might benefit from focusing on a small set of threats or areas and carefully testing, through the use of control communities that are similar but receive no project interventions, whether the suite of the proposed interventions can lead to an observable change in ecosystem-use activities.</p>	<p>Project design will necessarily imply a balance between testing the effectiveness of different approaches in a controlled manner, and 'getting things done' in practice and thereby achieving significant impacts within a relatively short time period. The project will endeavour to combine these two goals through the application of a wide-ranging monitoring system that will cover both the selected 5 'pilot' communities and others ('controls') elsewhere in the project area, combining region-wide multi-temporal studies of forest cover change using satellite imagery (although it is unlikely that significant changes will be detectable before project mid term), participatory monitoring of resource conditions by forest users and fishers, and region-wide participatory systematization of experiences and impacts, through workshops.</p>

GEFSec comments on PIF, January 28th 2008

Comments	Responses at time of PIF presentation	Responses at time of CEO endorsement request
<b>8. Is the project design sound, its framework consistent sufficiently clear?</b>		
<p>1) The PIF makes many mentions of extending BD friendly production in the fisheries and forestry sectors assuming that this will result in positive conservation outcomes and global benefits, but fails to clearly define what this kind of production is and how BD-friendly productive activities will be objectively measured. This is surprising given that UNDP has submitted a project in this work program to work with indigenous communities in Mexico with a specific focus on promoting SFM that is certified and meets biodiversity criteria. This lack of specifics on what exactly the project will do in the very difficult productive sectors of forestry and fisheries is a weakness of the proposal. Please strengthen this in a revised PIF</p>	<p>The changes in production systems that are proposed under the project (to be confirmed and possibly expanded on the basis of PPG analyses) are presented in the modified table on page 5.</p> <p>Sustainable forest management by community-based cooperatives will give communities increased motivation to combat illegal extraction and encroachment, and assert their occupancy rights. Given that the baseline situation would involve wholesale clearance of large areas of forest, the maintenance of forest cover (as measured through the proxy indicator of the area under forest management plans, the first outcome of Component 1) is a direct measure of project success. In addition the management plans required by the Government do include provisions (limits on annual extraction levels, protection of seed trees, control of fires and regeneration) which have implications for the quality of the forest that is managed and therefore its BD-friendliness; further more detailed indicators may be developed during the PPG phase. The project will in addition promote FSC certification, with its additional (albeit imperfect) criteria related to BD, and an additional outcome to this effect has been added in the results framework under Component 1; however, as explained below in response to the third comment under this section, project success will not hinge specifically on FSC certification.</p> <p>Collection of NTFPs such as <i>Carapa guianensis</i> fruit for oil production and butterfly larvae for farming will motivate producers to conserve the forests from which they come.</p> <p>Modifications to fishing practices including avoidance of the use of small net gauges, dynamite, poison and the placing of nets in such a way as to block migration routes, will be promoted through a combination of improved enforcement capacities (see Component 3)</p>	<p>PPG studies have confirmed the productive sectors on which the project would focus (although details of the precise nature of some of the threats have been modified on the basis of these studies). The relations between these interventions are presented in Table 3 of the Project Document, and specific proposals regarding project interventions in these sectors are summarized in Table 6.</p> <p>A number of concrete measurable indicators of project impacts in these sectors have now been included in the Strategic Results Framework, including deforestation rates, catch effort and population stability of key species. In reality, given the short time frame of this project, changes will be more likely to be detectable in the indicators at outcome level. These include the areas included in management plans, usufruct contracts and forest certification schemes, the area of terrestrial set-aside areas and the number of aquatic set-aside areas</p>

Comments	Responses at time of PIF presentation	Responses at time of CEO endorsement request
	<p>and the attachment of conditions to be applied to the provision of marketing and financial support. As stated at the end of paragraph 12 on Global Environmental Benefits, this will result in reduced pressures on regionally important populations of fish and crustaceans which, as explained in paragraph 2, use the lagoons and mangroves of the area as breeding grounds.</p>	
<p>2) Component one, outcome one has an indicator with a target of 5,000 people modifying practices. This is a poor indicator. This indicator should reflect a change in production outputs that reflects a change from the baseline production which is not "BD friendly". In this outcome the project is focusing on hunting, fishing and forest production practices thus the outcome should be a measurable change in the off take that reflects either the sustainable amount that can be harvested, and/or the certified sustainable produced amount that can be harvested per unit area. It really does not matter how many people are involved in the practice.</p>	<p>The reference to the numbers of people modifying practices has been removed as suggested. The indicator on forest management (now outcome 1) measures the area over which forest management plans are applied; this is directly related to the sustainability of off-take rates as this is one of the conditions of the forest management plans.</p> <p>Reliable data are as yet not available on levels of fish mortality resulting from the use of indiscriminate fishing practices, or the proportions of under-size fish caught as a result of the use of inappropriate net gauges, which would enable a direct indicator of the BD impacts of activities under component one to be developed. It is therefore proposed at this stage to use a proxy indicator “percentage reduction in the levels of use of inappropriate fishing practices and gear”, under the assumption that such a reduction would be directly correlated to reductions in the negative BD impacts that such practices and gear generate.</p>	<p>The same considerations apply as at the PIF stage regarding the use of proxy indicator “percentage reduction in the levels of use of inappropriate fishing practices and gear”, under the assumption that such a reduction would be directly correlated to reductions in the negative BD impacts that such practices and gear generate. In relation to hunting and fishing, additional indicators have also been introduced related to hunting or catch effort, which is a direct measure of the status of the resource in question and therefore the sustainability of management practices. In addition, indicators have been introduced of the area under (and complying with) forest management plans and with certification: this is directly related to the extent of sustainable resource management as both management plans and certification schemes include sustainability criteria.</p>
<p>3.) Will the forest management plans be certified as meeting SFM criteria by an independent body, for example, as per FSC criteria?</p>	<p>FSC certification may indeed be an option for providing additional motivation to producers to manage forests in a sustainable manner, however experiences to date in Honduras (such as the Copén cooperative in the Sico Paulaya valley) have had limited success due largely to the costs of certification and inspection and the difficulties faced by producers in accessing and satisfying such niche markets (the baseline situation in Honduras in relation to community-based forest management is far behind that in Mexico, which has a long history of forest <i>ejidos</i> with extensive and well-recognized community lands and well-developed community structures, and there is also a greater critical mass of forestry producer groups and institutions). This</p>	<p>PPG studies have confirmed that a local cooperative in the area has had FSC certification in the past, but has lost it due to bad practice. It is expected that project investments in the development of technical and organizational capacities will enable this situation to be overcome in the future. The fact that the project aims that a number of cooperatives would simultaneously have certification would help to overcome the problem that has dogged most certification efforts to date in Honduras, that of the lack of a ‘critical mass’, which has so far meant that certified cooperatives are undermined by ‘ghost’ cooperatives and other manifestations of poor governance in the areas surrounding them. It will also permit economies of</p>

Comments	Responses at time of PIF presentation	Responses at time of CEO endorsement request
	<p>is not necessarily an insuperable situation, however, given the levels of doubt that exist, it is a deliberate strategy of the PIF <i>not</i> to make the success of the project hinge on the success of FSC certification, but rather to use Government-approved forest management plans as the main instruments for bringing SFM criteria to bear, and to pursue FSC certification as an added bonus (an additional outcome has been added to Component 1 to this effect). While it is true that Government approved forest management plans do not provide producers with access to premium markets, there are concrete motivations for producers to subscribe to them, namely: i) the fact that unless they do so they will not have access to the financial, marketing and organizational support they need to make their business successful and ii) the fact that only when operating under the provisions of such plans are indigenous groups able to claim that their forestry activities prove their legal rights to occupancy and tenure over their forests, in the face of encroachment by outsiders. The feasibility of forestry certification will be analyzed in more detail during its PPG and implementation phases.</p>	<p>scale in marketing efforts and savings in certification and inspection missions, which can be carried out jointly.</p>
<p>4) What are "BD considerations" that will be part of the forest management plans? Please clarify.</p>	<p>The indicator in question has been reworded as: "...forest management plans approved by forestry authority, incorporating provisions for social, silvicultural and environmental sustainability". The considerations in the plans include, for example, levels of allowable annual cut (related to forest yield and regeneration rates), protection against fire and pests, provisions for regeneration (natural or by planting), protection of seed trees, and design and location of access and extraction routes (see highlighted text in paragraph 2 and the Table on page 5). All of these are designed to maximize the regenerative potential and therefore permanence of the forest, which would represent a significant BD benefit relative to the baseline scenario of wholesale forest removal. Producer groups will also be supported in obtaining FSC certification, with its more precise (albeit not perfect) provisions for BD.</p>	<p>The same response is reflected in the Project Document as in the PIF.</p>

Comments	Responses at time of PIF presentation	Responses at time of CEO endorsement request
5.) Under Component Two, outcomes one and two, given that the investment in the region by Governments and NGOs is meager, why measure the percentage of the investments that "comply with norms" that avoid negative impacts on BD? Based on the project's problem analysis, shouldn't the focus be here on having the enabling environment strengthened at the municipal level and measuring that strength through the transformation of production practices on the ground?	Although the levels of investment by the Government and NGOs have to date indeed been meagre, their potential to undermine BD conservation if they do not conform to cultural and environmental norms is great. Component 2 therefore focuses on ensuring that there is "an enabling environment of policies and investments". Please note that 'institutional capacities' has been changed to 'investments' in the title of this component in order to make clearer the distinction between it and component 3, which does focus on strengthening the institutional capacities of municipal governments and other local entities. While the effectiveness of the actions under component 2 would indeed be reflected in changes in production practices, we already have indicators for changes in production practices under component 1 (in the logframe for the eventual Project Document, these indicators would ideally go at the objective level).	The same response is reflected in the Project Document as in the PIF.
6.) For component three, the indicator of 10,000 "young people" (what age group is this?) involved in community planning, what is the relevance of this indicator? Why 10,000?	This indicator was related to the development of local capacities for regulation, through community-based organizations – in order for such organizations to be sustainable in the face of the pressures of cultural dilution and emigration that face young people, it is essential that they include a sufficiently young age profile.	This indicator has not been included in the Project Document.
6.) For component three, the indicator of 10,000 "young people" (what age group is this?) involved in community planning, what is the relevance of this indicator? Why 10,000?	. This indicator has been removed from the PIF but will be reconsidered during the PPG phase for possible reintroduction into the Project Document.	
7.) The project design is not particularly clear or consistent with the problems of the area. First, part of the reason that the region has not developed is limited access to markets (and Government services) for what they can produce for market, regardless of whether it is "BD friendly" or not. The proposal does not address how this barrier will be addressed nor how the Government is addressing this through baseline investments. Please clarify.	The IADB Pronegocios project, which will be considered as co-financing for this project, will address the problem of limited market access (see paragraph 8), and the GEF CAMBIO project will be another source of support on marketing issues. This will indeed be one of the main areas of symbiosis between the GEF grant and the IADB loan: the latter will focus strongly on small business development and market access, while the former will help to identify BD-friendly businesses which warrant such support, and at the same time will ensure that safeguards are effectively applied so that the marketing support provided through the IADB loan does not open the floodgates to unsustainable extraction.	PPG studies confirmed the challenges of physical access to markets. As proposed in the PIF, advantage will be taken of the IDB Pronegocios project and the GEF CAMBio project to provide support on marketing issues. It is however recognized that market barriers may not be easily overcome with all forms of production: in the case of fish, for example, the project does not expect markets to change significantly from the current one that focuses on non-perishable salted fish. For this reason, project activities in the fisheries sector focus more on regulation and enforcement (albeit with community participation) and on population recovery, than on market-based approaches.

Comments	Responses at time of PIF presentation	Responses at time of CEO endorsement request
<p>8.) A number of threats are identified but the project does not propose to address all threats and some of these threats are major. Furthermore, the PIF does not identify how other actors may be addressing these threats. The failure to address these threats would undermine the GEF intervention. Please clarify the following issues:</p>		
<p>A) Land tenure and titling and open access. The PIF notes the work of the WB project and its difficulties in land titling, as well as the impact that uncertain land tenure will have on work in the forest sector and how current land tenure policy encourages land clearing, but the PIF offers no response to this by the project or by the Government. Please clarify as this could undermine the GEF project.</p>	<p>The explanation of Component 2 (paragraph 9) begins thus: “The project will support efforts by communities and Government to develop policy and legislative instruments in favour of conservation friendly land uses, including advocacy on procedures for the regularization of land tenure and use rights in accordance with indigenous collective models...” (the word ‘tenure’ was specifically added in order to make sure that it is understood that regularization includes this issue). The issue of tenure is also recognized in the table in Section F, and a corresponding mitigation measure is proposed: “Advocacy in central Government to accelerate land titling and raise awareness concerns over existing titling models, and promotion of productive practices as a means of demonstrating occupancy.” The fact that the land regularization project is funded by the World Bank means that there is a high probability of receptivity to advocacy on this issue, given the Bank’s internal safeguards related to indigenous issues affected by its projects.</p>	<p>PPG studies confirmed the relevance of the strategies proposed in the PIF, highlighted in the responses to GEFSec review. These studies did not, however, result in a definitive answer regarding the possibility of giving full land title to indigenous people, given the differences of interpretation to which forestry, property and agrarian legislation is subject. It will be during the full project that it will be possible to address these issues fully. In the meantime, project targets in relation to tenure are worded in an open manner to reflect the different possible interpretations of the law: targets are given in terms of the area under usufruct contracts, however (in response to a request from the indigenous organization MASTA) it is made clear in the indicator that the existence of usufruct contracts does not necessarily preclude the possible definition of formal land titles in the future</p>
<p>B) Current government policy provides incentives for land clearing and extensification of cattle ranching and explicitly supports palm oil development both of which drive deforestation, however, the PIF does not clearly state how this will be addressed by this project or through other activities. Please clarify as this could undermine the GEF project investment</p>	<p>Paragraph 16 also states that “The project will support the efforts of communities and government to develop the policy and legislative instruments needed to promote conservation friendly land uses. This will cover:... guidance on Government support to oil palm plantations for bio-fuel, so that this does not promote encroachment on indigenous lands or forest clearance;...”. It is possible that the current enthusiasm in the country for bio-fuels based on oil palm may be tempered to some degree in the coming years as a result of i) increasing reservations among policy formulators and funding agencies worldwide regarding the environmental impacts of their production, ii) the country’s increased access to alternative sources of oil, as a result of recently-negotiated trade agreements which will limit the country’s vulnerability to scarcity</p>	<p>In addition to the advocacy efforts mentioned in the response to GEFSec comments on the PIF, the project would develop local capacities to evaluate the potential impacts of Government initiatives in the area, and would also strengthen the capacities of funding agencies to apply appropriate environmental controls. In addition, the support by the project of community-based sustainable forest management would enable communities to assert their rights over land which might otherwise be subjected to encroachment by oil palm or pasture.</p>

Comments	Responses at time of PIF presentation	Responses at time of CEO endorsement request
	<p>and price fluctuations on the global market and iii) the emerging opportunities for compensation for avoided deforestation which will reduce the economic attractiveness of deforestation for the establishment of oil palm plantations relative to the alternative of leaving forests intact. It is recognized, however, that there is no guarantee that these factors will significantly reduce pressures in the short or medium terms, hence the strategy proposed by the project of empowering indigenous communities to carry out sustainable productive activities which assert their presence and rights over the land which might otherwise have been subject to encroachment by oil palm plantations</p>	
<p>C) Mangrove clearing is presented as a threat to traditional fisheries, but what is driving this and how will the project respond to this threat? Please clarify</p>	<p>The text "...for use as firewood and building materials and to clear areas for construction and cultivation," has been added to paragraph 4 to explain what is driving mangrove clearing. The list of activities which will be addressed by norms and regulations, in paragraph 10, has been expanded to include mangrove harvesting and clearance. In addition, the following sentence has been added to paragraph 10: "Training and facilitation will also be provided to community-based organizations in order for them to play an increased role in enforcing these norms and regulations", in order to make it clear that the enforcement of regulation on such activities will depend not only on entities of central and municipal Governments but also on community-based organizations (following successful examples in indigenous areas elsewhere in Latin America).</p>	<p>The same emphasis on community-based norms and regulations, as occurred in the response to GEFSec comments on the PIF, is now reflected in the Project Document.</p>
<p>9) The project design focuses on NTFP and SFM without providing any real basis as to why this might be profitable. The project identifies a litany of barriers for economically viable NTFP harvesting and SFM, and notes that this will be addressed through an IADB project which is being offered as cofinancing to the project. Please discuss the status of this loan from IADB, if it is being implemented now, how the proposed UNDP intervention will complement what the IADB project is doing and how the operations of UNDP project will be integrated with this loan program. Please also clarify if the project will focus on developing and applying safeguards that will be applied to the IADB</p>	<p>The IADB loan is recently approved and the project is yet to start operations. It is considered as co-financing as it would serve to open up markets for the productive activities which are mentioned in the PIF as having the potential to contribute to BD conservation, and to develop the organizational and entrepreneurial capacities of the groups carrying out these activities. There is proven strong demand for a number of the natural resource-based products of the region, such as seafood, timber and batana oil, which makes it highly likely that businesses based on their sustainable production would be profitable if technical, marketing and organizational obstacles were overcome.</p>	<p>PPG studies confirmed that local producers consider SFM and NTFP extraction to be profitable, especially under their criteria which typically involve placing a premium on the generation of cash resources (for which limited alternative sources exist) and under-valuing labour inputs.</p> <p>The IADB-funded project is yet to commence operations in the region. The same arrangements regarding relations with the IADB project are foreseen as stated in the response to the GEFSec comments on the PIF</p>

Comments	Responses at time of PIF presentation	Responses at time of CEO endorsement request
<p>loan and its support to small business development. IADB has recently adopted environmental safeguards that should address these issues, thus we are surprised to see that the proposed project by UNDP will also address these issues.</p>	<p>In practice, the GEF and IADB projects would function with a large degree of operational and administrative independence, however mechanisms would be developed (to be defined during the PPG phase) in order to allow them to collaborate as foreseen in the main areas in which they have the potential to complement each other (marketing and organizational support on the one hand, and environmental governance on the other). These mechanisms may include, for example, joint work teams to address specific issues, participation of members of each project in the steering committee of the other, joint participation in the preparation of strategic and annual work plans and the joint preparation of publications. Please see new highlighted text in paragraph 15.</p> <p>This project does not by any means intend to duplicate or substitute the environmental safeguards provided for by the IADB. Rather, it will complement these by developing <i>lasting, local level</i> capacities for evaluating and regulating the environmental implications of productive activities such as those which may be proposed for support by the IADB project. These capacities will outlast the IADB project and will be applicable to any proposals for natural resource use in the future, thereby permanently improving the prospects for compatibility between natural resource use and environmental sustainability in the area. The project will also assist IADB in the application of these recently-developed safeguards, by ensuring that those responsible for their application are provided with the detailed information on BD status, threats and the overall planning context of the region, required to take sound decisions. Please see new highlighted text in paragraph 15.</p>	
<p>10.) Under component two, on page 6, para 16, the project places a lot of faith in the power of "providing convincing evidence to decision-makers" that will result in biodiversity management objectives (whatever these are) being internalized into development programs. This approach when executed solely has rarely worked in the past in many different circumstances as policy makers have had to see some added economic benefit as well. Thus, we are concerned that the proposal is not looking</p>	<p>The current reference to economic benefits in paragraph 9 has been expanded as follows: "This advocacy will be backed up by solid and convincing evidence of the economic, social and environmental benefits achievable through sustainable forms of natural resource management (in terms of access to niche markets, income from payments for avoided deforestation and tourism, increased sustainability of fisheries and reduced needs for investment in conflict resolution)."</p>	<p>The project approach as set out in the Project Document is multi-faceted. The emphasis on attracting new Government finance to the area has been reduced, partly in recognition of the reviewer's comment (although the co-financed investments already identified are of significant magnitude). Rather, the project will focus on promoting forms of resource use which are of proven viability for local people and valued by them as a source of income (particularly in</p>

Comments	Responses at time of PIF presentation	Responses at time of CEO endorsement request
<p>for opportunities for promoting SFM that can be certified and that can produce products that may actually get a premium on the market as opposed to using moral suasion and education only and an amorphous standard of "BD friendly".</p>	<p>The viability of certification schemes in Honduras is yet to be fully demonstrated, as explained above (although increased exposure of decision makers to successful experiences elsewhere, through a well executed advocacy programme, could result in the required institutional effort being made to achieve a 'critical mass' of producer groups seeking certification); there is however much potential for the country and/or individual producers to be rewarded financially for avoiding deforestation through the application of SFM and the strengthening of governance, as proposed under this project. Such payments could be made either on a private basis or, in the future, through the Kyoto Protocol.</p>	<p>the forest sector), backed up by regulation and governance (the increased personnel levels expected from the Government are relatively minor), and on ensuring that investments that <i>are</i> made by the Government are carried out in an effective manner that is compatible with BD conservation.</p>
<p>At the time of CEO endorsement, please explicitly analyze and propose how the project will produce the outcome of favorable technical, regulatory, planning, and governance conditions required for project success. Please also describe how this will be monitored and measured during project execution. . Please refine the indicators during the PPG phase to ensure that those identified in the PIF remain realistic measures of project outcomes etc.</p>		<p>It is made clear under Outcome 1 (paragraphs 71-73 of the Project Document) that the required technical capacities will be achieved by a combination of direct and indirect approaches: project technicians will relate directly with producers and producer organizations, particularly in the selected pilot communities and, in addition, the project would provide advice, orientation and safeguards to other larger scale projects (such as PRONEGOCIOS), thereby achieving a major leverage in terms of impact.</p> <p>Paragraphs 76-82 of the Project Document explain how the project will achieve regulatory, planning and governance conditions: the principal strategies to be applied will be support to lobbying of central Government, leading to increased resources being directed to the area; improved coordination between Government entities; systematization and promotion of community-based norms; joint territorial land use planning between indigenous federations and municipal Governments; promotion of capacities for conflict management; and environmental education.</p> <p>The indicators proposed in the PIF have been refined in the Results Framework, on the basis of PPG studies.</p>
<p><b>9. Is the project consistent with the recipient country's national priorities and policies?</b></p>		
<p>The PIF notes that a number of priority regions in the Moskitia have been identified by the Biodiversity Directorate. Please clarify if these are to be the focus of the project's site interventions.</p>	<p>The overall area to be addressed by the project will be the Moskitia region as a whole, including the priority regions identified by the Biodiversity Directorate. The precise locations of the field activities to be supported</p>	<p>5 pilot sites were identified during the PPG phase, on the basis of an objective assessment of their coverage of the diversity of production landscapes in the area and of global environmental values (distinctive or rare</p>

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	<p>by the project will be identified during the PPG phase, on the basis of a number of criteria including the level of commitment of the local communities in specific areas and the presence and condition of natural resources which may lend themselves to sustainable management. Subject to these criteria, it is probable that at least one of the sites will coincide with one of these priority areas; this will be especially important given the resistance among indigenous communities to the establishment of exclusive reserves). In any case the project sites will be chosen to cover a range of ecological and productive conditions, thereby ensuring that the experiences generated there will be replicated within the areas prioritized by the Biodiversity Directorate. Paragraph 8 has been expanded as follows: “PPG activities will include... the identification of pilot sites, taking into account feasibility, local commitment and BD priorities.”</p>	<p>ecosystems and species, and environmental services). Detailed field studies and discussions with local stakeholders in these communities confirmed their interest in participating in the project. The Biodiversity Directorate of the SERNA was fully involved throughout this selection process and approved the communities selected.</p>
<p><b>10. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?</b></p>		
<p>Please clarify how the project design reflects lessons learned from the GEF investment through the WB in the Corazon BR.</p>	<p>The Corazon BR project is yet to commence operations in the field, however when it does it is proposed that regular working group meetings be held to interchange experiences and lessons learned (the coordinator of the Corazon project has participated in the meetings held in the SERNA to formulate and discuss the PIF for this project, so there is a high level of interest in carrying out such interchanges). The following text has been added in paragraph 15: “Coordination between these projects will be in the form of regular working group meetings in order to interchange experiences and coordinate the planning of activities.”</p>	<p>The same proposal for coordination, stated in the PIF, in terms of regular working group meetings, is included in Part II Section E of this CEO Endorsement Request.</p>
<p>Please also discuss how the project will be coordinated with the IADB loan program, the WB land titling program and what it has learned from these and how these are reflected in the project design.</p>	<p>Additional text has been added to paragraph 15 as follows: “The project will assist the IADB ‘Pronegocios’ project in the application of environmental safeguards, while the IADB project will help to open up markets and develop organization and entrepreneurial capacities for the BD-friendly forms of production identified through GEF-funded activities. The project will also complement the World Bank PATH project, by supporting the development land regularization models which are appropriate for</p>	<p>The same forms of coordination proposed in the PIF, in response to the reviewer’s comments, are included in the Project Document.</p>

Comments	Responses at time of PIF presentation	Responses at time of CEO endorsement request
	application in indigenous areas and thereby do not generate the types of concern among indigenous people that have been expressed previously in relation to that project's land titling activities."	
At the time of CEO endorsement, please clarify the relationship with the IADB Pronegocios project and cost out the coordination. Please identify explicitly at the project component and activity level how the GEF investment complements the IADB project. Please supply a letter of support from IADB that also describes the IADB contributions to the project both in terms of technical expertise, cash and in-kind cofinancing.		A letter of commitment from IADB is included in Section IV Part II of the Project Document.
<b>11. Is the proposed project likely to be cost-effective?</b>		
The project may be cost-effective but not for the arguments presented. The Moskitia is not a densely populated area thus the rationale that PA establishment would entail large opportunity costs for the Moskitia is not supportable. Thus, the global benefits by establishing large protected areas would likely be quite high with minimal management expenditures. Please refine this argument in a revised PIF.	Section G (paragraph 18) has been modified as follows: "Cost-effectiveness will be ensured by adopting a catalytic approach in support of local organizations and communities, strategically removing key barriers which prevent them from transforming their production activities so as to ensure they are more BD-friendly. Support to conserving BD in productive landscapes is more cost-effective than relying on the establishment of additional protected areas, given the resistance among indigenous groups to exclusive approaches to conservation and the difficulty, cost and conflict that such an approach would incur in this huge area. The reliance on viable productive systems as a means of protecting BD also reduces the need for ongoing funding; once initial barriers are overcome, these systems would be largely self-sustaining in comparison to protected areas which would require continuous budgetary provision. Involving local people in the regulation of threats to BD is more cost-effective than relying exclusively on the Government, as it will build on existing structures and knowledge and minimize the need for investment in infrastructure, logistics and staff costs." Key text referring to the alternative of establishing protected areas has been highlighted in the PIF.	The same arguments regarding cost-effectiveness are presented in paragraphs 87 and 88 of the Project Document.
<b>12. Has the cost-effectiveness sufficiently been demonstrated in project design?</b>		
At the time of CEO endorsement, please demonstrate the cost-effectiveness of the intervention design, but not based on a comparison of establishing protected areas as an alternative.		The discussion of cost-effectiveness has been expanded beyond that presented in the PIF, to refer also to the alternatives of approaches based on market incentives vs. regulation, and combined community/Government

