# REQUEST FOR CEO ENDORSEMENT

**PROJECT TYPE: Full-sized Project**
**TYPE OF TRUST FUND:GEF Trust Fund**

## PART I: PROJECT INFORMATION

| | | | |
|---|---|---|---|
| Project Title: | Strengthening the sub-system of coastal and marine protected areas | | |
| Country(ies): | Honduras | GEF Project ID: | 4708 |
| GEF Agency(ies): | UNDP | GEF Agency Project ID: | 4826 |
| Other Executing Partner(s): | Ministry of Environment and Natural Resources (SERNA) | Submission Date: | August 28, 2013 |
| GEF Focal Area (s): | Biodiversity | Project Duration (Months): | 60 |
| Name of parent program | NA | Agency Fee ($): | 303,636 |

### A. FOCAL AREA STRATEGY FRAMEWORK:

| Focal Area Objectives | Expected FA Outcomes | Expected FA Outputs | Trust Fund | Grant amount ($) | Co-financing ($) |
|---|---|---|---|---|---|
| BD1: Improve Sustainability of Protected Area Systems | 1.1 Improved management effectiveness of existing and new protected areas. | GEF Output 1.1.1.: 3 new PAs with an additional area of 1.86 million ha | GEFTF | 2,892,139 | 10,395,000 |
| Sub-total | | | | 2,892,139 | 10,395,000 |
| Project management cost | | | GEFTF | 144,225 | 520,000 |
| **Total project cost** | | | | 3,036,364 | 10,915,000 |

### B. PROJECT FRAMEWORK:

**Project Objective:** To promote the conservation of biodiversity through the expansion of the effective coverage of marine and coastal protected areas in Honduras

| Project Component | Grant type | Expected Outcomes | Expected Outputs | Trust Fund | Grant Financing | Confirmed co-financing |
|---|---|---|---|---|---|---|
| 1. Increased coverage of marine and coastal PAs | | Increase of 1.86 million ha in the coverage of coastal and marine ecosystems that have been declared and gazetted as protected areas, from a baseline of 8 PAs covering 875,141ha, to a total area of 2,735,141ha, with the addition of the following areas:<br>- Island to Mainland Connectivity Zone covering 300,000ha<br>- Exclusive Zone for Artisan Fishing in the Moskitia, covering 1,450,000ha<br>-Tela Reef System PA declared by Congressional Decree, covering 110,000ha<br>Increase in number of sites in 7 target PAs with Simplified Integrated Reef Health Index of >2.6<br>Coverage and connectivity of mangrove forests in 5 target PAs remains stable (Jeannette Kawas, Cuyamel Omoa, Cuero y Salado, Bay Islands, Punta Izopo) | 1.1 Regional plan for the spatial configuration of a sub-system of MCPAs, providing for the location of different categories of PAs with considerations of ecosystem protection, biological connectivity and sustainable development<br>1.2 Reviewed and modified categories for MCPAs<br>1.3 Establishment of an Exclusive Zone for Artisal Fishing in the Moskitia, to counter environmental and social impacts of industrial lobster fishing and shrimp trawling, and generate income opportunities to reduce motivations for unsustainable fishing elsewhere<br>a) Formal declaration of the area<br>b) Technical capacities and community-based governance conditions for management by artisan fishers<br>1.4 Establishment of Island-to-Mainland Connectivity Zone to increase connectivity and fisheries sustainability, and harmonize PA management to reduce risks of impact leakages between sites<br>a) Formal declaration of the area<br>b) Harmonization of planning and management between constituent PAs<br>1.5 Tela Reef System declared by Congressional Decree, covering 110,000ha<br>1.6 Clarified arrangements and capacities among institutional and local actors for resource conservation in PAs and sustainable use areas<br>a) Clarified institutional roles<br>b) Framework policy instrument for the | GEFTF | 1,092,032 | 2,080,000 |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | | marine/coastal zone | | | |
| 2. Improved management effectiveness of Marine and Coastal PAs in protecting BD against threats | | Increase in the average management effectiveness rating of 6 target PAs covering 255,442ha (Cuyamel Omoa NP, Turtle Harbour SPZ, Cayos Cochinos MNM, Cuero y Salado NP, Jeannette Kawas NP and Punta Izopo NP), measured through the GEF Management Effectiveness Tracking Tool (METT), from 58 to 64<br>Increase in the management effectiveness of the existing 3-mile exclusive zone for artisan fishing, covering 260,000ha, as measured by 60% reduction of the amount of commercial shrimp fishing effort carried out there<br>Numbers of fishers belonging to groups committed to responsible fishing (as defined by the FAO responsible fishing standard of 1995 and the forthcoming DIGEPESCA standard), from 0 to 400 in 4 target PAs (Cuero y Salado, Jeannette Kawas, Cuyamel Ochoa and Río Plátano)<br>Maintenance of status of key species and ecosystems in 7 target PAs:<br>- Manatee (annual presence young individuals)<br>- Colonial marine birds (%sites with breeding)<br>- Benthic assemblage (% coral cover and % algal cover)<br>- Biomass of commercial species (groupers and snappers)<br>- Biomass of herbivorous fish species (parrotfish and surgeon fish)<br>- Spawning aggregation sites (verification of breeding events in 100% of known sites.)<br>Stability in artisanal fisheries catches, as indicator of marine biodiversity<br>- Catch diversity<br>- Catch per unit effort<br>- Mean Trophic Index of catch<br>- Average size of landed fisheries<br>- Genetic Diversity of key commercial and ecologically important species | 2.1 Overall strategic management plan for the sub-system of Coastal and Marine PAs<br>2.2 Management instruments and capacities for priority PA<br>a) Comprehensive management plans created in 3 PAs covering 130,844ha (Cuyamel Omoa NP, Turtle Harbour SPZ and Tela Bay PA) and revised in 4 other priority PAs covering 224,598ha (Cayos Cochinos, Cuero y Salado, Jeannette Kawas and Punta Izopo)<br>b) Improved guidelines for management plan formulation<br>c) Stakeholder participation plans and mechanisms for PAs<br>d) Monitoring and information management systems for PAs<br>e) Capacity development programmes in support of PA and natural resource management<br>f) Integration of monitoring and management of artisan fisheries into PA management and efficacy assessment<br>2.3 Governance instruments and systems for addressing threats to PAs<br>a) Community-based governance structures<br>b) Mechanisms and capacities for monitoring industrial fisheries<br>c) Registry and license system for artisanal and recreational fishing in and around MPAs<br>d) Updated and completed regulatory instruments for coastal/marine PA system<br>2.4 Strengthened organizational structures and capacities among fishers for governance in support of PA threat reduction<br>2.5 Systematization, education and awareness programmes on the value of marine and coastal ecosystems | | 1,373,181 | 6,237,000 |
| 3. Financial sustainability of marine and coastal PAs | | Increases in total annual income for a representative sample of marine and coastal PAs, resulting from increased Government budgetary allocations, increased income from tourism (concessions and fees) and increased income from | 3.1 Regional and sub-regional financial sustainability plans for the MCPA sub-system and for individual MCPAs<br>3.2 Regional strategy, principles and mechanisms for sustainable contributions of tourism to PA management<br>a) Feasibility studies, plans and mechanisms for channeling sector revenues to PA management | | 426,926 | 2,078,000 |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | fisheries permits | b) Standards for sustainable tourism in and around PAs<br>3.3 Capacity development programs, manuals and procedures for MCPA personnel and stakeholders in support of financial sustainability<br>3.4 Permanent system for economic valuation of PA benefits and channeling of information to decision makers<br>3.5 Pilot/demonstration of tourism as an instrument for supporting financial sustainability in PAs | | | |
| Sub-total | | | | GEFTF | 2,892,139 | 10,395,000 |
| Project management cost | | | | GEFTF | 144,225 | 520,000 |
| **Total project costs** | | | | | 3,036,364 | 10,915,000 |

