

16859

**Honduras
Biodiversity in Priority Areas Project**

Project Document
September 1997



THE WORLD BANK



GEF Documentation

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GEF Implementing Agencies:
United Nations Development Programme and the World Bank

CURRENCY EQUIVALENTS

Currency Unit=Lempira
US\$ 1.00=Lp.13.17
Lp. 1.00=US\$ 0.0759

GOVERNMENT FISCAL YEAR

January 1 - December 31

WEIGHTS AND MEASURES

Metric System

ABBREVIATIONS AND ACRONYMS

AECI	Spanish International Cooperation Agency (<i>Agencia Española de Cooperación Internacional</i>)
AFE-COHDEFOR	State Forestry Administration/Corporation for Forestry Development (<i>Administración Forestal del Estado-Corporación Hondureña de Desarrollo Forestal</i>)
AGSAC	Agricultural Sector Adjustment Program (Credit 2540-HO)
ALIDES	Sustainable Development Alliance (Central American Presidents)
AMHN	Association of Municipalities of Honduras (<i>Asociación de Municipalidades de Honduras</i>)
BANADESA	Government Agricultural Credit Bank (<i>Banco de Crédito Agrícola</i>)
BCIE	Central American Bank of Economic Integration (<i>Banco Centroamericano de Integración Económica</i>)
BPAP	Biodiversity in Priority Areas Project
CAS	Country Assistance Strategy
CBD	Convention on Biological Diversity
CCAB-AP	Central American Council of Forests and Protected Areas
CCAD	Central American Commission on Environment and Development (<i>Comisión Centroamericana de Ambiente y Desarrollo</i>)
CCD	Christian Commission on Development
CIDA	Canadian International Development Agency
CNONH	National Coordination of Black Organizations of Honduras (<i>Coordinación Nacional de Organizaciones Negras de Honduras</i>)
COATLALH	Logging Cooperatives of Atlántida
COCONA	National Advisory Council on the Environment (<i>Consejo Nacional del Ambiente</i>)
COLAP	Local Committee for Protected Areas Management (<i>Consejo Local de Areas Protegidas</i>)
CONADES	National Council of Sustainable Development (Central American countries)
CONAPH	National Advisory Council for Protected Areas (<i>Consejo Nacional de Areas Protegidas</i>)
CONSEFORH	Forest Conservation in Honduras; Project financed by the British Government
CORAP	Regional Committees for Protected Areas Management (<i>Consejo Regional de Area Protegidas</i>)
CPPFI	Office of the Catalogue of Inalienable Public Forest Patrimony (part of AFE-COHDEFOR)
CQ	Consultant Qualifications
DAF	Administrative and Financing Department (part of AFE-COHDEFOR)
DAPVS	Department of Protected Areas and Wildlife (part of AFE-COHDEFOR) (<i>Departamento de Areas Protegidas y Vida Silvestre</i>)
DFYE	Promotion and Extension Department (part of AFE-COHDEFOR)
DIBIO	General Directorate of Biodiversity
DICTA	Directorate for Agricultural Science and Technology Transfer (part of SAG) (<i>Dirección de Ciencia y Transferencia de Tecnología Agrícola</i>)
FETRIPH	Federation of Pech Tribes of Honduras
FINNIDA	Finnish Development Authority
FINZMOS	Federation of Indigenous Peoples of Mocerón
FITH	Indigenous Tawahka Federation of Honduras
FOPRIDEH	Federation of Private Development Organizations of Honduras
FUCAGUA	NGO working in the area of Punta Sal
FUCSA	Foundation Cuero y Salado
FUPNAPIB	National Park Foundation Pico Bonito
GEF	Global Environment Facility
GIS	Geographic Information System
GNP	Gross National Product