Comments	Responses at time of PIF presentation	Responses at time of CEO endorsement request
		based regulation and enforcement vs. sole reliance on Government. See section H of the CEO Endorsement Request and paragraph 87 of the Project Document.
<b>14. Does the project take into account potential major risks, including the consequences of climate change?</b>		
Risks are identified but the levels of the risks seem optimistic and the mitigation strategies seem to belie the experience in the region to date and are very reliant on "awareness-raising" and "lobbying". Historically, the Moskitia region has been ignored by Central Government, and interest has been piqued based on opportunities for mahogany and hardwood extraction, and oil extraction most recently	Although Government support to the area has historically been limited, the new IADB loan project will address this to some extent. Additional wording has been added to make it clear that awareness raising will emphasize the economic, social and environmental benefits of increased investment in the area. The risk levels ('moderate') take into account that these risks will be susceptible to a certain degree to mitigation measures, but that the mitigation options which are available will not reduce them to a 'low' level	The risks table has been expanded in the Project Document. All of the risks identified are classified as Moderate.
How does the mitigation strategy proposed for land titling incorporate the challenges of the WB project?	The text of the mitigation strategy has been expanded as follows: "Advocacy in central Government to accelerate land titling and raise awareness concerns over existing titling models, and promotion of productive practices as a means of demonstrating occupancy.", in order to incorporate lessons learned from the WB project.	The response is reflected, as explained, in the Project Document.
<b>15. Is the value-added of GEF involvement in the project clearly demonstrated through incremental reasoning?</b>		
Please clarify how the project is changing the channeling of Government resources to the Moskitia as described in paragraph 24.	The GEF project would assist the IADB loan project in identifying forms of productive activity which contribute to BD conservation, thereby facilitating the flow of resources from that project to the area and assisting IADB in the application of its environmental safeguards. It will also facilitate access by local producers to financing opportunities such as the Government's Forestry Reinvestment Fund, through development of their capacities to prepare requests for funding (penultimate sentence of paragraph 8). It will in addition strengthen the capacities of indigenous organizations to interact with the Government in order that future investments are made in accordance with cultural and environmental norms.	The same explanation provided in response to GEFSec comments on the PIF is reflected in the Project Document
<b>19. Is the indicative co-financing adequate for the project?</b>		
Please clarify how the IADB loan is going to be managed by the project as cofinancing.	The two projects will be highly complementary; as stated in paragraph 15: "The [GEF] project will assist the IADB 'Pronegocios' project in the application of environmental safeguards, while the IADB project will help to open up markets and develop organization and entrepreneurial capacities for the BD-friendly forms of	The same explanation provided in response to GEFSec comments on the PIF is reflected in the Project Document. During the PPG phase it has been confirmed that the pilot communities selected for particular attention in the GEF project are also included in the list of communities selected by the Solidarity Network for

Comments	Responses at time of PIF presentation	Responses at time of CEO endorsement request
	<p>production identified through GEF-funded activities.” The potential of the IADB project to resolve the marketing problems which currently limit productive activities in the area qualifies it as co-financing: in concrete terms, GEF funds would provide small BD-based businesses with technical and organizational support, and help to provide an overall environment of supportive governance and regulations for their operation, and IADB co-financing would then be used to provide the same businesses with entrepreneurial, marketing and financial support. Precise details of coordination mechanisms between the two projects will be confirmed during the PPG phase. In practice, it is likely that the two projects would maintain separate Project Management Units, given that the IADB project is likely not to be the only source of co-financing support for marketing and business development, and also that the geographical area covered by the IADB project also includes other departments not covered by the GEF project. There will however be a high level of technical coordination between the two projects in order to ensure that they complement each other in practice among the beneficiary population, and possibly sharing of office space. As stated in paragraph 15, the relation is tentatively envisaged as follows: “Coordination between these projects will be in the form of regular working group meetings in order to interchange experiences and coordinate the planning of activities.”</p>	<p>attention by the IADB PRONEGOCIOS project. In practice the two projects will be managed separately from each other, in administrative and budgetary terms, however in operational terms they will be closely coordinated. The cofinancing to be provided by PRONEGOCIOS will be in the form of financial transfers and organizational and technical support to groups of local producers engaged in BD-friendly productive activities. Precise coordination mechanisms will be defined at project start-up, by which time PRONEGOCIOS should have commenced operations. Coordination is likely to take the form of joint strategic planning sessions at project coordinator level, in order to ensure that the two projects complement each other efficiently in the field in terms of their work in local communities, regular operational planning sessions between technical staff of the two projects, and where possible sharing of transport facilities in order to maximize efficiency.</p>
<p>Please clarify all UNDP co-financing to the project, including in-kind contributions.</p>	<p>UNDP will provide cash co-financing of the PPG coordinator, from TRAC funds. TRAC funds will also be used as cash co-financing of the implementation phase, in support of the provision of thematic technical inputs.</p>	<p>\$80,000 UNDP TRAC funds would be used to cover Project Management costs, namely office refurbishment and equipment, inception workshop, steering committee meetings (including travel between Tegucigalpa and Puerto Lempira) and external evaluation consultancies.</p>

### Responses to comments on PIF by German Council member

Reviewer's comments	Responses
<p>1. The successful implementation requires cooperation of different government institutions which have had problems in the past. The project document must clearly specify the lead institution and the mechanisms of cooperation</p>	<p>The Implementation Arrangements section (Part III) of the Project Document states that the project would be executed by SERNA, under the Director of Biodiversity who would be National Project Director. It is proposed to establish an Intersectoral Advisory Committee, as a mechanism for facilitating cooperation between SERNA, ICF and DIGEPESCA (all three of which have been closely involved in project development). In addition, the project makes provision for joint planning and coordination workshops between these institutions (as well as the Army, Navy and local indigenous organizations) at local level.</p>
<p>2. Please clarify the conditions of the soft loan by IDB as the major co-financing to the project. The IDB Pronegocios Project appears as another source of co-financing. Within this project possible financing of business ventures include african palm oil, milk and paraffin-coated cassava. On the other land conversion to palm oil has been identified as threat to biodiversity. Although environmental impact assessments are foreseen for all sub-projects, a strategic environmental assessment might be an alternative to avoid conflicting project outcomes.</p>	<p>The possibility of support by the project to strategic environmental assessment has been mentioned in paragraph 73 of the Project Document, in relation to Outcome 1. The project will in addition support policy analyses and the development of capacities among local and institutional stakeholders to evaluate the strategic implications of proposals put forward by external agencies such as IADB.</p>
<p>3. KfW and GTZ are co-financing with in-kind contribution. However, the Rio Platano Biosphere Project by KfW/GTZ operating since 1997 in the vicinity of the proposed project is not mentioned under "D. Coordination with other related initiatives", al-though many of the activities are identical.</p>	<p>Reference is made in Part II Section E of the CEO Endorsement Request to possibilities for collaboration between the GTZ/KfW initiatives in the Biosphere Reserve and this project. In addition, specific mention is made of the opportunities for lessons to be shared between the two projects, and for other forms of complementary initiatives, in paragraphs 71 and 79 of the Project Document.</p>

### Responses to comments on PIF by French Council member

Reviewer's comments	Responses
<p>The project aims at protecting the biodiversity in the Moskitita region. It considers in particular to developing alternative production systems (subsistence, artisanal and community based commercial) with indigenous communities which favour biodiversity. In this regard, the PIF should indicate more clearly which partners are going to be sought to work on market access of the productions developed. The involvement of such partners (public, private, NGO) will be crucial to ensure that the alternative productions reach markets and start generating real and significant benefits for the indigenous communities.</p>	<p>It has been made clear in the PIF and the Project Document that the project would work closely with the IDB-funded Pronegocios project and the GEF CAMBio project in supporting producers' access to markets.</p>

**ANNEX C: CONSULTANTS TO BE HIRED FOR THE PROJECT USING GEF RESOURCES**

<i>Position Titles</i>	<i>\$/ person week*</i>	<i>Estimated person weeks**</i>	<i>Tasks to be performed</i>
<b>Project Management</b>			
<b>Local</b>			
N/A			
<b>International</b>			
External project evaluation specialist	2500	9	Final external review of the project in accordance with UNDP and GEF guidelines
<b>For Technical Assistance</b>			
<b>Local</b>			
Terrestrial and aquatic biologist(s)	1250	8	<ul style="list-style-type: none"> <li>-Studies of fish populations leading to recommendations of catch levels and sizes and the identification of proposed set-aside areas</li> <li>Studies of global biological values in karstic mountain area and recommendation of conservation strategies</li> <li>-Studies of populations of Yagua palm and recommendation of conservation strategies</li> <li>-Studies of livestock/feline conflicts and recommendation of conservation strategies</li> <li>-Studies of the implications of existing norms and regulations for BD conservation and sustainability</li> </ul>
Environmental consultant	1250	2	-Training of MASTA and indigenous federations on environmental evaluation
Environmental economist	1250	2	-Quantification of economic value of environmental services and conservation in the Moskitia
Environmental/GIS specialist	1250	4	-Support and training on spatial data management and territorial land use planning
Environmental education specialist	1250	4	-Design of environmental education programme
Communication specialist	1250	10	<ul style="list-style-type: none"> <li>-Preparation of videos, documents and educational materials</li> <li>-Publication and dissemination of land use planning maps</li> <li>-Design of project communication, replication and dissemination strategy</li> </ul>
Gender specialist	1250	3	<ul style="list-style-type: none"> <li>-Design of gender strategy for project</li> <li>-Training of local organization on incorporation of gender issues into productive systems</li> </ul>
Participation specialist	1250	4	<ul style="list-style-type: none"> <li>-Development of a project strategy for the participatory promotion of BD-friendly productive activities</li> <li>-Training of project staff on participation issues</li> <li>-Training of local population on participatory research into production systems</li> </ul>
Fisheries consultant	1250	2	-Investigation of markets for BD-friendly fisheries production
Policy consultant	1250	4	<ul style="list-style-type: none"> <li>-Support to development of project strategy for policy advocacy</li> <li>-Production of educational materials on policy and legal context</li> </ul>
Conflict resolution specialist	1250	6	<ul style="list-style-type: none"> <li>-Training on alternative conflict management</li> <li>-Selection and facilitation of pilot of alternative conflict management</li> </ul>
Forestry consultant	1250	4	-Investigation of markets for BD-friendly forestry production
Institutional consultant	1250	4	-Preparation of detailed plans and strategies for institutional strengthening
Organizational consultant	1250	4	-Preparation of detailed plans and strategies for organizational strengthening of cooperatives and other community organizations
Social/tenure specialist	1250	6	-Participatory analysis of tenure situation and implications and support to development of proposals for modifications.

<b>International</b>			
Marketing and certification specialist	2500	20	Provision of advice and follow up on marketing and certification on BD friendly forms of production (timber, NTFPs, fisheries, tourism)
Justification for Travel:			
<ul style="list-style-type: none"> <li>- National flights for national consultants from Tegucigalpa to Puerto Lempira (2/consultancy)</li> <li>- International travel from international consultant home base to Tegucigalpa (1/year), and national flight from Tegucigalpa to Puerto Lempira (1/year)</li> </ul>			

\* Provide dollar rate per person weeks or months as applicable; \*\* Total person weeks/months needed to carry out the tasks.

#### **ANNEX D: STATUS OF IMPLEMENTATION OF PROJECT PREPARATION ACTIVITIES AND THE USE OF FUNDS**

##### **A. EXPLAIN IF THE PPG OBJECTIVE HAS BEEN ACHIEVED THROUGH THE PPG ACTIVITIES UNDERTAKEN.**

PPG activities have been undertaken as foreseen.

##### **B. DESCRIBE FINDINGS THAT MIGHT AFFECT THE PROJECT DESIGN OR ANY CONCERNS ON PROJECT IMPLEMENTATION, IF ANY:**

There are no major factors that would cast doubt on the achievability of the project objective, beyond those mentioned in the risk table. That being said, the project area is remote and logistically and culturally challenging. During the PPG phase it has become clear that particular attention will need to be paid by the project implementation team to respecting the cultural traditions of the indigenous population and promoting a sense of ownership and confidence in the project. To this end, every effort should be made to include indigenous people, or at the very least with strong experience of the area, in the project team; to establish functioning mechanisms to ensure transparency and local participation in project decision-making; and to realize opportunities for mobilizing complementary funds from other sources to meet local communities' development needs.

##### **C. PROVIDE DETAILED FUNDING AMOUNT OF THE PPG ACTIVITIES AND THEIR IMPLEMENTATION STATUS IN THE TABLE BELOW:**

<b>Project Preparation Activities Approved</b>	<b>Implementation Status</b>	<b>GEF Amount (\$)</b>				<b>Co-financing (\$)</b>
		<b>Amount Approved</b>	<b>Amount Spent To date</b>	<b>Amount Committed</b>	<b>Uncommitted Amount*</b>	
Confirmation of opportunities for BD-friendly productive activities	Completed	57,700	55,162.02	2,537.98	0	36,000
Formulation of strategies for advocacy and institutional strengthening	Completed	21,850	13,412.50	8,437.50	0	28,000
Formulation of strategies for developing local capacities for planning, monitoring and regulation	Completed	8,950	5,912.50	3,037.50	0	28,000
Project scoping and definition	Completed	52,500	39,500.00	13,000.00	0	53,000
<b>Total</b>		<b>141,000</b>	<b>113,987.02</b>	<b>27,012.98</b>	<b>0</b>	<b>145,000</b>

#### **ANNEX E: CALENDAR OF EXPECTED REFLOWS**

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



## **UNDP Project Document**

Government of Honduras

United Nations Development Programme

Executing Agency: Ministry of Natural Resources and Environment (SERNA), Government of Honduras

PIMS 3989

Atlas award 00057377; project ID00070863

### **3989 Conservation of biodiversity in the indigenous productive landscapes of the Moskitia**

#### **Brief description**

This project will conserve globally important biodiversity in production landscapes in the remote and extensive Moskitia region of Honduras, by developing capacities of indigenous communities and cooperatives to carry out sustainable forest management and thereby assert their rights over land which is under threat from encroachment and deforestation by outsiders; strengthening community-based and Government regulation and enforcement of resource use; supporting joint planning of development and conservation initiatives between local communities, municipal Governments and central Government; and ensuring that investments by outside agencies are subject to adequate safeguards to ensure their compatibility with and contribution to BD conservation.

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### Acronyms

AFE-COHDEFOR	State Forest Authority – Honduran Forestry Development Corporation
APR	Annual Project Review
BD	Biodiversity
CAMBIO	Central American Markets for Biodiversity
CITES	Convention on the International Trade in Endangered Species
CO	Country Office
DIGEPESCA	General Directorate of Fisheries
EIA	Environmental Impact Assessment
FINZMOS	
FSP	Full Sized Project
IBRD	International Bank for Reconstruction and Development (World Bank)
ICF	Institute for Forest Conservation and Development
IDB	Interamerican Development Bank
INA	National Agrarian Institute
IR	Inception Report
IUCN	International Union for the Conservation of Nature
IW	Inception Workshop
M&E	Monitoring and evaluation
MASTA	Mosquitia Asla Takanka
METT	Management Effectiveness Tracking Tool
MOPAWI	Moskitia Pawisa Apiska
MSP	Medium Sized Project
NBSAP	National Biodiversity Strategy and Action Plan
NEX	National Execution
NGO	Non-Governmental Organization
NPC	National Project Coordinator
NPD	National Project Director
NTFP	Non-timber forest product
PA	Protected area
PIF	Project Identification Form
PIR	Project Implementation Review
PIU	Project Implementation Unit
PPG	Project Preparation Grant
PRONADEL	National Programme for Local Development
PSC	Project Steering Committee
RCU	Regional Coordination Unit
SP	Strategic Programme
TPR	Tripartite Review
SERNA	Ministry of Natural Resources and the Environment
SO	Strategic Objective
WWF	Worldwide Fund for Nature

## SECTION I. ELABORATION OF THE NARRATIVE

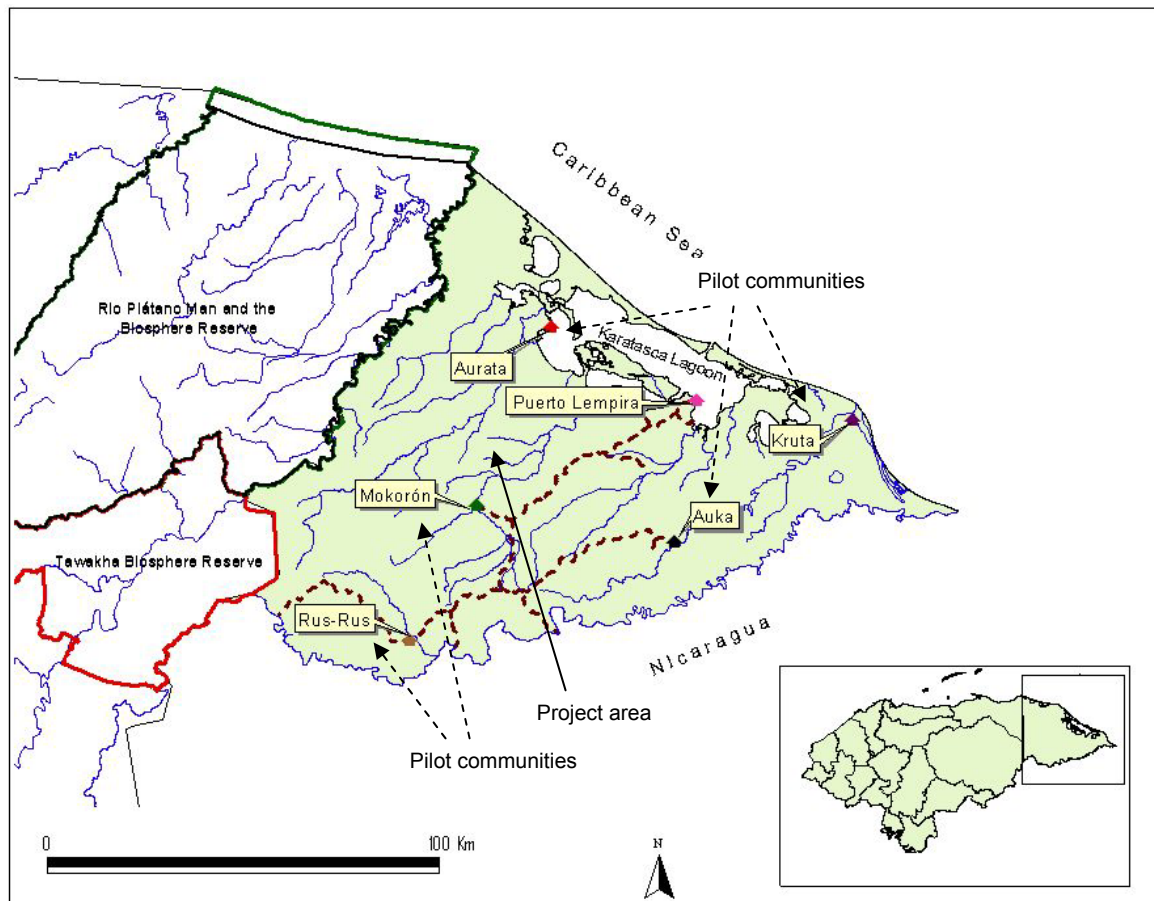
### PART I. Situation Analysis

#### *The project area*

1. The Moskitia (or Mosquitia) region of Honduras, which has a total area of around 1,663,000 ha, is located in the extreme east of the country and is a continuation of the Nicaraguan Moskitia, which lies to the south on the other side of the Coco or Segovia River which forms the border between the two countries. The Moskitia region corresponds approximately with the Department of Gracias a Dios.

2. The project area is bounded on the south by the Río Coco (the border with Nicaragua), to the north and east by the Caribbean Sea and to the north and west by the limit of the buffer zones of the Río Plátano Biosphere Reserve and Tawakha Ansangi Anthropological Reserve. These protected areas are excluded from direct attention by the project given its focus on BD-SO2, and the fact that they are already included in the Regional GEF/IBRD Corazon Transboundary Biosphere Reserve project (GEF ID 2099).

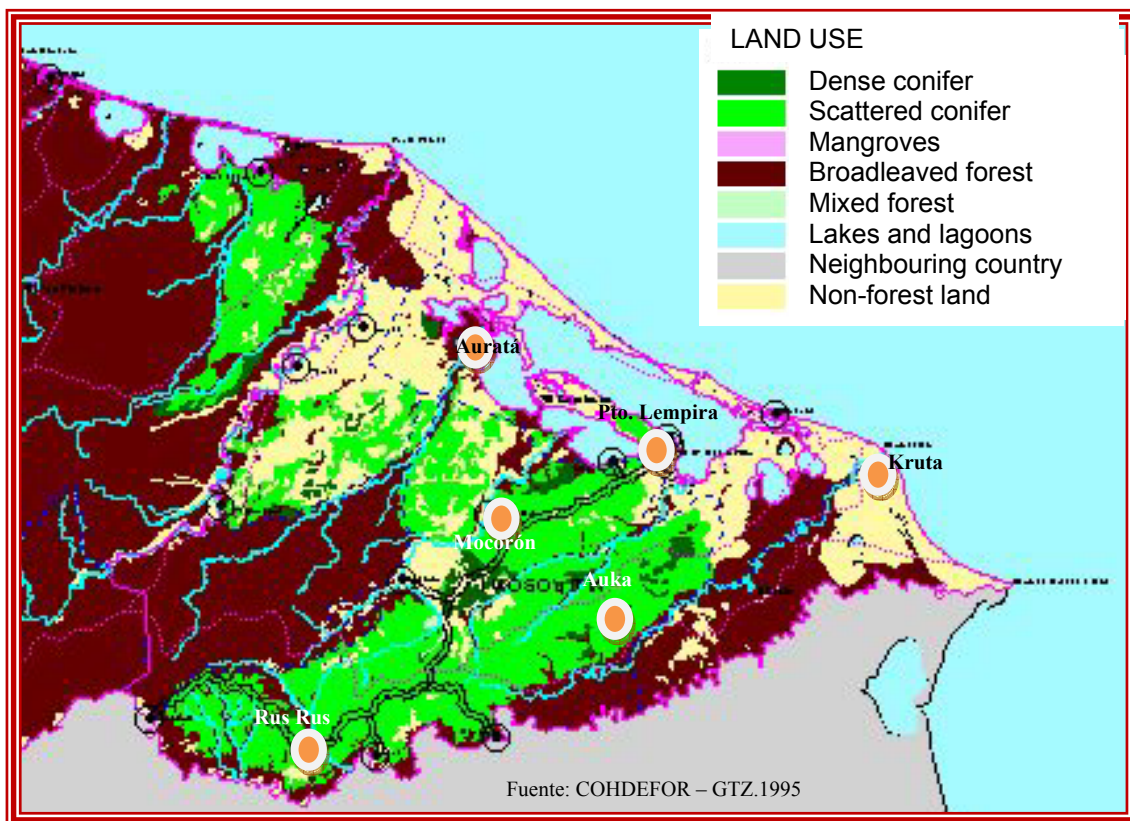
**Figure 1. Map of project area, with pilot communities**



**Table 1. Criteria for selection of pilot communities**

Community	Characteristics and justifications for selection
Auka	Pine savanna, with forestry cooperative that has developed and integrated natural resource management plan but is not yet operating due to financial and administrative difficulties and as a result requested project support.
Auratá	Fishing village located on the edge of a lagoon, with well-developed traditions of community-based norms and regulations on fishery activities.
Kruta	Fishing village located on the side of a river, close to the river mouth. Villagers fish in river, lagoons, river mouth and sea.
Mokorón	Inland village with active forestry cooperatives, managing pine and broadleaved forests.
Rus Rus	Inland village with broadleaved forests, subject to high levels of encroachment and deforestation by outsiders.

**Figure 2. Land use in the project area**



***Cultural aspects***

3. Strong emphasis has been placed in the project design phase on taking into account the cultural and social particularities of the project area. The defining characteristic of the Moskitia is the predominance of indigenous Miskito (Misquito) people, whose 76,000 members make up 88% of the total population in the Honduran part of the region. The rest of the population is made up principally of ladinos (mixed race Spanish speaking immigrants from elsewhere in the country), indigenous Tawakha people who live predominantly along the banks of rivers, and Afro-Caribbean Garífuna people who live mostly along the coast in the northwestern part of the region.

4. Historically the region has remained highly isolated from political, economic and cultural dynamics in the rest of the country, and to date there are no roads connecting it to the rest of the

country. The majority of the inhabitants speak Miskito as their first language and a significant number speak no Spanish.

***Production landscapes***

5. In the areas near to the Caribbean coast there is an extensive and complex system of lagoons, covering a total area of around 80,000 ha, whose waters range from freshwater to brackish. The lagoons are connected by a large number of creeks, which are typically bordered by mangroves. This lagoon complex supports large populations of fish, which spawn and mature in creeks and inlets in the area, and fisheries are a major mainstay of local livelihoods. A number of rivers, of variable size, flow from the area into the Caribbean Sea. The river mouths and coastal waters are also important areas for fishing and the reproduction of fish populations, many of which, such as robalo (*Centropomus* spp.) migrate from the river mouths and adjoining coastal waters inland into the lagoon complex and towards the upper reaches of the rivers and creeks. Fishery activities in the rivers and their mouths often extend several kilometers offshore. Inland from the lagoon complex is a vast area of pine forest and savanna (*Pinus caribaea* var. *hondurensis*), with very variable tree cover as a result of variations in soil moisture and frequency of wildfires which, when excessively frequent or intense, lead to tree mortality. This ecosystem is perpetuated by fire, in the absence of which it would eventually evolve into broadleaved forest. The rivers and creeks that run through this landscape are typically bordered by broadleaved gallery forest. Furthest inland are extensive areas of tropical broadleaved moist forest, including little explored and isolated forests on karstic mountains bordering the Río Plátano Biosphere Reserve and Tawakha Ansangi Reserve.

***Global significance***

6. The project area includes large areas of three globally important ecoregions (*sensu* Dinerstein et al., 1995)<sup>1</sup>: Central American Atlantic Moist Forest (bioregionally outstanding, vulnerable and of moderate conservation priority); Moskitia pine savanna (regionally outstanding, relatively stable and of high conservation priority); and the Caribbean Miskito Coast (see SECTION IV.PART VII). The results of PPG studies and the conclusions of Meyers et al. (2006)<sup>2</sup> call into question the classification of the Moskitia pine savanna as relatively stable, given the pressures to which it is subject from fires (see paragraph 35). Likewise, the mangroves in the Caribbean Miskito Coast ecoregion are subject to significant pressures from clearance, which in turn have negative effects on regionally and globally important fish populations).

**Table 2. Globally important eco-regions in the project area (source: Dinerstein et al, 1995)**

Ecosystem	Habitat/Complex	Eco-region/Unit	Singularity	Status	Priority
Tropical broadleaved forest	Tropical moist broadleaved forest	Central American Atlantic Moist Forest	Bioregionally outstanding	Vulnerable	Moderate (III)
Conifers and temperate broadleaved	Tropical and subtropical coniferous forest	Moskitia pine savanna	Regionally outstanding	Relatively stable	High (II)

<sup>1</sup> Dinerstein E, Olson DM, Graham DJ, Webster AL, Primm SA, Bookbinder MP, Ledec G. 1995. A Conservation Assessment of the Terrestrial Ecoregions of Latin America and the Caribbean. Washington (DC): World Bank.

<sup>2</sup> Meyers, R., J. Brien y S. Morrison. 2006. Descripción general del manejo del fuego en las sabanas de pino caribe (*Pinus caribaea*) de la Moskitia, Honduras. GFI informe técnico 2006-1ª. The Nature Conservancy, Arlington, VA. 30 p

Ecosystem	Habitat/Complex	Eco-region/Unit	Singularity	Status	Priority
forest					
Mangroves	Central American Atlantic	Caribbean Miskito Coast	-	Relatively stable	-

7. PPG studies confirmed the existence of many globally important species of flora and fauna, suggested in the PIF. The area still remains so unexplored by scientists, however, that further studies would undoubtedly reveal far greater numbers of such species. A total of 23 globally important plant species and 110 animal species were identified, including 3 endemic plant species and 6 endemic fauna species (see SECTION IV.PART VII). These endemics are dominated by amphibians and reptiles, including the glass frog (*Hyalinobatrachium cardiacalyptum*) and two snakes (*Sibon miskitus* and *S. manzanares*) that were recently discovered in the forests of the little explored karstic mountains of the western part of the region.

8. The project area also includes a number of other species and sites that are highly important as the basis for economic activity and livelihood both within the region and in the greater Caribbean. The fish genera *Centropomus* (robalos, moupi), *Carcharhinus* and *Sphyrna* (bull, hammerhead and other sharks, ilil) form the basis of the commercial fishing activities of the Miskito people and represent the main source of income for most families in the lagoon system. The genera *Parachromis* (guapotes, masmas, sahsin) and *Eugerres* (Caguacha, tirso), meanwhile, form the basis of subsistence fishing and constitute the main source of protein for Miskito families. Lagoons and river mouths (the Kruta, Coco and Patuca Rivers and the Karataska and Tabakunta lagoons) the main fishing sites of the Miskito people and are also important breeding sites for species such as *Centropomus* sp. There are a number of sites (termed *moupilaya* in Miskito) identified by Miskito people as important for the development (head-start) of fish fry and juveniles, in the Karataska lagoon and associated creeks and rivers. Finally, the cays and fishing banks in the open sea offshore from the Moskitia coast are important for commercial fish, lobster and shark fishing. This activity provides temporary employment for Miskito fishermen and serves to alleviate pressures on the lagoon system.