### C. SOURCES OF CONFIRMED CO-FINANCING FOR THE PROJECT BY SOURCE AND BY NAME ($)

| Sources of Co-financing | Name of Co-financier (source) | Type of Co-financing | Co-financing Amount ($) |
|---|---|---|---|
| NGO | Summit Foundation (see note) | Grant | 825,000 |
| NGO | Oak Foundation | Grant | 1,050,000 |
| NGO | CATIE | In kind | 270,000 |
| GEF Agency | UNDP | Grant | 1,750,000 |
| NGO | Coral Reef Alliance | Grant | 20,000 |
| Government | Institute of Forest Conservation and Development | Grant | 7,000,000 |
| | | | **10,915,000** |

* Note: Summit Foundation estimates that its support for the work of the Centre for Marine Ecology to be in the range of $225,000 to $300,000 per annum over the next three years, however this is subject to annual application and approval. The cofinancing figure presented here is based on an assumed annual average of $275,000

### TRUST FUND RESOURCES REQUESTED BY AGENCY, FOCAL AREA AND COUNTRY

| GEF Agency | Type of Trust Fund | Focal area | Country name/Global | in $ | | |
|---|---|---|---|---|---|---|
| | | | | Grant amount (a) | Agency Fee (b) | Total c=a+b |
| UNDP | GEF TF | BD | Honduras | 3,036,364 | 303,636 | 3,340,000 |
| **Total GEF Resources** | | | | 3,036,364 | 303,636 | 3,340,000 |

### D. CONSULTANTS WORKING FOR TECHNICAL ASSISTANCE COMPONENTS:

| *Component* | *Grant amount ($)* | *Co-financing ($)* | *Project total ($)* |
|---|---|---|---|
| Local consultants* | 0 | 0 | 0 |
| International consultants* | 42,500 | 50,000 | 92,500 |
| Total | 42,500 | 50,000 | 92,500 |

### G. DOES THE PROJECT INCLUDE A "NON-GRANT" INSTRUMENT? No

## PART II: PROJECT JUSTIFICATION

### A. DESCRIBE ANY CHANGES IN ALIGNMENT WITH THE PROJECT DESIGN OF THE ORIGINAL PIF

**A.1 National Strategies and Plans:** N/A

**A.2 GEF focal area and/or fund(s) strategies, eligibility criteria and priorities:** N/A

**A.3 The GEF agency's comparative advantage:** UNDP has a Framework and the project is aligned with it.

**A.4 The baseline project and the problem that it seeks to address**

1. The baseline project remains essentially the same, although PPG studies revealed some differences in the problem to be addressed, that are now reflected in the project's activities, outputs and targets, as explained below:

2. A review of spatial priorities for conservation in the coastal/marine zone showed that there was limited scope or need for the inclusion of new SINAPH PAs into the estate in the priority areas (see Project Document, paragraph

152). The exception is the need to raise the category of Tela Bay Municipal Reserve to SINAPH PA: however this process has advanced faster than expected with support from local NGOs and is likely to be completed prior to project start-up. Project support will focus instead on strengthening management tools and capacities for these PA.

3. PPG studies (including workshops and interviews with PA co-managers and scientists) also indicated that the limited biological functionality and social sustainability of existing PAs is a greater immediate problem than AP coverage *per se* (see Project Document, paragraphs 95-110). This motivated the inclusion in the project of the establishment of an "Island-to-Coast Connectivity Zone", aimed at promoting connectivity between different PAs, and between PAs and their adjoining landscapes and seascapes, and harmonizing management between priority PAs in order to minimize the risk of impact "leakages".

4. An additional, highly significant, factor that was highlighted through stakeholder consultations carried out during the PPG phase, was the level of opposition among certain stakeholder groups (most notably the indigenous Miskito people) to 'conventional' approaches to State-sponsored PAs, within the framework of the SINAPH. This factor was recognised in the PIF, but it was once PPG funds were available to carry out more detailed consultations that it was possible to confirm this situation and identify alternative solutions to take it into account. This led to the inclusion in the project of activities in support of the establishment of the Exclusive Zone for Artisan Fishers in the Moskitia, feeding into and building upon processes of community-level and policy lobbying that again only became apparent during the PPG phase (see Project Document, paragraphs 157-164).

5. Capacity analyses and consultations carried out during the PPG phase also led to a re-appraisal of needs for project support in relation to the governance of commercial fisheries. During the PPG phase, concrete expressions of commitment were made by representatives of commercial fishers to supporting fisheries governance, including through self-regulation, in order to ensure the long-term sustainability of fisheries. Furthermore, although PPG studies confirmed the very limited institutional capacities in general of DIGEPESCA, they also revealed the opportunity for the GPS tracking system managed by the institution to be used as a key element of fisheries governance, through monitoring compliance of the commercial fleet with restrictions on fishing in areas including the proposed Exclusive Zone for Artisan Fishing, as well as the existing 3-mile exclusion zone where commercial fishing is also prohibited (see Project Document, paragraph 164).

6. The importance to project sustainability in investing in real and effective participation by indigenous and other local stakeholder groups, referred to above, led to the decision to extend project duration from 48 to 60 months, which is typically a minimum period for the consolidation of such social processes.

**A.5 Incremental/additional cost reasoning**

7. The objective and components therefore remain as proposed in the PIF, but there have been some changes to the emphasis and organization of outputs and to how impacts will be measured, as well as the baseline and target values for certain indicators. A core feature of the project, as presented in the Project Document as well as in the PIF, is the establishment of a "sub-system" of PAs covering the coastal and marine zone of the north coast. This sub-system will consist of a sub-set of the PAs within the existing SINAPH, together with additional new areas under alternative PA modalities (the Island-to-Coast Connectivity/Expanded Buffer Zone and the Exclusive Zone for Artisan Fishing). This sub-system will not be defined in national legislation in the same way as the SINAPH as a whole is: rather, it will be defined in practice through the Regional plan proposed under Output 1.1, and the Strategic Management Plan proposed under Output 2.1.