Vice President	Shahid Javed Burki
Director, Country Department	Donna Dowsett-Coirolo
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GOH	Government of Honduras
GPS	Global Positioning System
GTZ	German Agency for Technical Cooperation
IBRD	International Bank for Reconstruction and Development
ICB	International Competitive Bidding
ICR	Implementation Completion Report
IDA	International Development Association, World Bank
IDB	Inter-American Development Bank
IDF	Institutional Development Fund
IFC	International Finance Corporation
IHAH	Honduran Institute of Anthropology and History (<i>Instituto Hondureño de Antropología e Historia</i>)
IHCAFE	Honduran Institute of Coffee (<i>Instituto Hondureño de Café</i>)
IHT	Honduran Institute of Tourism (<i>Instituto Hondureño de Turismo</i>)
ILO	International Labor Organization
INA	National Agrarian Institute (<i>Instituto Nacional Agrario</i>)
IPDP	Indigenous Peoples Development Plan
JICA	Japanese International Cooperation Agency
LIB	Limited International Bidding
LMDSA	Modernization and Development Law of the Agricultural Sector
MASTA	Indigenous Confederation, Mosquitia
MBC	Mesoamerican Biological Corridor
M&E	Monitoring and Evaluation
MOPAWI	Organization for the Development of the Mosquitia
NCB	National Competitive Bidding
NBF	Not-Bank Financed
NGO	Non-Governmental Organization (International, National, and Local)
ODECOH	Indigenous Confederation, Garífuna
OFRANEH	Indigenous Confederation, Garífuna
OIMT	International Organization of Tropical Wood
PA	Protected Area
PAAD	Environment and Development Plan of Action
PAAR	Rural Land Management Project (<i>Proyecto de Administración de Areas Rurales</i>)
PBDL	Broadleaf Forest Development Project, financed by CIDA
PCU	Project Coordination Unit
PDF	Project Development Facility
PLANFOR	National Forestry Action Plan
POA	Annual Operating Plan (<i>Plan de Operación Anual</i>)
PPER	Project Performance Evaluation Review
PROARCA	Resource Assessment Project for Central America (USAID)
PROLANSATE	A foundation working in the Atlantic wetlands and Cordillera de Nombre de Dios areas
RRA	Rapid Rural Appraisal
RUTA	Regional Technical Assistance Unit (<i>Unidad Regional de Asistencia Técnica</i>)
SA	Social Assessment
SAG	Secretariat of Agriculture and Livestock (<i>Secretaría de Agricultura y Ganadería</i>)
SEMS	System of Socio-environmental Evaluation and Monitoring
SERNA	Secretariat of Natural Resources and Environment (<i>Secretaría de Recursos Naturales y del Ambiente</i>)
SIFOR	System of Forest Information (part of AFE-COHDEFOR)
SINAPH	National Protected Areas System of Honduras (<i>Sistema Nacional Hondureño de Areas Protegidas</i>)
SOEs	Statements of Expenditures
STAP	Scientific and Technical Advisory Panel (for the GEF)
TA	Technical Assistance
TOR	Terms of Reference
TPR	Tripartite Review
UNAH	National Autonomous University of Honduras (<i>Universidad Nacional Autónoma de Honduras</i>)
UNDP	United Nations Development Programme
UNPF	United Nations Population Fund
UPEG	New name of UPSA--Planning Unit of SAG (<i>Planning and Evaluation Unit</i>)
USAID	United States Agency for International Development
WFP	World Food Program
WWF	World Wildlife Fund

Honduras
Biodiversity in Priority Areas Project

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Map

Map IBRD No. 28851

Part I: Project Summary

**HONDURAS
BIODIVERSITY IN PRIORITY AREAS PROJECT
GRANT AND PROJECT SUMMARY**

Source of Grant: Global Environment Facility Trust Fund

**Grant Recipient/
Executing Agency:** Republic of Honduras, Forestry Administration/Corporation for Forestry Development (AFE-COHDEFOR) through the Department of Protected Areas and Wildlife (DAPVS)

Beneficiaries: Eleven protected areas; indigenous and non-indigenous communities living in the project area; the Forestry Administration/Corporation for Forestry Development (AFE-COHDEFOR) through the Department of Protected Areas and Wildlife (DAPVS); and visitors to the protected areas.

Total Project Cost: SDR 5.1 million (US\$ 7.0 million equivalent)

Terms: GEF Grant

Financing Plan:

GEF Grant	US\$ 7.0 million
Government of Honduras	US\$ 2.2 million
Beneficiaries	US\$ 0.3 million
Associated Financing:	
Rural Land Management Project	US\$ 7.0 million
Government of Honduras	US\$ 1.5 million
Beneficiaries	US\$ 1.4 million
Fundación VIDA	US\$ 1.2 million

Economic Rate of Return: N/A; see Annex 9

Map: IBRD 28851

Project Identification Number: HO-GE-44343

**Estimated Grant Disbursements by Year
(US\$ Million)**

Fiscal Year	1998	1999	2000	2001	2002	2003
Annual	0.4	1.0	2.2	1.4	1.0	1.0
Cumulative	0.4	1.4	3.6	5.0	6.0	7.0