### ***Productive sectors***

9. Fishing is one of the chief mainstays of Miskito livelihoods. In the inland waters, lagoons and coastal waters which are included in this project, it is principally carried out on an individual, artisanal basis. The main species targeted are cyclids such as *Vieja maculicauda* (Machaca, Tuba), *Parachromis managuensis* (Guapote, masmas), *Parachromis loisellei* (Guapote, Sahsing) and *Parachromis* spp., and Gerreidae such as *Eugerres* spp. (Caguacha, Tirso). Techniques used include thrown nets, placed nets (supported in rivers and estuaries by poles and in coastal waters by anchored buoys), hook and line fishing from dugout canoes and harpoons.

10. There is a growing emphasis on fishing of species such as *Centropomus* spp. (Robalo, Moupi), as an opportunity for income generation. Some catch is sold fresh to domestic consumers and restaurants in the region's only urban centre, the Departmental capital Puerto Lempira, however the major market is for salted fish, which is a traditional dish throughout the country at Easter. This fish is salted by the fishermen and purchased by buyers who arrive in the area from across the whole country and neighbouring Nicaragua, and control markets and prices. Additional, minor markets also exist for fillets and fins of sharks such as *Carcharhinus* spp. and *Shpyrna* spp. (bull and hammerhead shark), which are also typically salted and sold to buyers in Nicaragua: sharks are normally caught incidentally in nets rather than being a specific target of local fishermen. Fish catches typically range between 115 and 230kg per operator over a period

of 5-8 days, and the total annual catch of shrimps in Karataska Lagoon is estimated at between 2,300 and 4,500kg<sup>3</sup>.

11. There is also a significant level of catch of fish and shrimps in coastal waters by commercial boats from the neighbouring Bay Islands, who often infringe the boundary which has been established at three miles from the coast, between commercial and artisan fishing, and in the process damage local peoples' nets. Large numbers of Miskito men are contracted by offshore lobster boats, which generates significant amounts of wage income but also frequent decompression injuries, which have created a sizeable population of paralysed or semi-paralysed divers throughout the region. Some sport fishing is also carried out in the lagoon system, by people from elsewhere in the country who typically contract local guides and cooks on a temporary basis. In the upper reaches of the rivers, upstream of the lagoon system, fishing is typically carried out for domestic consumption. In the community of Mokorón, PPG studies encountered reports of night fishing in rivers, using flashlights and harpoons, however this activity had subsequently been prohibited by community authorities as it was placing excessive pressure on fish stocks.

12. Forest management for timber is carried out in both pine and broadleaved forests, by forestry cooperatives established in accordance with the national Social Forestry System and in compliance with forest management plans approved by the Government's Institute for Forest Conservation and Development (ICF). Currently management plans approved by ICF cover a total of 112,738ha (see Table 3), equivalent to 89% of the total area of national forest in the area and around 9% of the total area of all land uses. Of this, 106,551ha (95% of the area covered by plans) is destined for active forest management. When cooperatives are granted usufruct rights on national land by the ICF, they assume the responsibility of funding the preparation of management plans and the periodic updating of 5-yearly plans and annual plans of operation. In this they have received support from external sources such as the Danish NGO Nepenthes and the Worldwide Fund for Nature (WWF).

13. Timber markets focus principally on a few 'traditional' species such as pine and, in the broadleaved forest, mahogany (*Swietenia macrophylla*), followed by others such as Santa María (*Calophyllum brasiliense*), Rosita (*Hyeronima alchornoioides*), Cumbillo (*Terminalia amazonia*), Varillo (*Symphonia globulifera*) and San Juan del Pozo (*Vochysia guatemalensis*).

**Table 3. Forest management plans in the project area at present**

Site*	Beneficiaries	Total area covered (ha)	Area of forest to be managed (ha)	Set aside	Allowable annual cut (m <sup>3</sup> )***
Auka	570 direct 4,090 indirect	92,153	Pine: 76,759 <u>Broadleaf: 15,394</u> Total: 92,153	0	Pine: 102,292 <u>Broadleaf: 9,036</u> Total: 111,328
Buhutia (Mokorón)**	300 direct 2,200 indirect	3,954	Pine: 3,359	595	Pine: 10,065
Layasicsa-Siksatigni-Wisplini (Mokorón)**	435 direct 3,580 indirect	16,631	Broadleaf: 11,039	5,592	Broadleaf: 2,946
Totals:	1,305 direct	112,738	106,551	6,187	124,339
Totals in plans under implementation	9,870 indirect	20,585	14,398	6,187	13,011
Total area of National Forest in the project area		126,239 ha			

\*All located on national land

<sup>3</sup> GVC, 2001

\*\*Currently being implemented

\*\*\*In reality ICF only allows an annual cut of 1,000m<sup>3</sup> per cooperative in pine forest and 200m<sup>3</sup> in broadleaved forest

14. Management plans identify areas to be subject to active management and timber extraction, and others to be set aside for protection and other uses. They define maximum annual levels of timber harvesting by species; stipulate management activities that must be carried out in order to protect the growing stock and favor regeneration, including the cutting of lianas prior to felling and reforestation; identify species of conservation concern that are not to be cut; and specify harvesting and timber conversion methods. The Layasicsa-Siksatigni-Wisplini management plan, for example, specifies that a Wood Mizer portable bandsaw be used for transforming logs into squared lumber. The plan in Auka is unusual in that it is an “integrated natural resource management plan” rather than a conventional forest management plan, and as such addresses non-forest elements of the landscape and broader long-term goals of management and conservation, rather than solely timber production.

15. A 40-year usufruct agreement was signed in 1995 between the indigenous federation FINZMOS, the NGO MOPAWI and the then state forestry authority, AFE-COHDEFOR (the predecessor of the ICF), covering an area of 68,000ha. This allows FINZMOS and its members to carry out natural resource management and conservation, including the implementation by local cooperatives of forest management plans (which cover 16,631 ha or 24% of the area covered by the usufruct agreement).

16. In reality, given that the cooperatives in Auka are not operational at present, management plans are only being implemented over 20,585 ha (16% of the total), of which 14,398 ha is destined for active management for timber. Of this area, 77% is broadleaved forest and the rest pine. In all 5 of the study communities, there is also a significant but unquantifiable level of forest exploitation that occurs outside of the context of forest management plans.

17. The process of timber harvesting and commercialization begins with the marking of the boundaries of forest management units, seed trees and harvestable trees in the field by a technician from the ICF, accompanied by members of the forestry cooperative in question. Trees are felled by chainsaw. Despite the specification in management plans that Wood Mizer portable bandsaws should be used, inadequate access to finance and technical capacities for maintaining bandsaws means that in practice chainsaws are typically used to convert logs into planks and timber at stump, a process which leads to significant waste due to the width of the chainsaw cut. Timber is hauled from the forest to landing sites manually or with mules. It is then transported by road or river (a journey that may take between 8 and 15 days) to Puerto Lempira from where it is transported by small cargo ships to the main centers of the timber processing industry in the country, La Ceiba and San Pedro Sula.

18. Layasicsa-Siksatigni-Wisplini management plan area received Smartwood certification in 2007, however this no longer applies due to a series of management errors including felling outside of the prescribed plan area. The cooperative is addressing these issues and seeking new certification by the Rainforest Alliance with the aim of producing necks for Gibson guitars. They are currently receiving training from Rainforest Alliance on sawing techniques for guitar neck pieces, business organization, forestry certification, NTFPs and community organization. It is expected that around 200m<sup>3</sup> of mahogany per year can be dedicated to this market, equivalent to around 30-40% of the total annual cut of this species (the rest would continue to be supplied to timber firms in the city of San Pedro Sula). The cooperatives have calculated that with access to such markets, their income would increase by around 60%, from the current \$45,000 for every 100m<sup>3</sup> sold to national markets, to around \$71,000.

19. The cooperatives implementing the Buhutia management plan, in the pine forest, estimate that they will obtain a net income of around \$90,000 for a sale that they are preparing of 2,000m<sup>3</sup> (\$18/m<sup>3</sup>)<sup>4</sup>. They take into account transport costs in their calculations but typically do not include labour and other forest management costs.

20. Miskito people use a wide range of non-timber products from forests and other ecosystems. Batana seeds gathered from the ojón palm (*Oleais americana*) are used for oil production and have been extensively commercialized by foreign corporations, in association with a local NGO, for the production of shampoos. The seeds of the swa tree (*Carapa guianensis*) are also used for the production of oil; this has a value of around \$25 per litre, but has not as yet been commercialized to the same extent as batana. Seed of *Pinus caribaea* have been harvested by the Seed Bank at the National School of Forest Sciences (ESNACIFOR) for international sale. There are also a number of latex producing trees in the broadleaved forest (such as *Castilla elastica*, *C. tunu*, *Manilkara chicle* and *M. zapota*) with potential for sustainable management, which have not been commercialized to any significant extent to date. The bark of tuno (*Castilla tuno*) is collected for handicraft production, a practice which leads to tree mortality; however the a women's cooperative in Wampusirpe is harvesting this product under an approved management plan and ensuring sustainability by carrying out reforestation with the species.

21. Cattle raising is an activity traditionally practiced by Miskito farmers on a small scale, extensive basis. Traditional ranching practices are characterized by small herd sizes (typically 3-7 head per family), breeds which are resistant to low pasture quality and parasites, and low animal values (typically \$300-400 per head). The principal motivation for this activity is as a means of savings that can be liquidated easily in times of need; cattle are also traditionally offered at ceremonies such as funerals. Traditional forms of ranching are concentrated on the pine savanna rather than broadleaved forest areas, and fires are occasional set in the savanna to renew pasture grasses. In contrast, the 'improved' forms of ranching which are growing in scale and are largely practiced by non-indigenous colonists, are characterized by more productive yet more demanding breeds (with typical values of \$750-1,250 per head), the establishment of fenced pastures and the introduction of improved and invasive pasture grasses. In contrast with traditional practices, improved ranching is principally focused on areas of humid forest, where it is a major cause of deforestation; however it also affects the pine savanna as herds are moved there when low lying pasture areas are threatened by flooding, and leads to increased frequency of pasture burning in the savanna. Such forms of cattle ranching are also used as a mechanism for land appropriation by non-indigenous colonists. The practice of enclosing land for pastures goes against traditional indigenous practices of open access land management, yet in some cases is leading indigenous people to fence land as a means of demonstrating occupancy before it is claimed by colonists.

22. Agriculture is almost exclusively of a subsistence nature, based principally on the production of crops such as rice, cassava and plantains, with some maize and beans. Slash and burn methods are used. The areas cultivated at any given time are limited by the availability of family labour and are typically in the order of 5 ha per family (1 ha per crop); production systems are normally organic due to difficulty of access to agricultural chemicals, rather than by design. Cropping and fallow areas form a complex and structurally diverse mosaic. Any commerce and transport that does take place is controlled by outside intermediaries and, with the exception of occasional rice hulling machines, little or no processing or value adding occurs. There are significant markets for crops in Puerto Lempira, but, due largely to the difficulty and cost of overland transport, these are mostly supplied by imports from La Ceiba rather than local production.

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<sup>4</sup> The price paid for timber placed at the wharf in Puerto Lempira is \$236/m<sup>3</sup> board foot and transport costs to the wharf are \$191/m<sup>3</sup>

### ***Institutional context***

23. The lead Governmental institution in the environmental sector is the Ministry of Environment and Natural Resources (SERNA), which is also home to the GEF technical focal point and the CBD focal point. SERNA is responsible for formulating and implementing environmental policy and for the preparation of the National Biodiversity Strategy and Action Plan. The Directorate of Environmental Management (DGA) of the SERNA is responsible for promoting territorial land use planning (a responsibility that is shared with the Ministry of Governance) and for supporting the environmental capacities of municipal governments, while the Directorate of Environmental Control is responsible for supervising environmental impact assessment procedures as provided for in the General Environment Law.

24. The lead Governmental institution in the forestry sector is the Institute of Forest Conservation and Development (ICF), which in 2008 replaced the AFE/COHDEFOR as State forest authority. The ICF, which is a dependency of the Ministry of the Presidency, is divided into directorates of forest management and forest conservation. Through the former, it is responsible for supporting and supervising forest management, and through the latter for the management of protected areas and the control and supervision of wildlife trade. It also is responsible for promoting the Social Forestry System, whereby community-based cooperatives are issued usufruct rights to carry out forest management on national forest lands, subject to the provisions of management plans approved by the ICF. ICF is also responsible for maintaining a registry of inalienable State forest land and for ‘regularizing’ the tenure situation of forest lands (i.e. clarifying ownership and land use rights). On land which is not considered to be exclusively of forestry vocation, the National Agrarian Institute (INA) is responsible for issuing titles once occupancy and tenure rights have been clarified. The Property Institute (IP) is responsible for registering land titles.

25. The Ministry of Agriculture and Livestock (SAG) is the lead institution in the agriculture and livestock sector and its dependency, the General Fisheries Directorate DIGEPESCA, is lead institution in the fisheries sector. In common with ICF in the forestry sector, DIGEPESCA is responsible for planning, promoting and supervising fisheries activities. The National Directorate for Sustainable Rural Development (DINADERS) is a dependency of the SAG (although it has a Director of ministerial rank), which executes rural development projects nationwide. The Ministry of Social Development is responsible for matters related to the national Poverty Reduction Strategy and also plays a lead role in relation to the IDB-funded PRONEGOCIOS project, which will be the major source of co-financing for the project.

26. The Army, which is represented in the project area by the Fifth Battalion stationed in Puerto Lempira, plays a support role to ICF in supervising forestry activity and wildlife trade. It is also jointly responsible, together with the SERNA, for executing funds provided the Government for reforestation under the 2007 Forestry Law<sup>5</sup>. The Navy, which also has a base in the project area, is responsible for the protection of coastal waters.

27. The project area covers 4 municipalities. Under the provisions of the Municipalities Law, municipal Governments have responsibility for the planning and control of natural resource management within their areas of jurisdiction and are in addition required to establish Municipal Environment Units (UMAs). In reality municipalities have limited capacities to comply with these responsibilities, due in large part to their limited capacities to collect fiscal income.

### ***Legislative context***

28. The 1992 Law for the Modernization and Development of the Agricultural Sector (LMDSA) entitles the National Agrarian Institute (INA) to provide land titles on public land and land with undefined tenure. Such titling is prohibited, however, on land that is under forest cover or

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<sup>5</sup> The Law provides for 1% of the national budget to be dedicated to reforestation.

considered to be of exclusively forestry vocation (by virtue of slope and soil characteristics)<sup>6</sup>, which is considered by default to be public. The ICF is responsible for investigating and delimiting the limits of such State forest land and for maintaining a catalogue of inalienable Public Forest Land, and the Property Institute is responsible for maintaining a Special Register of State Property in which State land is inscribed once its title is formalized.

29. If there are no existing occupants with competing claims, the Forest Law allows the ICF to enter into usufruct contracts<sup>7</sup> with community-based peasant forestry cooperatives formed under the Social Forestry System, allowing them to carry out forest management subject to the provisions of ICF-approved forest management plans. Such plans are typically defined for the length of a silvicultural rotation period, and include more detailed 5-yearly plans and annual plans of operations. Landowners are responsible for funding the preparation of management plans, however when the ICF enters into usufruct contracts with cooperatives on national land, the cooperatives assume this responsibility. Through ministerial resolution, the ICF currently limits peasant cooperatives to an annual extraction volume of 200m<sup>3</sup> of timber from broadleaf species per year, or 1,000m<sup>3</sup> of pine timber: in reflection of the policy reflected in the new Forest Law to promote the Social Forestry System, this is expected to be increased in the near future to 400m<sup>3</sup> and 1,500m<sup>3</sup> respectively.

30. In practice, the legislative situation with regards to land titling in forest lands is subject to varying interpretations, regarding whether the prohibition of titling applies only to forested land, or also to non-forested land which by virtue of its physical characteristics is considered to be of exclusively forestry vocation; and whether land is truly free from competing claims and therefore eligible for titling or usufruct contracts. The form of titling provided for in the current legislation is individual in nature, which indigenous groups consider to be incompatible with their traditions of communal tenure.

### ***Tenure***

31. The Moskitia has historically constituted the indigenous territory of the Moskitia people, who consider land to be an open access resource. Legal tenure has yet to be formalized in the area. As explained in paragraph 30, non-forest lands are subject to titling to private actors, however the legal situation is subject to some interpretation regarding which lands actually qualify for titling and which are exempt, and in some cases titles have been given by the INA to colonist ranchers on lands that are considered by the Miskito to constitute part of their heritage. According to current interpretations of forestry and property law, the forest lands in the project area are considered by default to be public and subject to inscription in the catalogue of inalienable Public Forest Land, and exempt from titling to private actors (although the indigenous organization MASTA is lobbying for changes in the legal situation to allow all lands in the Moskitia to be titled in favor of the Miskitos). Despite this uncertainty, the usufruct contracts between the ICF and peasant cooperatives, provided for in the Forestry Law, provide communities with exclusive rights to the use and management of the areas to which they refer, for their duration. At present only one such contract exists in the project area, covering 68,000 ha.

### ***Threats and root causes***

32. Given current conditions of open access, broadleaved forests in the upper watershed (covering around 150,000 ha) are being converted to pasture by non-indigenous colonists, including migrant smallholders (motivated by land scarcity and land degradation elsewhere in the

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<sup>6</sup> This situation is upheld by the 2007 Forestry Law; however the Property Law of 2004 does allow the titling of small areas.

<sup>7</sup> These replace the usufruct agreements provided for in the previous forestry legislation, and have more legal weight and longer duration.

country) and large scale ranchers, motivated by the profitability of ranching on 'free' open access land, the existence of ready markets for meat and the opportunity to gain control over land. Deforestation rates are variable but estimated at around 3,000-7,500ha per year (2-5% of the total area). These ranchers are gaining *de facto* control over land by fencing and the establishment of pastures, particularly in the western extremity of the project area (around the communities of Rus Rus and Awasbila). The growing importance of commercial ranching is also leading to increases in conflicts with populations of wild felines, which view the cattle as prey when they encroach into their natural habitat. This has led to campaigns to eradicate these felines. For example, in the community of Awasbila it was reported that hunters are offered as bounty a calf worth around \$500-600 for each feline killed.

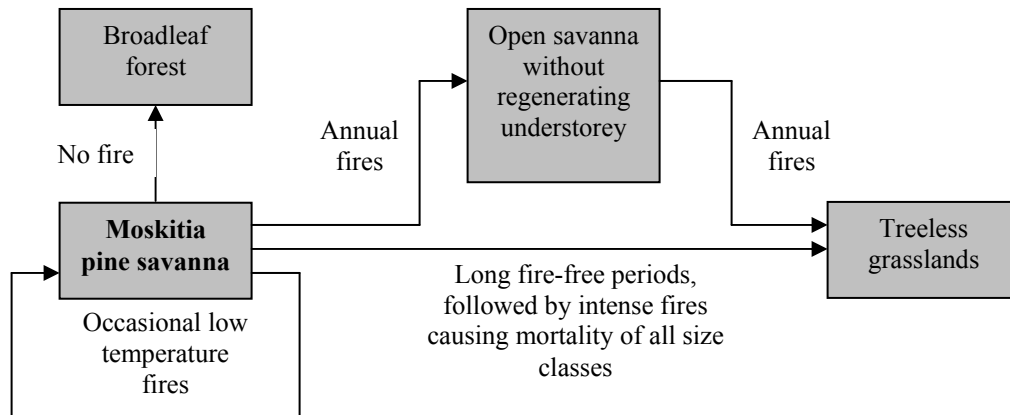
33. The encroachment of outsiders on lands traditionally claimed by Miskitos is made possible by the limited presence and influence of Government agencies in the area, the limited influence of Miskito organizations and the tendency to avoid conflict that is inherent in Miskito culture. There have also been instances of land titles over such areas being given to ranchers by Government authorities, despite the existence of conflicting claims to them. The enclosure of land in this way is contrary to Miskito cultural norms which view the land as an open access resource; however it is motivating some Miskito people also to establish individual enclosures in order to preempt the seizure of land by ranchers. Increases in sediment load in watercourses, due to erosion following forest clearance, also affect the hydrology and ecology of downstream lagoon systems. There is also a risk (yet to be realized) of encroachment by palm oil plantations (partly in response to policy initiatives supporting bio-fuels), which threaten to replace natural forest, displace small farmers and motivate land speculation by external actors in indigenous areas.

34. PPG studies found, by contrast, that traditional smallholder agriculture (mentioned in the PIF as a threat), has little negative impact on biodiversity as it generates a structurally diverse mosaic. Smallholder farmers sometimes enter into conflict with Baird's tapir (*Tapirus bairdii*), which is classified by the IUCN as Endangered and on CITES Appendix 1, due to the damage that it causes to bean patches. However, despite their persecution of individuals that cause damage, Miskito informants reported that populations of *T. bairdii* appeared to be stable (in contrast with species such as white-tailed deer that are reported to be in decline). Smallholder agriculture also at times severs the corridors of broadleaved gallery forest that traverse the pine savanna. However, the significance of this phenomenon is probably limited, given that in the community of Rus Rus local people reported continued migrations of herds of more than 100 peccaries and frequent sightings of tapirs, jaguars and other felines in such gallery forests despite a long history of traditional agriculture there. The magnitude and impacts of smallholder agriculture appear to be limited by the availability of family labour and poor access to markets.

35. Pine savanna and forests (covering around 300,000 ha) are subject to illegal felling by external actors and are affected by fires used by hunters to flush out game and by ranchers to renew pastures. Fire has long been a feature of this ecosystem, and indeed is necessary for its perpetuation as without fire (see Figure 3) the savanna would eventually be replaced by broadleaf forest. Apparent increases in frequency and intensity are, however, limiting the natural regeneration of pines and destroying the dead trees in which birds such as the Green Macaw *Ara ambiguus* nest. It is probable that thousands of hectares are affected annually by logging and fire. These increases in the frequency and intensity of fires are due in part to the actions of the colonist ranchers described in paragraph 32, who pasture their cattle in pine savanna at certain times of the year, for example when low lying pastures in the broadleaved forest area are flooded. The fact that such fires go unchecked is due largely to limited human and logistical capacities among local communities. Conversely, over-zealous fire-fighting in the past by the Army and the then AFE/COHDEFOR led to excessive accumulations of fuel, with the result that when fires did occur they were of an intensity that killed mature trees as well as young natural regeneration.

Sporadic felling has negative impacts on the gene pool of these pine forests as it is typically the best-formed individuals that are removed, that would under conditions of sustainable forest management have been left as seed trees.

**Figure 3. Schematic representation of responses of pine savanna to fire frequency**



36. Commercial forestry activities carried out by forestry cooperatives, according to the provisions of approved forest management plans, appear to have little or no negative effect on populations of globally significant tree species such as the CITES listed mahogany (*Swietenia macrophylla*), and in fact are likely to have positive effects by providing a motivation for forest protection. In Mokoron, the extraction level provided for in the management plan (400 m<sup>3</sup>) is well below the annual level of extraction that is in theory permissible in silvicultural terms (660 m<sup>3</sup>). In addition, marketing and transport difficulties mean that the cooperative there is not able to fell even the amount that is provided for in the management plan. Forestry activities do however have indirect effects on wild fauna, including some globally important species. For example, the presence of felling gangs numbering 30 to 60 people over a period of 10 to 20 days means that populations of fauna are subject to significant hunting pressure to supply the workers with meat. Species affected include Baird's tapir (*T. bairdii*), spider monkeys (*Ateles geoffroyi*), green iguanas (*Iguana iguana*) and peccaries (*Dicotyles pecari*), which are considered globally important (see SECTION IV.PART VII).

37. Hunting is a traditional activity in Miskito communities; however its magnitude and impacts on local fauna have varied significantly over recent years. Increased availability of heavy caliber weapons and the influx of refugees from Nicaragua during the 1980s had major impacts on the populations of some fauna species, although significant recovery of species such as peccaries was reported following the repatriation of refugees in the 1990s. The incursion of ladinos (see paragraph 32) is placing pressures on some species, such as Baird's tapir, which are normally ignored as prey by Miskito hunters. Another cause of pressure is the increasingly commercial objectives of hunting, which contrasts with Miskito traditions in which meat was shared equitably among community members to satisfy social obligations. Declines in populations of prey species such as white-tailed deer are not in themselves of global concern, however they indirectly affect globally important forest resources as they lead to an increasing use of fire by hunters, to flush out scarce game from the savanna, leading to negative impacts on pine regeneration as described in paragraph 35.

38. Terrestrial fauna, including the Scarlet Macaw *A. macao*, the Yellow-Naped Parrot *Amazona auropalliata* and the Green Macaw are subject to illegal capture and traffic for the cage-bird trade, largely by external actors crossing the border from Nicaragua. Regulation of such activities is officially the responsibility of the ICF, which obtains support in this endeavor from the Army.

Confiscated animals, for example, are held by the Army, however there is some objection to this practice among the local Miskito population due to their lack of trust in the Army.

39. Extraction of forest products for subsistence or artisan use is associated with some specific and localized declines in resource availability, although further studies are required to determine the extent to which these declines are due to overexploitation by local people or external factors such as encroachment by outsiders, land use change or climatic phenomena. Local people in Rus Rus reported increased difficulties in obtaining large individuals of *S. macrophylla* and *Cedrela odorata* for the construction of traditional river canoes. The palm *Roystonea dunlapiana* (yagua), which is used for house building and is classified by the IUCN as Endangered, has also been subject to localized population decline and in some cases to local extinctions.

40. Most fishing in the 800km<sup>2</sup> lagoon system is on an artisanal or subsistence basis, carried out by individual Miskito fishermen and women. This activity normally has limited impacts on biodiversity. There is however an increasing emphasis being placed on fish as a source of cash income and around 525 fishers<sup>8</sup> now operate on a commercial basis, some using more aggressive methods. The large numbers of nets that are placed across rivers near their mouths and in adjoining coastal waters in some cases affect the migration of species such as robalo (*Centropomus undecimalis*), which is one of the commercially most important fish species in the area. Fishers also reported that sawfish (*Pristis pristis*) are regularly found dead in nets, and that this species was more abundant 5 or 10 years ago. There are high levels of wastage due to the irregularity with which fishers typically check their nets, which leads to the netted fish dying and spoiling (this is explained by the fact that fishers typically have to row several kilometers each time they check their nets). The use of excessively small gauge nets also degrades fish populations by removing individuals that have not reached reproductive age. Conversely, it has also been suggested that the use of large gauge nets has long term negative effects on the genetic quality of populations as it tends to remove disproportionate numbers of individuals which are bigger for genetic reasons rather than age; the reality and significance of this threat requires to be confirmed by detailed fish population studies, however.

41. This situation is aggravated by the activities of fishing and shrimp boats from the Bay Islands, which encroach upon the fishing areas of local Miskito fishermen and place further pressure on fish populations, as well as capturing marine turtles as a sideline. There are also reports of mortality of globally important marine species such as the critically endangered sawfish (*Pristis pristis*) and turtles, trapped in placed nets.

42. The progressive but still localized destruction of mangroves, for use as firewood and building materials and to clear areas for construction and cultivation, is affecting breeding areas of fish and crustaceans.

#### *Long term solution*

43. The long-term solution to the threats affecting BD in the region lies in the improved regulation and management of wild resources in the forestry and fisheries sectors, in accordance with the cultural norms and development needs of the local population and with the effective support of institutions and projects of the State. This solution will necessarily require local people to have continued and improved access to opportunities to obtain economic and livelihood benefits from natural resources. It will need to be backed by increased affirmation of occupancy and use rights among the Miskitos, through the application of sustainable resource management activities on lands which are currently considered by outsiders as open access, and backed up by formal recognition of rights by the Government through usufruct agreements and possibly

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<sup>8</sup> Equal to the number of members of the fishers' organization PAMUPEL

(subject to detailed analysis and negotiation during the implementation phase) communal land titles.