8. Although the intention of expanding the SINAPH PA estate was reconsidered during the PPG phase, as explained above, the total target of area under effective protection (including alternative PA models) is significantly greater than proposed in the PIF, at 2,735,141ha as compared to 2,000,000ha, which in itself will allow a major increase in global environmental benefits through reductions of damaging commercial fisheries in environmentally and culturally vulnerable areas.

9. As proposed in the PIF, specific indicators of impacts on global environmental benefits have been developed, together with baseline and target values. These refer to the status of key species, ecosystems and fisheries; as indicated in the PIF, the targets in each case will be for baseline values to be maintained at current levels, reflecting a reduction in threats.

10. The principal changes to the outputs consist of the inclusion of the establishment of the Exclusive Zone for Artisan Fisheries and the Island-to-Mainland Connectivity Zone as separate outputs, given their significance in conceptual terms and magnitude (see paragraphs 3 and 5 above for explanation of how the reappraisal of the problem context status led to the proposal to establish these areas).

11. Otherwise, the principal changes to the outputs are organizational. It was considered that PIF Output 1.5 (Training programme for Regional Protected Area Councils) referred to management capacities rather than to expansion of PA coverage, and this output was therefore subsumed into the new Output 2.3 on PA governance. PIF Output 1.4 on formalized agreements between institutions is now Output 1.5a, and is complemented by the new Output 1.5b (Framework policy instrument for the marine/coastal zone), which will build on processes currently under way in SERNA that will allow for greater consistency and integration of institutional approaches than would the original output on its own, which focused more on operational than strategic coordination.

**A.6 Risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and measures that address these risks:**

12. The risks foreseen in the PIF remain valid. Increased emphasis is placed in the mitigation measures on the application of alternative PA models in order to increase acceptability of conservation models among indigenous groups.

**A.7 Coordination with other relevant GEF-financed initiatives:** N/A

## B. ADDITIONAL INFORMATION NOT ADDRESSED AT PIF STAGE

**B.1 Describe how the stakeholders will be engaged in project implementation**

13. The main opportunity for direct stakeholder inputs into the operational and strategic direction of the project will be through the Project Board. As explained in Section I Part III of the Project Document, the core members of the Board will be SERNA (chair), UNDP (secretary), the Ministry of Planning (SECPLAN) the Ministry of Agriculture and Livestock (SAG, to which DIGEPESCA belongs) and the Institute of Forest Conservation and Development (ICF). In order to maximize participation opportunities, however, Board meetings will be opened to representatives of all main stakeholder groups. The National Project Coordinator will be responsible for ensuring timely and broad announcement of when the meetings will be held, and for developing and applying mechanisms to allow feedback from stakeholders on the adequacy and effectiveness of provisions for their participation in the Board and in other participation opportunities provided by the project. Board meetings will be held in the project area, normally in La Ceiba but with the option of moving periodically to other locations in the area, such as the Bay Islands. Specific budgetary provision will be made for facilitating the travel of selected stakeholder representatives to Board meetings.

14. The only element of the project which has significant implications for indigenous groups (the Miskitos), the Exclusive Zone for Artisan Fishing in the Moskitia, has already been consulted with, and received firm written expressions of support from, all relevant stakeholder groups in the Moskitia including representatives of indigenous organizations and federations (see letters and minutes in separate Annex of Project Document). The project as a whole has also been socialized with all relevant stakeholders, including representatives of the Miskito indigenous group, through a multi-stakeholder workshop (see minutes in Annex to this document).

15. The project will also strengthen mechanisms for stakeholder participation in PA management and zoning, under Output 2.2c: during the project period, this will also in practice facilitate stakeholder participation in decisions of the project itself at local level, regarding the development and application of PA management strategies. As explained in the text of the Project Document, key features of the approach to participation proposed under Output 2.2c are that it will take advantage of existing social institutions such as village committees (patronatos), water user committees (juntas de agua), producer and fisher organizations or cooperatives, community-based NGOs and indigenous organizations; and that it will explore a wide range of alternative stakeholder participation mechansms (ranging from committees involving leaders of stakeholder organisations through to bilateral interviews and participatory social appraisal methods).

**B.2 Describe the socioeconomic benefits to be delivered by the project at the national and local levels; gender dimensions, and how these will support the achievement of global environmental benefits**

16. The contribution of the project to the conservation status of marine and coastal ecosystems such as coral reefs, sea grass beds and mangroves will also generate major socioeconomic benefits, given that these ecosystems are vital as habitat and as spawning and grow-on areas for populations of marine fauna (especially fish) that form the basis of local economies and livelihoods throughout the project area. These benefits will take the form of continued employment opportunities for those involved in commercial fishing activities and in the processing industry; and continued income generation opportunities for artisan fishers who principally operate in coast lagoons and near-shore areas. Any short term limitations on livelihood support activities (such as closed seasons or restrictions on fishing

gear), necessary to ensure the effective conservation of species and ecosystems, will be offset by improvements in the sustainability of these activities in the long term; the integrated fisheries monitoring and management system foreseen by the project will actively involve fisher groups, enabling them to monitor the impacts of their activities and of conservation initiatives on the condition of the resource, and involving them directly in decision-making on its management. The protection of these ecosystems will also generate socioeconomic benefits in terms of increased resilience of livelihoods to the effects of climate change: this is especially well proven in the case of mangroves, which play a vital role in buffering coastal communities and production lands against the impacts of tropical storms and sea level rise. PA management planning will make specific provision for making conservation compatible with the livelihood support activities and cultural norms of local communities, for example through promoting their involvement in small scale ecotourism activities as alternatives or complements to large scale tourism development. Promising experiences have been gained to date in this regard, with support from the GEF Small Grants Programme (managed by UNDP), which has supported the establishment of the award-winning Ruta Moskitia ecotourism programme (http://www.larutamoskitia.com/) in communities of the Moskitia region at the easternmost extremity of the project area.