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

Latin America and the Caribbean Regional Office
Central America Department

Project Appraisal Document

Honduras
Biodiversity in Priority Areas Project

Date: September 11, 1997	<input type="checkbox"/> Draft	<input checked="" type="checkbox"/> Final
Task Manager: Augusta Molnar	Country Manager: Donna Dowsett-Coirolo	
Project ID: HO-GE-44343 Sector: Environment	POC: EN	
Lending Instrument: N/A	PTI: <input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Project Financing Data	<input type="checkbox"/> Loan	<input type="checkbox"/> Credit	<input type="checkbox"/> Guarantee	<input checked="" type="checkbox"/> Other	Global Environment Facility Trust Fund Grant (GEF); associated with the Rural Land Management Project (PAAR) (Credit 2940-HO)	
For Loans/Credits/Others:						
Amount (US\$m/SDRm): US\$ 7.0 million / SDR 5.1 million						
Financing plan (US\$m):						
US\$ 7.0 million GEF Grant plus US\$ 2.2 million in Republic of Honduras (GOH) counterpart funding and US\$ 0.3 million in beneficiary contributions. Note that this project is part of a larger conservation program supporting biodiversity efforts in Honduras, supported inter alia, by the associated IDA Credit for the PAAR (Credit 2940-HO), GOH counterpart funds, beneficiary contributions, and Fundación VIDA, a Honduran conservation organization (see Financial Summary for more information).						
	<u>Source</u>	<u>Local (US\$m)</u>	<u>Foreign (US\$m)</u>	<u>Total (US\$m)</u>		
	Republic of Honduras	2.2	0.0	2.2		
	Global Environment Facility	5.1	1.9	7.0		
	Beneficiaries	0.3	0.0	0.3		
	TOTAL	7.6	1.9	9.5		
Grant Recipient: Republic of Honduras						
Responsible agency: Forestry Administration/Corporation for Forestry Development (AFE-COHDEFOR) through the Department of Protected Areas and Wildlife (DAPVS)						
Estimated disbursements (Bank FY/US\$m):	1998	1999	2000	2001	2002	2003
Annual	0.4	1.0	2.2	1.4	1.0	1.0
Cumulative	0.4	1.4	3.6	5.0	6.0	7.0
Expected effectiveness date: December 1, 1997			Closing date: January 31, 2003			

Block 1: Project Description

1. Project development and Global objectives (See Project Design Summary for key performance indicators):
The overall objective of the Biodiversity in Priority Areas Project (BPAP) is to contribute to the integrity of the Honduran section of the Mesoamerican Biological Corridor (MBC) through better conservation of biodiversity in core areas and more sustainable use of biodiversity in the corridor buffer zones. This will be achieved by: (a) improved institutional capacity for parks management nationally; (b) better and more participatory protection of selected protected areas (PAs); (c) support for more benign natural resource management activities in the buffer areas; and (d) strengthening of national biological monitoring capacity.

The project area (see IBRD Map 28851) includes eleven protected areas in four geographic groupings: Cordillera de Nombre de Dios (Pico Bonito and Texiguat); Patuca-Tawahka (Patuca and Tawahka); Atlántida Wetlands (Cuero y Salado, Punta Izopo, Punta Sal); and Mosquitia (Laguna de Caratasca, Rus-Rus, Warunta, and Mocerón).

2. Project components (see Detailed Project Description and Estimated Project Costs for more information):

<u>Component</u>	<u>Category</u>	<u>Cost Incl. Contingencies</u> <u>(US\$M)</u>	<u>% of Total</u>
• Strengthening of DAPVS and Local Capacity for PA Management	Training, Services, Equipment	2.6	28
• Management of Globally Important Protected Areas	Services, Equipment, Civil Works, Personnel (Salaries and Consultants)	4.6	48
• Improving Natural Resource Management in Buffer Zones	Services, Civil works	1.9	20
• Biological Monitoring	Services, Equipment	<u>0.3</u>	<u>4</u>
	Total	9.5	100

3. Benefits and target population:

An important benefit is conservation of biodiversity of global importance. Local communities in MBC will also directly benefit from investments in buffer zones and in the PAs. National benefits will derive from overall strengthening of institutional capacity to manage PAs. In addition, the project will foster development of the National System of Protected Areas (SINAPH) as a destination for ecotourists which is expected to generate significant benefits for the Honduran economy over the medium to long term.

4. Institutional and implementation arrangements:

Implementation period: Five years

Executing agency: AFE-COHDEFOR through DAPVS

Project coordination: The project will be carried out by AFE-COHDEFOR through DAPVS. In addition to a center of operations in Tegucigalpa, regional operational centers will be located in Mocerón for the Mosquitia region, La Ceiba for the Atlantic region, and Catacamas for the region of Olancho. Other than direct interventions in the PAs, most investments under the project will be implemented by decentralized entities such as municipalities, NGOs, indigenous organizations, and local communities, coordinated by AFE-COHDEFOR. Implementation will be closely coordinated with the Rural Land Management Project (PAAR).