44. Concrete examples of practical solutions to the threats described above are summarized in Table 4.

**Table 4. Solutions proposed to threats to biodiversity**

<b>Threat</b>	<b>Solution</b>
Conversion of broadleaf forests to pasture by non-indigenous colonists	<ul style="list-style-type: none"> <li>- Management of forests for timber by community-based cooperatives, subject to the provisions for sustainability in approved forest management plans, providing communities with increased motivation to combat illegal extraction and encroachment, and asserting their occupancy rights.</li> <li>- Collection of non-timber forest products such as the fruit of cedro macho (<i>Carapa guianensis</i>) trees for oil production, and latex<sup>9</sup> from trees of <i>Castilla elastica</i> (hule, tasa), <i>C. tunu</i> (tuno, tunu), <i>Manilkara chicle</i> (nispero, sikibul) and <i>M. zapota</i> (nispero real, ibans), subject to controls on extraction rates and practices, motivating producers to conserve the forests from which they come.</li> <li>- Support to regularization of occupancy and use rights of indigenous communities</li> </ul>
Increases in frequency of fires in pine savannah	<ul style="list-style-type: none"> <li>- Management of forests for timber by community-based cooperatives, providing communities with increased motivation to combat wildfires</li> <li>- Inclusion of scientifically-based principles of integrated fire management into forest management plans</li> </ul>
Over-harvesting of Macaws for the pet trade and loss of nesting trees, felled to access nestlings.	<ul style="list-style-type: none"> <li>- Joint planning of supervision of wildlife trade with the Army in order to increase effectiveness</li> <li>- Strengthening of community-based regulation and supervision</li> <li>- Establishment of fauna rescue and rehabilitation centre</li> </ul>
Over-exploitation of forest products (timber and non-timber)	<ul style="list-style-type: none"> <li>- Management of forests for timber by community-based cooperatives, providing communities with increased motivation to combat illegal felling</li> <li>- Strengthening of community-based regulation and supervision</li> <li>- Technical, organizational and financial support to organized groups to promote the sustainable extraction of NTFPs and protect the forest against incursions</li> </ul>
Over-harvesting of fish populations	<ul style="list-style-type: none"> <li>- Definition and physical demarcation of no-take zones, in agreement with local people</li> <li>- Development and application of community-based norms and controls on extraction levels, backed up by increased regulatory capacities in DIGEPESCA.</li> </ul>
Use of inappropriate net sizes and inappropriate location or timing of the placement of nets	<ul style="list-style-type: none"> <li>- Strengthening of local regulation of fishing practices, backed up by increased regulatory capacities in DIGEPESCA</li> <li>- Provision of technical support on net sizes and options for net placement</li> <li>- Development and application of environmental eligibility criteria for the provision of financial support</li> </ul>

### **Barriers**

#### **1. Poorly developed organizational, entrepreneurial and technical capacities of local producers**

45. The ability of community-based cooperatives to carry out sustainable forest management, and thereby to reaffirm their occupancy rights in the face of threats of incursion by outsiders and to

<sup>9</sup> “Determinación del Potencial para la Extracción, Procesamiento y Comercialización de Hule Natural y Tuno de los Bosques Latifoliados en la Cuenca del Río Patuca.” Authors: Tomás Membreño and Salvador Picado (consultants)

motivate them to combat wildfires, is currently limited by: 1) Their difficulty in accessing adequate financial and technical support for the implementation of ICF-approved management plans, and 2) the incipient nature of their organizational and business management capacities. For these reasons, currently only two of the three management plans that have been approved by the ICF are actually being implemented, covering a mere 13.5% of the forest area that has been approved for management and 11.4% of the total area of national forest in the project area. The inadequacy of this support is in turn explained by the logistical and cultural challenges represented by this large, remote area, and limited awareness among policy formulators of the economic viability and potential of these activities; the ICF has only 1 regional director and 4 area coordinators in the project area, to cover a forest estate of 126,239 ha. Likewise fishers receive virtually no technical support from the Government given that DIGEPESCA has only two staff members in the area, with no means of transportation.

## **2. Inadequate policy and investment support to Miskito interests**

46. There are significant levels of project and NGO activity in the area, as described in the baseline analysis below. The effectiveness of such investments to date has been limited, due largely to the difficulty in identifying common ground with the real needs and realities of the Moskitia. In particular, they apply cultural assumptions based on experiences with *mestizo* communities elsewhere in the country and fail to take into account the singularities of Miskito culture, which are summarized in paragraph 4. This in turn is due largely to the fact that such investments are typically designed and planned by external actors, with limited local participation; at the same time, local actors have limited experience of interacting in a productive manner with such external actors, and negotiating the nature of their investments on the basis of an informed and objective assessment of their likely implications. In particular, indigenous organizations such as the umbrella organization MASTA, the council of elders and regional indigenous federations have limited cohesion and political influence, which prevents them from exerting significant influence on the Government in relation to the forms of technical support, marketing, finance and land titling that are provided.

## **3. Inadequate conditions of governance for natural resource management**

47. In the absence of effective safeguards and without well-developed conditions of local governance and organization, there is a risk that any technical, marketing and financial support that is provided may lead to over-exploitation of natural resources, with negative impacts on BD. The capacities of Government institutions to implement safeguards are severely limited. As mentioned above, the ICF has only 6 staff members who are responsible for supervision as well as technical support and conservation. Similarly, the fisheries authority DIGEPESCA has only 2 staff members and no functioning boat. These limited staff members are complemented by the Army and Navy

48. Miskito communities have developed traditional norms for the management of some wild resources, such as the division of hunting rights between different indigenous federations, however these are limited in scope and fail to address effectively other threats such as the use of inappropriate fishing methods, illegal timber extraction and the setting of fires for hunting. The municipal governments in the area are highly committed to promoting indigenous rights and livelihoods and protecting natural resources, but have insufficient financial and logistical resources to effectively plan and regulate resource use, as they capture only a small proportion of the fiscal revenue due to them in relation to extractive activities carried out in their areas. Without appropriate and effective territorial planning by municipal governments and local organizations, there is a major risk that productive activities may impact areas of high BD value and that opportunities for BD-friendly production systems will be missed.

### ***Stakeholder analysis***

49. The main stakeholders in the project are the approximately 76,000 Miskito people who live in the project area. They are represented by regional federations under the umbrella organization MASTA and, at local level, by village organizations and councils of elders. In parallel, there are four municipal governments in the area, which are responsible for development, planning and regulation in relation to social, infrastructural and environmental issues. Gracias a Dios Department, which approximately coincides with the limits of the Moskitia, also has a Departmental Government (headed by a Governor) which has a much higher profile than those of other Departments in the country. There are relatively small numbers of other indigenous or autochthonous ethnic groups in the project area, namely Pech (located mainly in the west), Garifunas (located principally along the coast in the northwest) and Tawakhas (located principally along the main rivers of the north and west). There is also a relatively small number of mixed race (*mestizo*) people, based largely in the Departmental capital of Puerto Lempira but also increasingly encroaching on the western part of the area from the neighboring Department of Olancho.

50. The Miskito people classify the people living in the area in terms of the sequence of their arrival in the area: the Miskitos themselves are classified as *primeros*, having resided in the area for time immemorial; the *segundos* are largely made up of *mestizo* people with long-established residence in the area, and who are largely integrated into Miskito society; and the *terceros* are recently arrived *mestizo* colonists who frequently compete with the Miskitos for access to land and natural resources. The *terceros* consist of both smallholders, who typically carry out slash and burn agriculture at the agricultural frontier, and ranchers, who deforest large areas for the establishment of extensive cattle ranches, motivated in part by the profitability of the activity *per se* and in part by the fact that it is a means of accumulating land.

**Table 5. Summary of key stakeholders (see SECTION IV.PART V for further details of proposed participation in the project).**

<b>Stakeholder</b>	<b>Description</b>
Miskito forestry cooperatives (3 at present, expected to increase to 7)	Formed in accordance with forestry legislation and the Social Forestry System, as a requirement for local stakeholders to carry out forest management on land which is considered by default to be national forest patrimony.
Miskito forest users (around 70,000)	Virtually all rural Miskito inhabitants carry out some form of forest extraction, largely for satisfying household needs of timber and fuel. There is also a tradition of harvesting individual trees from the broadleaved forest for canoe construction.
Miskito subsistence fishers (around 50,000)	Virtually all Miskitos living within reach of rivers or water bodies carry out subsistence fishing. There is a high level of female participation in this activity.
Miskito commercial fishers (around 2,000)	Currently 525 commercial fishers (largely male) form the Miskito commercial fishery organization PAMUPEL. They operate in practice on a largely individual basis (with the exception of the forestry cooperatives which are required by law, there is little tradition of cooperative operations in the area).
Ladino colonist ranchers (around 500)	Largely responsible for the high rates of deforestation in the west of the area. Politically and economically powerful and considered by the Miskitos as a direct threat to their rights over land and natural resources.
Indigenous organizations (MASTA and 8 federations)	MASTA is the main point of contact between the central Government and the Miskito population. Formed approximately 30 years ago, MASTA is the umbrella of the various regional indigenous federations in the area.
Ministry of Natural Resources and Environment (SERNA)	Lead institution of the natural resources and environment sector. Its various directorates support biodiversity conservation, territorial land use planning, strengthening of municipal environment units and environmental assessment and control. Home to the GEF Technical Focal Point.
Institute for Forest	State forest authority, responsible for forest conservation and development

Stakeholder	Description
Conservation and Development (ICF)	(including the granting of usufruct contracts on national forest lands and the approval of forest management plans), the management of protected areas and the control of wildlife trade.
General Directorate of Fisheries (DIGEPESCA)	National fisheries authority, responsible for supervising and promoting fisheries sector activities
Ministry of Social Development	Plays lead role in relation to the Poverty Reduction Strategy and the IDB-funded PRONEGOCIOS project.
4 Municipal governments	Responsible for planning, promotion and control in relation to social, infrastructural and environmental issues at municipal level, including territorial land use planning.
Departmental Government	Principal representative of the Government in the area at Departmental level, based in Puerto Lempira
Deputy	Representative of the Department's interest in the National Congress, to date highly influential in promoting local interests and national level.
Honduran Army	Plays a support role to ICF in supervising forestry activity and wildlife trade. It is also jointly responsible, together with the SERNA, for executing funds provided the Government for reforestation under the 2007 Forestry Law.
Honduran Navy	Responsible for the protection of coastal waters.
UNDP Honduras	GEF Implementing Agency, also supports a number of social development initiatives in the area.

### **Baseline analysis**

51. Baseline programmes may be divided into three main areas, corresponding with the three barriers described above. These are described below, together with the gaps that result in the barriers not being effectively removed.

#### **1. Organizational, entrepreneurial, technical and financial capacities of local producers**

52. The local NGO Moskitia Pawisa Apiska (MOPAWI) is active in promoting the cultivation and marketing of batana oil, obtained from the fruits of the ojón palm (*Elaeis oleifera*), as a source of cosmetics. It has entered into marketing agreements with the foreign company Ojón Corporation, which has purchased large amounts of batana oil. The market of Ojón Corporation is currently saturated, however. MOPAWI has provided local producers with technical support for this activity and also continues to purchase oil from them in order to fulfill expectations, despite the saturation of the market. There is a risk, under the baseline situation, that intensified management of ojón palms will have negative impacts on biodiversity as local people clean the palms and surrounding areas. In the areas around the villages of Benk and Tuksidaksa, for example, there is a significant population of three-toed sloths (*Bradypus variegatus*) which would be affected if the scrub associated with the ojón palms were cleared.

53. With support from the Rainforest Alliance, the Honduran Network for the Management of Broadleaf Forests (REMBLAH) is supporting the development of capacities among forestry cooperatives in the region to regain the Forest Stewardship Council (FSC) certification that they previously had but that was withdrawn following evidence of having harvested timber out of their management plan areas.

54. The Government's IFAD-funded National Programme for Local Development (PRONADEL) is supporting productive projects in the area managed by community-based organizations, through the provision of financial resources and technical assistance. The Central American Bank for Economic Integration (CABEI) also has funds available for productive activities, specifically those with the potential to generate biodiversity benefits, through the GEF-supported Central American Markets for Biodiversity project (CAMBIO)<sup>10</sup>. The Interamerican

<sup>10</sup> GEF ID 2670

Development Bank (IDB) is about to commence its Rural Business Development Programme (PRONEGOCIOS)<sup>11</sup> which, in common with PRONADEL, will support small scale local businesses. A shared problem of these initiatives is that they have limited access to information on opportunities that exist for productive practices that are compatible with biodiversity and, while they all have internal safeguards, are faced with a challenge of adapting their methodologies to the specific environmental and cultural conditions of the zone.

## **2. Definition of management prescriptions for natural resources**

55. The Nature Conservancy has supported detailed studies of fires in the Moskitia pine savanna, including the development of specific strategies for integrated fire management<sup>12</sup>. The main conclusion of the studies was that fire is a double-edged sword, as shown in Figure 3. The study proposed the promotion of the “two faces of fire” message as an alternative to current approaches focused exclusively on prevention. The report also suggested the identification of possible model or demonstration projects in the Moskitia or other parts of Honduras, where concepts of integrated fire management could be applied through community level programmes.

56. The Foundation for Investment and the Development of Exports (FIDE) has carried out a detailed study<sup>13</sup>, financed by the European Union through its FORCUENCAS programme, of the potential for the extraction, processing and marketing of natural rubber and bark from broadleaf forests in the Patuca River basin. The forest types and species studied also occur within the project area.

## **3. Management plans**

57. The ICF has approved forest management plans covering an area of 112,738ha, which have been prepared with financial and technical support from the Danish NGO Nepenthes and the WWF. These allow forest management and timber harvesting to be carried out by community-based forestry cooperatives, subject to usufruct agreements between the ICF and the indigenous federation FINZMOS. Forest management plans are currently under implementation over an area of 20,585 ha, including 14,398 ha which will be subject to active forest management and 6,187 ha which will be set aside. In addition, a forest management plan has been partially prepared for the forests of the community of Ahuasbila. The fact that the plans in Auka and Ahuasbila are not yet functioning is due largely to the limited access of the cooperatives there to financial support for their completion or updating. The required funds are normally advanced to forestry cooperatives by timber purchasers; however in these cases the cooperatives do not have the required contacts with such sources of funding. Although these plans are based on sound silvicultural principles and also make provisions for set-asides (based largely on criteria of slope, soil fragility and proximity to water courses), they do not specifically take into account biodiversity considerations such as the existence of fragile habitat or endemic or endangered species. In addition, the indigenous organization MASTA considers that the plans in Mokorón fail to recognize indigenous visions of natural resource management which focus more on integrated management and conservation than on commercial exploitation for timber.

58. The Italian NGO GVC has prepared a management plan for the Karataska Lagoon. This plan has not been implemented due to inadequate institutional support. The national NGO MOPAWI

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<sup>11</sup> <http://www.iadb.org/projects/project.cfm?id=HO-L1010&lang=en>

<sup>12</sup> Meyers R, J O'Brien y Steven Morrison. Descripción General del Manejo del Fuego en las Sabanas de Pino Caribe (*Pinus caribaea*) de la Mosquitia, Honduras. GFI informe técnico 2006-1a. The Nature Conservancy, Arlington, VA.

<sup>13</sup> “Determinación del Potencial para la Extracción, Procesamiento y Comercialización de Hule Natural y Tuno de los Bosques Latifoliados en la Cuenca del Río Patuca.” Authors: Tomás Membreño and Salvador Picado (consultants)

has in addition developed a management plan for the sustainable extraction of the seeds of the swa tree (*Carapa guianensis*).

#### **4. Advocacy**

59. The indigenous organization MASTA is the principal mouthpiece of the interests of the Miskito people and is active in lobbying. In 2007, a first Miskito Forum was held in the capital Tegucigalpa to raise awareness among decision makers of the needs and realities of the Moskitia, with support from the Small Grants Programme. Despite these initiatives, awareness among legislators, policy makers and Government functionaries of the reality of the Moskitia is highly limited, overwhelmingly negative, and based on exogenous criteria. At the same time, while the leaders of MASTA are vociferous and politically aware, the great majority of the indigenous population is largely unaware of the political, legal and institutional context.

#### **5. Definition of land tenure, occupancy and usufruct rights**

60. The World Bank-funded Honduras Land Administration Project (PATH) has developed much experience in land titling processes elsewhere in the country, and in the strengthening of the Property Institute (IP) and the National Agrarian Institute (INA) in this regard. Similarly the World Bank Forests and Rural Productivity Project (PBPR) has made advances in developing methodologies for regularizing occupancy and tenure rights on forest lands. To date, however, PATH has not commenced operations in the project area<sup>14</sup>. Indigenous groups argue that when this process does start it will require modification so that titles are provided on a collective basis, in accordance with indigenous traditions, rather than individually as at present (PATH has encountered some resistance from Afro-Caribbean groups along the north coast of Honduras as a result of this concern).

#### **6. Regulation and enforcement**

61. There is a long-standing baseline of regulation of natural resource management activities in the form of traditional community-based norms developed and applied by local communities and indigenous federations. Fishing nets, for example, are traditionally removed two weeks before Easter and not placed again until September or October. This closed season coincides with the principal breeding period of the main fishery genus *Centropomus* spp. This tradition responds more to market considerations than to objectives of resource conservation, given that the main market for salted fish is at Easter. The unreliability of such traditions is shown in the case of Prumnitara, close to the urban centre of Puerto Lempira, where the existence of a market for fresh fish means that fishing is carried out year round. The effectiveness of the norms and traditions of Miskito communities in countering outside threats, such as incursion by outsiders on their traditional sphere of influence, is also limited by the tendency of Miskito people to avoid rather than face conflict.

62. ICF, DIGEPESCA, the Army and Navy all have permanent presence in the area, with responsibility for supporting the enforcement of environmental regulations. The human and logistical resources available to each of these are however woefully inadequate at present, in relation to the size and logistical challenges of the area. In addition, the effectiveness of these institutions is limited by the poor relations which typically exist between them and indigenous organizations, which is due to a combination of limited cultural awareness on the part of some institutional staff and traditional mistrust by the Miskitos of outside interference in their affairs.

63. There are 4 municipal Governments in the project area, with legal mandates to supervise and plan the management of natural resources. These are chronically under-resourced, due largely to their limited abilities to capture fiscal revenues from those carrying out extractive use of the natural resources in their areas of jurisdiction.

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<sup>14</sup> PBPR is due to finish operations in mid 2009

## PART II. Strategy

### Project Rationale

64. The logic of the project, specifically how the proposed strategies respond to barriers and gaps in the baseline situation, and will contribute to the attainment of the corresponding outcomes, is summarized in Table 6.

**Table 6. Summary of project logic**

Barriers	Baseline	Gaps	Strategies
<b>Outcome 1:</b> Local people have the capacities to apply modified and alternative production systems (subsistence, artisanal and community-based commercial) which favor biodiversity (BD)			
Poorly developed organizational, entrepreneurial, technical and financial capacities of local producers	- Support by NGO MOPAWI to planting and harvesting of ojón palm	- Offices of ICF and DIGEPESCA have inadequate staff, NGOs have limited presence and awareness of BD issues	Provision of extension support and technical and organizational assistance for productive activities compatible with BD
	- CABIE funds available for BD-friendly productive activities - IDB support to community-based businesses	- Lack of knowledge of opportunities for BD-friendly businesses in the area	Orientation of projects and institutions to maximize the compatibility of their actions with BD and cultural considerations
<b>Outcome 2:</b> BD-friendly forms of production are supported by an enabling environment of policies and investments			
Inadequate policy and investment support to Miskito interests	- Forest management plans following ICF formats covering 112,738ha	- Plans fail to recognize integrated nature of indigenous visions of resource management	Facilitation of the development of management plan models that incorporate indigenous aims and visions
	- Lobbying events supported by Small Grants Programme	- Limited scope and impact to date and limited evidence to support arguments	Awareness raising among policy makers in Government regarding the reality of the Moskitias and the social/economic importance of BD conservation
	- Awareness among members of MASTA laws and rights	- General public is largely uninformed	Empowerment of local people through education on laws and rights
	- Proposed expansion of land titling and regularization programmes into the area	- Failure to recognize cultural traditions on land tenure and to clarify eligibility for titling	Formulation and promotion of proposals for laws and practices of the State in indigenous areas
	- Legal requirement for EIA of initiatives, internal safeguards of funding agencies	- Limited involvement of local people in impact assessment, application of exogenous criteria	Development of local capacities for the evaluation of the impacts of initiatives of the State and others
<b>Outcome 3:</b> BD-friendly forms of management in forestry and fisheries sectors are subject to effective planning, monitoring, regulation and enforcement in accordance with local norms and national legislation			
Inadequate conditions of	- Traditional forms of regulation of natural	- Limited scope and failure adequately to	Support to community-based regulation of natural

Barriers	Baseline	Gaps	Strategies
governance and planning for natural resource management	resource use	address BD issues	resource management
	- Informal observations by producers and institutions, monitoring of environmental risks	- Lack of continuity and rigor, inadequate incorporation of biological principles, limited feedback into decision making	Establishment of systems for the participatory monitoring of natural resources
	- Sporadic and short term support to local communities	- Lack of follow-through and accumulated learning based on experiences	Systematization and dissemination of experiences
	- Municipal Governments have legal responsibility and indigenous federations have defined territories - Management plan for Karataska lagoon	- Lack of congruence of visions regarding zoning, limited capacities to carry it out objectively - Lack of follow-through to put plans into practice - Municipal Governments have inadequate resources for carrying out responsibilities	Support to territorial land use planning Strengthening of capacities of municipal governments to capture taxes from fishing and shrimp boats, for reinvestment in environmental planning and regulation
	- Presence of ICF, DIGEPESCA, Army and Navy	- Limited financial, human and logistical resources, inadequate coordination, limited awareness of cultural realities	Support to coordination and orientation of Government institutions
	- Miskito tradition of conflict avoidance - Military presence to address conflicts once they have become violent	- Failure to address conflicts in a long term manner and reduce polarization of stances between actors	Development of capacities for alternative conflict management
	- Community radio stations, Government schooling, Tutorial Teaching System (SAT)	- Inadequate coverage and thematic content limits local commitment to enforcing BD conservation	Support to environmental education

### Policy Conformity

65. The project will contribute to Strategic Objective 2 (SO2) of the Biodiversity Focal Area, 'To mainstream biodiversity in production landscapes/seascapes and sectors'. An SO2 approach has been chosen given the high levels of dependency of local populations on natural resource use, combined with their traditional mistrust of externally-supported initiatives, such as the establishment of exclusive protected areas, which are perceived as infringing on their traditional rights to take decisions on how their lands are used. The focus on SO2 will not rule out the establishment of reserves and set-asides within the production landscape, however these will be designed and managed with the full agreement and participation of local people.

66. GEF-funded support will focus on the approach proposed under Strategic Program 4 (SP4), 'Strengthening the Policy and Regulatory Framework for Mainstreaming Biodiversity', as it will: modify how the Government interacts with local communities in support of BD friendly options, including the incorporation of BD criteria and regulations into programmes of technical, financial and marketing support; motivate increased investment in support of BD, by providing

information to decision makers on the potential benefits that this could generate; and strengthen governance structures in local communities and capacities in local and national Government for planning and regulating resource management. Co-financed support will in addition include attention to SP5, ‘Fostering markets for biodiversity goods and services’, as it will assist producers to develop viable small business with market access for BD-friendly forms of production.

### **Project Goal, Objective, Outcomes and Outputs/activities**

67. The Goal of the project is to conserve globally important biodiversity in the Moskitia region of Honduras. Its objective is that biodiversity will be conserved in production landscapes managed by indigenous people in the Moskitia. This project will therefore complement initiatives funded by GEF and other donors in the extensive chain of protected areas that lie to the west of the project area. A fundamental principle of the project is that BD conservation will be pursued while respecting the development needs and cultural norms of the local population.

68. **Outcome 1: Local people have the capacities to apply modified and alternative production systems (subsistence, artisanal and community-based commercial) which favor biodiversity (BD).** The project will ensure that producers receive the technical, marketing, organizational and financial support they require in order to be able to apply productive practices, principally in the forestry and fisheries sectors, that are compatible with biodiversity conservation and at the same time economically and socially viable. Despite its primary focus on these sectors, the project will also promote sustainable ecotourism and will be flexible regarding other BD-friendly forms of production that may emerge in the course of implementation. Information on such productive practices is presented in Table 4 and Table 7.

**Table 7. Summary of findings on selected productive options**

<b>Activity</b>	<b>Viability and implications</b>
Timber harvesting	<ul style="list-style-type: none"> <li>-Economic viability is marginal on paper, however it is valued as a source of cash income by local people for whom labor inputs have limited opportunity cost.</li> <li>-Economic viability is highly sensitive to improved product prices, for example as a result of FSC certification.</li> <li>-Pine forests are subject to damaging illegal extraction.</li> <li>-Forestry gangs place localized hunting pressure on wild fauna.</li> <li>-Potentially sustainable and BD friendly if well managed: a) constitutes a vehicle for demonstrating and defending indigenous rights over broadleaved forest lands in the face of incursions by outsiders, and b) provides a motivation for indigenous communities to protect pine savannas against fire.</li> </ul> <p><b>Project strategy:</b> support to sustainable forest management by indigenous community-based cooperatives, accompanied by biological monitoring, community-based norms and regulations and strengthened monitoring and enforcement by the Government. Promotion of broader local participation in forest management and the distribution of benefits.</p>
Fishing	<ul style="list-style-type: none"> <li>-Increasing importance as a strategy for income generation by local people is placing pressures on fish populations.</li> <li>-Fish populations in coastal waters are subject to poaching by commercial boats based outside of the region.</li> <li>-Improvements in practice or reduction in catch levels would imply short-term costs to fishers.</li> <li>-Distance from markets makes a market-based approach to BD mainstreaming difficult.</li> <li>-There is good potential for aquaculture, and this could serve to reduce pressures on wild populations, however this is not yet proven and in the past it has led to the escape of the aggressive exotic fish <i>Tilapia</i>.</li> </ul>

Activity	Viability and implications
	<p>-Fish populations have good capacity for recuperation if breeding and grow-on sites exist.</p> <p><b>Project strategy:</b> focus on community-based norms, designation of set-aside areas and improved regulation of commercial fishing by outsiders. Further social, productive and biological investigation of the potential and implications of aquiculture.</p>
<p>Cultivation and collection of ojón seeds (<i>Elaeis oleifera</i>), for production of batana oil</p>	<p>-Currently being promoted by the NGO MOPAWI, in association with the international company Ojón Corporation.</p> <p>-Existing markets with Ojón Corporation are currently saturated, but other markets are likely to exist.</p> <p>-The palm is grown in plantations so this activity does not directly motivate forest protection.</p> <p>-Increases in the attractiveness of this activity lead some farmers to clean their plantations, with apparent negative impacts on BD.</p> <p><b>Project strategy:</b> promotion of BD-friendly collection that does not involve disturbance to other fauna and flora, and associated market development.</p>
<p>Collection of swa seeds (<i>Carapa guianensis</i>)</p>	<p>-Collection of seeds for production of oil is less intrusive on forest structure than felling for timber (the tree produces good quality timber, which is currently little used due to the conservative nature of timber markets), and a potential motivation for forest protection (the tree occurs in natural forest, unlike the ojón palm).</p> <p>-Over-harvesting of seed has the potential to generate negative impacts on population structure of the species.</p> <p>-Seed collection, processing and marketing of oil are currently being promoted by MOPAWI but are less well developed than with batana.</p> <p><b>Project strategy:</b> promotion of pilots of management, extraction, processing and marketing, accompanied with biological monitoring and support to community-based norms.</p>
<p>Harvesting of latex from <i>Castilla elastica</i>, <i>C. tunu</i>, <i>Manilkara chicle</i> and <i>M. zapota</i></p>	<p>-Potentially compatible with BD conservation as it does not cause tree mortality if carried out correctly</p> <p>-Permits increase and diversification of forest benefits received by local people and affirmation of occupancy</p> <p>-Conforms with vision of MASTA regarding integrated approach to forest management not focused exclusively on timber</p> <p>-Potential negative impact on wild fauna due to hunting by extraction gangs</p> <p><b>Project strategy:</b> promotion of pilots of management, extraction, processing and marketing, accompanied with biological monitoring and support to community-based norms.</p>
<p>Ecotourism</p>	<p>-Much potential for high-end ecotourism and adventure tourism, building on existing successful and award-winning experiences with the Ruta Moskitia, supported in part by the GEF Small Grants Programme</p> <p>-Requires significant development of infrastructure, communications and human resources, to be supported by the World Bank and Norwegian Trust Fund<sup>15</sup>.</p> <p><b>Project strategy:</b> provision of environmental and BD guidelines to World Bank/Norwegian Trust Fund project and to local stakeholders, regarding environmental and BD values that may have potential for ecotourism, together with potential negative impacts and mitigation measures.</p>
<p>Ranching</p>	<p>-Potentially compatible with BD conservation using traditional practices and intensities, but introduction of improved breeds and more commercial practices (largely by outsiders) leads to increased wildfires and enclosure and deforestation of community forest lands</p> <p>-Highly profitable due to low input and capital costs</p>

<sup>15</sup> Infrastructure and Small Scale Private Sector Development for Coastal Cities of Honduras and Nicaragua – Supporting Responsible Tourism Strategies for Poverty Reduction. Norwegian Trust Fund project TF050187.

