Project Identification Form (PIF) entry – Full Sized Project – GEF - 7

Protecting biodiversity and recovering degraded ecosystems - RECOVER Honduras

Part I: Project Information

GEF ID
10220

Project Type
FSP

Type of Trust Fund
GET

Project Title
Protecting biodiversity and recovering degraded ecosystems - RECOVER Honduras

Countries
Honduras,

Agency(ies)
UNDP, FAO

Other Executing Partner(s)	Executing Partner Type
Secretariat of Natural Resources and Environment (MiAmbiente+), International Union for Conservation of Nature (IUCN), UN Environment, Secretariat of Agriculture and Livestock (SAG), National Institute of Forest Conservation and Development, Protected Areas and Wildlife (ICF)	Government

GEF Focal Area
Multi Focal Area

Taxonomy
Forest, Focal Areas, Protected Areas and Landscapes, Productive Landscapes, Terrestrial Protected Areas, Biodiversity, Forest and Landscape Restoration, Land Degradation, Sustainable Land Management, Sustainable Livelihoods, Sustainable Pasture Management, Sustainable Forest, Improved Soil and Water Management Techniques, Sustainable Agriculture, Restoration and Rehabilitation of Degraded Lands, Income Generating Activities, Biomes, Tropical Rain Forests, Wetlands, Mainstreaming, Ceritification - International Standards, Agriculture and agrobiodiversity, Species, Threatened Species, Influencing models, Convene multi-stakeholder alliances, Strengthen institutional capacity and decision-making, Deploy innovative financial instruments, Transform policy and regulatory environments, Demonstrate innovative approache, Stakeholders, Local Communities, Communications, Behavior change, Awareness Raising, Beneficiaries, Civil Society, Community Based Organization, Non-Governmental Organization, Academia, Type of Engagement, Consultation, Partnership, Information Dissemination, Participation, Indigenous Peoples, Private Sector, Financial intermediaries and market facilitators, Gender Equality, Gender Mainstreaming, Women groups, Gender-sensitive indicators, Sex-disaggregated indicators, Gender results areas, Participation and leadership, Access and control over natural resources, Access to benefits and services, Capacity Development, Knowledge Generation and Exchange, Capacity, Knowledge and Research, Learning, Theory of change, Adaptive management, Indicators to measure change, Knowledge Generation

Rio Markers
Climate Change Mitigation
Climate Change Mitigation 0

Climate Change Adaptation
Climate Change Adaptation 0

Duration
84 In Months

Agency Fee($)
937,075

Submission Date
4/9/2019

A. Indicative Focal/Non-Focal Area Elements

Programming Directions	Trust Fund	GEF Amount($)	Co-Fin Amount($)
BD-1-1	GET	2,637,464	16,085,180
LD-1-1	GET	863,242	4,375,745
LD-1-4	GET	863,242	4,375,745
BD-2-7	GET	5,500,000	31,363,330
	Total Project Cost ($)	**9,863,948**	**56,200,000**

B. Indicative Project description summary

Project Objective

Promoting the conservation of biodiversity through improved connectivity, reduction of threats, and effective management of protected areas and biological corridors in Northern Honduras

Project Component	Financing Type	Project Outcomes	Project Outputs	Trust Fund	GEF Amount($)	Co-Fin Amount($)
1. Enabling a territorial governance framework for the restoration of areas of importance for biodiversity and for sustainable production and diversification	Technical Assistance	- Policy, institutional, and financial frameworks strengthened to sustainably manage production landscapes, including biological corridors, as indicated by the following: a. Updated agroforestry regulation facilitates implementation of the National Program for the Recovery of Degraded Ecosystems' Goods and Services 2018-2028; b) Increase by 20% in the financial resources available to support sustainable production value chains (palm oil and beef/dairy). c) 256,527 hectares (ha) under legally recognized biological corridors - Improved management effectiveness (as measured through the METT) of six (6) PAs covering 299,634 ha[1]. - Reduction by 20% in the financial gap for covering basic management costs and	1.1. National Institute of Forest Conservation and Development, Protected Areas and Wildlife (ICF) regulation developed clarifies the extent of agroforestry systems throughout its life cycle, including the contribution to biodiversity conservation, and connectivity between protected areas and production landscapes. 1.2. Three (3) biological corridors gazetted in line with the Regulation of the Biological Corridors of Honduras (632-2015). 1.3. Two (2) protected areas management plans updated, include business plans for financial sustainability through sustainable tourism, payment for environmental services, revised entrance fee system, among other options. 1.4. Assessment of threats and conservation opportunities for the prioritize biological corridors, includes social and governance feasibility. 1.5. Enhanced land tenure interinstitutional accreditation system (e.g., collective and private land titles [including indigenous and afro-Honduran peoples], long-term government or private lease-holds) enhanced facilitates the following: a) territorial planning to identify key stakeholders and sites for the conservation of biodiversity and sustainable production in prioritized biological corridors; b) regulation of land tenure in prioritized biological	GET	1,479,593	10,500,000

investments in six (6) prioritized PAs.

- Increased capacity of PA co-managers, municipal authorities, and palm oil production and cattle farming sectors (technical staff and decision makers, including women) to effectively manage PAs, implement sustainable production and diversification; and control and surveillance in prioritized biological corridors and PAs, as indicated by the UNDP Capacity Development Scorecard

Baseline and target will be confirmed during the PPG

[1] Nombre de Dios National Park (NP), Pico Bonito NP, Texiguat Wildlife Refuge (WR), Cuero y Salado WR; Punta Izopo NP, and Janett Kawas NP.

corridors; c) access to financing to support biodiversity-friendly production and restoration of degraded lands; and d) conflict resolution related to land tenure in selected PAs and prioritized biological corridors.

1.6. National and regional platforms for palm oil and cattle ranching strengthened allows the following: a) enhanced governance for sustainable production value chain; b) support to access technical and financial mechanisms to promote biodiversity-friendly production practice; and c) effective monitoring by environmental authorities (e.g., Secretariat of Natural Resources and Environment [MiAmbiente+], Municipal Environmental Units, and ICF).

1.7. Regional Bureau for biological corridors established include the private sector, PA co-managers, national and local government, academia, and civil society.

1.7. Financial products (credit lines, green bonds, guarantee funds, impact investment funds, payments by results, etc.) established with necessary institutional capacity in place for the financing of biodiversity-friendly production practices, including agroforestry systems, community-based forestry, and sustainable palm oil and livestock production including the following: a) business agreements with international and national buyers through public-private mechanisms (e.g., partnership with the Honduran Bank for Production and Housing (BANHPROVI) and other financial institutions; b) compliance with environmental, social, and gender safeguards; c) link with the monitoring, reporting, and validation (MRV) system of the National REDD+ Strategy.

1.8. Participatory control and surveillance program for six (6) PAs and three (3) biological corridors operationalized.

			1.9. Framework for achieving land degradation neutrality (LDN) goals established based on validation of baselines for LDN over 50,000 ha and action plan defined with key stakeholders.			
2. Promoting the conservation of biodiversity and improving connectivity between protected areas and production landscapes	Technical Assistance	- Landscape management tools - LMTs[1] (micro-corridors, enrichment of the forests, hedges, live fences, wind barriers, and agroforestry) deliver multiple global environmental benefits (GEBs) measured by the following: a) 30,000 hectares (ha) of improved biological corridors between production landscapes and 6 protected areas, including 2 key biodiversity areas (KBAs); b) Ecological Integrity Index for the jaguar increases from 1.68 (poor) to at least 2.00 (fair); c) the presence of hawks (*Buteo* sp.) confirmed; d) stable presence of Odonata (dragonflies) indicates the good ecological condition of freshwater ecosystems; presence of the Central American tapir (*Tapirus bairdii*); and e) reduction of the erosion rate by X% by project's end *Baseline and target will be confirmed during the PPG.* [1] Landscape management tools (LMTs) for biodiversity conservation in production landscapes are landscape elements that create or improve habitat, increase functional connectivity, or comply	2.1. LMTs (micro-corridors, forest enrichment, hedges, live fences, wind barriers, and agroforestry) implemented enhance connectivity between PAs/ KBAs and include the following: a) 1,000 conservation and good production practices agreements signed with the producers of palm oil and beef/dairy products to adopt LMTs that contribute to biodiversity conservation; b) 11 existing nurseries operated by the ICF strengthened and 2 new nurseries with cooperatives or producers' associations (including women's groups) established, providing 10,000 seedlings per nursery to be used with the LMTs and the restoration of biological corridors; and c) Restoration Plan for the rehabilitation of biological corridors linking production lands with biodiversity conservation and in line with the National Program for the Recovery of Degraded Ecosystems' Goods and Service 2018-2028. 2.2. At least 15 community-based organizations and organizations of indigenous and Afro-Honduran peoples (for example, Garífuna and Pech), including women's groups, supported with small grants to support biodiversity conservation and the recovery of goods and ecosystem services in the prioritized biological corridors including degraded lands. 2.3. Good practices to reduce conflicts between producers and jaguars (*Panthera onca*) implemented, include the following: a) training of producers; b) handbook of good practices; and c) jaguar and prey (e.g., collared peccary, red brocket, Central American agouti, and lowland paca) monitoring plan which considers the protocol for the monitoring the jaguar in Honduras.	GET	4,959,184	28,000,000

	simultaneously with these functions to benefit the native biodiversity [Lozano-Zambrano, F. H. (ed). 2009. Herramientas de manejo para la conservación de biodiversidad en paisajes rurales. Instituto de Investigación de Recursos Biológicos Alexander von Humboldt y Corporación Autónoma Regional de Cundinamarca (CAR). Bogotá, D. C., Colombia. 238 p.]).	2.4. Sustainable tourism models implemented include: a) promotion of bird watching, canopying, rafting, beach tourism, trail enjoyment, etc., in PAs; and community-based tourism (Garífuna and Ladinos) in PAs buffer areas and areas of ecosystem connectivity. 2.5. Payment for Environmental Services (PES) schemes for water services between tourism operators and PAs implemented in three PAs: Pico Bonito NP, Jannette Kawas NP, and Punta Izopo NP. 2.5. A system to monitor of project's environmental benefits defined includes the following: a) a monitoring plan for key species in six (6) PAs and the prioritized biological corridors, which considers the recommendations of the National Biological Monitoring Board; and b) modeling tools (e.g., Livestock Environmental Assessment Model GLEAM]; Ex-Ante Carbon-balance Tool [EX-ACT]); and the national tools for restoration and sustainable production assessments (currently under construction under the Climate Change Monitoring Unit/MiAmbiente+) used to measure GEBs resulting from implementation of LMTs in the Northern Honduran Corridor (including GEBs from Component 3).