Project oversight (policy guidance, etc.): Project oversight will be responsibility of AFE-COHDEFOR, the Secretariat of Natural Resources and the Environment (SERNA) and the Secretariat of Agriculture and Livestock (SAG). As joint implementing agencies of this project, both UNDP and the International Bank for Reconstruction and Development (Bank) will provide technical and financial supervision during implementation of the project.

Accounting, financial reporting, and auditing arrangements: AFE-COHDEFOR will be responsible for project financial management, reporting, and auditing following procedures acceptable both to the Bank and to UNDP. UNDP will administer the GEF grant funds through its Resident Mission in Honduras, and will be responsible for disbursements. The financial management system to be maintained in AFE-COHDEFOR for the project will be consistent with that established for the associated PAAR, which has been deemed to be satisfactory. The Project Coordination Unit for the BPAP will have access to financial and audit reports to ensure complementarity of expenditures on activities included in both projects. Project accounts will be audited annually, by independent auditors acceptable to the Bank and to UNDP. The annual audit report will be submitted to the Bank and to UNDP within six months of the end of each fiscal year.

Monitoring and evaluation arrangements: The project administration unit will establish project monitoring and evaluation (M&E) procedures acceptable to both the Bank and to UNDP. These will build on procedures already in place under the PAAR. Procedures and M&E reports will be guided by: (a) the Project Design Summary; and (b) the Monitoring Plan as detailed in the Operational Manual. M&E is to be conducted through: (a) activities of the project administration unit; (b) Bank/UNDP supervision missions; (c) supervision of the UNDP Resident Mission in Honduras; (d) annual progress review during Bank/UNDP supervision missions not later than July 31 of each year starting in 1998; (e) Mid-term Review of project implementation to be carried out jointly by GOH, the Bank, and UNDP; (f) periodic beneficiary assessments and other special studies; and (g) analysis of the results of the Biological Monitoring Component and of monitoring data available through the regional Mesoamerican Biological Corridor Project. Quarterly, the project administration unit will

transmit to the Bank and UNDP progress reports on project implementation and outcomes, using the format agreed at negotiations. An Implementation Completion Report will be prepared within six months after the closing of the grant.

The seven key indicators as listed in the Project Design Summary are:

- No discernible decline in core area forest cover from the baseline;
- Management plans reflect consensus built at national, regional, and local levels around the concept of core and buffer zones;
- DAPVS is more capable and willing to implement management plans;
- Increased knowledge and adoption of biodiversity-friendly land use alternatives by communities in the buffer zones;
- Increase in the number of beneficiaries in buffer zones that take an active role in protected areas management;
- Establishment of the biodiversity monitoring database by 1998 and installation on computers of four regional offices and central office;
- Demarcation of 350 kilometers of the core areas.

Block 2: Project Rationale

5. CAS objectives supported by the project: Document number and date of latest CAS discussion:
(a) Sustainable natural resource management; and (b) Poverty alleviation.

Specific areas in the CAS which this project addresses are: improving natural resource management, including forestry; conserving biodiversity; and gaining a consensus on priority areas. August 1993 in conjunction with Board discussion of the Agricultural Sector Adjustment Credit (AGSAC) (Credit 2450-HO)

GEF Operational Strategy/Program Objective addressed by the project:
Conservation of biodiversity of global importance within the Honduran parts of the Mesoamerican Biological Corridor (MBC) with sustainable use of its components and fair and equitable sharing of its benefits.

6. Main sector issues and Government strategy:

Sector issues:

1. More than half of Honduras' forests have already been converted to other uses, with more than three quarters of the loss occurring only in the last thirty years. Policy and legislation prior to the 1990s in the area of land and forest management encouraged deforestation and poor soil and water management (more recently, the government has begun to pursue policies to implement a more balanced natural resource management strategy, by adopting a more decentralized and participatory approach and strengthening the concerned sector institutions).
2. Inconsistently applied land reform programs, combined with poor land registration systems, have led to tenure insecurity and discouraged investment. This also contributes to uncontrolled occupation of national and municipal forest lands for pasture and cultivation.
3. Honduras' protected areas system (SINAPH) is also fundamental to protection of biodiversity resources and consists of 107 protected areas, representing 24 percent of the Honduran territory. However, as much as half of this area has already been converted from natural forest to agricultural uses and very few areas receive adequate attention to foster management or real protection against external pressures. The geographic distribution of the protected areas and the patterns of management resource allocation are also not consistent with an overall goal of maximizing biodiversity conservation within the protected area system.
4. The Protected Areas Department in AFE-COHDEFOR was only created in 1991 and has only recently received significant financing from the forestry agency. Staff are still too few, devolution of management responsibilities to NGOs and local government is still nascent, and most staff are poorly trained.