Activity	Viability and implications
	<p>-Incompatible with Miskito traditions of forest conservation and communal land tenure, concentrates wealth in hands of limited numbers of people, and acts as a vehicle for land seizure by outsiders.</p> <p><b>Project strategy:</b> to be combated by promotion of sustainable forest management as a more culturally acceptable and equitable alternative, that permits reassertion of indigenous communal land rights.</p>
Traditional agriculture	<p>-Largely compatible with BD conservation due to low technological intensity and high structural and specific diversity.</p> <p>-On occasions leads to loss of gallery forest with negative BD impacts in terms of connectivity.</p> <p>-Baird's Tapir is hunted due to damage caused to bean plots.</p>
	<p><b>Project strategy:</b> support to community-based monitoring and regulation on clearance of gallery forest and hunting of Tapirs.</p>

69. As explained in paragraph 18, there is clear evidence (confirmed by PPG studies), that sustainable forest management, particularly when supplying niche markets with FSC certification, has the potential to constitute an economically highly attractive option for local communities. The same is not necessarily true in the fisheries sector. PPG studies showed that the individual nature of most fishing activity and the distance from markets would limit the viability of approaches such as supplying certified fish to niche markets. The principal focus of activities in support of this outcome, therefore, will be on the forestry sector. Project activities in the fisheries sector will concentrate principally on strengthening regulation and enforcement, and promoting the regeneration of fish populations through the designation of set-aside zones, in support of Outcome 3.

70. This support will initially focus on the production landscapes surrounding the five communities studied in the PPG phase (Auka, Auratá, Kruta, Mokorón and Rus Rus), which between them represent a cross section of the productive and environmental conditions in the Moskitia where important environmental values and conflicts are found. These landscapes each include a large number of other communities in addition to those mentioned and, in addition, it is intended that the project will be flexible regarding the possible future inclusion of additional areas such as Ahuás, in the north-western part of the project area.

71. This support will largely be provided by co-financed projects such as PRONEGOCIOS (funded by the IDB), the Government's Forestry Reinvestment Fund, and the GEF-funded CAMBIO project in relation to marketing. The support provided by such projects will be complemented by that provided directly by technical staff and consultants contracted with GEF funds, as necessary, including the identification of favorable markets for BD-friendly products and the facilitation of access to them by producers. As appropriate, advice on lessons learnt with productive, marketing and organizational models will also be sought from indigenous groups in comparable areas such as the Nicaraguan Moskitia. In addition, there will be major synergies between this project and the GTZ funded Natural Resources Project (PRORENA) which is working in the adjoining Rio Platano Man and the Biosphere Reserve, in communities whose territories overlap with those of this project, in aspects such as the sustainable management and extraction of timber and non-timber forest products.

72. GEF incremental support will concentrate principally on ensuring that this technical, marketing and organizational assistance is carried out in the most effective ways, which maximize biological, productive, institutional and social sustainability. Building on participatory studies carried out during project preparation, GEF funds will support, for example: a) participatory analyses of needs for institutional support; b) analyses of lessons learnt on the relative effectiveness of different models of institutional support in the particular conditions of

the Moskitia; and c) the detailed development of strategies for the participatory development and promotion of productive systems, which will focus on approaches such as farmer experimentation and action learning as a complement to more conventional training. The project will also function as a channel for information on needs and opportunities for support to BD-friendly production systems, to institutions and projects with the potential to provide such support; in parallel, capacities and mechanisms will be developed which will enable local indigenous and producer organizations to identify and request such forms of support on their own, in the long term.

73. The effectiveness and sustainability of the actions of counterpart institutions and projects will also be promoted by the provision to them of technical support in the development, or fine-tuning, of environmental and social safeguards, in order that these reflect adequately the particular social, cultural, productive and environmental conditions of the Moskitia. As appropriate these safeguards at the sub-project level may be complemented by strategic environmental assessment, with orientation by the project, linked to the processes of territorial land use planning proposed under Outcome 3.

74. **Outcome 2: BD-friendly forms of production are supported by an enabling environment of policies and investments.** The project will ensure that productive activities (principally forest management and fisheries) in the area will receive the institutional, policy and legal support required to allow them to function in a manner compatible with biodiversity conservation. This support will essentially focus on assisting Government and local actors to function on the same wavelength and to respond accordingly. The project will act as a channel of information to policy- and decision-makers in central Government regarding the realities of the Moskitia, the implications in practice of public policies (particularly in regard to tenure, productive support and regulation) and the social and economic importance of supporting environmental sustainability in the area.

75. At the same time, this will be complemented by the provision of support aimed at increasing the awareness of local people and organizations regarding the legal and policy context, enabling them to interact with the Government on a sound and informed footing. The project will support participatory analyses by local communities and organizations of the local implications of different policy and legal instruments (building on the results of the policy study carried out during the PPG phase), and will assist them in developing capacities and strategies for interacting with the Government to negotiate modifications, where needed. Examples include the negotiation of approaches to regularizing tenure and usufruct rights over land and other natural resources; the development of models for forest management plans which combine traditional productive aspects with the more integral approach inherent in indigenous cosmovisions; and the establishment of moratoria on hunting and fishing activities that appropriately reflect biological and social realities.

76. **Outcome 3: BD-friendly forms of management in the target sectors are subject to effective planning, monitoring, and regulation in accordance with local norms and national legislation.** The project will support the development of a governance framework that will combine, on the one hand, regulations and controls provided for by law and applied by Government institutions and, on the other, community-based norms developed and applied by indigenous organizations. It is intended that the lobbying proposed under Component 2 will lead to increased resources being allocated by central Government to its dependencies in the area. However much can also be achieved by improving the effectiveness and efficiency of Government dependencies with the resources available to them. Collaboration and coordination between different Government institutions (e.g. the ICF, DIGEPESCA, municipal and Departmental governments, the Army and the Navy) will be increased, leading to more efficient and effective use of the scarce resources available to each (for example, by sharing transport costs through joint field operations and by using boats and motors confiscated by the Navy to carry out

supervise commercial fishing activities). The project will contribute to this by facilitating the development and application of mechanisms for the joint planning of such forms of collaboration.

77. Collaboration will also be increased between Government institutions and indigenous communities and organizations, allowing the Government to operate more effectively and to receive active support from community members, thereby reducing their costs. To this end, the project will support processes of cultural training of members of Government institutions and will use specialists in facilitation and conflict resolution to promote constructive dialogue between the two sides, leading to the development of formal protocols for collaboration.

78. At the community level, the project will facilitate the systematization of existing community-based norms, regulations and knowledge related to natural resource management: PPG studies revealed the existence of a number of such norms, such as the recognition and protection of fish breeding areas or *moupilaya*. The project will, on the basis of this, facilitate processes of reevaluation and recuperation of such norms, resulting in increases in the level of their application and coverage, and their modification as necessary to changing circumstances and conservation needs.

79. At the municipal level, the project will provide support to process of territorial land use planning, for which municipal Governments are responsible by law. In particular, dialogue will be facilitated between municipal Governments and indigenous federations, in order to identify common ground and compatible methodologies for the zoning of the lands of the Department. In addition to immediate support in the form of training, facilitation and information supply, the project will support processes of dialogue with local Governments in the Bay Islands, from which most of the commercial fishing fleet that operates in the near shore waters of the Moskitia originates, regarding mechanisms for collecting fiscal revenues from this fleet and returning it to the region to strengthen the capacities of its municipal governments. Strengthening of municipal Governments will complement that being carried out by the GTZ-funded Natural Resources Project (PRORENA) in the municipalities of Ahuas and Wampusirpe, which cover parts of the areas of both projects.

80. The project will also ensure that norms, regulations, plans and projects on the part of the Government and local communities are based on sound principles of biological sustainability, by supporting the realization of highly focused and applied studies of the status, population biology and management potential of key elements of biodiversity such as commercially important and threatened fish populations, plants such as the Yagua palm (*R. dunlapiana*) and animal species such as the Green Macaw.

81. In order to minimize the need for expensive confrontational outcomes to environmental conflicts in the region, the project will develop capacities among indigenous organizations, municipal Governments, dependencies of central Government agencies and others for alternative conflict management, resulting in the establishment of lasting mechanisms. At an early stage, one or more pilots will be identified for the development and validation of such mechanisms.

82. Finally, the project will place a strong emphasis on environmental education, in order to raise awareness of the particularly vulnerable species and critical environmental problems. This will be carried out in the Miskito language: approaches to be used will include the broadcasting of environmental programmes on community radio, and the design of environmental modules and materials for application in school curricula.

**Table 8. Project Indicators, Risks and Assumptions**

<b>Risk</b>	<b>Level</b>	<b>Mitigation strategy</b>
Increase in extreme climatic events due to climate change, interrupting	Moderate	Support to indigenous organizations and governance structures will facilitate effective local response to such events.

<b>Risk</b>	<b>Level</b>	<b>Mitigation strategy</b>
project activities and prioritization by local people of BD issues		
Climate change modifies ecosystem dynamics and fire regimes, leading to recession of ecosystems	Moderate	Inclusion in natural resource management plans of monitoring and adaptation strategies, such as modifications in prescriptions for integrated fire management
Changes in macroeconomic factors or Government incentives increase attractiveness of land uses that compete with natural ecosystems	Moderate	Alternative land uses such as oil palm for biofuels are normally promoted by external actors (they do not coincide with indigenous cultural and production systems) so will be combated by the project's strategy of strengthening indigenous occupancy rights and production systems.
Inadequate conditions of governance, including conflicts between stakeholders	Moderate	The project will strengthen community-based organizations and will promote the establishment of mechanisms and experiences of alternative conflict management.
Emergence of major new markets or actors that impose additional extractive pressures on resources	Moderate	Support to spatial planning of extraction in order to ensure that provision is made for resource regeneration (for example through set-asides) Strengthening of community-based norms and enforcement, awareness raising and environmental education
Failure of Government to make genuine long term commitments to supporting Miskito interests	Moderate	Raising of awareness in central Government of the economic benefits of sustainable natural resource management. Provision of methodological support and pilot activities to facilitate adaptation of Government programs to local conditions. Support to advocacy in central Government to accelerate formalization of occupancy and use rights.
Failure of Government to provide adequate resources to ICF, DIGESPESCA and SERNA in the region	Moderate	The project will support community-based mechanisms to complement formal Government planning and control functions, and mechanisms for inter-institutional coordination in order to maximize the impact of the available staff, funds and equipment

***Incremental reasoning and expected global, national and local benefits***

83. Under the baseline scenario, local stakeholders (principally Miskito indigenous people) would exercise little control over forest and fisheries resources. As a result, forests would continue to suffer degradation and clearance, principally at the hands of external actors, while populations of fish and forest fauna will continue to be overexploited, undermining in turn the livelihoods of local people. Under-resourced Government institutions (such as the forest authority ICF and the fisheries directorate DIGEPESCA) would do little to address this problem. Management plans have been produced by local stakeholders for a number of areas throughout the region, including the Karataska lagoon and the areas covered by forestry usufruct agreements, however under the baseline situation the provisions of these plans would not be translated into practice due to limited technical, financial and organizational capacities on the part of the local organizations and municipal governments responsible for their implementation.

84. GEF involvement in the project will enable local people to participate more actively in the management of BD, by developing their capacities to carry out productive activities which promote BD conservation while at the same time generating economic and social benefits. The capacities of local Government to plan and regulate the management of natural resources will be simultaneously enhanced. GEF investment will be complemented by significant levels of co-financing from a range of sources.

85. Development of local capacities for sustainable forestry management, backed up by more effective regulation, will result in greater assertion of their rights over forests and increased motivation to protect them. This will reduce encroachment by ranching (and possibly by oil

palm), and the risk of invasion by pasture species, in particular in the forests on the karstic mountains in the upper reaches of the project area. Reduced deforestation here will also reduce soil erosion and alterations to hydrological and ecological functioning in the lagoon system and adjoining wetlands. Strengthened controls on fire use in the pine savanna will facilitate natural regeneration and reduce pressures on nesting sites of birds such as the endangered Green Macaw *A. ambiguus*. More effective regulation by indigenous people, municipal Governments and agencies of central Government, will also reduce pressures on populations of fauna which are affected by illegal hunting and capture, while improvements in the formulation and application of norms and regulations on fishing in the lagoon system will reduce pressures on regionally important populations of fish and crustaceans.

**Box 1. Summary of Global Environmental Benefits to be generated by the project:**

- Maintenance of the coverage and integrity of the Moskitia Pine Savanna (and its constituent fauna such as the CITES I species Jabiru, *Jabiru mycteria*) through the reduction of unsustainable removals of seed trees and of fires that damage young natural regeneration.
- Reductions in the rates of loss of Tropical Broadleaved Forest, including endemic species in the karstic mountains area (such as the glass frog *Hyalinobatrachium cardiacalyptum* and the snakes *Sibon miskitus* and *S. manzanares*), through increased assertion of occupancy of forest lands by Miskitos in the face of threatened incursions by ladino colonists (baseline and target values of deforestation rates, and the identity of further endemic species, to be confirmed at project startup).
- Improvements in the population status of the endangered Green Macaw *A. ambiguus*, due to increased protection of nesting trees from fires by forestry cooperative members interested in protecting their young growing stock of *P. caribaea*.
- Improvements in the population status of the peccary *Dicotyles pecari* due to reduced hunting pressure by forestry gangs and farmers
- Improvements in the population status of the endangered palm *Roystonea dunlapiana* (Yagua) due to the implementation of activities proposed in management plans such as controlled extraction and reforestation.
- Improvements of the ecological integrity and sustainability of the lagoon ecosystem and the sustainability of populations of fish species that are vital for the livelihoods of indigenous Miskito people (e.g. *Centropomus* spp.)

86. During the PPG phase members of local communities expressed a wide range of social development needs. Most of these are not incremental in nature and therefore not eligible for GEF funding. The UNDP Honduras Country Office will however take advantage of these contacts that have been established with local stakeholders to channel support to them from UNDP and other UN agencies active in the areas of social development and risk reduction.

***Cost-effectiveness***

87. The cost-effectiveness of the project will be ensured through the following strategies:

- 1) A primary focus on conservation in production landscapes is more effective than an exclusive dependence on protected areas, as it will avoid the problems of resistance by indigenous people to PAs perceived as externally imposed, and the associated difficulty, conflict and cost that their establishment and management would imply.
- 2) An incentive-based approach to forest conservation, based on sustainable use that generates income for local people, is more cost-effective than the alternative of one based exclusively on regulation, as it would motivate and empower local people themselves to

- ensure the protection of their resources. The alternative would result in continued threats of encroachment by outsiders, who would consider forests that are not being managed productively as subject to appropriation and deforestation, requiring continuing high levels of investment to counter these threats.
- 3) A combination of community-based and Government regulation and enforcement would be more cost-effective than exclusive dependence on the Government. Given the magnitude and logistical difficulties of the area, and the current low levels of Government presence, major investments in infrastructure, equipment and staffing would be required for the Government to be able to achieve anything approaching satisfactory coverage.
  - 4) In the fisheries sector, in contrast to the forestry sector, the project would focus principally on regulation and planning to achieve conservation. This will be more cost-effective than an approach based on market incentives, which would require high levels of initial investment (in refrigeration and processing facilities) and ongoing technical support, for producers to be able to access BD-friendly markets.

***Country Ownership: Country Eligibility and Country Drivenness***

88. Honduras ratified the Convention on Biological Diversity on the 21st February of 1995 (Decree number 30-95, published in the official publication La Gaceta on 10th June 1995). It is also a signatory to Convention 169 of the International Labour Organization concerning Indigenous and Tribal Peoples, the Convention on the International Trade in Endangered Species (CITES) and the Convention for the Conservation of Biodiversity and the Protection of Priority Wild Areas in Central America.

89. The Moskitia was prioritized for conservation in the National Biodiversity Strategy. The Biodiversity Directorate of the Environmental and Natural Resources Ministry SERNA, with support from The Nature Conservancy, also identified a number of specific priority sites for conservation within the region, on the basis of an analysis of the national distribution of ecosystems and critically threatened species<sup>16</sup>.

***Sustainability***

90. Social sustainability of the project will be ensured by ensuring full participation of indigenous stakeholders and organizations in project design and implementation, for example through a multi-stakeholder steering committee adapted to local cultural norms. Financial sustainability will be ensured by identifying and promoting productive activities that are economically attractive and practically feasible and for which proven markets exist. Biological sustainability will be ensured by ensuring that sustainable off-take principles are rigorously applied.

***Replicability***

91. Lessons learnt in the project area will be replicable in other areas of broadleaved forest subject to agricultural frontier pressures throughout the region; to other areas of pine savanna, principally that in the Nicaraguan Moskitia; to lagoon and wetland systems elsewhere in the region; and to other areas with high levels of indigenous populations who face combined problems of marginalization from Government policies and investments, encroachment and conflict with outsiders, and environmental and social challenges. There is specific provision in the budget for the systematization of lessons learnt, largely through the production of documents.

92. The main focus of replication efforts will however be within the project area, ensuring that project lessons and impacts are not confined to the five selected pilot communities. In addition to

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<sup>16</sup> MARXAN analysis of ecosystem coverage gaps.

the specific planning and training events in these pilot communities, a number of events will be carried out in the Departmental capital Puerto Lempira to which representatives of communities, indigenous federations and municipal Governments from throughout the region will be invited. These will include events specifically focused on the systematization and dissemination of lessons learnt prior to and during the project. These will be complemented by a series of systematization documents that will be produced throughout the project period and for which specific budgetary provision is made. \$13,369 of GEF funds will be dedicated specifically to the dissemination of experiences with formulation and application of community-based norms, by a communication consultant to be contracted under Outcome 3.

### **PART III. Management Arrangements**

93. The Project will be executed under NEX modality, according to the standards and regulations for UNDP cooperation in Honduras. The Project Execution Agency will be the Secretariat of Natural Resources and Environment SERNA. The project will be under the overall leadership of a *National Project Director* (NPD), who will be the Director of Biodiversity in SERNA and will be responsible for orienting and advising the National Project Coordinator on Government policy and priorities. The NPD will also be responsible for maintaining regular communication with the lead institutions in the forestry and fisheries sectors, the ICF and DIGEPESCA and ensuring that their interests are communicated effectively to the National Project Coordinator. Communication with these institutions will be carried out through an *Inter-sectorial Advisory Committee* (IAC) made up of SERNA, ICF and DIGEPESCA.

94. The duration of the project would be 4 years<sup>17</sup>. Implementation of the project will be carried out under the general guidance of a *Project Steering Committee* (PSC), specifically formed for this purpose. The composition, responsibilities and rules of operation of the PSC will be confirmed during its first meeting. The PSC of the PPG phase has provisionally proposed that the PSC of the implementation phase will be responsible for approving the operational plans and annual reports of the project as well as the terms of reference and appointments of key members of staff, and that it will be composed of representatives of SERNA (chair), UNDP (secretary), the Technical Secretariat of Cooperation (SETCO), the president of the Miskito organization MASTA and a representative of the Local Steering Committee made up of local stakeholders. The PSC will meet at least two times per year and in addition could be convened extraordinarily by the Chair, on the request of individual members.

95. Local stakeholders will have an additional mechanism for influence on the project through a *Local Steering Committee* (LSC) which will be appointed, and whose composition, responsibilities and functioning will be determined, by the stakeholders themselves. The LSC for the implementation phase will give continuity to the LSC that has existed during the PPG phase. The LSC will meet regularly to discuss project progress and communicate interests and concerns to the Project Coordinator and will also have a seat on the PSC. Subject to confirmation at project startup, the LSC may also designate sub-committees to discuss specific issues such as the mainstreaming of gender considerations into project operations.

96. Project implementation will be the responsibility in practice of a *Project Implementation Unit* (PIU), based in Puerto Lempira. The PIU will be led by a *National Project Coordinator* (NPC) who will be the signing authority of requests to UNDP for disbursements of project funds. The

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<sup>17</sup> The PIF proposed a duration of 5 years, however assessments carried out during the PPG phase indicated that the targets of the project could be achieved within 4 years. This change also has the benefit of reducing the proportion of total project funds that it is necessary to assign to project management, given the existence of various fixed annual costs.

NPD will lead a team composed of 5 technicians, one Miskito facilitator and one secretary, all also based in Puerto Lempira, and an additional administrator (funded by UNDP TRAC) based in the offices of SERNA in Tegucigalpa whose principal role will be to ensure the fluidity of administrative procedures and budget disbursements from UNDP to the PIU. The Tegucigalpa-based administrator is essential given the physical isolation of the project area from Tegucigalpa, and location of the institutional and policy advisor in Tegucigalpa is essential as that is the location of the head offices of the majority of the institutions with actions in the project area and is where Government policies are formulated. At community level, the project will appoint para-technicians who will be contracted on a part-time basis to give follow up to initiatives promoted by the project.

97. In addition to the specific positions underlined above, a series of sub-contracts will be necessary in order to ensure and complement the technical capacity of the members of the PIU. These contracts will be entered into in accordance with the guidelines of UNDP and terms of reference defined by the NPD, during the first month of the implementation phase or annually, in accordance with the project's work plan.

#### **PART IV. Monitoring and Evaluation Plan and Budget**

98. Project monitoring and evaluation will be conducted in accordance with established UNDP and GEF procedures and will be provided by the project team and the UNDP Country Office (UNDP-CO) with support from UNDP/GEF. The Logical Framework Matrix in Annex 1 provides *performance* and *impact* indicators for project implementation along with their corresponding *means of verification*. These will form the basis on which the project's Monitoring and Evaluation system will be built.

99. The following sections outline the principle components of the Monitoring and Evaluation Plan and indicative cost estimates related to M&E activities. The project's Monitoring and Evaluation Plan will be presented and finalized at the Project's Inception Report following a collective fine-tuning of indicators, means of verification, and the full definition of project staff M&E responsibilities.

##### **1. MONITORING AND REPORTING**

###### **1.1. Project Inception Phase**

100. A Project Inception Workshop will be conducted with the full project team, relevant government counterparts, co-financing partners, the UNDP-CO and representation from the UNDP-GEF Regional Coordinating Unit, as well as UNDP-GEF (HQs) as appropriate.

101. A fundamental objective of this Inception Workshop will be to assist the project team to understand and take ownership of the project's goals and objectives, as well as finalize preparation of the project's first annual work plan on the basis of the project's logframe matrix. This will include reviewing the logframe (indicators, means of verification, assumptions), imparting additional detail as needed, and on the basis of this exercise finalize the Annual Work Plan (AWP) with precise and measurable performance indicators, and in a manner consistent with the expected outcomes for the project.

102. Additionally, the purpose and objective of the Inception Workshop (IW) will be to: (i) introduce project staff with the UNDP-GEF *expanded team* which will support the project during its implementation, namely the CO and responsible Regional Coordinating Unit staff; (ii) detail the roles, support services and complementary responsibilities of UNDP-CO and RCU staff vis à

vis the project team; (iii) provide a detailed overview of UNDP-GEF reporting and monitoring and evaluation (M&E) requirements, with particular emphasis on the Annual Project Implementation Reviews (PIRs) and related documentation, the Annual Project Report (APR), Tripartite Review Meetings, as well as mid-term and final evaluations. Equally, the IW will provide an opportunity to inform the project team on UNDP project related budgetary planning, budget reviews, and mandatory budget rephasings.

103. The IW will also provide an opportunity for all parties to understand their roles, functions, and responsibilities within the project's decision-making structures, including reporting and communication lines, and conflict resolution mechanisms. The Terms of Reference for project staff and decision-making structures will be discussed again, as needed, in order to clarify for all, each party's responsibilities during the project's implementation phase.

#### 1.2. Monitoring responsibilities and events

104. A detailed schedule of project reviews meetings will be developed by the project management, in consultation with project implementation partners and stakeholder representatives and incorporated in the Project Inception Report. Such a schedule will include: (i) tentative time frames for Tripartite Reviews, Steering Committee Meetings, (or relevant advisory and/or coordination mechanisms) and (ii) project related Monitoring and Evaluation activities.

105. *Day to day monitoring of implementation progress* will be the responsibility of the Project Coordinator, Director or CTA (depending on the established project structure) based on the project's Annual Work Plan and its indicators. The Project Team will inform the UNDP-CO of any delays or difficulties faced during implementation so that the appropriate support or corrective measures can be adopted in a timely and remedial fashion.

106. The Project Coordinator and the Project GEF Technical Advisor will fine-tune the progress and performance/impact indicators of the project in consultation with the full project team at the Inception Workshop with support from UNDP-CO and assisted by the UNDP-GEF Regional Coordinating Unit. Specific targets for the first year implementation progress indicators together with their means of verification will be developed at this Workshop. These will be used to assess whether implementation is proceeding at the intended pace and in the right direction and will form part of the Annual Work Plan. The local implementing agencies will also take part in the Inception Workshop in which a common vision of overall project goals will be established. Targets and indicators for subsequent years will be defined annually as part of the internal evaluation and planning processes undertaken by the project team.

107. Measurement of impact indicators related to global benefits will occur according to the schedules defined in the Inception Workshop and tentatively outlined in the indicative Impact Measurement Template at the end of this Annex. The measurement, of these will be undertaken through subcontracts or retainers with relevant institutions (e.g. vegetation cover via analysis of satellite imagery, or populations of key species through inventories) or through specific studies that are to form part of the projects activities (e.g. measurement carbon benefits from improved efficiency of ovens or through surveys for capacity building efforts) or periodic sampling such as with sedimentation.

108. *Periodic monitoring of implementation progress* will be undertaken by the UNDP-CO through quarterly meetings with the project proponent, or more frequently as deemed necessary. This will allow parties to take stock and to troubleshoot any problems pertaining to the project in a timely fashion to ensure smooth implementation of project activities.

109. UNDP Country Offices and UNDP-GEF RCUs as appropriate, will conduct yearly visits to projects that have field sites, or more often based on an agreed upon scheduled to be detailed in the project's Inception Report / Annual Work Plan to assess first hand project progress. Any other

member of the Steering Committee can also accompany, as decided by the SC. A Field Visit Report will be prepared by the CO and circulated no less than one month after the visit to the project team, all SC members, and UNDP-GEF.

110. Annual Monitoring will occur through the ***Tripartite Review (TPR)***. This is the highest policy-level meeting of the parties directly involved in the implementation of a project. The project will be subject to Tripartite Review (TPR) at least once every year. The first such meeting will be held within the first twelve months of the start of full implementation. The project proponent will prepare an Annual Project Report (APR) and submit it to UNDP-CO and the UNDP-GEF regional office at least two weeks prior to the TPR for review and comments.

111. The APR will be used as one of the basic documents for discussions in the TPR meeting. The project proponent will present the APR to the TPR, highlighting policy issues and recommendations for the decision of the TPR participants. The project proponent also informs the participants of any agreement reached by stakeholders during the APR preparation on how to resolve operational issues. Separate reviews of each project component may also be conducted if necessary.