3. Mainstreaming biodiversity and sustainable land management practices into production landscapes	Technical Assistance	- X% increased in the annual net income of participating small and medium producers of palm oil, beef/dairy, and basic grains (maize and beans) derived from: a) RSPO certification; b) intensive silvopastoral and basic grains production systems; c) agroforestry products; and d) marketing of biodiversity-friendly products. - 50,000 ha of landscapes under sustainable practices increase connectivity between PAs - 20% increase of productivity in participating palm oil, beef/dairy farms, and basic grains (maize and beans). *Baseline and target will be confirmed during the PPG.*	3.1. Sustainable production training and extension services program implemented benefits 6,000 small and medium producers of palm oil (2,000), beef/dairy (2,000) and basic grains (maize and beans) (2,000) in key conservation areas in the prioritized biological corridors. 3.2. At least five cooperation partnerships established with the private sector (buyers and businesses related to agroforestry products [e.g., cocoa, fruit products, and wood] resulting from the implementation of LMTs), and with processors and retailers to promote biodiversity-friendly products. 3.3. Existing or new incentives (e.g., access to financing, tax exemptions, training, technical assistance, etc.) identified and made available to small and medium producers of palm oil, beef/dairy, and basic grains (maize and beans). 3.4. At least three cooperatives or groups of small and medium palm oil producers, including women's groups, supported to comply with Principle 5 (Environmental responsibility and conservation of natural resources and biodiversity) of the RSPO. 3.5. 500 small and medium farms supported to implement intensive silvopastoral and basic grains systems with production diversification through agroforestry systems and with verification using LEAP, GLEAM, Total Factor Productivity-Livestock (L-TFP), and Propensity Score Matching (PSM).	GET	2,463,436	12,500,000

4. Knowledge Management, Monitoring and Evaluation (M&E)	Technical Assistance	- Solutions and good practices shared with the Conference of the Parties of the Convention on Biological Diversity, the Panorama Portal "Solutions for a Healthy Planet", Good Growth Community of Practice and other global events and communities of practice. - Knowledge and lessons learned systematized and disseminated through at least one (1) document per value chain for the replication and scaling up of successful experiences in other production landscapes and biological corridors.	4.1. Information and knowledge exchange platform established at the national level increases awareness about PA management, mainstreaming biodiversity in production landscapes, SLM, and gender aspects, among other topics. 4.2. South-south cooperation program implemented to exchange knowledge about biodiversity conservation in production landscapes and PAs. 4.3 Project gender mainstreaming plan and M&E plan implemented	GET	493,197	2,500,000
				Sub Total ($)	9,395,410	53,500,000

Project Management Cost (PMC)

	GET	468,538	2,700,000
	Sub Total($)	**468,538**	**2,700,000**
	Total Project Cost($)	**9,863,948**	**56,200,000**

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

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount($)
Government	Secretary of Agriculture and Livestock (SAG)	Grant	Recurrent expenditures	15,000,000
Government	Honduran Bank for Production and Housing (BANHPROVI)	Loans	Investment mobilized	25,000,000
Donor Agency	Swiss Agency for Development and Cooperation (COSUDE)	Grant	Recurrent expenditures	3,000,000
Private Sector	Palm Oil Private Sector	Unknown at this stage	Recurrent expenditures	500,000
Private Sector	Livestock Private Sector	Unknown at this stage	Recurrent expenditures	1,000,000
Private Sector	Private Banks	Loans	Investment mobilized	5,500,000
Government	National Institute of Forest Conservation and Development, Protected Areas and Wildlife (ICF)	Grant	Recurrent expenditures	2,000,000
Others	Co-managers of protected area	Grant	Recurrent expenditures	4,200,000
			Total Project Cost($)	**56,200,000**

Describe how any "Investment Mobilized" was identified

National and Private Banks: The Honduran Bank for Production and Housing (BANHPROVI) and private banks BANRURAL and Banco Atlántida are currently financing agriculture activities in in line with this proposed GEF 7 project. Financial products for restoration investments and deforestation free production will include loans, credit lines, and other financial instruments with technical assistance and government subsidies and other incentives for small farmers and local association of producers.

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

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount($)	Fee($)	Total($)
UNDP	GET	Honduras	Biodiversity	BD STAR Allocation	8,137,464	773,059	8,910,523
FAO	GET	Honduras	Land Degradation	LD STAR Allocation	1,726,484	164,016	1,890,500
				Total GEF Resources($)	**9,863,948**	**937,075**	**10,801,023**

E. Project Preparation Grant (PPG)

PPG Amount ($)	PPG Agency Fee ($)
300,000	28,500

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount($)	Fee($)
UNDP	GET	Honduras	Biodiversity	BD STAR Allocation	200,000	19,000
FAO	GET	Honduras	Land Degradation	LD STAR Allocation	100,000	9,500
				Total Project Costs($)	**300,000**	**28,500**

Please provide justification

It is expected that the preparation period of this project will be a complex process given the presence of indigenous communities and other stakeholders that will need to be consulted during the PPG phase. The PPG phase will make sure not only that free and prior informed consent procedures are properly addressed but also that social and environmental risks and mitigation measures are mainstreamed into the project design. PPG resources will also be invested in establishing baselines and targets for land degradation and biodiversity indicators. This includes socializing the project proposal amongst local stakeholders in remote project sites.

Core Indicators

Indicator 1 Terrestrial protected areas created or under improved management for conservation and sustainable use

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
299,634.00	0.00	0.00	0.00

Indicator 1.1 Terrestrial Protected Areas Newly created

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)
0.00	0.00	0.00	0.00

Name of the Protected Area	WDPA ID	IUCN Category	Total Ha (Expected at PIF)	Total Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)

Indicator 1.2 Terrestrial Protected Areas Under improved Management effectiveness

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)
299,634.00	0.00	0.00	0.00

Name of the Protected Area	WDPA ID	IUCN Category	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)	METT score (Baseline at CEO Endorsement)	METT score (Achieved at MTR)	METT score (Achieved at TE)
Cuero y Salado	18816	Others	13,225.00						
Jeannette Kawas National Park	30627	National Park	79,382.00						
Nombre de Dios National Park	555582992	National Park	30,000.00						

Pico Bonito National Park	18810	National Park	107,300.00
Punta Izopo National Park	41024	National Park	22,742.00
Texiguat	18845	Wilderness Area	46,985.00

Indicator 3 Area of land restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
30000.00	0.00	0.00	0.00

Indicator 3.1 Area of degraded agricultural land restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
15,000.00			

Indicator 3.2 Area of Forest and Forest Land restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
15,000.00			

Indicator 3.3 Area of natural grass and shrublands restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 3.4 Area of wetlands (incl. estuaries, mangroves) restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 4 Area of landscapes under improved practices (hectares; excluding protected areas)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
50000.00	0.00	0.00	0.00

Indicator 4.1 Area of landscapes under improved management to benefit biodiversity (hectares, qualitative assessment, non-certified)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
42,500.00			

Indicator 4.2 Area of landscapes that meets national or international third party certification that incorporates biodiversity considerations (hectares)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
7,500.00			

Type/Name of Third Party Certification

Roundtable on Sustainable Palm Oil (RSPO) certified 7,500 ha.

Indicator 4.3 Area of landscapes under sustainable land management in production systems

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 4.4 Area of High Conservation Value Forest (HCVF) loss avoided

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Documents (Please upload document(s) that justifies the HCVF)

Title	Submitted

Indicator 11 Number of direct beneficiaries disaggregated by gender as co-benefit of GEF investment

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
Female	64,800			
Male	97,200			
Total	162000	0	0	0

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

Indicator 1: Six PAs under improved management: Nombre de Dios National Park NP, Pico Bonito NP, Texiguat Wildlife WA, Cuero y Salado is "Other" - Ramsar Site, Wetland of International Importance; Punta Izopo NP, and Janett Kawas NP. Baseline METT scores will be calculated during the PPG period. Indicator 3 - 30,000 corresponds to Areas restored include ecologically sensitive areas (e.g., wetlands and riparian forests) degraded by non-sustainable production and rehabilitated using landscape management tools - LMTs (e.g., microcorridors, forest enrichment, hedges, live fences, wind barriers, and agroforestry systems). Indicator 4 - Landscapes under improved practices include areas with sustainable production of palm oil, beef/dairy, and basic grains production (including intensive silvopastoral systems with agroforestry systems).

Part II. Project Justification

1a. Project Description

1. The project will reduce threats to biodiversity and lands in the Northern Honduras Corridor by implementing a strategy in which the conservation of biodiversity through protected areas (PAs) and biological corridors, biodiversity-friendly agricultural production, and sustainable land management (SLM) are linked together for the delivery of associated global environment benefits (GEBs).