**B.3 Explain how cost-effectiveness if reflected in the project design**

## C. DESCRIBE THE BUDGETTED M&E PLAN

**Project start:**

17. A Project Inception Workshop will be held within the first 2 months of project start with those with assigned roles in the project organization structure, UNDP country office and where appropriate/feasible regional technical policy and programme advisors as well as other stakeholders. The Inception Workshop is crucial to building ownership for the project results and to plan the first year annual work plan. The Inception Workshop will address a number of key issues including:

a) Assist all partners to fully understand and take ownership of the project. Detail the roles, support services and complementary responsibilities of UNDP CO and RCU staff vis à vis the project team. Discuss the roles, functions, and responsibilities within the project's decision-making structures, including reporting and communication lines, and conflict resolution mechanisms. The Terms of Reference for project staff will be discussed again as needed.
b) Based on the project results framework and the relevant GEF Tracking Tool if appropriate, finalize the first annual work plan. Review and agree on the indicators, targets and their means of verification, and recheck assumptions and risks.
c) Provide a detailed overview of reporting, monitoring and evaluation (M&E) requirements. The Monitoring and Evaluation work plan and budget should be agreed and scheduled.
d) Discuss financial reporting procedures and obligations, and arrangements for annual audit.
e) Plan and schedule Project Board meetings. Roles and responsibilities of all project organisation structures should be clarified and meetings planned. The first Project Board meeting should be held within the first 12 months following the inception workshop.

18. An Inception Workshop report will be a key reference document and will be prepared and shared with participants to formalize various agreements and plans decided during the meeting.

**Quarterly:**

- Progress made shall be monitored in the UNDP Enhanced Results Based Managment Platform.
- Based on the initial risk analysis submitted, the risk log shall be regularly updated in ATLAS. Risks become critical when the impact and probability are high. Note that for UNDP GEF projects, all financial risks associated with financial instruments such as revolving funds, microfinance schemes, or capitalization of ESCOs are automatically classified as critical on the basis of their innovative nature (high impact and uncertainty due to no previous experience justifies classification as critical).
- Based on the information recorded in Atlas, a Project Progress Reports (PPR) can be generated in the Executive Snapshot.
- Other ATLAS logs can be used to monitor issues, lessons learned etc... The use of these functions is a key indicator in the UNDP Executive Balanced Scorecard.

**Annually:**

- Annual Project Review/Project Implementation Reports (APR/PIR): This key report is prepared by the Project Coordinator to monitor progress made since project start and in particular for the previous reporting period (30 June to 1 July). The APR/PIR combines both UNDP and GEF reporting requirements.

19. The APR/PIR includes, but is not limited to, reporting on the following:

- Progress made toward project objective and project outcomes - each with indicators, baseline data and end-of-project targets (cumulative)
- Project outputs delivered per project outcome (annual).
- Lesson learned/good practice.
- AWP and other expenditure reports
- Risk and adaptive management
- ATLAS QPR
- Portfolio level indicators (i.e. GEF focal area tracking tools) are used by most focal areas on an annual basis as well.

**Periodic Monitoring through site visits:**

20. UNDP CO and the UNDP RCU will conduct visits to project sites based on the agreed schedule in the project's Inception Report/Annual Work Plan to assess first hand project progress. Other members of the Project Board may also join these visits. A Field Visit Report/BTOR will be prepared by the CO and UNDP RCU and will be circulated no less than one month after the visit to the project team and Project Board members.

**Mid-term of project cycle:**

21. The project will undergo an independent Mid-Term Evaluation at the mid-point of project implementation (insert date). The Mid-Term Evaluation will determine progress being made toward the achievement of outcomes and will identify course correction if needed. It will focus on the effectiveness, efficiency and timeliness of project implementation; will highlight issues requiring decisions and actions; and will present initial lessons learned about project design, implementation and management. Findings of this review will be incorporated as recommendations for enhanced implementation during the final half of the project's term. The organization, terms of reference and timing of the mid-term evaluation will be decided after consultation between the parties to the project document. The Terms of Reference for this Mid-term evaluation will be prepared by the UNDP CO based on guidance from the Regional Coordinating Unit and UNDP-GEF. The management response and the evaluation will be uploaded to UNDP corporate systems, in particular the UNDP Evaluation Office Evaluation Resource Center (ERC). The relevant GEF Focal Area Tracking Tools will also be completed during the mid-term evaluation cycle.

**End of Project:**

22. An independent Final Evaluation will take place three months prior to the final Project Board meeting and will be undertaken in accordance with UNDP and GEF guidance. The final evaluation will focus on the delivery of the project's results as initially planned (and as corrected after the mid-term evaluation, if any such correction took place). The final evaluation will look at impact and sustainability of results, including the contribution to capacity development and the achievement of global environmental benefits/goals. The Terms of Reference for this evaluation will be prepared by the UNDP CO based on guidance from the Regional Coordinating Unit and UNDP-GEF.

23. The Terminal Evaluation should also provide recommendations for follow-up activities and requires a management response which should be uploaded to PIMS and to the UNDP Evaluation Office Evaluation Resource Center (ERC). The relevant GEF Focal Area Tracking Tools will also be completed during the final evaluation.

24. During the last three months, the project team will prepare the Project Terminal Report. This comprehensive report will summarize the results achieved (objectives, outcomes, outputs), lessons learned, problems met and areas where results may not have been achieved. It will also lay out recommendations for any further steps that may need to be taken to ensure sustainability and replicability of the project's results.

**Learning and knowledge sharing:**

25. Results from the project will be disseminated within and beyond the project intervention zone through existing information sharing networks and forums. The project will identify and participate, as relevant and appropriate, in scientific, policy-based and/or any other networks, which may be of benefit to project implementation though lessons learned. The project will identify, analyze, and share lessons learned that might be beneficial in the design and implementation of similar future projects. Finally, there will be a two-way flow of information between this project and other projects of a similar focus.

**M& E workplan and budget**

| Type of M&E activity | Responsible Parties | Budget US$ *Excluding project team staff time* | Time frame |
|---|---|---|---|
| Inception Workshop and Report | ▪ Project Manager<br>▪ UNDP CO, UNDP GEF | Indicative cost: $10,000 | Within first two months of project start up |
| Measurement of Means of Verification of project results. | ▪ UNDP GEF RTA/Project Manager will oversee the hiring of specific studies and institutions, and delegate responsibilities to relevant team members. | To be finalized in Inception Phase and Workshop. | Start, mid and end of project (during evaluation cycle) and annually when required. |
| Measurement of Means of Verification for Project Progress on *output and implementation* | ▪ Oversight by Project Manager<br>▪ Project team | To be determined as part of the Annual Work Plan's preparation. | Annually prior to ARR/PIR and to the definition of annual work plans |
| ARR/PIR | ▪ Project manager and team<br>▪ UNDP CO<br>▪ UNDP RTA<br>▪ UNDP EEG | None | Annually |
| Periodic status/ progress reports | ▪ Project manager and team | None | Quarterly |
| Mid-term Evaluation | ▪ Project manager and team<br>▪ UNDP CO<br>▪ UNDP RCU<br>▪ External Consultants (i.e. evaluation team) | Indicative cost: $18,025 ($15,000 fees + $3,025 for travel costs) | At the mid-point of project implementation. |
| Final Evaluation | ▪ Project manager and team,<br>▪ UNDP CO<br>▪ UNDP RCU<br>▪ External Consultants (i.e. evaluation team) | Indicative cost $18,025 ($15,000 fees + $3,025 for travel costs) | At least three months before the end of project implementation |
| Project Terminal Report | ▪ Project manager and team<br>▪ UNDP CO<br>▪ local consultant | 0 | At least three months before the end of the project |
| Audit | ▪ UNDP CO<br>▪ Project manager and team | Indicative cost per year approx.. $3,000 (total $15,000) | Yearly |
| Visits to field sites | ▪ UNDP CO<br>▪ UNDP RCU (as appropriate)<br>▪ Government representatives | For GEF supported projects, paid from IA fees and operational budget | Yearly |
| **TOTAL indicative COST**<br>Excluding project team staff time and UNDP staff and travel expenses | | US$ 61,050.00 | |