#### ***Terminal Tripartite Review (TTR)***

112. The terminal tripartite review is held in the last month of project operations. The project proponent is responsible for preparing the Terminal Report and submitting it to UNDP-CO and LAC-GEF's Regional Coordinating Unit. It shall be prepared in draft at least two months in advance of the TTR in order to allow review, and will serve as the basis for discussions in the TTR. The terminal tripartite review considers the implementation of the project as a whole, paying particular attention to whether the project has achieved its stated objectives and contributed to the broader environmental objective. It decides whether any actions are still necessary, particularly in relation to sustainability of project results, and acts as a vehicle through which lessons learnt can be captured to feed into other projects under implementation of formulation.

113. The TTR has the authority to suspend disbursement if project performance benchmarks are not met. Benchmarks will be developed at the Inception Workshop, based on delivery rates, and qualitative assessments of achievements of outputs.

#### 1.3. Project Monitoring Reporting

114. The Project Coordinator in conjunction with the UNDP-GEF extended team will be responsible for the preparation and submission of the following reports that form part of the monitoring process. Items (a) through (f) are mandatory and strictly related to monitoring, while (g) through (h) have a broader function and the frequency and nature is project specific to be defined throughout implementation.

##### ***(a) Inception Report (IR)***

115. A Project Inception Report will be prepared immediately following the Inception Workshop. It will include a detailed First Year/Annual Work Plan divided in quarterly time-frames detailing the activities and progress indicators that will guide implementation during the first year of the project. This Work Plan will include the dates of specific field visits, support missions from the UNDP-CO or the Regional Coordinating Unit (RCU) or consultants, as well as time-frames for meetings of the project's decision making structures. The Report will also include the detailed project budget for the first full year of implementation, prepared on the basis of the Annual Work Plan, and including any monitoring and evaluation requirements to effectively measure project performance during the targeted 12 months time-frame.

116. The Inception Report will include a more detailed narrative on the institutional roles, responsibilities, coordinating actions and feedback mechanisms of project related partners. In

addition, a section will be included on progress to date on project establishment and start-up activities and an update of any changed external conditions that may effect project implementation.

117. When finalized the report will be circulated to project counterparts who will be given a period of one calendar month in which to respond with comments or queries. Prior to this circulation of the IR, the UNDP Country Office and UNDP-GEF's Regional Coordinating Unit will review the document.

**(b) Annual Project Report (APR)**

118. The APR is a UNDP requirement and part of UNDP's Country Office central oversight, monitoring and project management. It is a self -assessment report by project management to the CO and provides input to the country office reporting process and the ROAR, as well as forming a key input to the Tripartite Project Review. An APR will be prepared on an annual basis prior to the Tripartite Project Review, to reflect progress achieved in meeting the project's Annual Work Plan and assess performance of the project in contributing to intended outcomes through outputs and partnership work.

119. The format of the APR is flexible but should include the following:

- An analysis of project performance over the reporting period, including outputs produced and, where possible, information on the status of the outcome
- The constraints experienced in the progress towards results and the reasons for these
- The three (at most) major constraints to achievement of results
- AWP, CAE and other expenditure reports (ERP generated)
- Lessons learned
- Clear recommendations for future orientation in addressing key problems in lack of progress

**(c) Project Implementation Review (PIR)**

120. The PIR is an annual monitoring process mandated by the GEF. It has become an essential management and monitoring tool for project managers and offers the main vehicle for extracting lessons from ongoing projects. Once the project has been under implementation for a year, a Project Implementation Report must be completed by the CO together with the project. The PIR can be prepared any time during the year (July-June) and ideally prior to the TPR. The PIR should then be discussed in the TPR so that the result would be a PIR that has been agreed upon by the project, the executing agency, UNDP CO and the concerned RC.

121. The individual PIRs are collected, reviewed and analyzed by the RCs prior to sending them to the focal area clusters at the UNDP/GEF headquarters. The focal area clusters supported by the UNDP/GEF M&E Unit analyze the PIRs by focal area, theme and region for common issues/results and lessons. The TAs and PTAs play a key role in this consolidating analysis.

122. The focal area PIRs are then discussed in the GEF Interagency Focal Area Task Forces in or around November each year and consolidated reports by focal area are collated by the GEF Independent M&E Unit based on the Task Force findings.

123. The GEF M&E Unit provides the scope and content of the PIR. In light of the similarities of both APR and PIR, UNDP/GEF has prepared a harmonized format for reference.

**(d) Quarterly Progress Reports**

124. Short reports outlining main updates in project progress will be provided quarterly to the local UNDP Country Office and the UNDP-GEF regional office by the project team. See format attached.

**(e) Periodic Thematic Reports**

125. As and when called for by UNDP, UNDP-GEF or the Implementing Partner, the project team will prepare Specific Thematic Reports, focusing on specific issues or areas of activity. The request for a Thematic Report will be provided to the project team in written form by UNDP and will clearly state the issue or activities that need to be reported on. These reports can be used as a form of lessons learnt exercise, specific oversight in key areas, or as troubleshooting exercises to evaluate and overcome obstacles and difficulties encountered. UNDP is requested to minimize its requests for Thematic Reports, and when such are necessary will allow reasonable timeframes for their preparation by the project team.

**(f) Project Terminal Report**

126. During the last three months of the project the project team will prepare the Project Terminal Report. This comprehensive report will summarize all activities, achievements and outputs of the Project, lessons learnt, objectives met, or not achieved, structures and systems implemented, etc. and will be the definitive statement of the Project's activities during its lifetime. It will also lay out recommendations for any further steps that may need to be taken to ensure sustainability and replicability of the Project's activities.

**(g) Technical Reports**

127. Technical Reports are detailed documents covering specific areas of analysis or scientific specializations within the overall project. As part of the Inception Report, the project team will prepare a draft Reports List, detailing the technical reports that are expected to be prepared on key areas of activity during the course of the Project, and tentative due dates. Where necessary this Reports List will be revised and updated, and included in subsequent APRs. Technical Reports may also be prepared by external consultants and should be comprehensive, specialized analyses of clearly defined areas of research within the framework of the project and its sites. These technical reports will represent, as appropriate, the project's substantive contribution to specific areas, and will be used in efforts to disseminate relevant information and best practices at local, national and international levels.

**(h) Project Publications**

128. Project Publications will form a key method of crystallizing and disseminating the results and achievements of the Project. These publications may be scientific or informational texts on the activities and achievements of the Project, in the form of journal articles, multimedia publications, etc. These publications can be based on Technical Reports, depending upon the relevance, scientific worth, etc. of these Reports, or may be summaries or compilations of a series of Technical Reports and other research. The project team will determine if any of the Technical Reports merit formal publication, and will also (in consultation with UNDP, the government and other relevant stakeholder groups) plan and produce these Publications in a consistent and recognizable format. Project resources will need to be defined and allocated for these activities as appropriate and in a manner commensurate with the project's budget.

**2. INDEPENDENT EVALUATION**

129. The project will be subjected to at least two independent external evaluations as follows:-

**(a) Mid-term Evaluation**

130. An independent Mid-Term Evaluation will be undertaken at the end of the second year of implementation. The Mid-Term Evaluation will determine progress being made towards the achievement of outcomes and will identify course correction if needed. It will focus on the effectiveness, efficiency and timeliness of project implementation; will highlight issues requiring decisions and actions; and will present initial lessons learned about project design, implementation and management. Findings of this review will be incorporated as recommendations for enhanced implementation during the final half of the project's term. The organization, terms of reference and timing of the mid-term evaluation will be decided after

consultation between the parties to the project document. The Terms of Reference for this Mid-term evaluation will be prepared by the UNDP CO based on guidance from the Regional Coordinating Unit and UNDP-GEF.

**(b) Final Evaluation**

131. An independent Final Evaluation will take place three months prior to the terminal tripartite review meeting, and will focus on the same issues as the mid-term evaluation. The final evaluation will also look at impact and sustainability of results, including the contribution to capacity development and the achievement of global environmental goals. The Final Evaluation should also provide recommendations for follow-up activities. The Terms of Reference for this evaluation will be prepared by the UNDP CO based on guidance from the Regional Coordinating Unit and UNDP-GEF.

Audit Clause

132. The Government will provide the Resident Representative with certified periodic financial statements, and with an annual audit of the financial statements relating to the status of UNDP (including GEF) funds according to the established procedures set out in the Programming and Finance manuals. The Audit will be conducted by the legally recognized auditor of the Government, or by a commercial auditor engaged by the Government.

**3. LEARNING AND KNOWLEDGE SHARING**

133. Results from the project will be disseminated within and beyond the project intervention zone through a number of existing information sharing networks and forums. In addition:

- ◆ The project will participate, as relevant and appropriate, in UNDP/GEF sponsored networks, organized for Senior Personnel working on projects that share common characteristics. UNDP/GEF shall establish a number of networks, such as Integrated Ecosystem Management, eco-tourism, co-management, etc, that will largely function on the basis of an electronic platform.
- ◆ The project will identify and participate, as relevant and appropriate, in scientific, policy-based and/or any other networks, which may be of benefit to project implementation though lessons learned.

134. The project will identify, analyze, and share lessons learned that might be beneficial in the design and implementation of similar future projects. Identify and analyzing lessons learned is an on- going process, and the need to communicate such lessons as one of the project's central contributions is a requirement to be delivered not less frequently than once every 12 months. UNDP/GEF shall provide a format and assist the project team in categorizing, documenting and reporting on lessons learned. To this end a percentage of project resources will need to be allocated for these activities.

**Table 9. Indicative Monitoring and Evaluation Work plan and corresponding Budget**

Type of M&E activity	Responsible Parties	Budget US\$	Time frame
Inception Workshop	<ul style="list-style-type: none"> <li>▪ Project Coordinator</li> <li>▪ UNDP CO</li> <li>▪ UNDP-GEF RCU</li> </ul>	15,672 GEF	Within first two months of project start up
Inception Report	<ul style="list-style-type: none"> <li>▪ Project Team</li> <li>▪ UNDP CO</li> </ul>	None	Immediately following IW
Measurement of Means of Verification for Project Purpose Indicators	<ul style="list-style-type: none"> <li>▪ Project Coordinator will oversee the hiring of specific studies and institutions, and delegate responsibilities to</li> </ul>	To be finalized in Inception Phase and Workshop. Indicative cost 16,000 GEF (overflights and analyses of	Start and end of project

Type of M&E activity	Responsible Parties	Budget US\$	Time frame
	relevant team members	satellite imagery)	
Measurement of Means of Verification for Project Progress and Performance	<ul style="list-style-type: none"> <li>▪ Oversight by Project GEF Technical Advisor and Project Coordinator</li> <li>▪ Measurements by regional field officers and local IAs</li> </ul>	No separate M&E cost: to be absorbed within routine salary and travel costs of staff personnel	Annually prior to APR/PIR and to the definition of annual work plans
APR and PIR	<ul style="list-style-type: none"> <li>▪ Project Team</li> <li>▪ UNDP-CO</li> <li>▪ UNDP-GEF</li> </ul>	None	Annually
TPR and TPR report	<ul style="list-style-type: none"> <li>▪ Government Counterparts</li> <li>▪ UNDP CO</li> <li>▪ Project team</li> <li>▪ UNDP-GEF RCU</li> </ul>	None	Every year, upon receipt of APR
Steering Committee Meetings	<ul style="list-style-type: none"> <li>▪ Project Coordinator</li> <li>▪ UNDP CO</li> </ul>	13,735 GEF	Twice yearly
Periodic status reports	<ul style="list-style-type: none"> <li>▪ Project team</li> </ul>	None	To be determined by Project team and UNDP CO
Technical reports	<ul style="list-style-type: none"> <li>▪ Project team</li> <li>▪ Hired consultants as needed</li> </ul>	None	To be determined by Project Team and UNDP-CO
Mid-term External Evaluation	<ul style="list-style-type: none"> <li>▪ Project team</li> <li>▪ UNDP- CO</li> <li>▪ UNDP-GEF Regional Coordinating Unit</li> <li>▪ External evaluation consultants</li> </ul>	21,500 CF	At the mid-point of project implementation.
Final External Evaluation	<ul style="list-style-type: none"> <li>▪ Project team,</li> <li>▪ UNDP-CO</li> <li>▪ UNDP-GEF Regional Coordinating Unit</li> <li>▪ External Consultants (i.e. evaluation team)</li> </ul>	26,500 GEF	At the end of project implementation
Terminal Report	<ul style="list-style-type: none"> <li>▪ Project team</li> <li>▪ UNDP-CO</li> <li>▪ External Consultant</li> </ul>	None	At least one month before the end of the project
Lessons learned	<ul style="list-style-type: none"> <li>▪ Project team</li> <li>▪ UNDP-GEF RCU</li> </ul>	13,369 GEF	Yearly
Audit	<ul style="list-style-type: none"> <li>▪ UNDP-CO</li> <li>▪ Project team</li> </ul>	12,000 (average 3000 per year) co-financed by UNDP/TRAC	Yearly
Visits to field sites (UNDP staff travel costs to be charged to IA fees)	<ul style="list-style-type: none"> <li>▪ UNDP Country Office</li> <li>▪ UNDP-GEF Regional Coordinating Unit (as appropriate)</li> <li>▪ Government representatives</li> </ul>	No separate M&E cost (will be covered by familiarization visits of Government representatives proposed under Outcome 2 for which 15,358 is budgeted)	Yearly
TOTAL INDICATIVE COST (Excluding project team staff time and UNDP staff and travel expenses )		GEF	85,277
		UNDP/TRAC	33,500
		<b>Total</b>	<b>118,777</b>

**Table 10. Impact Measurement Template**

Key Impact Indicator	Target (Year 4)	Means of Verification	Sampling frequency	Location
Number of individuals of Jabiru recorded in overflights of pine savanna remains stable or increase	To be determined at project startup	Biological transects and overflights	Years 1 and 4	Pine savanna
Breeding success of Jabiru (number of successful rearings of fledglings per nest per year) remains stable or increases		Observations of selected nests by community paratechnicians	Yearly	Pine savanna
Breeding success of Scarlet Macaw (number of successful rearing of fledglings per nest per year) remains stable or increases				Pine savanna and broadleaved forest
Number of individuals of Scarlet Macaw recorded in transects in pine savanna and broadleaved forest remains stable or increase		Biological transects by community paratechnicians	At least yearly (frequency to be determined at startup by consultant biologist and paratechnicians)	Broadleaved forest
Number of individuals of Baird's Tapir recorded in transects in broadleaved forest remains stable or increase				All major ecosystems (sites to be determined at startup)
Number of bird species recorded in transects remains stable				
Rate of forest loss decreases (hectares/year)		Multi-temporal study satellite images	Years 1 and 4	All forest areas
Number of ha of forest designated as set aside areas show no disturbance from productive activities	Disturbance from productive activities is no greater than baseline level (condition of set aside areas to be determined at project startup and disturbance criteria developed)	Biological transects by consultant biologist and community paratechnicians	Yearly	Set aside areas (locations to be confirmed at startup)
Stability or increase in fish catch levels per unit effort, in aquatic environments	Catch levels per fisher/day remain at present levels (10-12 robalos per sport fisher/day in Auratá Lagoon, levels elsewhere to be determined at project startup) or increase (assuming no change in fishing practices)	Questionnaires applied to fishers		Pilot communities
Stability or decrease in time required by hunters to find prey (white-tailed deer and jaguilla) in terrestrial environments	Time no more than the following baseline levels:	Questionnaires applied to hunters		
		White-tailed deer	Peccary ( <i>Tayassu pecari</i> )	
	Mokorón	24-48 hours	5-7 days	
	Auratá	1.5-2 hours	1-3 days	
	Rus Rus	0.25 hours	2 days	
	Auka	36 hours	2 days	
	Kruta	48 hours	5 days	

## **PART V. Legal Context**

135. This Project Document shall be the instrument referred to as such in Article I of the Standard Basic Assistance Agreement between the Government of Honduras and the United Nations Development Programme, signed by the parties on [date]. The host country implementing agency shall, for the purpose of the Standard Basic Assistance Agreement, refer to the government co-operating agency described in that Agreement.

136. The UNDP Resident Representative in Tegucigalpa is authorized to effect in writing the following types of revision to this Project Document, provided that he/she has verified the agreement thereto by the UNDP-GEF Unit and is assured that the other signatories to the Project Document have no objection to the proposed changes:

- a) Revision of, or addition to, any of the annexes to the Project Document;
- b) Revisions which do not involve significant changes in the immediate objectives, outputs or activities of the project, but are caused by the rearrangement of the inputs already agreed to or by cost increases due to inflation;
- c) Mandatory annual revisions which re-phase the delivery of agreed project inputs or increased expert or other costs due to inflation or take into account agency expenditure flexibility; and
- d) Inclusion of additional annexes and attachments only as set out here in this Project Document

## SECTION II. STRATEGIC RESULTS FRAMEWORK (SRF) AND GEF INCREMENT

### Strategic Results Framework, SRF (formerly GEF Logical Framework) Analysis

Vertical Logic	Indicators	Baseline value	Targets (Year 4)	Sources of verification	Assumptions
<b>Goal:</b> Conservation of biodiversity in the Moskitia region					
<b>Objective:</b> Biodiversity conservation in production landscapes managed by indigenous people in the Moskitia	Number of individuals of Jabiru recorded in overflights of pine savanna remains stable or increase	To be determined at project startup (available data are out of date)	To be determined at project startup	Biological transects and overflights	Climate change does not affect the biology of ecosystems and species
	Breeding success of Jabiru (number of successful rearings of fledglings per nest per year) remains stable or increases	To be determined at project startup (available data are out of date)	To be determined at project startup	Observations of selected nests	
	Number of individuals of Scarlet Macaw recorded in transects in pine savanna and broadleaved forest remains stable or increase	To be determined at project startup	To be determined at project startup	Biological transects	
	Breeding success of Scarlet Macaw (number of successful rearings of fledglings per nest per year) remains stable or increases	To be determined at project startup	To be determined at project startup	Observations of selected nests	
	Number of individuals of Baird's Tapir recorded in transects in broadleaved forest remains stable or increase	To be determined at project startup	To be determined at project startup	Biological transects	
	Number of bird species recorded in transects	To be determined at project startup	To be determined at project startup	Biological transects	

Vertical Logic	Indicators	Baseline value			Targets (Year 4)	Sources of verification	Assumptions
	remains stable						
	Rate of forest loss decreases (hectares/year)	Average annual deforestation rates over 2003-2008 period to be determined at project startup (estimated to be between 3 and 5% annually)			To be determined at project startup	Multi-temporal study satellite images	Climate change does not accelerate forest loss. Macroeconomic factors or Government incentives do not increase pressures for conversion to other land uses.
	Number of hectares of forest designated as set aside areas show no disturbance from productive activities	Condition of set aside areas to be determined at project startup, and disturbance criteria and index developed			Disturbance from productive activities is no greater than baseline level	Transects by biologists	Conditions of local governance. Macroeconomic factors or Government incentives do not increase pressures for productive activities.
	Stability or increase in fish catch levels per unit effort, in aquatic environments	10-12 robalos per sport fisher /day in Auratá Lagoon			Catch levels per fisher/day remain at present levels or increase (assuming no change in fishing practices)	Questionnaires applied to fishers	Major new markets or actors do not emerge that impose additional extractive pressures on resources
		Levels of catch per fisher/day in other areas be determined at project startup					
	Stability or decrease in time required by hunters to find prey (white-tailed deer and peccary) in terrestrial environments		White-tailed deer	Peccary ( <i>Tayassu pecari</i> )	Time required remains stable or decreases (assuming no change in hunting practices)	Questionnaires applied to hunters	
		Mokorón	24-48 hours	5-7 days			
		Auratá	1.5-2 hours	1-3 days			
		Rus Rus	0.25 hours	2 days			
		Auka	36 hours	2 days			
		Kruta	48 hours	5 days			

Vertical Logic	Indicators	Baseline value		Targets (Year 4)		Sources of verification	Assumptions	
<b>Outcome 1:</b> Local people have the capacities to apply modified and alternative production systems (subsistence, artisanal and community-based commercial) which favor biodiversity (BD)	Increase in the number of local people (men and women) receiving monetary benefits from forest management by cooperatives, leading to increased motivation to protect lands against incursions by outsiders (baseline and target values by gender to be defined at startup)	<b>Management plan area</b>	<b>Beneficiaries</b>			<b>Beneficiaries</b>	Questionnaires applied to cooperative members	Granting of usufruct rights by ICF and agreement on management plans
			<b>Direct</b> (active cooperative members)	<b>Indirect</b> (family members)	All members of existing cooperatives	1,305		
		Auka	0	0	Members of new cooperatives	60		
		Buhutia	0	0		Dependents		
		Layasicsa-Siksatigni-Wisplini	125	750	<b>Total</b>	<b>13,335</b>		
<b>Total</b>	<b>125</b>	<b>750</b>						
	Increase in the area of forest with FSC certification	0 ha (certification was withdrawn due to poor practices)		6 cooperatives covering 96,213.77ha (plus an indigenous cooperative in Ahuasbila, the area of which will be determined at Project startup).		Records of certification held by cooperatives	Commitment of cooperatives and ability to control activities of other community members	
	Increase in number of forestry cooperatives executing annual plans of operation (APOs) effectively	2 out of 2 currently active cooperatives have APOs approved by ICF for the year in question and have an average level of execution of 60% in all of the activities approved in the previous year		7 cooperatives have APOs approved by ICF for the year in question and have an average level of execution of 90% in all of the activities approved in the previous year		ICF inspections of cooperatives	Commitment of cooperatives	
	Increase in the number of forestry cooperatives with financial capacity to execute APOs	2 out of 2 currently active cooperatives depend on cash advances from timber buyers to operate		7 out of 7 cooperatives have adequate funding of their own to commence the activities foreseen in their APOs		Interviews with leaders of cooperatives	Commitment of cooperatives	
	Active membership (men and women) of forestry cooperatives (men and women) remains stable due to improved capacity to plan	In 2 out of 2 currently active cooperatives, active membership varies by at least 50% throughout the year		In 7 out of 7 cooperatives, active membership remains stable throughout the year		Interviews with leaders of cooperatives	Commitment of cooperatives	

Vertical Logic	Indicators	Baseline value	Targets (Year 4)	Sources of verification	Assumptions
	and execute an increase diversity of activities (baseline and target levels by gender to be determined at startup)				
	Increase in the number of forestry cooperatives that maintain up to date and accurate financial records	0 out of the 2 currently active cooperatives maintain up to date and accurate financial records	7 out of 7 cooperatives maintain up to date and accurate financial records	Inspection of financial records	Commitment of cooperatives
	Increase in the number of forestry cooperatives with FSC certification	0 out of 2 currently active cooperatives	7 out of 7 cooperatives	Records of certification held by cooperatives	Commitment of cooperatives
	Increase in the number of forestry cooperatives in broadleaved forest marketing products other than mahogany or pine timber	0 out of 2 currently active cooperatives	7 out of 7 cooperatives	ICF inspections of cooperatives	Commitment of cooperatives
	Increase in the number of people (men and women) receiving benefits from NTFPs (swa, tuno etc.) (baseline and target values by gender to be determined at project startup)	1,174	2,000	Questionnaires applied to community members	Compatibility of NTFP production with local livelihood support systems
Output 1.1	Guidelines and agreements with Government agencies and NGOs on provision of effective support to local stakeholders and organizations for the application of BD-friendly practices				
Output 1.2	Market studies and marketing agreements for the products of BD-friendly production systems (NTFPs, fish, tourism)				
Output 1.3	Forestry cooperatives with technical, financial, administrative and marketing capacities necessary to be viable, to apply BD-friendly forms of resource management and to demonstrate occupancy of traditional lands				
Output 1.4	FSC certifications of cooperatives				
Output 1.5	Pilot experiences of NTFP management, extraction, processing and marketing				
Output 1.6	Pilots and demonstrations of integrated fire management in pine savanna				

Vertical Logic	Indicators	Baseline value	Targets (Year 4)	Sources of verification	Assumptions
Output 1.7 Investment climate assessments for small BD-friendly businesses (e.g. ecotourism, NTFPs)					

Vertical Logic	Indicators	Baseline value	Targets (Year 4)	Sources of verification	Assumptions		
<b>Outcome 2:</b> BD-friendly forms of production are supported by an enabling environment of policies and investments	Percentage of Government and NGO investments (by value) that comply with norms defined by MASTA regarding compatibility with BD conservation (norms to be developed during project year 1)	Government and NGO investments are currently not subject to formal norms beyond broad-brush internal safeguards applied by individual agencies		80% of Government and NGO investments (by value) comply with norms applied by MASTA regarding compatibility with BD conservation	Interviews with agencies and MASTA	Willingness of Government and agencies to respect local norms	
	Increase in the number of permanent technical staff in local offices of forestry, fisheries and environment authorities	ICF	1 director and 4 area coordinators	ICF	1 director and 6 area coordinators	Inspections of institutions	Commitment of Government
		DIGEPESCA	2 inspectors	DIGEPESCA	4 inspectors		
		SERNA	0	SERNA	1 technician		
Increase in the area of land covered by usufruct contracts between ICF and local communities, cooperatives or federations (that are not taken as undermining Miskito claims to land title)	Usufruct contracts have been formally entered into with indigenous organizations over 68,000ha		Usufruct contracts (that are not taken as undermining Miskito claims to land title) have been formally entered into with indigenous organizations over 195,239 ha (the existing area plus 126,239 ha in Auka)	ICF records	Government commitment and transparency on indigenous occupancy rights. Indigenous/colonist conflicts remain manageable		
Output 2.1. Training and awareness raising programs for staff of Government and NGOs							
Output 2.2. Internal safeguards applied by Government, NGOs and international funding agencies, that take into account requirements for avoiding threats to BD and respecting cultural norms							
Output 2.3. System for evaluating the BD impacts and sustainability of initiatives proposed by external actors, for application by MASTA and local producer organizations							
Output 2.4. Models for integrated natural resource management plans, that coincide with the principles of indigenous communities, formally adopted by the ICF							
Output 2.5. Discussion documents for presentation by indigenous organizations to Government representatives, proposing modifications to legal and policy instruments required to ensure support to BD-friendly forms of resource management, based on sound evidence							

Vertical Logic	Indicators	Baseline value	Targets (Year 4)	Sources of verification	Assumptions
Output 2.6. Usufruct contracts between the ICF and local communities, cooperatives or federations, recognizing occupancy and use rights of indigenous people (without undermining Miskito claims to formal land titles)					

Vertical Logic	Indicators	Baseline value	Targets (Year 4)	Sources of verification	Assumptions
<b>Outcome 3:</b> BD-friendly forms of management in forestry and fisheries sectors are subject to effective planning, monitoring, regulation and enforcement in accordance with local norms and national legislation	Increase in the area covered by management plans that meet ICF requirements and at the same time correspond with the resource management principles of indigenous communities	Auka: 92,153 ha covered by integrated resource management plan (pending approval by ICF)	Auka/Tipí sector: 126,239 ha covered by integrated resource management plan	Review of management plans	Agreement among community members on provisions of plans
		Auratá: 0 ha under ICF management plan	Auratá: 500 ha under integrated resource management plan	Review of management plans	
		Ahuasbila: forest management plan currently under preparation	Ahuasbila: area to be covered by integrated resource management plan to be determined at project startup	Review of management plans	Openness in ICF to proposals by indigenous communities on provisions of plans
		Kruta: 0 ha under ICF management plan	Kruta: 115,107ha covered by integrated resource management plan	Review of management plans	
		Mokorón: 20,585 ha covered by conventional forest management plan focused principally on timber extraction	Mokorón: 20,585 ha covered by integrated resource management plan	Review of management plans	
Increase in the area of land designated as set-aside zones, with the agreement of local people (including women)	Increase in the area of land designated as set-aside zones, with the agreement of local people (including women)	6,187ha (5.6%) of the area covered by ICF-approved forest management plans is designated as set aside from timber extraction.	31,341ha within ICF-approved management plans is designated as set aside from timber extraction.	Review of management plans	Understanding by local communities regarding long-term benefits of setting areas aside
		Reserve in Rus Rus has been discussed but not agreed on or formalized	112,000 ha of biological reserve established in Rus Rus, on the initiative of local communities and subject to their criteria, and at the same time formally recognized by ICF	Interviews with local communities and ICF	
	Increase in the area of	No-fish areas:	10 no-fish areas	Interviews	