2. Because of its geographical location that converges on tropical and subtropical ecosystems, Honduras possesses a high degree of diversity of terrestrial, marine and coastal, and freshwater biological resources. The country comprises a total area of 112,492 square kilometers (km^2) and is home to approximately 9,750 plant species, 546 reptile and amphibian species, 770 bird species, and 221 mammal species.[1] Honduras has a forest area equivalent to almost half of its territory. In 2014 the country's forest cover was estimated at 5,384,424 hectares (ha), of which 57.1% corresponds to deciduous forest (3,074,310.15 ha), 36.7% to conifer forest (1,972,675.12 ha), 5.3% to mixed forest (285,468.77 ha) and 1.0% to the remnants of mangrove forest (51,970.84 ha). Additionally, 242,909.03 ha (2.16% of land use) comprise agroforestry systems in coffee plantations that were established as part of the country's ecosystem restoration efforts. The country's forests provide multiple ecosystem goods services to the Honduran people, including regulation of water regimes, protection of soil and erosion control, nutrient cycling, flood control, and climate regulation. In addition, the forest ecosystems provide goods such as water for domestic and agricultural use, timber, firewood, medicinal plants, and food, and habitat for biodiversity.[2]

3. The project target area within the Northern Honduras Corridor is part of the larger Mesoamerican Biological Corridor, which is home to 8% of the all the known species worldwide. It includes forest remnants within production areas that are key for providing connectivity between interior mountain protected areas and coastal protected areas, as follows: 1) Nombre de Dios National Park (NP) - Pico Bonito NP- Texiguat Wildlife Refuge (WR); 2) Pico Bonito NP - Cuero y Salado WR; and 3) Punta Izopo NP-Janett Kawas NP. Among these protected areas, Pico Bonito and Texiguat are also categorized as Key Biodiversity Areas (KBAs). It includes parts of the jaguar corridor within Honduras, and the ecosystems present contribute to providing habitat to up to 28% of all local and migratory birds in the country. Species of global importance present are the jaguar (*Panthera onca*; VU); the mantled howler monkey (*Alouatta palliata*; LC); the giant anteater (*Myrmecophaga tridactyla*; VU); the American manatee (*Trichechus manatus*; VU); and the American crocodile (*Crocodylus acutus*; VU), among others.

4. Honduras has a population of 8.3 million, more than half of whom reside in rural areas, Honduras is a low middle-income country that faces major challenges, with more than 60.9 percent of the population living in poverty in 2016. In rural areas, approximately one out of five Hondurans lives in extreme poverty. The country's economy has experienced moderate growth over the last 10 years, which is driven by public investments, exports, and higher remittances. In 2017, the country's economy grew by 4.8 percent, and in 2018 there was 3.6 percent growth. The economy is based on its natural resources that provide key ecosystem services for society but used to provide a broad range of agricultural products (e.g., coffee, bananas, sugar, palm oil and its derivatives) and forest products. Despite a favorable economic outlook, the country faces the highest level of economic inequality in Latin America and is

vulnerable to setbacks from external forces. For example, the agricultural sector of Honduras lost nearly one-third of its revenue during the past two decades, in part due to the declining prices of the country's export crops, especially banana and coffee.[3] In addition, there continue to be limitations to the effective conservation of biodiversity through PAs, which are under pressure from non-sustainable production practices in the surrounding landscapes.

5. Honduras has a National System for Protected Areas (SINAPH), which is an essential component of the country's strategy for biodiversity conservation. The system comprises 91 PAs, six of which are in the project's target area; these six PAs cover an area of 299,634 ha. The SINAPH continues to suffer due to insufficient funding, and on average, the financial gap of the six PAs in the target area is 50%. The system strongly depends on external support because of its limited capacity to generate revenue or to establish partnerships with the private sector for support in management. In addition, the PAs tend to operate with outdated management plans. The establishment of biological corridors as an independent formal unit of political territorial organization that comprises both natural areas protected by law and the areas of connection between them, is also part of the strategy to conserve biodiversity. This is in addition to reducing habitat fragmentation, improving connectivity between ecosystems, and promoting sustainable production processes that improve the quality of life for local populations who use, manage, and conserve biodiversity (Regulation of the Biological Corridors of Honduras 632-2015). The National Institute of Forest Conservation and Development, Protected Areas and Wildlife (ICF) is responsible for the management of the SINAPH and for the implementation of the National Strategy for the Consolidation of Biological Corridors.

6. The outlook for International Trade in Latin America and the Caribbean in 2017, which was derived from the Economic Commission for Latin America and the Caribbean, places Honduras at the top in regional exports, with a 29.6% increase in total exports for commodities. Honduras is the ninth-largest producer of palm oil in the world (580,000 tons produced and 420,000 tons exported in 2018), and generated $430 million USD in foreign currency, second only to coffee. The production of palm oil represents 8.1% of the agricultural gross domestic product (GDP) (2018). More than 200,000 ha of oil palm are grown in Honduras, which are distributed among more than 20,000 producers (the majority of this cultivated area is located in the project's target area). The palm oil sector in Honduras generates around 75,000 direct and indirect jobs. Currently, there are 15 oil extraction plants, operating at 59% of their installed capacity. At least three palm oil extraction plants, which process 17% of the total palm oil, have RSPO certification and an additional four plants are undergoing the RSPO certification process. Cattle farming contributes significantly to the economic development and food security of the country. It contributes 14% of the agricultural GDP and is practiced in more than 2.5 million ha nationwide (22% of the country's total land area). Cattle farming creates more than 500,000 jobs in beef/dairy production. A total of 69,000 producers are dedicated to this activity nationwide. In the last 16 years the amount of land cultivated with white corn has grown at an average annual rate of 1%, while in the case of beans, growth has been at an average annual rate of 6%. The production of basic grains (maize, beans, and rice) in Honduras is key for meeting the population's food demand. In 2018 the country produced 1.4 million tons (12.5 million quintales) of basic grains, representing $212 million USD.

Global environmental problem

7. **Threats to biodiversity:** The principal threat to biodiversity in Honduras is habitat loss and fragmentation due to subsistence agriculture, widespread illegal logging, cattle farming, industrial scale agriculture and conversion to monoculture plantations, such as oil palm. The expanding agricultural frontiers have led to fragmentation and loss of native forest habitat and forest degradation. Between 2000 and 2016, approximately 372,856 ha were deforested, at a deforestation rate of 23,304 ha per year. The humid broadleaf forest suffered the greatest deforestation, with 278,520 ha lost during that period (17,407 ha per year); encroachment of agricultural borders (extensive cattle farming and agriculture) and illegal logging were the main causes for the loss of forest cover.[4] In northern Honduras, the humid broadleaf forest and coastal wetlands are negatively impacted by activities associated with African palm cultivation. Oil palm plantations increased from 24,626 ha in 1985 to 114,244 ha in 2015, resulting in the deforestation of 33,598 ha and changes in land use in 56,019.74 ha (from pasture and crops to oil palm). The projected deforestation from palm oil cultivation and the expansion of cattle farming over the next 7 years is 7,840 ha and 49,490 ha, respectively. It also leads to the emission of carbon from reduction of forest stocks and to land degradation processes and water and soil pollution. Firewood extraction, forest fires, and illegal timber extraction also contribute to the loss of forest cover. Pollution is also a

principal threat to biodiversity; the overuse of agrochemicals (pesticides and synthetic fertilizers), and the disposal of untreated wastewater solid waste into natural ecosystems has resulted in the degradation of natural resources and has been closely associated with the clearing of land for agriculture and other uses, including palm oil production. Finally, the effects of climate change exacerbate the negative effects on biodiversity, causing incremental shifts in biological communities as a result of elevated temperatures, changing precipitation patterns, and increasing frequency and severity of storms, among other factors.

8. **Land degradation:** Land degradation in Honduras is closely related to the degradation of natural resources; that is, reduction or loss of forest cover, degradation of water sources, and soil erosion due to deforestation and unsuitable agricultural production practices and cattle ranching.[5] Land degradation has resulted in the deterioration of biological, physical and chemical soil properties generating important negative environmental impacts that go beyond production. 72% of the country has slopes greater than 15 percent and up to 78% of land used for agriculture is on hillsides. Slope farming is not suited for the country's soils, which are fragile and acidic. In addition, because of dry spells and seasonal water scarcity, secure water provision and soil erosion are major problems facing Honduras.[6] Land degradation and desertification in Honduras would get worse due to climate change and variability. Honduras is among the countries most affected by extreme weather events, including drought[7]. Climate change projections indicate an increase in average temperature by 1 degree Celsius (°C) to 2.5°C by 2050 and 3°C to 4.3°C by 2100, and an annual rainfall decrease of 9 to 14 percent by 2050 and 20 to 31 percent by 2100. The impacts of climate variability are already significant in Honduras and are principally affecting the rural poor who depend on rain-fed agriculture. Between 2012 and 2013 there was a 23% decline in coffee production due to a coffee rust outbreak, which was fueled by a more variable climate, changing moisture conditions and higher temperatures. In addition, 2 years of consecutive drought starting in 2014 led to a loss of 96% of maize yields and 87% loss of bean yields in the country's Dry Corridor. On the other hand, more than half of Honduras' total greenhouse gas (GHG) emissions come from land use change; the emissions for average deforestation for the period 2000-2016 have been estimated at 6,552,746.47 tCO_2/year.[8]

9. The **root causes** of environmental degradation in Honduras include: a) poverty: many of Hondurans living in poverty are landless or live in fragile areas not suitable for agriculture. With few economic opportunities, the poor seek to subsist by using the available natural resources, causing multiple environmental impacts; b) an inadequate policy-enabling environment: limitations and inconsistencies in the regulatory frameworks prevent effective environmental management. While the country has defined strategies to reduce gaps and correct inconsistencies in the legal and policy framework related to the environment and biodiversity conservation, any reforms have been slow to occur and at times there is a lack of political support for them. In addition, land use management legislation is mostly related to production sectors such as agriculture and animal husbandry, with limited consideration given to environmental aspects; c) weak institutional capacity: government entities charged with overseeing land use management and environmental protection are weak, with few budget resources, and with limited capacity for monitoring, control, or surveillance. This is despite the fact that the country has benefited in the past from initiatives aimed at strengthening capacities for planning, management, and monitoring the conservation of biodiversity and the environment (including GEF projects). Persisting weak governance structures have not allowed for the institutionalization of the benefits derived from these interventions; and d) lack of environmental awareness: there is limited knowledge about natural resources among the population, and a lack of environmental education programs increases the threats to biodiversity, the land, and the forests.[9]

10. To address the country's environmental challenges, Honduras has developed a regulatory and policy framework consisting of several laws and regulations, among which the most relevant are: 1) the General Environmental Law (Decree No. 104-93), which among other things mandates the protection, conservation, restoration, and sustainable management of the environment and natural resources; and 2) the Forestry, Protected Areas, and Wildlife Law (Decree No. 98-2007), which establishes the legal aspects for managing forests, protected areas, and wildlife resources, and seeks sustainable development in harmony with the country's social, economic, environmental, and cultural interests. There are also multiple government agencies directly or indirectly related to environmental and development factors. The most relevant among these agencies are the Secretariat of Natural Resources and Environment (MiAmbiente+); the National Institute of Conservation and Forests, Protected Areas, and Wildlife Development (ICF); and the Secretariat of Agriculture and

Cattle Ranching (SAGA). In addition, Honduras is party to a number of international conventions, including the Convention of Biological Diversity (CBD); the United Nations Framework Convention on Climate Change (UNFCCC); the United Nations Convention to Combat Desertification (UNCCD); and the Convention for the Conservation of Internationally Important Wetlands (RAMSAR). Despite these efforts and synergies with civil society organizations (CSOs), as well as collaborations with multiple donor programs, the country's environmental problems persist.