## PART III: ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT AND GEF AGENCY

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

| NAME | POSITION | MINISTRY | DATE *(MM/dd/yyyy)* |
|---|---|---|---|
| Ms. Irina Helena Pineda Aguilar | Director of External Cooperation and Resource Mobilization | Environment and Natural Resources | 11/25/2011 |

**B. GEF AGENCY(IES) CERTIFICATION**

**This request has been prepared in accordance with GEF/LDCF/SCCF policies and procedures and meets the GEF/LDCF/SCCF criteria for project identification and preparation.**

| Agency Coordinator, Agency name | Signature | Date | Project Contact Person | Telephone | Email Address |
|---|---|---|---|---|---|
| Adriana Dinu, UNDP-GEF Officer-in-Charge and Deputy Executive Coordinator |  | August 28, 2013 | Santiago Carrizosa, EBD Regional Technical Advisor | +507 302-4510 | santiago.carrizosa @undp.org |

## ANNEX A: PROJECT RESULTS FRAMEWORK

| | Indicator | Baseline | | Targets End of Project | | Source of verification | Risks and Assumptions |
|---|---|---|---|---|---|---|---|
| **Objective:** To promote the conservation of biodiversity through the expansion of the effective coverage of marine and coastal protected areas in Honduras | Increase in number of sites in 7 target PAs with Simplified Integrated Reef Health Index of >2.6 | **PA** | **Sites** | **PA** | **Sites** | Reef surveys | Climate change<br><br>Political pressures for large-scale damaging economic development |
| | | Cayos Cochinos | 1 out of 7 | Cayos Cochinos | 7 out of 7 | | |
| | | Jeannette Kawas | 0/3 | Jeannette Kawas | 3 out of 3 | | |
| | | Cuyamel Omoa | Tbd | Cuyamel Omoa | Tbd | | |
| | | Bay Islands | 1 out of 58 | Bay Islands | 58 out of 58 | | |
| | | Punta Izopo | Tbd | Punta Izopo | Tbd | | |
| | | Miskito Cays | Tbd | Miskito Cays | Tbd | | |
| | | Tela Bay | Tbd | | Tbd | | |
| | Coverage and connectivity of mangrove forests in 5 target PAs (Jeannette Kawas, Cuyamel Omoa, Cuero y Salado, Bay Islands, Punta Izopo) | Jeannette Kawas NP:<br>- Area = 1,741.6ha<br>- Landscape Similarity Index = 7.3 (core), 0.3 (buffer)<br>- Fractal Dimension Index = 1.134 (core) 1.168 (buffer)<br>Baseline values for the other 4 PAs to be determined at project start. | | No reduction in areas or index values in any of the 5 sites | | Satellite imagery | |
| | Maintenance of status of key species in 7 target areas (see table below for indicators/site):<br>- Manatee (annual presence young individuals)<br>- Marine birds (%sites with breeding)<br>- Benthic assemblage (% coral cover and % algal cover)<br>- Biomass of commercial species (groupers and snappers)<br>- Biomass of herbivorous fish species (parrotfish and surgeon fish)<br>- Spawning aggregation sites (breeding in known sites) | See table below for values per site | | Current values are maintained (see table below) | | Direct observation and reef surveys | |
| | Artisanal fisheries as indicator of marine biodiversity<br>- Catch diversity,<br>- Catch per unit effort<br>- Mean Trophic Index of catch<br>- Average size of landed fisheries<br>- Genetic Diversity of key commercial and ecologically important species | Identity of indicator fisheries species<br>Baseline levels of catches of indicator fisheries species | | Remain stable | | Catch monitoring | |

<table>
<tr>
<td>1. Increased coverage of marine and coastal PAs</td>
<td>Area legally declared as being under protection to promote biological, productive and social sustainability of marine and coastal resources</td>
<td>7 PAs with decrees, or (in the case of Tela Bay) to be decreed by project start, covering 875,141ha:
<table>
<tr><th>PA</th><th>Area (ha)</th></tr>
<tr><td>Cayos Cochinos</td><td>114,925</td></tr>
<tr><td>Punta Izopo</td><td>18,500</td></tr>
<tr><td>Jeannette Kawas</td><td>78,146</td></tr>
<tr><td>Port Royal (part of Bay Islands MNP)</td><td>500</td></tr>
<tr><td>Bay Islands MNP</td><td>649,730</td></tr>
<tr><td>Cuero y Salado</td><td>13,027</td></tr>
<tr><td>Turtle Harbour</td><td>813</td></tr>
</table></td>
<td>1,860,000ha of additional area under effective protection under alternative PA models:<br>- Island-to-Mainland Connectivity/Expanded Buffer Zone linking Utila, Cuero y Salado Wildlife Refuge, Punta Izopo NP, Blanca Janeth Kawas Fernández NP and Cuyamel Omoa NP, declared by executive or legislative decree, increasing the effectiveness and effective size of these PAs, covering approximately 300,000ha (in addition to the area of the PAs themselves)<br>- Exclusive Zone for Artisan Fishing covering around the Miskito Cays declared by executive or legislative decree: 1,450,000ha<br>- Tela Reef System PA declared by Congressional Decree, covering 110,000ha</td>
<td>Decrees</td>
<td>Resistance among local populations to PA establishment</td>
</tr>
<tr>
<td colspan="6">1.1 Regional plan for the spatial configuration of the sub-system of Marine and Coastal Protected Areas<br>1.2 Reviewed and modified categories for MCPAs<br>1.3 Establishment of exclusive area for artisan fishing in the Moskitia<br>1.4 Establishment of island-to-mainland connectivity zone<br>1.5 Tela Reef System PA declared by Congressional Decree<br>1.6 Clarified arrangement and capacities among institutional and local actors for resource conservation in PAs and sustainable use areas</td>
</tr>
<tr>
<td rowspan="2">2. Improved management effectiveness of marine and coastal PAs in protecting BD against threats</td>
<td>Increase in the average management effectiveness rating of 7 PAs (including improvements in infrastructure and enforcement), measured through the GEF Management Effectiveness Tracking Tool (METT)</td>
<td>Baseline METT scores for existing PAs:
<table>
<tr><td>Cayos Cochinos</td><td>73</td></tr>
<tr><td>Cuero y Salado</td><td>66</td></tr>
<tr><td>Jeannette Kawas</td><td>58</td></tr>
<tr><td>Cuyamel Omoa</td><td>37</td></tr>
<tr><td>Punta Izopo</td><td>62</td></tr>
<tr><td>Turtle Harbour-Rock Harbour (Utila)</td><td>51</td></tr>
<tr><td>Tela Bay</td><td>TBD</td></tr>
</table></td>
<td>10% increase over baseline</td>
<td>METT surveys</td>
<td>Poorly developed governance conditions impede application of regulations</td>
</tr>
<tr>
<td>Increase in the management effectiveness of the existing 3-mile exclusive zone for artisan fishing (covering 2,600km$^2$, without counting the area of overlap with the Island-to-Mainland Connectivity Zone)</td>
<td>7% of commercial shrimp fishing effort currently occurs within the 3 mile zone</td>
<td>3% of commercial shrimp fishing effort occurs within the 3 mile zone (a reduction of 60%)</td>
<td>GPS monitoring of industrial fleet</td>
<td></td>
</tr>
</table>