Vertical Logic	Indicators	Baseline value	Targets (Year 4)	Sources of verification	Assumptions	
	marine, coastal, riverine and lagoon ecosystems designated by local people (including women) as set-asides	- 3 in Auratá – lagoon plus 2 creeks - Almeja (barra de Caratasca)		with local communities and field inspections		
	Decrease in the number of damaging forest management practices applied in the pilot communities (subject to confirmation and breakdown by practice at project startup)			Field inspections of forestry management practices	Commitment by community organizations to reduction of damaging forest management practices	
	Reduction in the number of fishers applying practices that degrade fish populations (not checking nets on time, wrong gauge, bad placement, fishing at river mouths)	Approximately 210 (40% of the 525 members of PAMUPEL), subject to confirmation and breakdown by practice at project startup	Approximately 10 fishers applying practices that degrade fish populations (95% reduction over baseline level)	Field inspections of fishing practices	Understanding by fishers of long-term benefits of avoiding damaging practices	
<p>Output 3.1. Landscape level zoning plans agreed between municipal Governments and indigenous federations</p> <p>Output 3.2. Integrated resource management plans, defined in agreement between local people and the ICF, that include provisions for BD conservation and respect indigenous cultural norms</p> <p>Output 3.3. Mechanisms and agreements for institutional collaboration in planning, monitoring, regulation and enforcement, to improve efficiency and effectiveness</p> <p>Output 3.4. Strengthened and functioning community-based organizations planning, monitoring, regulating natural resource management in accordance with BD considerations and enforcing BD-related norms and regulations</p> <p>Output 3.5. Programme for collaborative monitoring of natural resources by local communities, Government institutions and NGOs, including detailed baseline population studies and information management systems</p>						

Vertical Logic	Indicators	Baseline value	Targets (Year 4)	Sources of verification	Assumptions
Output 3.6. Set-asides zones for fish populations Output 3.7. Norms for natural resource management, developed and adopted by local communities, providing for practices and limits required for BD conservation Output 3.8. Mechanisms and capacities for alternative conflict management, including definition of specific permanent responsibilities Output 3.9. Rescue and rehabilitation centre for confiscated fauna Output 3.10. Environmental education programme and materials aimed at increasing local commitment and capacities for enforcing BD conservation Output 3.11. Destination management plans for ecotourism					
<b>Outcome 4:</b> Monitoring, learning, adaptive feedback & evaluation	Number of annual work plans and budgets and PIRs which adequately take into account the results of monitoring and evaluation	0 AWPBs or PIRs	4 AWPBs 4 PIRs	Review of AWPBs and PIRs	Stability and quality of project staff Efficiency of administrative procedures
	Number of documents on lessons learnt produced and disseminated within the GEF system	0 documents	2 by the end of year 3	Review of documents	

### SECTION III. TOTAL BUDGET AND WORKPLAN

<b>Award ID:</b>	00057377
<b>Award Title:</b>	GEF-PIMS 3989-BD FSP Mainstreaming Biodiversity in Moskitia.
<b>Business Unit:</b>	HND10
<b>Project ID:</b>	00070863
<b>Project Title:</b>	PIMS 3989 BD FSP Honduras Conservation of biodiversity in the indigenous productive landscapes of the Moskitia
<b>Implementing Partner (Executing Agency)</b>	Ministry of Environment and Natural Resources (SERNA)

GEF Outcome/Atlas Activity	Responsible party	Source of funds	Atlas Budgetary Account Code	ERP/ATLAS Budget Description/ Input	Year 1	Year 2	Year 3	Year 4	Total
					US\$	US\$	US\$	US\$	US\$
1		GEF	1. International Consultants	71200	12,500	12,500	12,500	12,500	50,000
			2. Local Consultants	71300	17,500	-	-	-	17,500
			3. Contractual Services - Individ	71400	55,819	55,819	55,819	55,819	223,276
			4. Travel	71600	15,152	8,038	8,038	8,038	39,266
			5. Equipment and Furniture	72200	73,460	33,860	-	-	107,320
			6. Materials and Goods	72300	28,195	28,183	28,183	28,183	112,744
			7. Communication and Audiovisual Equipment	72400	5,000	5,000	-	-	10,000
			8. Information Technology Equipmt	72800	3,000	-	-	-	3,000
			9. Premises alterations	73200	25,000	25,000	-	-	50,000
			10. Rental & Maint of Other Equip	73400	8,000	9,000	8,000	9,000	34,000
			11. Audio Visual&Print Prod Costs	74200	15,000	5,000	5,000	5,000	30,000
			12. Miscellaneous Expenses	74500	11,517	7,643	7,643	9,286	36,089

GEF Outcome/Atlas Activity	Responsible party	Source of funds	Atlas Budgetary Account Code	ERP/ATLAS Budget Description/ Input	Year 1	Year 2	Year 3	Year 4	Total
					US\$	US\$	US\$	US\$	US\$
	Total Outcome Cost				270,143	190,043	125,183	127,826	713,195
2		GEF	13. Local Consultants	71300	7,500	8,750	5,000	-	21,250
			14. Contractual Services - Individ	71400	53,843	46,682	45,507	45,507	191,539
			15. Travel	71600	31,179	26,671	19,394	18,525	95,769
			16. Equipment and Furniture	72200	11,008	-	-	-	11,008
			17. Rental & Maint of Other Equip	73400	4,630	4,630	4,630	4,630	18,520
			18. Audio Visual&Print Prod Costs	74200	5,000	15,000	5,000	5,000	30,000
			19. Miscellaneous Expenses	74500	370	370	370	370	1,480
			Total Outcome Cost				113,530	102,103	79,901
3		GEF	20. Local Consultants	71300	15,000	20,000	7,500	2,500	45,000
			21. Contractual Services - Individ	71400	86,400	86,400	86,400	86,400	345,600
			22. Travel	71600	21,978	34,632	13,831	13,831	84,272
			23. Contractual Services - Companies	72100	8,000	-	-	8,000	16,000
			24. Equipment and Furniture	72200	64,700	-	-	-	64,700
			25. Materials and Goods	72300	21,515	21,515	21,515	21,515	86,060
			26. Supplies	72500	2,000	2,000	2,000	2,000	8,000
			27. Professional Services	74100	10,000	10,000	10,000	10,000	40,000
			28. Audio Visual&Print Prod Costs	74200	10,000	-	10,000	10,000	30,000

GEF Outcome/Atlas Activity	Responsible party	Source of funds	Atlas Budgetary Account Code	ERP/ATLAS Budget Description/ Input	Year 1	Year 2	Year 3	Year 4	Total
					US\$	US\$	US\$	US\$	US\$
			29. Miscellaneous Expenses	74500	8,202	7,921	2,026	2,026	20,175
		Total Outcome Cost			247,795	182,468	153,272	156,272	739,807
4		GEF	30. International Consultants	71200	-	-	-	22,500	22,500
			31. Contractual Services - Individ	71400	26,717	26,129	26,129	26,129	105,104
			32. Travel	71600	14,193	10,555	10,555	14,555	49,858
			33. Communication and audiovisual equipment	72400	265	265	265	265	1,060
			34. Information Technology Equipmt	72800	6,078	-	-	-	6,078
			35. Rental & Maintenance-Premises	73100	423	423	423	423	1,692
			36. Premises alterations	73200	5,000	-	-	-	5,000
			37. Miscellaneous Expenses	74500	1,110	1,110	1,110	1,110	4,440
		Total Outcome Cost			53,786	38,482	38,482	64,982	195,732
	Totals by financing source	GEF			685,254	513,096	396,838	423,112	2,018,300
		CF			830,082	1,832,066	2,153,846	924,006	5,740,000
<b>Totals</b>					<b>1,515,336</b>	<b>2,345,162</b>	<b>2,550,684</b>	<b>1,347,118</b>	<b>7,758,300</b>

### Summary Atlas budget

Atlas Budgetary Account Code	ERP/ATLAS Budget Description/ Input	Year 1	Year 2	Year 3	Year 4	Total
		US\$	US\$	US\$	US\$	US\$
International Consultants	71200	12,500	12,500	12,500	35,000	72,500
Local Consultants	71300	40,000	28,750	12,500	2,500	83,750
Contractual Services - Individ	71400	222,779	215,030	213,855	213,855	865,519
Travel	71600	82,502	79,896	51,818	54,949	269,165
Contractual Services - Companies	72100	8,000	-	-	8,000	16,000
Equipment and Furniture	72200	149,168	33,860	-	-	183,028
Materials and Goods	72300	49,710	49,698	49,698	49,698	198,804
Communication and Audiovisual Equipment	72400	5,265	5,265	265	265	11,060
Supplies	72500	2,000	2,000	2,000	2,000	8,000
Information Technology Equipmt	72800	9,078	-	-	-	9,078
Rental & Maintenance-Premises	73100	423	423	423	423	1,692
Premises alterations	73200	30,000	25,000	-	-	55,000
Rental & Maint of Other Equip	73400	12,630	13,630	12,630	13,630	52,520
Professional Services	74100	10,000	10,000	10,000	10,000	40,000
Audio Visual&Print Prod Costs	74200	30,000	20,000	20,000	20,000	90,000
Miscellaneous Expenses	74500	21,199	17,044	11,149	12,792	62,184
	<b>Totals</b>	<b>685,254</b>	<b>513,096</b>	<b>396,838</b>	<b>423,112</b>	<b>2,018,300</b>

### Budget notes

Atlas category	Atlas code	Budget notes
Outcome 1		
1. International Consultants	71200	-25 consultancy days per year on market development and certification of BD-friendly products
2. Local Consultants	71300	-70 consultancy days in total, focused on aspects of participation, organization, forestry and fisheries
3. Contractual Services – Individ	71400	-Salary for full time specialist in smallholder production systems, full-time Miskito facilitator and 5 part time community-based paratechnicians
4. Travel	71600	-1 international flight, 1 national flight and 10 DSA days per year for international consultant on market development and certification of BD-friendly products -2 international flights, 2 national flights and 20 DSA days per year for representatives of indigenous organizations from elsewhere in Latin America, to share experiences on community-based natural resource management -2 national flights in total for each national consultant -Travel of 25 community members to 1 training event in Puerto Lempira -2 national flights and 20 DSA days per year for specialist in productive systems (project team member)
5. Equipment and Furniture	72200	-Equipment for centre for market information on BD-friendly products in Puerto Lempira, NTFP pilots, integrated fire management pilots and forest nurseries -2 4x4 vehicles (given the size of the project area it is cheaper to purchase vehicles than to contract trips individually, and the vehicles will be left to local institutions at project end)
6. Materials and Goods	72300	-Materials (short life processing and harvesting equipment, fire control equipment and nursery materials) for NTFP pilots, integrated fire management pilots and forest nurseries. Once the forestry cooperatives are fully functional at the end of the project period they will be able to cover these costs through the income that they generate.
7. Communication and Audiovisual Equipment	72400	-Television, video camera and digital camera for market information centre in Puerto Lempira
8. Information Technology Equipmt	72800	-Computers for market information centre in Puerto Lempira
9. Premises alterations	73200	-Upgrading of installations of forestry cooperatives
10. Rental & Maint of Other Equip	73400	-Fuel and maintenance for 2 project 4x4 vehicles
11. Audio Visual & Print Prod Costs	74200	-Publications to raise awareness among policy makers regarding problems, needs and opportunities in the Moskitia
12. Miscellaneous Expenses	74500	-Food for training and planning events in communities and Puerto Lempira -Staff insurance for full time specialist in smallholder production systems -Vehicle insurance for 2 project vehicles

<b>Atlas category</b>	<b>Atlas code</b>	<b>Budget notes</b>
<b>Outcome 2</b>		
13.Local Consultants	71300	-85 consultancy days in total, focused on aspects of policy, environmental economics, communication, anthropology and environment
14.Contractual Services – Individ	71400	-Salary of full time policy and institutional specialist and 45% of time of project coordinator/institutional specialist
15.Travel	71600	-2 national flights in total for each national consultant -Travel of 25 community members to 9 training and planning events in Puerto Lempira -4 national flights and 16 DSA days per year for policy formulators to increase their awareness of the context of the Moskitia -8 national flights and 40 DSA days per year for representatives of indigenous organizations participating in discussions with central Government representatives -8 national flights and 50 DSA days per year for policy and institutional specialist, for interactions with central Government representatives in Tegucigalpa
16.Equipment and Furniture	72200	-Purchase of boat and outboard motor for visits to communities in lagoon and coastal areas (purchase will prove cheaper than boat hire, which is very expensive)
17.Rental & Maint of Other Equip	73400	-Fuel for boat
18.Audio Visual&Print Prod Costs	74200	-Production of videos and publications for decision makers -Dissemination of management plans
19.Miscellaneous Expenses	74500	-Staff insurance for full time policy and institutional specialist
<b>Outcome 3</b>		
20.Local Consultants	71300	-180 consultancy days in total, focused on aspects of biology, communication, GIS, institutional strengthening, conflict resolution, environmental education and gender
21.Contractual Services – Individ	71400	-Salaries of full time biology/environment specialist, social specialist, organizational/institutional strengthening specialist
22.Travel	71600	-2 national flights in total for each national consultant -Travel of 25 community members to 11 training and planning events in Puerto Lempira -2 national flights and 40 DSA days per year for each full time team member
23.Contractual Services – Companies	72100	-Overflights in light aircraft to quantify Jabiru populations at project beginning and end -Multi-temporal studies of satellite imagery to determine deforestation rates at project beginning and end
24.Equipment and Furniture	72200	-Equipment for biological monitoring and analysis -Establishment of fauna rehabilitation and environmental education centre
25.Materials and Goods	72300	-Materials for environmental education, preparation of integrated resource management plans, fauna rehabilitation centre, and for demarcation of no-take zones

<b>Atlas category</b>	<b>Atlas code</b>	<b>Budget notes</b>
26.Supplies	72500	-Educational supplies
27.Professional Services	74100	-Preparation of integrated resource management plans
28.Audio Visual&Print Prod Costs	74200	-Production of documents on community-based planning and regulation, cultural education materials and zoning maps
29.Miscellaneous Expenses	74500	-Food for 9 community meetings, 11 planning events in Puerto Lempira and 4 municipal planning events -Staff insurance for 3 permanent staff members
<b>Outcome 4</b>		
30.International Consultants	71200	Fees for international consultants contracted for final evaluation (mid term evaluation will be co-financed with UNDP/TRAC funds)
31.Contractual Services – Individ	71400	55% of salary of project coordinator/institutional specialist, 100% of secretary, 1/3 of salary of watchman and 1/3 of salary of cleaner based in Puerto Lempira
32.Travel	71600	International and national flights and DSA for international consultants in mid term and final evaluations 6 national flights and 30 DSA days per year for project coordinator 2 national flights and 10 DSA days per year for project administrator
33.Communication and audiovisual equipment	72400	Internet costs
34.Information Technology Equipmt	72800	Computers for main office
35.Rental & Maintenance-Premises	73100	Public services for project office (project share is 1/3 of total, remainder will be paid by other UNDP projects sharing the office)
36.Premises alterations	73200	Refurbishment of project office (project share is 1/3 of total, remainder will be paid by other UNDP projects sharing the office)
37.Miscellaneous Expenses	74500	Staff insurance for coordinator, secretary and watchman

## SECTION IV. ADDITIONAL INFORMATION

### PART I. Other agreements



REPUBLICA DE  
HONDURAS

11 de Enero de 2008



To: Monique Barbut  
CEO and Chairperson  
GEF  
Washington, USA

**Subject: Endorsement for "Conservation of Biodiversity in the indigenous productive landscapes of the Moskitia"**

In my capacity as GEF Operational Focal Point for Honduras, I confirm that the above project proposal (a) is in accordance with the government's national priorities and the commitments made by Honduras under the relevant global environmental conventions and (b) has been discussed with relevant stakeholders, including the global environmental convention focal points, in accordance with GEF's policy on public involvement.

Accordingly, I am pleased to endorse the preparation of the above project proposal with the support of UNDP. If approved, the proposal will be prepared and implemented by The Ministry of Natural Resources and the Environment (SERNA). Further, I request UNDP to provide a copy of the project document for reendorsement of it before it is submitted to the GEF Secretariat for CEO endorsement.

I understand that the total GEF financing being requested for this project is \$ 2,375 230, inclusive of project preparation grant (PPG), if any, and Agency fee (10%) to UNDP for project cycle management services associated with this project.

I consent to the utilization of the following indicative allocations available to Honduras in GEF-4 under the GEF Resource Allocation Framework to cover the GEF project preparation and implementation as well as the associated Agency fees for this project.

Biodiversity: \$ 2,375, 230

Sincerely,

  
Carolina Bocanegra Lagos

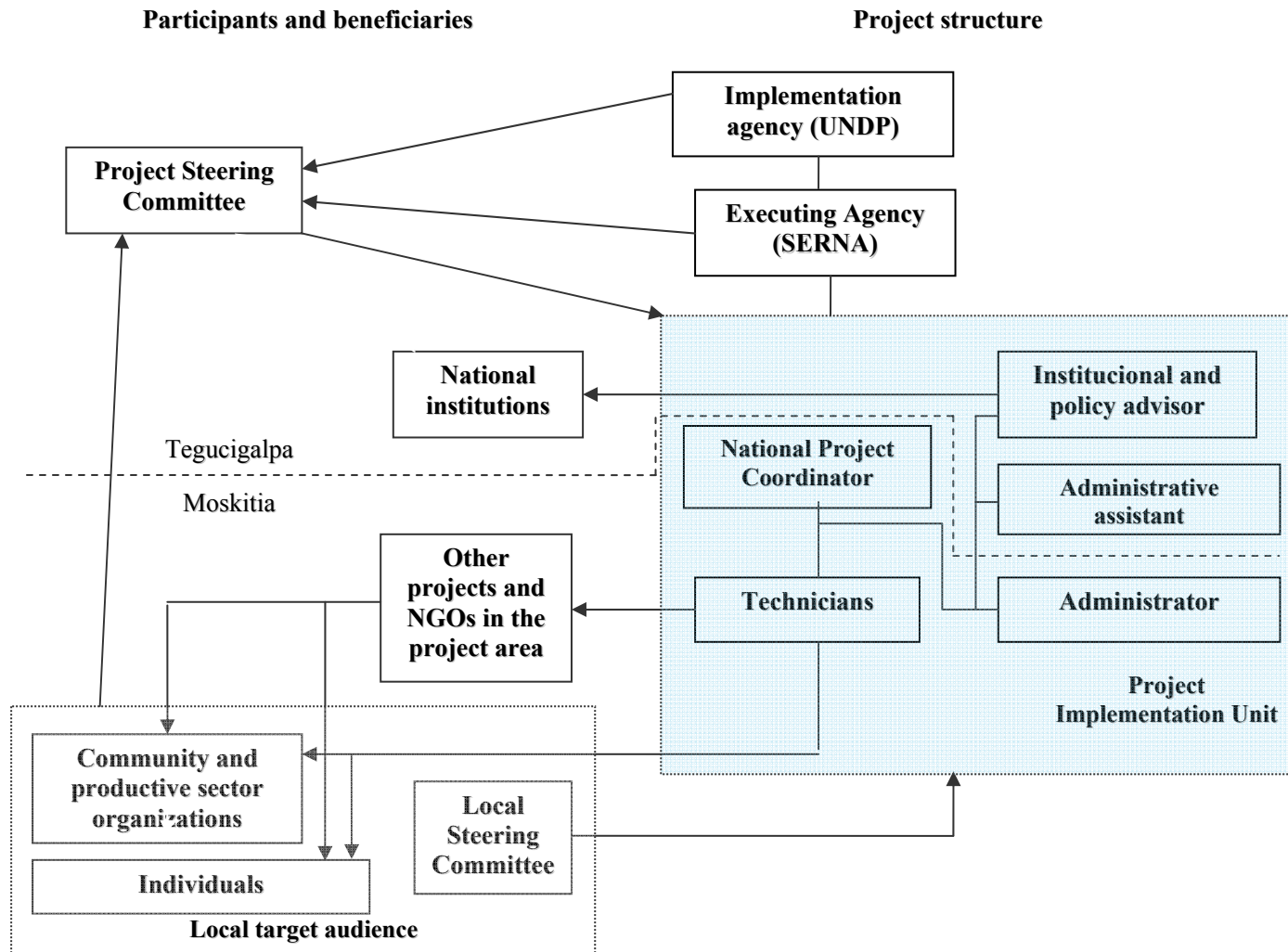
Director of External Cooperation and Resources Involvement



Copy to: Convention Focal Point for UNCBD

Edificio Principal: Despacho de Recursos Naturales y Ambiente, 100 metros al sur del Estadio Nacional, Tegucigalpa, M.D.C.  
Apartado Postal 1389, 4710  
Teléfonos: (504) 232-2011, 239-4298 Fax: (504) 232-6250

**PART II. Organigram of Project**



### **PART III. Terms of References for key project staff and main sub-contracts**

#### **Project Coordinator**

Under the overall supervision of the National Project Director (NPD, the Director of Biodiversity of SERNA), the Coordinator will have the following responsibilities:

- Coordination of project actions, in compliance with Annual Work Plans and Budgets (APWBs).
- Supervision of the activities of the technical members of the Project Implementation Unit (PIU), thereby ensuring their relevance, effectiveness and efficiency.
- Preparation of terms of reference for external consultants contracted by the project, supervision and coordination of their work, and review and approval of their products.
- Ensuring that the project is implemented with the full participation of local actors and that functioning mechanisms exist that ensure that their interests are taken into account, communicated and reflected in the implementation of the project.
- Promotion of the coordinated participation of Government institutions and NGOs, at central and local levels, in project implementation.
- Realization of continuous and periodic monitoring of project impacts, in relation to the achievements foreseen in the APWBs and the impacts foreseen in the project results framework.
- In communication with the NPD, ensuring that the project is implemented in accordance with the policies and plans of the SERNA, as Executing Agency.
- In communication with the Programme Official of UNDP, ensuring that the project is implemented in accordance with the United Nations Development Assistance Framework (UNDAF) in Honduras.
- Identification and promotion opportunities for actions by other agencies of the UN system in the project areas.
- Ensuring that a cross-cutting gender focus is incorporated into the actions of the project.
- Together with UNDP, preparation of Periodic Implementation Reports (PIRs), detailing project progress, to be presented to GEF.
- Together with UNDP and the project team and in discussion with local stakeholders, preparation of APWBs for approval by the NSC and the GEF.
- With support from the project administrative team, ensuring efficient and transparent execution of financial and physical resources, in conformity with the rules of the Government, GEF and UNDP.
- Design and implementation of professional development plans for the members for the PIU.
- Identification of risks that could affect the achievement of the foreseen impacts of the project, and the definition and application of corresponding mitigation strategies.
- Support to the functioning of the PSC, through the provision of advice and logistics.
- Preparation and oversight of the implementation of the operational manuals for the implementation of the project.
- Organization and support of external evaluations of the project.

## **PART IV. Stakeholder Participation during Project Preparation**

Project preparation has been highly participatory at all stages. The principal mechanisms whereby stakeholder participation has been ensured have been the following:

### ***PPG Steering Committee***

This Committee is composed of representatives of the Directorate of Biodiversity of SERNA (chair), UNDP (secretary), the Government of the Department of Gracias a Dios, the indigenous organization MASTA and the Local Steering Committee. The functions of the Committee, defined by its members during its constitutive meeting, have been as follows:

- Provision of advice to the PPG team on the definition of the implementation arrangements for the implementation phase of the project.
- Provision of advice to the PPG team on factors to be taken into account in the design of the project.
- Approval of general proposals regarding the assignment of the budget of the implementation phase between components.
- Validation of the proposed strategic directions of the project's work.
- Review of consultancy documents of the PPG team, and the provision of observations.
- Review of the draft Project Document, the provision of observations and approval prior to formal submission.

### ***PPG Local Steering Committee***

This Committee was formed in order to ensure that local stakeholders had a direct voice in project design rather than depending solely on the indigenous organization MASTA. The composition, responsibilities and functioning of the Committee were defined by its members. It includes representatives of each of the proposed pilot communities and of a range of community-based and productive sector organizations. Approximately 40% of its membership is female. The Committee has participated in a number of key decisions throughout the project design process, including the selection of study and pilot communities and the approval of the methodologies and work plans of the PPG studies. In addition, the PPG consultants have provided regular feedback on their advances and results to the Committee. The Committee has also met before and after each meeting of the PPG Steering Committee and has designated a representative to communicate the results of its discussions to the PPG Steering Committee.

The principal steps in the project design process, aimed at ensuring participation of local stakeholders, have been the following:

#### **1) Initial formulation of project ideas**

The initial concept of the project was proposed by SERNA, in discussion with UNDP, in accordance with the priorities expressed in the National Biodiversity Strategy and the letter sent to GEF expressing priorities for the use of the country's RAF allocation.

#### **2) Initial introductory and scoping workshop in Puerto Lempira.**

In this workshop, which was attended by a wide range of local stakeholders from across the project area, the overall idea of the project was presented and validated within the framework of the priorities of GEF, UNDP and the Government, and permission was requested from the participants to proceed with project design. Workshop participants carried out an initial problem analysis and identified broad brush strategies, as well as identifying priority sectors for project attention (forestry and fisheries). The results of this workshop were used as the basis for the PIF.

### **3) Appointment of PPG Coordinator**

PPG activities have been carried out under the coordination and supervision of a Miskito PPG Coordinator with extensive knowledge and experience of the whole project area. The fact that the PPG Coordinator is a first language Miskito speaker has facilitated communication and trust with local stakeholders throughout the PPG phase.

### **4) PPG Inception Workshop**

The PPG inception workshop was held in Puerto Lempira with a similarly wide participation to that of the previous scoping workshop. The workshop served to identify key issues of emphasis for the PPG studies and to define mechanisms for stakeholder participation during the PPG phase, leading to the establishment of the PPG Steering Committee and the Local Steering Committee.

### **5) Meetings between PPG team and Local Committee**

Prior to commencing their fieldwork, the team of PPG consultants held a meeting with the Local Committee to validate their proposed methodologies. Following initial scoping, the team proposed a list of study communities, which was approved by the Local Committee. At the end of their principal phase of fieldwork, the PPG team met again with the Local Committee to feed back initial results to its members.

### **6) First Meeting of the PPG Steering Committee**

In addition to defining its composition, responsibilities and rules of operation, the first meeting of the Steering Committee served to discuss proposals for the implementation arrangements of the project.

### **7) Project Design Workshop**

Following receipt of the first drafts of the PPG consultants' reports, a Project Design Workshop was held in Puerto Lempira, in which the results of the consultants' studies were fed back in summarized form to the participants, who in turn validated them and developed further proposals for project activities.

### **8) Second Meeting of the PPG Steering Committee**

This meeting served to validate the results of the discussions held during the Project Design Workshop, to discuss participation mechanisms during the project implementation phase and to discuss the transition process from the PPG phase to project implementation phase.