11. The **long-term solution** consists of a strategy to enable policy, institutional, and financial frameworks for the delivery of multiple global environmental benefits (GEBs) by strengthening the connectivity between PAs and productive landscapes. This strategy will be piloted in the Northern Honduras Corridor, in a landscape consisting of PAs/KBAs (299,634 ha) and biological corridors (256,527 ha) with production lands that are critical for biodiversity conservation, but where the remaining forests and other critical ecosystems are threatened by non-sustainable production practices. The dissemination of knowledge and experiences that result from the implementation of this strategy will contribute to the adoption of best practices for biodiversity conservation, SLM, and gender equality in other PAs, biological corridors, and production landscapes and sectors. However, the following barriers prevent this objective from being reached:

Weak territorial governance for the conservation of biodiversity and improved connectivity.	Decision-makers in Honduras lack the necessary policy and planning tools needed for the effective conservation of biodiversity in PAs considering the wider landscape, particularly production landscapes between PAs that are critical to maintain ecosystem connectivity. This includes an incomplete regulatory framework for the implementation of agroforestry systems in production lands that can serve as corridors and contribute to restoring degraded ecosystems and ensure the sustainable delivery of related goods and services. There is also little progress in the legal designation of biological corridors as mandated by the Regulation of the Biological Corridors of Honduras (632-2015). In addition, some PAs continue to operate with outdated management plans and the financial gap to cover the basic costs for management of PAs is on average 50%. Territorial governance is also limited by the lack of coordination and mechanisms for cooperation between national-, local-, and private sector-level stakeholders; these institutional constraints limit territorial planning that gives consideration to environmental benefits, including reduced ecosystem degradation and biodiversity-friendly agricultural practices. In addition, there is legal uncertainty over land tenure (60% of producers do not have full ownership of the land), which limits the implementation of long-term strategies for operationalizing conservation-production strategies. This is further restricted by the lack of financial and market incentives to encourage producers to make use of biodiversity-friendly production systems and for the restoration of degraded areas that result from poor farming practices in palm oil, beef/dairy, and stable grains (maize and beans) production. Platforms such as the National Sustainable Palm Oil Platform and the Sustainable Livestock Farming Regional Roundtables, need to be strengthened so that they may promote sustainable production systems among the associated producers and provide them with the support to access needed technical and financial incentives (e.g., credit lines, green bonds, guarantee funds, impact investment funds, payments by results, etc.). Improved participatory control and surveillance programs are also needed both within and outside the PAs. Finally, Honduras has not defined LDN goals and lacks a framework to move forward in defining these goals.

Limited available tools to improve connectivity between PAs and production landscapes	Despite a national commitment to consolidate biological corridors that will link PAs for biodiversity conservation and reducing habitat fragmentation, there has been limited progress in achieving this goal. The proper landscape management tools (LMTs) are lacking, which would be used to promote ecosystem connectivity between PAs/ KBAs and restore degraded soils and forests using conservation agreements that have producers commit to conservation and sustainable production using financial incentives and market mechanism, as well as small grants to local communities and vulnerable groups that have limited access to the national-level financial mechanisms. In the case of the Northern Honduras Corridor, there is a lack of region-specific restoration plans that implement restoration practices already defined in the National Program for the Recovery of Degraded Ecosystems' Goods and Service 2018-2028. Producers, local communities, and vulnerable groups in the region lack the training to implement LMTs for restoration, including the implementation of agroforestry systems that promote production alternatives to traditional agriculture and livestock production practices. In addition and despite past efforts to achieve financial sustainability of the PAs (e.g., GEF5 project - *Strengthening the sub-system of coastal and marine protected areas* [GEF Project ID 4708]), there is still a need to develop additional strategies to ensure the financial resources needed for effective PA management. Finally, there is limited knowledge on the part of decision makers and other key stakeholders on the use of technical tools for measuring the benefits of biodiversity conservation and reduced land degradation that would result from the restoration of degraded lands using LMTs and from implementing sustainable agroforestry systems.

Limited availability of incentives to mainstream biodiversity and SLM practices into production landscapes	Using incentives to promote sustainable value chains with environmental and social benefits once these are available, would require overcoming persisting organizational, technical, and business management limitations among the producers that use them. Honduras has experience in mainstreaming biodiversity into production landscapes and sectors utilizing GEF support (e.g., GEF5 project - *Delivering Multiple Global Environment Benefits through Sustainable Management of Production Landscapes* [GEF Project ID 4590]) but has been slow in adopting the lessons learned and replicating best practices. There is a lack of sustainable production skills among small palm oil, beef/dairy, and basic grains producers as well as a lack of partnerships with the private sector that would provide security for the commercialization of biodiversity-friendly products; in addition, extension services to support sustainable value chains are lacking, as traditionally these have focused on supporting conventional forms of production. In the case of small-scale palm oil producers that may opt for RSPO certification, there is not much support to help them comply with Principle 5 (Environmental responsibility and conservation of natural resources and biodiversity) of the RSPO. Among small- and medium-scale beef/dairy farmers, there is limited knowledge for implementing intensive silvopastoral systems that would free-up ecologically sensitive areas that have been degraded (e.g., riparian forests and wetlands) so that they may be rehabilitated and to restore ecosystem connectivity between PAs /KBAs, while at the same time increasing productivity. Finally, environmental authorities do not have the necessary tools or training, particularly at the local level (i.e., municipalities), to verify deforestation-free production at the proper spatial scales or make the information available to users.
Lack of mechanisms for sharing best practices and lessons learned regarding biodiversity conservation and friendly production practices limits upscaling in other landscapes and other production sectors	There is a lack of mechanisms or platforms for sharing knowledge or targeted knowledge products in the country that would document and systematize best practices and lessons learned around biodiversity conservation through protected and interconnected areas within biological corridors, biodiversity-friendly production practices, SLM, and gender mainstreaming in production landscapes. As a result, the possibility of replication and upscaling in other landscapes and production sectors is limited. In addition, there is a lack of systematic monitoring of results and limited available data to assess the impact of interventions and to guide future planning and investments.

12. Baseline investments are valued at USD $53,000,000 for a 7-year period. Baseline projects will provide a foundation for this project. UNDP, FAO, and MiAmbiente+ will build synergies with these initiatives to ensure complementarities and avoid duplication.

2) The baseline scenario and any associated baseline projects

· Northeastern Small Producers' Economic and Social Inclusion Project – PROINORTE (2020-2025) financed by IFAD ($34 million USD), which will increase incomes and improve the living conditions of about 70,000 people through organizational strengthening, technical assistance, and building and/or upgrading rural infrastructure, including providing over 10,000 cookstoves.

· PROCACAHO Project (2019-2022) funded by the Swiss Agency for Development and Cooperation ($8 million USD) aims to promote better income and employment opportunities for producers of cocoa in Honduras through increased production, productivity, and quality of cocoa under agroforestry systems.

· Regional Coastal Biodiversity Project, financed by USAID ($1 million USD) and implemented by the IUCN, will contribute to the conservation of marine-coastal biodiversity in the Northern Honduras Corridor as part of a regional strategy to enhance economic integration with a strong emphasis on investments, leverage funding, and synergies with the private sector, security, stability, and governance.

· BANHPROVI/FIRSA (Trust Fund for the Administration and Investment for the National Program for the Reactivation of the Agro-food Sector of Honduras) will provide financing in the amount of $10 million USD for the cattle farming and palm oil production sectors.

13. The Government of Honduras (GoH) through the National Service of Agrifood Health and Safety (SENASA), provides technical support and monitoring to the cattle production sector to guarantee the health of herds and the quality of dairy products for their commercialization in the national and international markets. This is done in cooperation with the Association of Milk Processors (APROLECHE) and the Honduran Chamber of Milk (CAHLE). In addition, through the National Agricultural and Livestock Extension Program, implemented by Ministry of Economic Development, and in cooperation with the University of El Zamorano, the GoH will support the implementation of agribusiness model for the production and marketing of milk by establishing technical and financial cooperation relations between stakeholders along the milk value chain to enhance productivity and added value to dairy products. This initiative will provide training to 2,500 producers in good management practices, including producers within the prioritized biological corridors/production landscapes. It must be noted, that the GoH relies heavily on external support when it comes to investing in agricultural production, including palm oil and cattle production. During the PPG, a more detailed analysis of the baseline will be conducted to identify additional investment from the government to support palm oil and cattle production.

14. Regarding investment in PAs in the target areas, the GoH invests in the implementation of their management plans primarily through the national Fund for Protected Areas and to a lesser extent reinvestment from tourism fees. In addition, it also relies on a multiple external support including international NGOs (WWF, MARFUND, Darwin Initiative, and Panthera), bilateral and multilateral cooperation (e.g., GEF, USAID, World Bank DANIDA, Canada Fund for Honduras, and European Union), and the private sector (e.g., tourism and palm oil sectors), among other donors. During the PPG a detail assessment will be conducted to identity all funding sources for PA management and to validate the financial gap of the six prioritized PAs, which is estimated at 50% on average.

3) The proposed alternative scenario with a brief description of expected outcomes and components of the project

15. The project will overcome the previously mentioned barriers by strengthening the enabling and territorial governance framework for biodiversity conservation and improved connectivity between PAs/KBAs in production landscapes, and mainstreaming biodiversity and SLM practices into production landscapes. This strategy will contribute to enhancing the management effectiveness and financial sustainability of six PAs comprising 299,634 ha, and to consolidating biological corridors comprising 256,527 ha that are being subjected to non-sustainable production practices that result in the loss of biodiversity and land degradation. Knowledge and lessons learned from implementation will be documented, allowing for the adaptive management of the project and replication and upscaling in other PAs/KBAs and landscapes and sectors in the country.