| | | | | | |
|---|---|---|---|---|---|
| | Numbers of fishers belonging to groups committed to responsible fishing (as defined by the FAO responsible fishing standard of 1995 and the forthcoming DIGEPESCA standard) | 0 | 100 in Cuero y Salado<br>100 in Jeannette Kawas<br>100 in Cuyamel Omoa<br>100 in Río Plátano | Surveys of fishers | |

2.1 Overall strategic management plan for the sub-system of MCPAs
2.2 Management instruments and capacities for priority PAs
2.3 Governance instruments and systems for addressing threats to priority PAs from industrial fisheries
2.4 Strengthened organizational structures and capacities among stakeholders for governance in support of PA threat reduction
2.5 Systematization, education and awareness programmes on the value of marine and coastal ecosystems

| | | | | | |
|---|---|---|---|---|---|
| 3. Financial sustainability of marine and coastal PAs | Increases in sustainable income sources (visitor fees and Government budget) for 6 PAs | 2011:<br>Visitor fees: $92,743<br>Government recurrent budget: $442,033 | Visitor fees: $120,566 (30% increase)<br>Government recurrent budget: $450,874 | Data from co-managers | Global or national economic downturn<br><br>Limited political commitment to funding PAs |
| | Increase in Financial Sustainability Scorecard rating for selected MCPAs | (see tables below) | | Interviews with co-managers | Reluctance in productive sectors to contribute to covering PA costs |

| Element | Score |
|---|---|
| 1 | 3/6 |
| 2 | 8/9 |
| 3 | 2/9 |
| 4 | 7/12 |
| 5 | 6/18 |
| 6 | 1/6 |
| 7 | 1/12 |
| 8 | 0/3 |
| 9 | 1/24 |
| **Total** | **29/99** |

| Element | Score |
|---|---|
| 1 | 5/6 |
| 2 | 9/9 |
| 3 | 4/9 |
| 4 | 10/12 |
| 5 | 12/18 |
| 6 | 4/6 |
| 7 | 4/12 |
| 8 | 2/3 |
| 9 | 4/24 |
| **Total** | **54/99** |

3.1 Regional and sub-regional financial sustainability plans for the MCPA sub-system and for individual MCPAs
3.2 Regional strategy, principles and mechanisms for sustainable contributions of tourism to PA management
3.3 Capacity development programmes, manuals and procedures for MCPA personnel and stakeholders in support of financial sustainability
3.4 Permanent system for economic valuation of PA benefits and channeling of information to decision makers
3.5 Pilot.demonstration of tourism as an instrument for supporting financial sustainability in PAs

## Baseline values of biological indicators

| Indicator | Protected area | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Cayos Cochinos** | **Cuero y Salado** | **Jeannette Kawas** | **Cuyamel Omoa** | **Bay Islands** | **Punta Izopo** | **Miskito Cays** |
| Manatee (*Trichechus manatus*): Annual presence young individuals | | ≥ 4 | ≥ 2 | ≥ 2 | | | |
| Colonial marine birds: % of sites verified with annual breeding | | 100% | 100% | | 100% | 100% | 100% |
| Benthic assemblage (% coral cover and % algal cover) | Baseline from HRI 2012 | Baseline from HRI 2012 | | | Baseline from HRI | Baseline from HRI | Baseline from HRI |
| Biomass of commercial species (groupers and snappers) | Above 840g per $100m^2$ | Above 840g per $100m^2$ | | | Above 840g per $100m^2$ | Above 840g per $100m^2$ | Above 840g per $100m^2$ |
| Biomass of herbivorous fish species (parrotfish and surgeon fish) | Above 1920g per $100m^2$ | Above 1920g per $100m^2$ | | | Above 1920g per $100m^2$ | Above 1920g per $100m^2$ | Above 1920g per $100m^2$ |
| Algal cover: % cover of fleshy macroalgae | Baseline from HRI 2012 | Baseline from HRI 2012 | | | Baseline from HRI 2012 | Baseline from HRI 2012 | Baseline from HRI 2012 |
| SPAGs: verification of breading event in 100% | 100% | 100% | 100% | | 100% | 100% | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| of known sites. | | | | | | | |

## Artisanal fisheries indicators as metric for marine biodiversity

| Indicator | Protected area | | | | | | |
|---|---|---|---|---|---|---|---|
| | Cayos Cochinos | Cuero y Salado | Jeannette Kawas | Cuyamel Omoa | Bay Islands | Punta Izopo | Miskito Cays |
| Mean Trophic Index calculated from each fishery | Maintained at baseline to be established at beginning of project | | | | | | |
| Catch per unit effort | | | | | | | |
| Average size of landed fish | | | | | | | |
| Catch diversity | | | | | | | |
| Genetic diversity of lobster, conch, yellowtail snapper and stoplight parrotfish | | | | | | | |