## PART V. Stakeholder Participation Plan (SPP) for the Project Implementation Phase

### 1) Summary of Stakeholder Roles in Project Implementation

Stakeholder	Form of participation
Miskito forestry cooperatives	-Main channels for promotion of BD-friendly forest management. -Recipients of technical and organizational support.
Miskito forest users	-Subject to planning and regulation of any activities with negative impacts on BD. -Participants in community-based monitoring and regulation. -Potential beneficiaries of increased opportunities for BD-friendly forest use.
Miskito subsistence fishers	-Subject to planning and regulation of any activities with negative impacts on BD. -Participants in community-based monitoring and regulation.
Miskito commercial fishers	-Subject to planning and regulation of any activities with negative impacts on BD. -Participants in community-based monitoring and regulation.
Ladino colonist ranchers	-Damaging activities will be countered by improved enforcement and by affirmation of indigenous rights on traditional lands. -Participants in processes of alternative conflict management.
Indigenous organizations (MASTA and federations)	-Principal formal point of contact between the project and indigenous interests. -Recipient of technical and advocacy strengthening. -Representation of indigenous interests in policy and legal advocacy to be facilitated by the project.
Ministry of Natural Resources and Environment (SERNA)	-Project Executing Agency.
Institute for Forest Conservation and Development (ICF)	-Recipient of institutional strengthening and cultural orientation -Participation in processes of inter-institutional planning and collaboration in order to increase effectiveness of law enforcement -Participant in processes of review and modification of management plan models -Responsible for approval of usufruct contracts proposed on indigenous lands -Participation with the Army in management of fauna rescue centre. -Supervision of forest and fauna management activities.
General Directorate of Fisheries (DIGEPESCA)	-Recipient of institutional strengthening and cultural orientation -Participation in processes of inter-institutional planning and collaboration in order to increase effectiveness of law enforcement -Participation in definition of norms for fisheries management
Ministry of Social Development	-Channeling of PRONEGOCIOS investments towards BD-friendly productive activities in the area.
Municipal governments	-Participation in processes of territorial land use planning, in conjunction with indigenous federations. -Recipients of technical and logistical support to strengthen capacities for planning and regulation.
Departmental Government	-Major interlocutor in processes of policy and legal advocacy.
Deputy	-Major interlocutor in processes of policy and legal advocacy.
Honduran Army	-Recipient of technical and cultural orientation in its support role to ICF and reforestation activities. -Participant in processes of institutional coordination and collaboration aimed

Stakeholder	Form of participation
	at improving the effectiveness and efficiency of regulation enforcement.
Honduran Navy	-Participant in processes of institutional coordination and collaboration aimed at improving the effectiveness and efficiency of regulation enforcement.
UNDP Honduras	<ul style="list-style-type: none"> <li>-Ensuring professional and timely implementation of the activities and delivery of the reports and other outputs identified in the project document;</li> <li>-Coordination and supervision of the activities;</li> <li>-Assisting and supporting EPASA for organizing coordinating and where necessary hosting all project meetings;</li> <li>-Contracting of and contract administration for qualified project team members;</li> <li>-Manage and be responsible of all financial administration to realize the targets envisioned in consultation with EPASA;</li> <li>-Establishing an effective networking between project stakeholders, specialized international organizations and the donor community.</li> </ul>

## 2) SPP Objectives

The SPP aims to:

1. Consolidate the process of dialogue, consultation and debate between organizations of the civil society, various local institutional entities, local community-based stakeholders, Federations and other entities involved directly or indirectly in the implementation of the project.
2. Promote processes of participation and empowerment of local organizations, through the strengthening of their capacities for lobbying, in order that their vision, interests, needs and priorities are integrated into the agendas of the project and can, at the same time, be reflected in the various agendas of the Government in relation to policies regarding conservation policies and productive activities.
3. Strengthen the capacities of indigenous federations and their diverse organizational expressions, as political actors to implement and develop a strategy for political lobbying, which allows the needs, interests and proposals of different sectors and groups of the population to be incorporated and made visible in processes of information, participation and management of natural resources.

## 3) SPP Aims

The present SPP is based on the priorities and needs for capacity strengthening identified by the different local stakeholders and groups involved in the project design process. In the short and medium term, the plan aims to establish an objective and integrated platform which guarantees participation in conditions of equity, with the aim of generating the organizational capacities required to gain access to information, institutional capacities required for participation and knowledge of how to exercise the rights that are specifically guaranteed in the various national norms related to the environment, participation, access to information and access to environmental justice.

“Strengthening capacities” implies generating improved conditions in a given group, allowing them to carry out given functions and objectives in accordance with principles of transparency, equity and efficiency. This requires systematic and sustained actions as part of a participatory, inclusive, integrated and gradual process, which is based on agreed priorities and can in the short term achieve the objectives of the project and support environmental governance.

#### **4) Participation Mechanisms**

A Project Steering Committee will be established, as proposed in paragraph 94 of the Project Document, with the participation of SERNA, SETCO, UNDP, MASTA and the Local Committee. The PSC will advise on and approve major project decisions, as well as Annual Work Plans and budgets and annual reports, and the terms of reference and selection of key members of the Project Implementation Unit.

A broad-based Local Committee will be established, which will have representation on the Project Steering Committee and will also advise the Project Implementation Unit directly. The Local Committee will have a role of social auditing of project activities and financial management, complementing the formal audits proposed in PART IV of the Project Document. The Local Committee will have the opportunity to express any concerns that may arise regarding how the project is managed directly to the Project Coordinator. In the event of not receiving the desired response, the Local Committee will have the opportunity to communicate concerns to UNDP and, if necessary, to request an extraordinary meeting of the Project Steering Committee to discuss the concerns.

The project will also contract local 'para-technicians' in each of the pilot communities and a technician specialized in social issues and participation. The staff members will consult regularly with local people in order to enable them to express any concerns regarding project management which they may feel unable to express through the Local Committee.

## 5) Chronogram of proposed participation activities

COMPONENT/ INDICATORS	ACTIVITIES/PRIORITIES	Year			
		1	2	3	4
<b>Gender equity:</b>  Equitable social participation Quality participation Leadership Empowerment Self-esteem Economic autonomy	Identification of female leadership in local organizations				
	Baseline study of men and women participating in productive activities and local organizations				
	Participatory production of Gender Strategy				
	Participatory definition of Gender Indicators				
	Incorporation of gender indicators in the monitoring and evaluation system of the project				
	Mainstreaming of gender in all components of the Project				
<b>Environmental Governance</b>  Access to information Access to participation in decision making Access to environmental justice	Compilation and dissemination of information on the Project and environmental information to communities				
	Strategy for the dissemination of environmental information through local media				
	Design of a mechanism for dissemination and access to information at community level				
	Activation and strengthening of the Local Municipal Committee.				
	Activation and strengthening of the Local Community Committee				
	Formulation and execution of a plan for the strengthening of local organizational capacities with emphasis on indigenous federations				
	Formulation and execution of a plan for the strengthening of local organizational capacities with emphasis on local organizations				
	Design and institutionalization of participation mechanisms				
	Programming and institutionalization of meetings of organizational bodies of the project				
<b>Monitoring and Follow-up of Participation</b>  Participation and leadership of men and women in productive and conservation activities and community organizations	Definition of baseline of male and female participation in productive activities and community organizations				
	Definition of indicators of participation quality				
	Implementation of a system for monitoring system with indicators of community participation				
	Participatory evaluations of project progress				
	Participatory mid term review				
	Participatory impact evaluation				
	Exit, institutionalization and community-level transfer strategies				

## 6) Proposals for gender mainstreaming in the project

More detailed proposals will be developed, with the full participation of local stakeholders, by a gender specialist to be contracted during Year 1 of the project. Initial proposals developed during the PPG phase, with the support of UNIFEM (a representative of which visited the project sites and met with local stakeholders, particularly women) are as follows:

- It was agreed in the PPG Steering Committee Meeting of 9th January 2009 that at least 40% of the members of the Local Committee will be women (this goal is met at present).

### ***Component 1:***

- Definition of minimum levels of female participation in meetings and workshops related to the adaptation of forestry, fisheries or agricultural activities. There are high levels of female participation in these last two sectors.
- Identification and promotion of forms of productive activity with potential for female participation and contribution to their wellbeing, independence and power status.
- Promotion of the establishment of social responsibility mechanisms in community-based enterprises, focused specifically on investments with the potential to improve the conditions and status of women, such as health facilities.

### ***Component 3:***

- Community and institutional strengthening activities should pay particular attention the women's groups such as MIMAT.
- The timing of meetings should be defined in order to facilitate female participation, taking into account their domestic activities.
- Promotion of active membership of women in the productive and other organizations to be supported by the project.
- Promotion of the establishment of social auditing mechanisms that monitor levels of female participation and the levels of benefits that accrues to women.
- Mechanisms of social auditing are established that ensure the active participation of women.

### **Monitoring and evaluation:**

- Establishment of gender observatories in pilot communities, focusing on participation and benefit distribution among women.
- Definition of a checklist to be applied to project activities to assess levels of female participation.
- Application of gender-sensitive indicators of project impacts at the Outcome level. The following gender-sensitive indicators are currently included in the Results Framework:
  - Increase in the number of local people (**men and women**) receiving benefits from forest management by cooperatives, leading to increased motivation to protect lands against incursions by outsiders (baseline and target values by gender to be defined at startup)
  - Active membership (**men and women**) of forestry cooperatives (men and women) remains stable due to improved capacity to plan and execute an increase diversity of activities (baseline and target levels by gender to be determined at startup)
  - Increase in the number of people (**men and women**) receiving benefits from NTFPs (swa, tuno etc.) (baseline and target values by gender to be determined at project startup)
  - Increase in the area of land designated as set-aside zones, with the agreement of local people (**including women**)
  - Increase in the area of marine, coastal, riverine and lagoon ecosystems designated by local people (**including women**) as set-asides

## PART VI. Management Effectiveness Tracking Tool

### I. Project General Information

1. Project Name:
2. Project Type (MSP or FSP): FSP
3. Project ID (GEF): 3989
4. Project ID (IA):
5. Implementing Agency: UNDP
6. Country: Honduras

Name of reviewers completing tracking tool and completion dates:

	Name	Title	Agency
<b>Work Program Inclusion</b>	Adrian Barrance	Project Design Consultant	UNDP Honduras
<b>Project Mid-term</b>			
<b>Final Evaluation/project completion</b>			

7. Project duration: Planned 4 years Actual \_\_\_\_\_ years
8. Lead Project Executing Agency (ies): Ministry of Environment and Natural Resources
9. GEF Strategic Program:
  - Strengthening the policy and regulatory framework for mainstreaming biodiversity (SP 4)
  - Fostering markets for biodiversity goods and services (SP 5)

#### 10. Production sectors and/or ecosystem services directly targeted by project:

10. a. Please identify the main production sectors involved in the project. Please put “**P**” for sectors that are primarily and directly targeted by the project, and “**S**” for those that are secondary or incidentally affected by the project.

Agriculture: S

Fisheries: P

Forestry: P

Tourism: S

### II. Project Landscape/Seascape Coverage

11. a. What is the extent (in hectares) of the landscape or seascape where the project will directly or indirectly contribute to biodiversity conservation or sustainable use of its components? An example is provided in the table below.

<b>Targets and Timeframe</b>	<b>Foreseen at project start</b>	<b>Achievement at Mid-term Evaluation of Project</b>	<b>Achievement at Final Evaluation of Project</b>
<b>Project Coverage</b>			
Landscape/seascape area <u>directly</u> covered by the project	262,431ha (total area included in management plans in 5 pilot communities)	-	-
Landscape/seascape area <u>indirectly</u> covered by the project	1,663,000ha	-	-

**Explanation for indirect coverage numbers:**

Total area of productive landscapes (not currently included in exclusive protected areas) in the Moskitia. Lessons learnt in pilot areas will be replicated across this area, and this whole area will also be covered by processes of territorial land use planning to be supported by the project.

11. b. Are there Protected Areas within the landscape/seascape covered by the project? If so, names these PAs, their IUCN or national PA category, and their extent in hectares.

	<b>Name of Protected Areas</b>	<b>IUCN and/or national category of PA</b>	<b>Extent in hectares of PA</b>
1.	N/A		

11. c. Within the landscape/seascape covered by the project, is the project implementing payment for environmental service schemes? If so, please complete the table below. An example is provided.

<b>Targets and Timeframe</b>	<b>Foreseen at Project Start</b>		<b>Achievement at Mid-term Evaluation of Project</b>		<b>Achievement at Final Evaluation of Project</b>	
<b>Coverage</b>	<b>Extent in hectares</b>	<b>Payments generated (US\$)</b>	<b>Extent in hectares</b>	<b>Payments generated (US\$)</b>	<b>Extent in hectares</b>	<b>Payments generated (US\$)</b>
<b>Environmental Service</b>						
N/A						

**III. Management Practices Applied**

12.a. Within the scope and objectives of the project, please identify in the table below the management practices employed by project beneficiaries that integrate biodiversity considerations and the area of coverage of these management practices. Please also note if a certification system is being applied and identify the certification system being used. Note: this could range from farmers applying organic agricultural practices, forest management agencies managing forests per Forest Stewardship Council (FSC) guidelines or other forest certification schemes, artisanal fisherfolk practicing sustainable fisheries management, or industries satisfying other similar agreed international standards, etc. An example is provided in the table below.

<b>Specific management practices that integrate BD</b>	<b>Name of certification system being used</b>	<b>Area of coverage foreseen at start of project</b>	<b>Achievement at Mid-term Evaluation of Project</b>	<b>Achievement at Final Evaluation of Project</b>

1. Sustainable management of pine and broadleaved forests, for timber and NTFPs	FSC	96,214ha		
2. Sustainable fisheries in lagoons, rivers, river mouths and near-shore marine waters	N/A	80,000ha		

#### **IV. Market Transformation**

13. For those projects that have identified market transformation as a project objective, please describe the project's ability to integrate biodiversity considerations into the mainstream economy by measuring the market changes to which the project contributed.

Name of the market that the project seeks to affect (sector and sub-sector)	Unit of measure of market impact	Market condition at the start of the project	Market condition at midterm evaluation of project	Market condition at final evaluation of the project
N/A				

#### **V. Policy and Regulatory frameworks**

For those projects that have identified addressing policy, legislation, regulations, and their implementation as project objectives, please complete the following series of questions: 14a, 14b, 14c.

**An example for a project that focused on the agriculture sector is provided in 14 a, b, and c.**

14. a. Please complete this table at **CEO endorsement for each sector** that is a primary or a secondary focus of the project.

Please answer YES or NO to each statement under the sectors that are a focus of the project.

Sector	Fisheries	Forestry
<b>Statement: Please answer YES or NO for each sector that is a focus of the project.</b>		
Biodiversity considerations are mentioned in sector policy	YES	YES
Biodiversity considerations are mentioned in sector policy through specific legislation	YES	YES
Regulations are in place to implement the legislation	YES	YES
The regulations are under implementation	NO	NO
The implementation of regulations is enforced	NO	NO
Enforcement of regulations is monitored	NO	NO

14. b . Please complete this table at **the project mid-term for each sector** that is a primary or a secondary focus of the project.

Please answer YES or NO to each statement under the sectors that are a focus of the project.

Sector	Fisheries	Forestry
<b>Statement: Please answer YES or NO for each sector that is a focus of the project.</b>		
Biodiversity considerations are mentioned in sector policy		

Biodiversity considerations are mentioned in sector policy through specific legislation		
Regulations are in place to implement the legislation		
The regulations are under implementation		
The implementation of regulations is enforced		
Enforcement of regulations is monitored		

14. c. Please complete this table at **project closure for each sector** that is a primary or a secondary focus of the project.

Please answer YES or NO to each statement under the sectors that are a focus of the project.

Sector Statement: Please answer YES or NO for each sector that is a focus of the project.	Fisheries	Forestry
Biodiversity considerations are mentioned in sector policy		
Biodiversity considerations are mentioned in sector policy through specific legislation		
Regulations are in place to implement the legislation		
The regulations are under implementation		
The implementation of regulations is enforced		
Enforcement of regulations is monitored		

All projects please complete this question at the project mid-term evaluation and at the final evaluation, if relevant:

14. d. Within the scope and objectives of the project, has the private sector undertaken voluntary measures to incorporate biodiversity considerations in production? If yes, please provide brief explanation and specifically mention the sectors involved.

An *example* of this could be a mining company minimizing the impacts on biodiversity by using low-impact exploration techniques and by developing plans for restoration of biodiversity after exploration as part of the site management plan.

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## **VI. Other Impacts**

15. Please briefly summarize other impacts that the project has had on mainstreaming biodiversity that have not been recorded above.

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**PART VII. Global Environmental Values in the Project Area**

**Table 1. Globally important plant species**

Miskito	Family	Habit	Scientific name	Spanish	Conservation status*
	Verbenaceae	Tree	<i>Aegiphila fasciculata</i>		VU
	Verbenaceae	Tree	<i>Aegiphila monstrosa</i>		VU
	Verbenaceae	Tree	<i>Aegiphila panamensis</i>		VU
	Verbenaceae	Tree	<i>Aegiphila skutchii</i>		VU
Yalam	Meliaceae	Tree	<i>Cedrela odorata</i>	Cedro real	VU
	Fabaceae	Tree	<i>Dalbergia retusa</i>	Granadillo	VU
	Quiinaceae	Tree	<i>Lacunaria panamensis</i>		EN
	Fabaceae	Tree	<i>Machaerium nicaraguense</i>		EN
Suka ahkra	Quiinaceae	Tree	<i>Quiina schippii</i>		EN
Wauh	Palmae	Palm	<i>Roystonea dunlapiana</i>	Yagua	EN
Yulu	Meliaceae	Tree	<i>Swietenia macrophylla</i>	Caoba	VU, CITES II
Sikiski dusa	Rutaceae	Tree	<i>Zanthoxylum belizense</i>	Lagarto	EN
	Rutaceae	Tree	<i>Zanthoxylum ferrugineum</i>		EN
	Rutaceae	Tree	<i>Zanthoxylum panamense</i>		EN
	Rutaceae	Tree	<i>Zanthoxylum procerum</i>	Teta, lagartillo	EN
		Grass	<i>Thrasya mosquitensis</i>		Endemic
		Orchid	<i>Lophiaris mosquitensis</i>		Endemic
		Parasite	<i>Cassytha paradoxae</i>		Endemic
	Zamiaceae	Herb	<i>Zamia standleyi</i>	Camotillos	VU, CITES II
Tunu	Moraceae	Tree	<i>Castilla tunu</i>	Tuni, tunu	√
Ule	Moraceae	Tree	<i>Castilla elastica</i>	Hule, ule, tuno	√
Sikibul	Sapotaceae	Tree	<i>Manilkara chicle</i>	Níspero, sikibul	√
Ibans	Sapotaceae	Tree	<i>Manilkara zapota</i>	Níspero, ibans	√

\*VU and EN = IUCN Red List Vulnerable and Endangered

√ Species that are undergoing local decline or whose use leads to negative impacts on other global environment values.

**Table 2. Globally important species of fauna**

Miskito	Class	Family/Order	Scientific name	Spanish/English names	Status
Pik-Pik	Amphibia	Centrolenidae	<i>Hyalinobatrachium cardiacalyptum</i>	Glass frog	EN, endemic
Pik-Pik	Amphibia	Brachycephalidae	<i>Craugastor epochthidius</i> *	Rain frog	CR, endemic
Pik-Pik	Amphibia	Brachycephalidae	<i>Craugastor pechorum</i> *	Rain frog	EN, endemic

Miskito	Class	Family/Order	Scientific name	Spanish/English names	Status
Pik-Pik	Amphibia	Brachycephalidae	<i>Craugastor lauraster</i>	Rain frog	EN
Lisiks	Reptiles	Cheloniidae	<i>Caretta caretta</i>	Caguama	EN, CITES I
Lih	Reptiles	Cheloniidae	<i>Chelonia mydas</i>	Green turtle	CITES I
Aksbil	Reptiles	Cheloniidae	<i>Eretmochelys imbricata</i>	Carey (turtle)	CR, CITES I
Lisiksa	Reptiles	Dermochelyidae	<i>Dermochelys coriacea</i>	Baula (turtle)	CR, CITES I
Inh	Reptiles	Chelydridae	<i>Chelydra rossignoni</i>	Tortuga lagarto, Sambunango	VU
Tura	Reptiles	Crocodylidae	<i>Crocodylus acutus</i>	American crocodile	VU, CITES I
Kras	Reptiles	Alligatoridae	<i>Caiman crocodylus</i>	Cayman	CITES II
Kakamuk	Reptiles	Iguanidae	<i>Iguana iguana</i>	Green iguana	√, CITES II
Kran-Kran	Reptiles	Polychrotidae	<i>Norops wampuensis</i> *	Lagartija	Endemic
Piuta	Reptiles	Boidae	<i>Boa constrictor</i>	Boa, Mazacuata	CITES II
Piuta	Reptiles	Colubridae	<i>Clelia clelia</i>	Sopilota	CITES II
Piuta	Reptiles	Colubridae	<i>Sibon miskitus</i>	Culebra caracolera	Endemic
Piuta	Reptiles	Colubridae	<i>Sibon manzanares</i>	Culebra caracolera	Endemic
Sakanki	Mammals	Vespertilionidae	<i>Bauerus dubiaquercus</i> *	Bat	VU
Matis	Mammals	Didelphidae	<i>Caluromys derbianus</i>	Guazalillo dorado	VU
	Mammals	Geocapromide	<i>Geocapromys thoracatus</i>	Hutía Islas del Cisne	EX
	Mammals		<i>Monochus tropicalis</i>	Monk seal	EX
Tilba	Mammals	Tapiridae	<i>Tapirus bairdii</i>	Danto, Baird's Tapir	EN, CITES I
Palpa	Mammals	Trichechidae	<i>Trichechus manatus</i>	Manatee	VU, CITES I
Limi	Mammals	Felidae	<i>Panthera onca</i>	Jaguar	Δ√, CITES I
Limi pauni	Mammals	Felidae	<i>Puma concolor</i>	Mountain lion	CITES II
Arari	Mammals	Felidae	<i>Herpailurus yaguarondi</i>	Yaguarundi	CITES I
Kirhbu	Mammals	Felidae	<i>Leopardus pardalis</i>	Ocelot	CITES I
Limwayata	Mammals	Felidae	<i>Leopardus weidii</i>	Tigrillo	CITES I
Wari	Mammals	Tayassuidae	<i>Dicotyles pecari</i>	Jaguilla	Δ√
bursa	Mammals	Tayassuidae	<i>Tayassu tajacu</i>	Saino	CITES II
Urus	Mammals	Cebidae	<i>Ateles geoffroyi</i>	Mono arena	Δ, CITES I
Kungskung	Mammals	Cebidae	<i>Alouatta palliata</i>	Howler monkey	CITES I
Wakling	Mammals	Cebidae	<i>Cebus capucinus</i>	White-faced monkey	CITES II
Mamu	Mammals	Mustelidae	<i>Lontra longicaudis</i>	Otter	CITES I
Wingku tara	Mammals	Myrmecophagidae	<i>Myrmecophaga tridáctila</i>	Anteater	CITES II
Siwaiko	Mammals	Bradypodidae	<i>Bradypus variegatus</i>	Three-toed sloth	CITES II
Lamh	Mammals	Delphinidae	<i>Sotalia fluviatilis</i>	Dolphin	CITES I
	Birds	Momotidae	<i>Electron carinatum</i>	Guarda barrancos	VU
Apayasa	Birds	Psittacidae	<i>Ara ambiguous</i>	Guara verde	EN
Tiptip	Birds	Parulidae	<i>Dendroica caerulescens</i>	Chipe cuello negro	VU

Miskito	Class	Family/Order	Scientific name	Spanish/English names	Status
	Birds	Cotingidae	<i>Procnias tricarunculata</i>	Pájaro Campana	VU
Suktara	Birds	Ciconidae	<i>Jabiru mycteria</i>	Jabirú	CITES I
Yakal tara	Birds	Accipitridae	<i>Harpia harpyja</i>	Harpy Eagle	CITES I
Apu	Birds	Psittacidae	<i>Ara macao</i>	Guara roja	CITES I
Tahulis	Birds	Psittacidae	<i>Amazona auropalliata</i>	Lora nuca amarilla	CITES I
Rah	Birds	Ramphastidae	<i>Ramphastos sulfuratus</i>	Toucan	CITES II
Kinis	Birds	Trochilidae	All members	Hummingbirds (17 species)	CITES II
Tahulis	Birds	Psittaciformes	All members	Parrots and parakeets (8 species)	CITES II
	Birds	Strigiformes	All members	Nocturnal birds (5 species)	CITES II
Yakal	Birds	Falconiformes	All members	Birds of prey (30 species)	CITES II
Kuja	Fish	Actinoptergii	<i>Epinephelus itajara</i>	Mero	CR
Walpayula	Fish	Actinoptergii	<i>Joturus pichardi</i>	Cuyamel	√
Twaina	Fish	Chondrichthyes	<i>Pristis pristis</i>	Pez Sierra	CR, CITES I
	Invertebrates	Strombidae	<i>Strombus gigas</i>	Conch	CITES II

\*VU and EN = IUCN Red List Vulnerable and Endangered

Δ Mammal species considered to be in danger of extinction by Reid (1997).<sup>18</sup>

√ Species that are undergoing local decline or whose use leads to negative impacts on other global environment values.

<sup>18</sup> Reid, F. 1997. Mammals of Central America and Southeast Mexico. Oxford. New York. 334 p.

**PART VIII. Historical trends in hunting effort in the project area**

**Table 1. Time required to encounter an individual of *Odocoileus virginianus* (white-tailed deer)**

Hunter	1950s (war with Nicaragua)	1970s (Hurricane Fifi)	End of 1990s (Hurricane Mitch)	2008
<b>Mocoron</b>				
1 - B			3 hours	> 24 hours
2 - A	0.25 hours			> 48 hours
3 - A		0.25 hours	2 - 4 Hours	> 48 hours
4 - B		0.25 hours	3 Hours	> 48 hours
5 - B		0.25 hours		> 24 hours
6 - A	Stable (no time estimate given)			
<b>Auratá</b>				
7 - B		0.25 hours		2 hours
8 - B		0.25 hours		1.5 hours
<b>Rusrus</b>				
9 - A	0.25 hours	0.25 hours		
10 - B		0.25 hours		0.25 hours
11 - B		0.25 hours		0.25 hours
12 - C				0.25 hours
13 - B		0.25 hours		0.25 hours
<b>Auka</b>				
14 - A				> de 36 hours
<b>Kruta</b>				
15 - A	0.25 hours			> de 48 hours

**Table 2. Time required to encounter an individual of *Tayassu pecari* (Jaguilla o Peccary)**

Hunter	1950s (war with Nicaragua)	1970s (Hurricane Fifi)	End of 1990s (Hurricane Mitch)	2008
<b>Mocoron</b>				
1 - B		1 day	2 days	5 days
2 - A	0.25 hours			7 days
3 - B √				
4 - B	0.25 hours	1 day		7 days
5 - B		3 hours	2 days	7 days
6 - A	Stable (no time estimate given)			
<b>Auratá</b>				
7 - B				1 day
8 - B				3 days
<b>Rusrus</b>				
9 - A				
10 - B		4 hours		2 days
11 - B		6 hours		2 days
12 - C√				
13 - B		2 hours		2 days
<b>Auka</b>				
14 - A		4 hours		2 days*
<b>Kruta</b>				
15 - A				5 days

√ These hunters did not provide data as the species is not preferred by them.

\* Hunters in Auka reported that Hurricane Mitch eradicated this species from their traditional hunting lands which are 2 hours walk away, but consider that it may occur further upstream, two days journey away.

**SIGNATURE PAGE**

Country: Honduras

**UNDAF Outcome(s)/Indicator(s):**

The State of Honduras has the capacities required to reduce the vulnerability of the population through the implementation of policies that integrate environmental and risk management concerns, thereby achieving the sustainability of development, life, wellbeing and equity of all Hondurans.

**Expected Outcome(s)/Indicator (s):**

- 5.1 By the year 2008, an appropriate integrated national environmental policy promote the equitable access, sustainable use and conservation of natural resources
- 5.3 From 2007 on, new sector-based policies and strategies incorporate concerns of environment and risk management.

**Expected Output(s)/Indicator(s):**

- 5.1.6 Institutions responsible for the implementation of emerging plans of the Government regarding reforestation and forest protection strengthen their technical and operational capacities for their execution according to sustainability criteria.
- 5.3.2 Environmental management institutions and the productive sectors involved strengthen their capacities for the creation of incentives that promote practices that are compatible with the environment.

**Implementing partner:**

*(Designated institution/Executing agency)*

SERNA

**Other Partners:**

ICF, DIGEPESCA, SAG

<b>Programme Period:</b> 2007-2011
<b>Programme Component:</b> Risk Management
<b>Project Title:</b> Conservation of Biodiversity in the Indigenous Productive Landscapes of the Moskitia
<b>Project ID:</b> PIMS 3989 <b>Atlas Project #</b> 70863
<b>Project Duration:</b> 5 years
<b>Management Arrangement:</b> NEX

<b>Total budget:</b>	<b>US\$</b>	<b>7,758,300</b>
Allocated resources (cash):		
• GEF	US\$	2,018,300
• UNDP	US\$	80,000
• Government (soft loan IADB)	US\$	4,600,000
• Multilateral Agency (WB)	US\$	250,000
In kind contributions		
• Government (counterpart soft loan IADB)	US\$	162,000
• Local (counterpart soft loan IADB)	US\$	648,000

Agreed by **(Government):** \_\_\_\_\_  
 Agreed by **(Implementing partner/Executing agency):** \_\_\_\_\_  
 Agreed by **(UNDP):** \_\_\_\_\_