16. Component 1: Enabling a territorial governance framework for the conservation of biodiversity and improved connectivity. Through this component, the project will strengthen the policy, institutional, and financial frameworks to sustainably manage production landscapes, emphasizing the effective management of PAs, and consolidation of biological corridors between PAs/KBAs and sustainable production landscapes, in particular biodiversity-friendly production of palm oil production, cattle farming, and basic grains (maize and beans) in biological corridors. To this end, the project will develop an ICF regulation to clarify the role of agroforestry of systems in ecosystem connectivity and restoration. This will be complemented by the gazetting of three biological corridors covering 256,527 ha and following the methodological procedures defined in the GEF6 project *Agroforestry Landscapes and Sustainable Forest Management that Generate Environmental and Economic Benefits Globally and Locally* (GEF Project ID 9262) that is currently being implemented in

Honduras. The assessment of threats and conservation opportunities for the three biological corridors will be conducted, and will include the determination of social and governance feasibility. These actions will facilitate the implementation of the National Program for the Recovery of Degraded Ecosystems' Goods and Service 2018-2028, which is already in place. Through this component, the project will also update the management plans of the Cuero y Salado WR and the Jeannette Kawas NP in Northern Honduras, which will included business plans to ensure their financial sustainability. The project will also enhance the existing land tenure interinstitutional accreditation system (e.g., collective and private land titles [including indigenous and afro-Honduran peoples], which will facilitate the implementation of sustainable production systems (including agroforestry systems) using long-term government or private lease-holds that will provide certainty to producers engaging in sustainable production ventures with long-term investment returns, as is the case with agroforestry. An enhanced land tenure interinstitutional accreditation system will also facilitate access to financing to support sustainable production and to build connectivity between PAS/KBA, restore degraded lands and will contribute to reducing conflicts related to land tenure.

17. Through this component, the project will strengthen the National Sustainable Palm Oil Platform and the Sustainable Livestock Farming Regional Roundtable in the Northern Honduras Corridor by providing producers with the training and tools to implement sustainable production practices and restore degraded lands. This will include support for the environmental certification (e.g., RSPO) of small producers and cooperatives in KBAs and surrounding landscapes. A Regional Bureau for biological corridors will established for their management and consolidation with the participation of the private sector, PA co-managers, national and local governments, academia, and civil society. The project will support the development of financial products (e.g., credit lines, green bonds, guarantee funds, impact investment funds, payments by results, etc.) working closely with national financial institutions for the financing biodiversity-friendly commodity value chains (palm oil and beef/dairy) and the restoration of degraded lands. Business agreements will be established with international and national buyers through public-private partnerships and mechanisms for compliance with environmental, social, and gender safeguards will be developed. Links will be established with the MRV system of the National REDD+ Strategy for documenting how the project contributes to curbing deforestation. To ensure the conservation of biodiversity and the reduction of threats from non-sustainable agricultural production practices, a participatory control and surveillance program for six PAs and three biological corridors will be operationalized. The program will be complemented with municipal ordinances for the conservation and monitoring of biodiversity within the three biological corridors. Finally, the project will establish a framework for Honduras for achieving LDN goals based on validation of baselines for LDN over 50,000 ha and define an action plan with key stakeholders, which will allow to maintain and restore Honduras land-based natural capital and contribute to biodiversity conservation and to maintain critical ecosystem services. To assess how the project will contribute to enhance national capacities to effectively implement sustainable production and agroforestry systems, the UNDP Capacity Development Scorecard will be used; the baseline and targets for the participating stakeholder (palm oil production and cattle farming sectors, and environmental authorities) will be determined during the PPG phase of the project. In addition, the management effectiveness of six PAs covering 299,634 ha will be assessed using the Management Effectiveness Tracking Tool (METT).

18. Component 2: Promoting the conservation of biodiversity and improving connectivity between PAs and production landscapes. The strategies and tools developed under Component 1 for the conservation of biodiversity and improved connectivity will be put into practice, focusing on six PAs and three biological corridors in the wider Northern Honduras Corridor. Improved connectivity between PAs/KBAs will be achieved using LMTs, which will include agroforestry systems, assisted natural regeneration, forest enrichment with native species, microcorridors, cultivation of fruit trees, and the establishment of hedges, live fences, and wind barriers, among other environmentally friendly practices. To implement the LMTs, 1,000 conservation and best production practices agreements signed with palm oil and beef/dairy producers and 11 existing nurseries operated by the ICF will be strengthened, and two new nurseries with cooperatives or producers' associations (including women's groups) will established, which will provide the germplasm needed to implement the LMTs. In addition, a restoration plan for the Northern Honduras Corridor will be developed that focuses on areas critical for enhancing ecosystem connectivity. The restoration of degraded lands will also include the use of small grants to be awarded to at least 15 community-based organizations and organizations of indigenous and Afro-Honduran peoples (e.g., Garífuna and Pech), including women's groups, which have limited access to financial institutions to implement restoration initiatives in their lands.

19. This component will implement best practices for reducing conflicts between producers and jaguars (*Panthera onca*) that may arise from improved connectivity between KBAs. The project will work with the Panthera Foundation in Honduras, which already has a well-established jaguar monitoring program in the Northern Honduras Corridor. Producers will be trained and a handbook of best practices will be distributed to enhance their coexistence with jaguars. This program will also contribute to the implementation of the National Plan for the Conservation of the Jaguar and the Regional Jaguar Conservation Roadmap for the America; in particular, it will contribute to enhancing connectivity between PAs/KBAs by focusing on conservation efforts in production landscapes, which jaguars are sometimes required to cross and on reducing conflicts with farmers. To secure the financial sustainability of PAs/KBAs, the project will pilot sustainable tourism models (e.g., bird watching, canopying, rafting, beach tourism, trail enjoyment, etc.) in PAs and community-based tourism (Garífuna and Ladinos) in PAs' buffer zones and areas of ecosystem connectivity. In addition, Payment for Environmental Services (PES) schemes for water services between tourism operators and PAs will implemented in three PAs (Pico Bonito NP, Jannette Kawas NP, and Punta Izopo NP) following a successful community-based experience implemented in the buffer zone of the Nombre de Dios NP (Roma village, Department of Atlántida) and STAP guidelines for PES under GEF-funded interventions (Payments for Environmental Services and the Global Environment Facility. A STAP advisory document. 2010). Finally, a system to monitor GEBs derived from the project will be put into place using multiple tools for evaluating the project's core indicators and other indicators to evaluate biodiversity conservation and SLM benefits as indicated in Section 6 of this project concept.

20. Component 3: Mainstreaming biodiversity and SLM practices into production landscapes. Through this component, the incentives and financial and market mechanisms identified through Component 1 will be made available to producers to develop sustainable palm oil, beef/dairy, and basic grains (maize and beans) value chains and support agroforestry systems (e.g., cocoa, wood, and fruit) with the goal of producing biodiversity-friendly commodities. The project will implement a sustainable production training and extension services program that will benefit 6,000 small and medium producers of palm oil, beef/dairy, and basic grains (maize and beans) present in the three biological corridors. In addition, at least five cooperation partnerships will be established with the private sector, including buyers and businesses related to agroforestry products and processors and retailers to promote and commercialize deforestation-free beef/dairy products. Support will be provided to 500 small and medium beef/dairy farms to implement intensive silvopastoral systems with production diversification through agroforestry systems; tools such as LEAP, GLEAM, L-TFP, and PSM will be used to verify the environmental, social, and economic benefits derived from good beef/dairy production practices. In the case of palm oil production, the project will provide support to at least three cooperatives or groups of small and medium palm oil producers, including women's groups, so that they can comply with RSPO Principle 5 (Environmental responsibility and conservation of natural resources and biodiversity). By project's end, it is expected that that the use of incentives and financial mechanisms made available for sustainable value chains will increase the annual net income of participating small and medium producers of palm oil, beef/dairy, and basic grains (maize and beans). During the PPG, a detailed economic analysis will be completed to assess their feasibility and potential economic impact. In addition, by project's end it is expected that 50,000 ha of production landscapes will be undergoing improved practices and threats to PAs, biological corridors and biodiversity, and land degradation on the participating farms will be reduced. Knowledge and lessons learned from implementation will be systematized, allowing for the adaptive management of the project and replication and upscaling in other landscapes and sectors in the country.

21. Component 4: Knowledge Management (KM), Monitoring and Evaluation (M&E). Through this component, the project will generate a set of KM products around the experiences of restoring degraded areas in production landscapes and promoting deforestation-free commodities while delivering GEBs. Solutions and best practices will be shared through different KM platforms nationally and globally, including the Conference of the Parties of the Convention on Biological Diversity, and the Panorama Portal "Solutions for a Healthy Planet," and the Good Growth Community of Practice, among others. In addition, knowledge and lessons learned will be systematized and made available through at least one document per value chain (palm oil and beef/dairy) for the replication and scaling-up of successful experiences in other production landscapes and biological corridors. Finally, this component will allow the implementation of a project gender mainstreaming plan, a stakeholder engagement plan, and M&E plan.

[1] DiBio. 2017. Estrategia Nacional de Diversidad Biológica y Plan de Acción 2018-2022. Dirección General de Biodiversidad (Mi Ambiente). Tegucigalpa, Honduras.

[2] Estrategia Nacional de Bienes y Servicios Ambientales de Honduras
[3] http://www.worldbank.org/en/country/honduras/overview
[4] Análisis de Causas de Desforestación y Degradación de Honduras . ONU REDD Honduras. 2018.
[5] http://www.miambiente.gob.hn/blog/view/mapa-nacional-de-degradacion-de-tierras.
[6] Plan de Acción Nacional de Lucha Contra la Desertificación (PAN) Honduras 2005-2021.
[7] Global Climate Risk Index 2018. https://germanwatch.org/sites/germanwatch.org/files/publication/20432.pdf.
[8] Propuesta Nivel de Referencia de las Emisiones Forestales por Deforestación en la República de Honduras. Gobierno de la Republica de Honduras, 2017.
[9] DiBio. 2017. Estrategia Nacional de Diversidad Biológica y Plan de Acción 2018-2022. Dirección General de Biodiversidad (Mi Ambiente). Tegucigalpa, Honduras.