**ANNEX B: RESPONSES TO PROJECT REVIEWS**

**Responses to GEFSec comments**

| Comments | Responses |
|---|---|
| **11. Is (are) the baseline project(s), including problem (s) that the baseline project(s) seek/s to address, sufficiently described and based on sound data and assumptions?** | |
| Request to be addressed at CEO endorsement: Please provide some socio-economic baseline data (e.g. income data, incidence of poverty) for populations living near areas to be brought under protection. | Baseline data on population per municipality, Human Development Index, income by gender and literacy are provided in Section IV Part III of the Project Document. |
| **15. Are the applied methodology and assumptions for the description of the incremental/additional benefits sound and appropriate?** | |
| For CEO endorsement, the project should more clearly explain the assumption of how greater MCPA coverage will stabilize fish catches, since there are many variables that will influence this.. | As explained in the section of the Project Document on design principles and strategic considerations, a central feature of project design is the integration of fisheries management in broader seascapes with the effective management and protection of PAs (which remain an essential element of the model, in protecting core refugia and breeding sites) |
| **16. Is there a clear description of: a) the socio-economic benefits, including gender dimensions, to be delivered by the project, and b) how will the delivery of such benefits support the achievement of incremental/additional benefits?** | |
| For CEO Endorsement: The CEO endorsement document should provide relevant socioeconomic baseline data on income or poverty indicators (if feasible, gender disaggregated) in the coastal region of the country. If feasible, it would be good to have an outcome target in this area, even if it uses a proxy indicator. It is largely assumed that the benefits of ecosystem conservation will offset any limitations on livelihoods. There is no mention of gender issues. The final proposal should explain the different roles of men and women in natural resource management in the coastal region and how both groups are likely to benefit from the program. | Baseline data on population per municipality, Human Development Index, income by gender and literacy are provided in Section IV Part III of the Project Document.<br>Paragraphs 30-38 of the Project Document explain the livelihood importance of artisan fishing, distinguishing between fishers of different socioeconomic levels. Paragraphs 47-49 provide information on the employment associated with commercial fisheries.<br>Paragraph 60 explains the potential livelihood implications of the closure of the lobster fisheries, under the baseline scenario. |
| **17. Is public participation, including CSOs and indigeneous people, taken into consideration, their role identified and addressed properly?** | |
| For CEO endorsement: It is not clear whether the project targets or expects to affect Indigenous Peoples (IPs). Since the initiative might work in the Moskitia coast, it should describe whether the project has engaged IPs and how they will be affected and benefit from the project. | The only aspect of the project that will have implications for IPs will be the establishment of the Exclusive Zone for Artisan Fishing (EZAF) in the Moskitia. This proposal has been extensively consulted with indigenous representatives and other local organizations, and has received their full backing, as shown in the support letters included in as a separate Annex to the Project Document.<br>The EZAF constitutes an alternative PA model, specifically conceptualized to respond to reservations expressed by IP representatives regarding the conventional model of PAs featured in the SINAPH. It will provide Miskito fishers with a safe and sustainable (in environmental, social and productive terms) alternative to the commercial fishing that is currently carried out in the |

| | |
|---|---|
| | waters off the Moskitia coast: this currently includes diving for lobsters, a practice that has resulted in high levels of disability and mortality among Miskitos due to the effects of decompression, and trawling for shrimp, which causes severe damage to benthic environments. The alternative fishing models to be practised in the area will include the use of small scale lobster aggregation devices that do not require deep diving. |
| **18. Does the project take into account potential major risks, including the consequences of climate change and provides sufficient risk mitigation measures? (i.e., climate resilience)** | |
| Request for CEO endorsement: please clearly describe how information on climate change scenarios impacted decisions on PA designation | Project Document, paragraphs 144-145:<br>The PAs selected for priority attention by the project include significant areas of mangroves, which have major potential for contributing to climate change adaptation (through buffering sea level incursion and wave impact) but which also require specific management attention to be able to provide these functions, for example by reforestation on their seaward edge, and zoning on their landward side to permit them to migrate inland in pace with sea level rise.<br>Furthermore, the decision to apply an integrated regional approach to to the planning and management of the MCPA sub-system will allow regional level CC implications to be monitored and addressed in an adaptive manner (e.g. changes in currents and migration patterns, or the risk of displacement of impacts if CC-related ecosystem/productive decline in one PA pushes resource users into neighbouring areas) |
| **20. Is the project implementation/ execution arrangement adequate?** | |
| The document at CEO endorsement should more explain the tasks to be undertaken by Serna, ICF, and DIGEPESCA. | The respective roles of these institutions in relation to each of the outputs and sub-outputs of the project are now explained in Project Document Part III (Management Arangements) |

**Responses to STAP comments**

| Comments | Responses |
|---|---|
| As well as the proponents' commitment to draw on lessons from the cited GEF projects, STAP also draws attention of the proponent to STAP's advice on invasive lionfish (mentioned in the PIF) management and control provided to GEF projects in the region, which should be considered within reef-related management plans for existing and new MPAs within the present project. Additionally there is a relevant Small Grant Project in neighbouring Belize focusing on lionfish, with useful NGO delivery experience. | A strategic lionfish control plan will be developed, under Output 2.1, building on the lionfish management plan that has already been prepared for the Bay Islands. As explained in Part III of the Project Document, the project will coordinate with, and build on the actions taken by, GEF projects 3729 and 3813 in relation to lionfish control, following STAP advice on lionfish control options in the Caribbean. Specifically, it will participate in the regional reporting system that was recommended by STAP for the presence and absence of lionfish in Caribbean GEF projects; and apply the lessons learnt in the pilots/demonstrations recommended by STAP, and the information on the effectiveness of control measures generated through the studies recommended by STAP. As proposed under Output 2.2a, these lessons and data, and the provisions of the strategic lionfish management plan will be incorporated as |

| | |
|---|---|
| | appropriate into site-specific PA management plans.<br>Significant experience has already been generated in Honduras with NGO-led, community-based lionfish control, that will reduce the need for interaction with the Belize SGP project. |
| STAP urges the proponents to critically examine the standards/methodologies for monitoring already implemented via existing projects (GEF ID 1032, 1515 and 2885) to inform the establishment of well documented environmental baselines for each of the proposed new PAs to enable systematic monitoring of conservation impact, and to consider how to sustain the necessary databases and expertise required into the future for the existing and new PAs. | The focus of project 1032 in relation to monitoring has been the evaluation of the critical concepts on which this should be based, and the formulation of a region-wide Strategic Action Plan which makes generic provisions in this regard. Specific, detailed monitoring protocols are expected to be defined by regional stakeholders after project end, within the framework of the PAE. This project will play an important role in implementing the provisions of the PAE in this regard.<br>Some of the same indicators of biological impact to be used in project 1515 will be used in this project, related for example to the status of coral reefs: it will also take advantage of additional experiences and methodologies generated in the region to date, complementing these indicators with others that allow standardized region-wide monitoring, most notably the Reef Health Index applied in Report Card for the Mesoamerican Reef System. It will furthermore complement these with stakeholder-managed monitoring of artisan fisheries (under Output 2.2f) and an innovative system of GPS-based monitoring of commercial fishing: these fisheries indicators will have utility as proxy indicators of conservation impact, given the close interrelations between the status of fisheries and marine biodiversity, respectively. |
| STAP strongly encourages proponents to consider monitoring the threats posed to MPA effectiveness from land-based sources of pollution and sedimentation, and addressing these where possible similar to the strategy outlined in the Guatemala MPA project (GEF ID 4639). Moreover, STAP would also encourage project teams in Guatemala and Honduras to collaborate where possible in training and capacity building, data collection, and lessons learned. | Agriculture-related threats originating within the PAs themselves will be addressed through the provisions of individual management plans (as explained under sub-output 2.2a) and through community-based PA governance (sub-output 2.3a). It will be important for the project not to overextend itself by working directly on agricultural issues outside of the PAs themselves. The project will relate indirectly with the SAG, by advising and strengthening the capacities of SERNA on the development of regulations for agricultural activities (including those promoted by SAG projects) with the potential to generate negative impacts on coastal and marine ecosystems. In the application of these regulations, the project will take advantage of the capacities that have been developed in municipal governments by previous initiatives such as the EU-funded PROCORREDOR project. This will reflect the multi-sector, multi-stakeholder approach proposed in the Guatemala project: as suggested by the reviewer, it is proposed in Section I Part III that the project team will collaborate with that of the Guatemala project in training and capacity building, data collection, and lessons learned. |