4) Alignment with GEF focal area and/or Impact Program strategies

22. The project is aligned with the GEF Biodiversity Focal Area, more specifically with Objective 1.1: Mainstream biodiversity across sectors as well as landscapes and seascapes through biodiversity mainstreaming in priority sectors; and with Objective 2.7: Address direct drivers to protect habitats and species and Improve financial sustainability, effective management, and ecosystem coverage of the global protected area estate. In addition, the project is aligned with the GEF Land Degradation Focal Area, more specifically with Objective 1.1: Maintain or improve flow of agro-ecosystem services to sustain food production and livelihoods through SLM; and Objective 3.4: Reduce pressures on natural resources from competing land uses and increase resilience in the wider landscape. The project will contribute to achieving Aichi Targets 1, 3, 4, 5, 7, 8, 11, 12, 14, and 15; it will also contribute to the Sustainable Development Goals: 1, 5, 12, and 15.

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

23. The baseline investments described in Section 2 will contribute in some measure to build connectivity between PAs/KBAs to promote the adoption of biodiversity-friendly practices by producers of palm oil, beef/dairy, and basic grains (maize and beans). Progress will be made in strengthening small producers' economic and social conditions in northeastern Honduras and promoting agroforestry systems, which will contribute to an extent in restoring degraded lands and improve the income of producers interested in agroforestry. Baseline investments will also contribute to the conservation of biodiversity through PAs in the Northern Honduras Corridor, but they will continue to operate under tight budgets and relying heavily on external sources of funding. In addition, it will be unlikely that biological corridors will be legally established in the near future, thus limiting opportunities to conserve biodiversity, reduce habitat fragmentation, improve connectivity between ecosystems, and promote sustainable production processes. In addition, under the baseline financing will be available to cattle farming and palm oil producers but not necessarily directed to promoting sustainable production practices. Financing provided by the GEF will, through Component 1, significantly strengthen the policy, institutional, and financial frameworks for the conservation of biodiversity and improved connectivity, including biological corridors; aspects that are not considered under the baseline. The GEF's financing will also support specific actions through Component 2 towards the building connectivity and restoring of degraded lands and for the conservation of PAs/KBAs, including contributing to their financial sustainability through sustainable tourism models and PES schemes for water services, which will be an important addition to the baseline. In addition, through Component 3, the GEF's financing will strengthen the selected value chains through access to financing and sustainable markets for palm oil, beef/dairy, and basic grains, which will add to the baseline in terms of expanding certification opportunities for small and medium producers of palm oil (currently only large producers can afford certification), and expanding opportunities for implementing agroforestry. It will also introduce intensive silvopastoral systems to improve productivity with environmental benefits. Overall, the GEF alternative will contribute to the reduction of threats to biodiversity

and the land from non-sustainable agricultural production practices in the Northern Honduras Corridor that otherwise would remain unchecked under the baseline. These actions, which will be implemented during a 7-year period with a GEF investment of $9,863,948 USD and $56,200,000 USD in cofinancing, will be added to the baseline investments delivering the GEBs that are described in the following section.

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

Current practices (baseline)	Alternative proposed by the Project	Anticipated GEBs
Weak policy, institutional, and financial frameworks for PA management, establishing biological corridors, and mainstreaming biodiversity in production lands	Policy, institutional, and financial frameworks strengthened for effective PA management, consolidation of biological corridors, and biodiversity-friendly production in agricultural landscapes.	– 299,634 ha of PAs under improved management effectiveness – 256,527 ha of biological corridors gazetted – 50,000 ha of palm oil, beef/dairy, and basic grains production under improved practices – 30,000 ha of improved biological corridors using LMTs between production landscapes and six PAs, including two KBAs – Improved ecological integrity index the near-threatened jaguar – Presence of hawks (*Buteo sp.*) confirmed – Presence of the endangered Central American tapir (*Tapirus bairdii*) confirmed – Stable presence of Odonata (dragonflies) indicates the good ecological condition of freshwater ecosystems – Reduction of the erosion rate by X% by project's end
Increase in fragmentation of natural ecosystems due to the expansion of palm oil, beef/dairy, and basic grains production	Enhanced connectivity between six PAs (2 of which are KBAs) using LMTs, including agroforestry.	
Commodity supply chains without consideration of environmental impacts. RSPO certification for palm oil has been introduced into the country only recently; there are no certification schemes for beef/dairy production.	Deforestation-free commodity supply chains enabled through best practices and certification.	
Incentives are not being considered to promote environmentally friendly production practices in biological corridors and financing available; BANHPROVI and other financial institutions only support conventional agricultural practices.	Use of incentives and financial mechanisms involving BANHPROVI, other financial institutions, the private sector, and small and medium farmers to produce deforestation-free commodities.	
Limited capacity of public institutions and the private sector to mainstream biodiversity into production lands and reduce land degradation.	Institutional capacity in place to mainstream biodiversity into production landscapes in three biological corridors, use information to support biodiversity conservation and SLM.	
Limited monitoring of environmental threats to PAs and biological corridors in Northern Honduras	Enhance monitoring of environmental threats to six PAs and three biological corridors in the Northern Honduras Corridor	

7) Innovation, sustainability and potential for scaling-up

24. Although Honduras is already implementing a strategy for the effective management of protected and interconnected areas within biological corridors in southwestern Honduras through the GEF6 project *Agroforestry Landscapes and Sustainable Forest Management that Generate Environmental and Economic Benefits Globally and Locally* (GEF Project ID 9262), this new project is innovative as this strategy will be implemented for the first time in Northern Honduras, enhancing the connectivity between interior mountain PAs and coastal PAs and working closely for the first time with the palm oil and cattle ranching sectors that are key to the country's economy. An intervention will be achieved through this project, in which biodiversity conservation through PAs and biological corridors, biodiversity-friendly agricultural production, and sustainable land management are linked together to delivery GEBs. The project will build upon past experiences supported by the GEF for mainstreaming biodiversity into production sectors (e.g., *Mainstreaming Biodiversity in Sustainable Cattle Ranching* [GEF Project ID 3574]) and using LMTs to promote ecosystem connectivity working with the private sector (e.g., *Mainstreaming Biodiversity in the Coffee Sector in Colombia* [GEF Project ID 3590]). In addition, it will build upon lessons learned and experiences under the Good Growth Partnership regarding the development of business models to manage sustainable commodity production (e.g., palm oil and beef/milk) while conserving forests and ecosystem services. The project is also innovative as cooperation partnerships will be established with the private sector (buyers and businesses related to agroforestry products) and with processors and retailers to promote the commercialization biodiversity-friendly products. In addition, the use of a variety of tools to verify project performance, including the Livestock Environmental Assessment Performance Partnership (LEAP), Global Livestock Environmental Assessment Model (GLEAM), the Ex-Ante Carbon-balance Tool (EX-ACT), Total Factor Productivity-Livestock (L-TFP), Propensity Score Matching (PSM) will add to the project's innovative approach. Further innovations are the stakeholder forums for dialogue, supporting a framework for knowledge management and replication across the country, and institutional strengthening and communication strategies.

25. Institutional sustainability will be achieved by strengthening policy, institutional, and financial frameworks for the conservation of biodiversity and improved connectivity. New regulations, incentives, and financial instruments to incentivize biodiversity conservation, restore degraded lands, and practice sustainable production will contribute to the project's financial sustainability. Strengthened capacity of public, private sector, and civil society stakeholders at the national and local levels through improved tools for PA management, establishing and managing biological corridors, implementation of LMTs, sustainable production of palm oil and beef/dairy and other crops, and improved monitoring through the use of multiple tools and training of environmental authorities will reduce deforestation and ensure environmental sustainability. The project has a high potential for replicability. The project is designed to be scaled up within Honduras after the initial demonstration in the selected project area. A framework for replicability is already built into the project through Component 4. This will serve both for the project monitoring and to build a results framework and to generate knowledge for continuous learning. Good practices and lessons learned will be disseminated to a broader range of stakeholders through communication channels such as websites, information networks, fora and publications, among others, to support replication and scaling-up.

1b. Project Map and Coordinates

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

Please see Annex A

2. Stakeholders

Select the stakeholders that have participated in consultations during the project identification phase:

Indigenous Peoples and Local Communities Yes

Civil Society Organizations Yes

Private Sector Entities Yes

If none of the above,please explain why:

In addition, provide indicative information on how stakeholders, including civil society and indigenous peoples, will be engaged in the project preparation, and their respective roles and means of engagement.

Stakeholder	Role in the project
Secretariat of Natural Resources and Environment (MiAmbiente+)	MiAmbiente+ will be the project execution agency and will coordinate project execution in partnership with strategic partners. The agency will also provide guidance and technical for project implementation, monitoring of results, as well as presentation of project progress reports. MiAmbiente+ will lead the PPG phase of the project on behalf of the Government of Honduras.
Agriculture and Cattle Farming Secretariat (SAG)	SAG will provide technical support for implementing sustainable production activities and facilitate access to incentives for producers. Additional consultation will be conducted during the PPG phase to further assess the role of SAG in the project.
National Institute of Forest Conservation and Development, Protected Areas and Wildlife (ICF)	ICF will lead, jointly with PA co-managers, efforts to improve PA management effectiveness and their financial sustainability. ICF will play a key role in providing technical support for enhancing connectivity between PAs/KBAs LMTs, including agroforestry and the operation of nurseries. In addition, it will lead the implementation of a control and surveillance program for PAs and biological corridors. ICF was consulted during the development of this project concept and will be further engaged during the PPG phase. ICF is expected to be part of the Project Board during implementation.
National Agrarian Institute (INA)	INA will coordinate with the ICF and MiAmbiente+ to provide access to information about land tenure and will lead the development of an enhanced land tenure interinstitutional accreditation system. INA will be consulted during the PPG phase.
Financial sector organizations	Financial sector organizations will be instrumental in the development of financial products and will support investment opportunities for the small producers who participate in the project, and will implement sustainable production practices associated with selected commodities. These may include the Honduran Association of Banking Institutions (AHIBA), the Honduran Bank for Production and Housing (BANHPROVI), and the Honduran Federation of Savings and Loans Cooperatives (FACACH). Financial sector organizations consulted during the development of the PIF included the AHIBA and BANHPROVI, who will continue to be engaged during the PPG phase as key stakeholders for the development of financing instruments that favor biodiversity conservation.
CSOs and NGOs	Multiple CSOs and NGOs work in the project area that will provide information and knowledge regarding SLM, biodiversity conservation, and sustainable production practices. These include the Organization of the Garifuna People, the Honduran Broadleaf Forest Management Network (REMBLAH), co-managers of PA within the project area, the INGA Foundation, the Foundation for Rural Business Development (FUNDER), and international organizations such as Solidaridad, the IUCN, and the Wildlife Conservation Society (WCS). Co-managers of PAs within the project area were consulted for the formulation of this project regarding existing needs of the PAs. During the PPG, a more detailed mapping of the CSOs and NGOs that are present will be completed as part of the stakeholder analysis, and their roles in the project will be further defined as part of the comprehensive Stakeholder Engagement Plan that will also be developed during the PPG phase.

Research institutions	Research institutions will contribute with information about vulnerable KBAs, degraded lands, monitoring of biodiversity, and best sustainable agricultural practices. These may include the University of Forest Sciences (UNACIFOR), the National University of Agriculture (UNA), the National Autonomous University of Honduras (UNAH/CURLA), and the Honduras Foundation for Agricultural Research (FHIA). The Panthera Foundation Honduras will provide technical assistance for the conservation and monitoring of the jaguar in the prioritized landscape. Panthera was consulted on the status of the population of jaguar in the target area and to define the associated project indicators. Consultation will continue during the PPG phase with this and other research institutions as needed.
Private Sector	The private sector will support and promote the adoption of sustainable production practices by producers The private sector be a direct beneficiary of the project through the Sustainable Livestock Farming Regional Roundtable and the National Sustainable Palm Oil Platform. The sector will be represented through the National Association of Foresters of Honduras (ANASILH), the Federation of Agroforestry Producers of Honduras (FEPROAH), the Association of Honduran Cocoa Producers (APROCAHO), the Honduran National Federation of Ranchers and Farmers (FENAGH), the Industrial Association of Oil Producers of Honduras (AIPAH), the RSPO Oil Palm Committee, and local associations of cattle farmers. APROCAHO, FENAGH, and the RSPO Oil Palm Committee were consulted during the development of the project concept and will be further engaged during the PPG phase. Other private sector stakeholders, such as the Industrial AIPAH, ANASILH, FEPROAH, and FACACH, will be consulted during the PPG phase of the project. A more detailed mapping of the private sector present will be completed as part of the stakeholder analysis and their roles in the project will be further defined as part of the comprehensive Stakeholder Engagement Plan that will also be developed during the PPG phase.
Local Communities and Community Organizations	These organizations will be beneficiaries of training and education activities and incentives to promote sustainable production practices. Community-based organizations and organizations of indigenous and Afro-Honduran peoples (e.g., Garífuna and Pech), will receive small grants to support biodiversity conservation and the recovery of goods and ecosystem services on degraded lands. Consultations will be conducted during the PPG to define their roles in strengthening territorial governance at the local level, restoring degraded ecosystems, and sustainable production and diversification. Consultation with local communities and community organizations will be conducted during the PPG phase as part of the stakeholder analysis and their roles in the project will be further defined as part of the comprehensive Stakeholder Engagement Plan that will also be developed during the PPG phase. In addition, initial Free Prior and Informed Consent (FPIC) consultations will be conducted with indigenous peoples and Afro-Hondurans to ensure their effective participation in project implementation.

3. Gender Equality and Women's Empowerment

Briefly include below any gender dimensions relevant to the project, and any plans to address gender in project design (e.g. gender analysis).

23. 1. Women often take the lead in the selection and improvement of local production and in the more remote areas and they possess extensive knowledge of their location. The project recognizes that roles for women and men in natural resource management are different. Women will play a central role during project implementation, as they will be beneficiaries of incentives, technical support, and training for implementing palm oil, beef/dairy, and basic grains production, as well as from agroforestry. The project will ensure food security for women and their families by supporting sustainable agriculture practices and increasing the income of small and medium women producers of sustainable palm oil, beef/dairy, and basic grains. In addition, women's groups, including indigenous and Afro-Honduran women, will receive small grants to support the biodiversity conservation and recovery of goods and ecosystem services on degraded lands. Consultations were held at the national level with high participation of women. Consultations will continue during the PPG phase, including at the local level, and a gender expert will be hired to conduct a gender analysis for the Northern Honduras Corridor that includes information disaggregated by sex. This consultant will then develop a Gender Action Plan with gender-based indicators. Both women and men will benefit from this project, thus creating a gender-based governance framework for biodiversity conservation and SLM.

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

closing gender gaps in access to and control over natural resources;

improving women's participation and decision-making; and/or Yes

generating socio-economic benefits or services for women. Yes

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

Yes

4. Private sector engagement

Will there be private sector engagement in the project?

Yes

Please briefly explain the rationale behind your answer.

28. Participation by the private sector will be essential for restoring ecologically sensitive areas and reducing deforestation in palm oil and cattle ranching production landscapes. Initial consultations were conducted and will continue during the PPG phase so that financial mechanisms can be designed jointly with the financial sector and to commit companies and producers of palm oil and beef/dairy to invest in sustainable production and implement restoration and diversification actions. During project implementation, business agreements with international and national buyers will be promoted through public-private partnerships and access to loans through national banks (e.g., BANHPROVI) as part of a strategy for financing deforestation-free commodity value chains. Also, a Stakeholder Engagement Plan will be developed in which mechanisms to involve the private sector will be further defined, as well as their role as project co-financiers, which may include palm oil and beef/dairy processors and buyers such as LACTHOSA, LEYDE, ENGAHSA, HONDUPALMA, and UNPALA.

5. Risks

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

29. The identification of potential risks is based on UNDP's Social and Environmental Screening Procedure (SESP) for project concepts (pre-screening). The project is considered high risk, with potential downstream impacts (Components 2 and 3) and upstream impacts (Component 1); accordingly, an Environmental and Social Impact Assessment (ESIA) is required for the field-level activities and a Strategic Environmental and Social Assessment (SESA) is required for the policy-level activities.

30. During the PPG, this screening (SESP) will be revised based on further assessments and on information/details gathered in the course of the development of the project. At a minimum, the following will be prepared during the PPG to meet social and environmental screening requirements revealed in this pre-screening:

- Environmental and Social Management Framework (ESMF)
- Stakeholder analysis and comprehensive Stakeholder Engagement Plan
- Initial Free Prior and Informed Consent (FPIC) consultations
- Indigenous Peoples Plan (IPP)
- Gender analysis and Gender Action Plan

31. The assessment of the principal individual risk is presented below.

Risk	Level*	Risk Mitigation Strategy
The potential outcomes of the project are sensitive or vulnerable to the potential impacts of climate change	M	The project area is susceptible to hurricanes, tropical storms, landslides, and drought. Connectivity between KBAs will be enhanced, improving the resilience of biodiversity through increasing species' mobility and providing refuge against climate variability. SLM and environmentally friendly production practices will create stable conditions that benefit vulnerable biodiversity, production systems, and human populations. This risk will be managed through the design of the project; it will be examined in the course of the ESIA and included in the ESMP as determined necessary.
Local governments (municipalities) and cooperatives or producers' associations (e.g., Regional Livestock Associations) might not have the capacity to implement project activities successfully.	M	Currently there is weak implementation of national policies at the municipal and community levels due to capacity limitations. This results in inadequate land and other natural resources governance, and weak enforcement of agricultural and environmental regulations. This risk will be managed through the design of the project; it will be examined in the course of the ESIA and included in the ESMP as determined necessary. The project design through Componente 1 includes several outputs related to the strengthening of biodiversity conservation and land governance at the national and local levels.
The project could restrict the access of small palm oil, cattle, and basic grains farmers to natural resources (land and water) within PAs/KBAs due to increased enforcement of landscape protections and new approaches to land management, potentially causing economic displacement.	M	Some small palm oil cattle, and basic grains farmers may be conducting production activities within KBAs areas and access to these areas, or other ecologically sensitive areas may be limited; however, no physical displacement is anticipated. During the development of the project, small palm oil and cattle farmers will be closely involved and engaged, and an assessment of their livelihoods will be undertaken. Avoidance measures will be identified jointly with farmers and environmental authorities and, where avoidance is not possible, management measures will be developed with full, meaningful engagement, and consultation. The risk will be covered within the ESMF and further assess during the ESIA. A Livelihood Action Plan will be included in the ESMP as needed.
Poorly designed or executed project activities could damage critical or sensitive habitats, including introduction of invasive alien species (IAS) during restoration activities	M	The project targets improve connectivity in 30,000 of biological corridors between selected PAs and KBAs to build ecosystem connectivity. There are risks of introducing IAS if the restoration plans for selected areas are not properly formulated. This risk will be managed through the design of the project; it will be examined in the course of the ESIA and included in the ESMP as determined necessary.