**Responses to comments of Council member from Canada**

| Comment | Response |
|---|---|
| All of the biodiversity projects being proposed should provide information on how they relate to the country's obligations to the CBD, particularly the Aichi Targets. As presented, the PIFs is not clear on how it will help the country meet the Aichi targets. The project proponents should provide this information in the final project proposals. | Specific information on the Aichi Targets is now provided in the section on Policy Conformity in the Project Document, in addition to information on compliance with the CBD provided in the PIF. |

**Responses to comments of Council member from Denmark**

| Comment | Response |
|---|---|
| An important aspect that is rather cursory described in the project proposal, particularly in the Logical Framework, is the way that indigenous peoples and other local communities living in the existing and potential future PA‟s will be included in the process of mapping, identifying and designating PA‟s and the concepts and plans for their management. As a minimum it should be ensured that Indigenous Peoples‟ right to free prior and informed consent and other internationally and nationally recognized rights to consultation (e.g. the ILO Convention 169 ratified by Honduras) are adequately fulfilled in the preparation and implementation phase. Moreover, the context analysis of the project indicates that social conflicts and trade-offs in terms of livelihood options could be potential consequences of the extension and intensified management of PA‟s, which calls for a highly inclusive and participatory approach from the outset. | As explained in the Stakeholder Participation Plan (Section IV Part V of the Project Document, with support from UNDP, mechanisms for Prior Informed Consent by indigenous groups are currently under development in Honduras, with the full and active participation of indigenous representatives. PIC will not therefore be possible prior to project start-up; however, the only element of the project which has significant implications for indigenous groups, the Exclusive Zone for Artisan Fishing in the Moskitia, has already received firm written expressions of support from all relevant stakeholder groups (see letters in separate Annex to Project Document). As a precursor to the PIC mechanisms, a Biocultural Protocol has been agreed between the Government and indigenous groups, and all project initiatives with potential implications for the access by indigenous people to biocultural resources will be subject to the conditions of this protocol. |
| The proposal includes important considerations and actions regarding economic activities for the inhabitants of the PA‟s and financial sustainability. These are very important but, as experience shows, also ambitious goals compared to a projects lifetime. Therefore it is suggested to carefully balance the number/areas to be designated as new PA‟s to the activities that the project realistically will be able to support and prospects to achieve a reasonable level of sustainability. | As explained in Section A4 (paragraph 2) of the CEO Endorsement Request, the number of new PAs to be designated by the project has been reduced compared to that proposed in the PIF (although the increase in area to be placed under effective protection will be significantly greater than proposed). This will significantly reduce the amount of effort (absolute and per unit area) that the project will invest in PA designation. The project's work with local inhabitants will also be focused on a carefully selected sub-set of 6 PAs. |
| While its explicitly described how different institutions are expected to collaborate, for instance SERNA and the Fishing authority (DIGEPESCA), the role of, and mode of collaboration with SAG (the secretariat of agriculture and livestock – not "environment and livestock" as stated in the project documents) should be made more explicit. This is especially important as agricultural development is mentioned as one of the driving forces of eco-system degradation in the Honduran coastal planes, as the Aguán River Basin, in terms of sedimentation problems deriving from up-stream soil erosion as well agricultural pollutants (e.g. from palm oil plantations). | Agriculture-related threats originating within the PAs themselves will be addressed through the provisions of individual management plans (as explained under sub-output 2.2a) and through community-based PA governance (sub-output 2.3a). It will be important for the project not to overextend itself by working directly on agricultural issues outside of the PAs themselves. The project will relate indirectly with the SAG, by advising and strengthening the capacities of SERNA on the development of regulations for agricultural activities (including those promoted by SAG projects) with the potential to generate negative impacts on coastal and marine ecosystems. In the application |

| | |
|---|---|
| | of these regulations, the project will take advantage of the capacities that have been developed in municipal governments by previous initiatives such as the EU-funded PROCORREDOR project. |

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

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

The main finding of the PPG phase, with implications for project design, concerned the position of indigenous groups in the project area to the establishment of PAs. In recognition of this, it was decided to focus on strengthening existing SINAPH PAs rather than establishing additional ones; and to achieve the target of expanding the area under effective management and conservation through the establishment of the indigenous-managed Exclusive Zone for Artisan Fisheries (EZAF), as well as the Island-to-Mainland Connectivity Zone which will serve to link and buffer existing PAs.

B. PROVIDE DETAILED FUNDING AMOUNT OF THE PPG ACTIVITIES FINANCING STATUS IN THE TABLE BELOW:

| PPG Grant Approved at PIF: $100,000 | | | |
|---|---|---|---|
| ***Project Preparation Activities Implemented*** | ***GEF Amount ($)*** | | |
| | ***Budgeted Approved*** | ***Amount Spent To date*** | ***Amount Committed*** |
| 1. Socioeconomic studies to characterize interactions between local communities, marine/coastal resources and PAs. | 8,300.00 | 8,089.00 | 0 |
| 2. Analysis of current fishing activities | 15,200.00 | 14,815.85 | 0 |
| 3. Evaluation of priority MPA sites and management strategies | 18,800.00 | 18,323.00 | 0 |
| 4. Stakeholder analysis and consultations | 8,800.00 | 8,577.00 | 0 |
| 5. Institutional analysis | 14,300.00 | 13,937.00 | 0 |
| 6. PA finance analysis | 5,000.00 | 4,873.00 | 0 |
| 7. Development of key project design elements | 29,600.00 | 28,849.00 | 0 |
| TOTAL | 100,000.00 | 97,463.85 | |