Indigenous people might not be involved in project design and therefore not engaged in, supportive of, or benefitting from project activities; Free, Prior and Informed Consent (FPIC) has not yet been applied	H	The project will involve small farmers and indigenous peoples engaged in palm oil and beef/milk production, agroforestry, and cocoa production in the target landscape. The full extent of indigenous people's participation in these production activities is unknown. During the PPG phase of the project, the full extent of indigenous people's participation in in palm oil and beef/milk production, agroforestry, and cocoa production in the prioritized landscape within the Northern Honduras Corridors will be assessed. If FPIC is determined to be a requirement, then consultations will be carried out with the objective of achieving initial consent from the specific rights-holders, as appropriate and in line with Standard 6 requirements. FPIC would then be continued during project implementation, following the measures summarized in the ESMF and in the Indigenous Peoples Plan (IPP) that is prepared as part of the subsequent ESMP
The proposed project may have adverse impacts on gender equality and/or the situation of women and girls, including women farmers	M	Due high levels of poverty in Honduras (60.9 % of he population), particularly in rural areas, women and girls may suffer the most marginalization and deterioration of their living conditions. This risk will be assessed fully in the gender analysis for the target landscape, and which win include sex desegregated data, and managed through the Gender Action Plan to be developed during the final project formulation, and which will include gender-based indicators.
Policy changes could have unintended negative social and/or environmental impacts if poorly designed or executed (upstream impacts).	M	The project will develop a regulation to clarity activities related to agroforestry systems, and will update management plans for two PAs. It will include the active participation of stakeholder unintended negative social and/or environmental impacts. This risk will be managed through the design of the project; it will be examined in the course of the SESA and included in the ESMF as determined necessary.
Workers in palm oil and beef/dairy production might be exposed to hazards common to these activities, including exposure to chemical inputs (pesticides, fertilizers) that might be subject to international bans.	M	The use of chemical inputs (pesticides, fertilizers) is common practice in agricultural production in the prioritized landscape of the Northern Honduras Corridor. In addition, palm oil and beef/dairy production may generate wastes and may use large volumes of water is not properly managed and under drought conditions. This risk will be managed through the design of the project; it will be assessed in the course of the ESIA and included in the ESMP as determined necessary. The final design of the project (PPG phase) will include activities to equip the target farmers with training on application of Good Agricultural Practices (GAP) on farm. As part of GAP, farmers will be trained to appropriately gear themselves against exposure of hazardous materials. Additionally, GAP will prescribe appropriate types and doses of fertilizers that are not internationally banned or pose potential risks and vulnerabilities related to occupational health. Through GAP, the project will be addressing issues related to overuse of water (e.g., palm oil production) and the potential release of non-hazardous and hazardous pollutants into the environment from food production systems.

* L = low; M = moderate; H = high

6. Coordination

Outline the institutional structure of the project including monitoring and evaluation coordination at the project level. Describe possible coordination with other relevant GEF-financed projects and other initiatives.

32. UNDP and FAO will be the implementing agencies responsible for the project, including its monitoring and evaluation following GEF guidelines. UNDP's comparative advantage relies on its breadth of experience in implementing GEF projects related to biodiversity conservation and for improving the management effectiveness and financial sustainability of PAs. FAO's Comparative advantage relies on its breadth of experience in sustainable production and agriculture, as well as land degradation. In addition, FAO has developed a number of tools (e.g., Livestock Environmental Assessment Model [GLEAM], Ex-Ante Carbon-balance Tool [EX-ACT]), which will be used to quantify some of the GEBs to be delivered by the project. When selecting UNDP and FAO as co-implementing agencies, the GoH considered these considerations, as well as the long experience of both agencies in Honduras. The principal Implementing Partner for this project is the Secretary of Energy, Natural Resources, Environment and Mining (MiAmbiente+), who will be responsible for documenting project progress against agreed-upon work plans in accordance with the reporting schedule and formats. The IUCN, UN Environment, SAG, and ICF will also act as implementing partners. It is expected that all these organizations will be part of the Project Board, which will provide overall guidance and direction to the project. During the PPG, the complete institutional structure of the project will be outlined and a detailed project M&E plan and budget will be defined.

33. Actions will be coordinated with the GEF6/UNDP project (2018-2025) *Agroforestry Landscapes and Sustainable Forest Management that Generate Environmental and Economic Benefits Globally and Locally* (GEF Project ID 9262), which aims to strengthen the connectivity between protected areas and production landscapes to generate environmental, social, and economic benefits in the dry-humid biological corridor of southwestern Honduras. Lessons learned and experiences will be exchanged regarding the implementation of sustainable production systems, biodiversity conservation and ecosystem connectivity, and restoration strategies. Similarly, information will be exchanged regarding the process for gazetting biological corridors and stakeholder engagement, including indigenous peoples and women's groups. When considered appropriate, complementarity between the two projects will be sought, which will contribute to the cost-effectiveness of the two interventions.

34. Lessons learned and best practices for the GEF5/UNDP project *Strengthening the sub-system of coastal and marine protected areas* (GEF Project ID 4708) will be considered. This project is aimed at promoting the conservation of biodiversity through the expansion of the effective coverage of marine and coastal PAs in Honduras. In particular, lessons learned regarding the improvement of the management effectiveness of PAs will be relevant, including the development of management plans for the Cuero y Salado WR and the Jeannette Kawas NP, which are also part of this new project. Also, experiences regarding the piloting/demonstration of tourism as a tool for supporting financial sustainability in PAs will be considered.

35. Actions will also be coordinated with the GEF5/UNDP project (2018-2025) *Delivering Multiple Global Environment Benefits through Sustainable Management of Production Landscapes* (GEF Project ID 4590), which aims to mainstream biodiversity conservation, sustainable land management, and carbon sequestration objectives into production landscapes and sectors in humid broadleaved and dry zone agroecosystems. Best practices and lesson learned working with platforms of producers, establishing agreements between purchasers and farmers and marketing of sustainable products (e.g., beef dairy products) generating GEBs in production landscapes, and providing technical assistance and training to farmers will be considered.

36. The project will also consider lessons learned from the implementation of the GEF/World Bank project *Mainstreaming Biodiversity in Sustainable Cattle Ranching* (GEF Project ID 3574) regarding the use of agro-silvopastoral systems that combine trees, shrubs, and various herbaceous plant species to improve the sustainability and productivity of farms combining agriculture and cattle production, while creating an environment that is vastly more hospitable to biodiversity and is carbon-friendly. In particular, best practices and lesson learned regarding agro-sylvopastoral systems would be used in the implementation of intensive silvopastoral combined with agroforestry (Output 3.5).

37 . The project will also make use of lessons learned and best practices resulting from the implementation of the GEF Small Grants Program (SGP) in Honduras. These will include experiences in biodiversity conservation on cattle farms, diversification of production, biodiversity habitat conservation, and restoration of degraded lands, among other related topics. Through Output 2.2, the project will make use of the SGP long experience in Honduras in biodiversity conservation and sustainable production working with CBOs, including women's groups and organizations of indigenous and Afro-Honduran peoples.

38. The project will also coordinate actions with the Jaguar Corridor Initiative for the preservation of the genetic integrity and future of the jaguar by connecting and protecting core jaguar populations from Mexico to Argentina.

7. Consistency with National Priorities

Is the Project consistent with the National Strategies and plans or reports and assesments under relevant conventions

Yes

If yes, which ones and how: NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, INDCs, etc

39. Honduras ratified the CBD on 29 October 1995. The project is aligned with the National Biodiversity Strategy and Action Plan (NBSAP) and particularly with objectives relevant to Protected Areas and In Situ Conservation, Sustainable use of Biodiversity and Incentives. The NBSAP recognizes biodiversity conservation as a pillar for development and the reduction of the poverty and promotes the creation of biological corridors to generate connectivity between KBAs and production landscapes. The NBSP also prioritizes agrobiodiversity to transform food production systems, including the sustainable use of livestock, forestry, and agricultural resources. The project will contribute to achieve these goals of the NBSP. The project is also consistent with the Strategic Plan for the National System of Protected Areas and its objectives, namely, O.1. "Ensure coordination between different actors involved with the SINAPH", O.3 " Develop and update management Plans for Protected Areas according to Management Categories", O.4. "Establish conditions for the marketing of environmental services in Protected Areas" and "Developing and implementing business plans for the sustainable use of environmental goods and services in PA", and O.6 " Ensure that the state guarantees the allocation of budget resources to feed and strengthen the SINAPH".

40. Honduras ratified the UNCCD on 25 June 1997. The project is consistent with the National Action Program (NAP) 2005-2021 under the UNCCD, which aims at facing in a comprehensive and sustained way the causes of the degradation of natural resources that promote land degradation and desertification. The project is consistent with the NAP's pillars for generating resilient food production systems; planning, conservation, and reforestation in watersheds; and institutional strengthening and development of local capacities.

41. Honduras ratified the UNFCCC on 19 October 1995. Honduras is one of the first countries in Latin America to join the Nationally Determined Contribution (NDC) Partnership and develop a road map for the fulfillment of its NDCs as part of the Paris Agreement/UNFCCC. This includes the commitment to reduce GHG emissions from the agricultural production sector by 15% and to restore 1 million ha affected by deforestation and forest degradation, including 480,000 ha associated with sustainable oil palm and cattle farming nationwide. The project is consistent with the NDC and will contribute to achieving the related country's commitments.

42. The project is aligned with the Regulation of the Biological Corridors of Honduras 632-2015, which promotes the creation of biological corridors as a strategy to conserve biodiversity, reduce habitat fragmentation, improve connectivity between ecosystems, and promote sustainable production processes that improve the quality of life for local populations who use, manage, and conserve biodiversity.

43. The project is also consistent with EN-REDD+, which promotes the restoration of landscapes that have been degraded and deforested due to the production of commodities such as palm oil and beef/milk. Similarly, the project is consistent with the National Program for the Recovery of Degraded Ecosystems' Goods and Services, created though Ministerial Agreement No. 1030-18 of MiAmbiente+, which outlines strategic options for restoring areas in northern Honduras where the proposed project will be implemented.

8. Knowledge Management

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

44. Knowledge management activities will be part of Component 4 and will include the systematization of the knowledge generated and the sharing of lessons learned, including women's experiences. Knowledge products/ publications will be developed. Results from the project will be shared within and beyond the project intervention area through a number of existing information-sharing networks and forums, such as the Conference of the Parties of the CBD, the Panorama Portal "Solutions for a Healthy Planet", and Good Growth Community of Practice. The project may participate in UNDP-FAO-GEF sponsored networks that are organized for senior staff working on similar projects (e.g., GEF Project ID 9059, Guatemala; GEF Project ID 9262, Honduras; and GEF Project ID 10081, Uruguay) and in scientific and/or other networks that may be of benefit to project implementation. Identifying and analyzing lessons learned is an ongoing process, and the need to communicate lessons as one of the project's central contributions is a requirement to be delivered at least every 12 months.

Part III: Approval/Endorsement By GEF Operational Focal Point(S) And Gef Agency(ies)

A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S): (Please attach the Operational Focal Point endorsement letter with this template).

Name	Position	Ministry	Date
Rosibel Martinez Arriaga	Director of External Cooperation and Resource Mobilization	Secretariat of Energy, Natural Resources, Environment and Mines	4/5/2019

ANNEX A: Project Map and Geographic Coordinates

Please provide geo-referenced information and map where the project intervention takes place