Government's strategy to address these sectoral concerns is focused at various levels:

- Government is implementing a Rural Land Management Project (PAAR) with IDA-financing (Credit 2940-HO) which will tackle the first two categories of sector issues mentioned above. PAAR builds on policy changes initiated through a 1992 Agricultural Modernization Law, which eliminated distorted agricultural policies, rationalized land and forest tenure, and restructured land and forest agencies, taking government out of timber marketing, and eliminating timber concessions, and instituting a timber auction system in public lands. It also endorsed the SINAPH and AFE-COHDEFOR's responsibility to put areas under active management. PAAR finances modernization of land registration, priority forest management with local participation, strengthening of AFE-COHDEFOR, technical assistance to upland farmers and forest producers, and strengthening selected protected area infrastructure to generate revenues to help sustain the SINAPH over time.
- In regard to the third issue, internationally, Government is a signatory to the Central American Biodiversity Convention and the International Convention on Biological Diversity. Regionally, Honduras is an active member of the Central American Commission on Environment and Development (CCAD) and is a signatory of the Alliance for Sustainable Development (*Alianza para el Desarrollo Sostenible*), signed in 1994 by all Central American heads of state. Honduras is part of a regional, umbrella project for the protection of the Mesoamerican Biological Corridor (MBC) being prepared by CCAD for GEF financing.
- Nationally, a draft Biodiversity Conservation Strategy has been prepared and will be finalized under a forthcoming UNDP-implemented GEF enabling activities grant. The Natural Resources and Environment Secretariat (*Secretaría de Recursos Naturales y del Ambiente*, SERNA) has formed a consultative body for biodiversity strategy decisions under the National Environment Commission and which includes SERNA, the protected areas agency (DAPVS) in AFE-COHDEFOR, the Secretariat of Agriculture and Livestock (*Secretaría de Agricultura y Ganadería*, SAG), the Tourism Institute, NGOs, and the private sector. GOH also has prepared PLANFOR, a national forestry action plan.
- Complementing these institutional initiatives, the Government of Honduras, with assistance from donors and international development organizations, is financing many important conservation programs.

7. Sector issues to be addressed by the project and strategic choices:

The BPAP complements the PAAR and the regional umbrella MBC project to address the third and fourth sector issues. To address limited protected areas management, the project will finance participatory management and demarcation of priority areas within the SINAPH, and buffer zone sustained use and development, cooperating with environmental NGOs, local government, and indigenous and local communities. To address weak institutions, the project finances DAPVS staff upgrading and in-service training and a training program for private and community organizations and NGOs involved in sustainable use and biodiversity conservation in the project area. Complementary actions by PAAR will provide a means to sustain the increased investment in the Honduran section of the MBC over time by creating a fund for protected areas that can be replenished directly from revenues from the protected areas as well as through payments for environmental services rendered in other sectors. In support of the large indigenous population in the project area, PAAR will help to define land tenure and land rights and support culturally-sensitive development in the buffer zones.

8. Project alternatives considered and reasons for rejection:

The main objective of the project is to put in place measures to assure the conservation of the MBC in core areas over the long-term. Alternatives considered and reasons for rejection include: (a) covering more of the 22 priority protected areas, rejected so as not to diffuse institutional capacity and because of complementary projects financed by bilateral donors; (b) financing buffer zone activities throughout the project area, rejected in favor of concentrating efforts on the Mosquitia and Tawakha where less NGO and donor financing was available; (c) depending on the regional project for biological monitoring, rejected given the limited funds available and the need to develop the capacity for information management at the local level; and (d) adjudicating indigenous land and forest rights in the protected areas, rejected since it would be best addressed through Government's on-going titling program and by demarcating traditional use areas during core and buffer zone demarcation.

9. Major related projects financed by the Bank and/or other development agencies (completed, ongoing, and planned):			
<u>Sector issue</u>	<u>Project</u>	<u>Latest Form 590 Ratings</u> (Bank-financed projects only)	
		<u>IP</u>	<u>DO</u>
<u>IDA-financed</u>			
<ul style="list-style-type: none"> • Policy reform, land titling, improvement of agricultural practices, strengthening SINAPH 	Rural Land Management Project (PAAR) (ongoing) (Credit 2940-HO)		
<ul style="list-style-type: none"> • Strengthening major environmental government institutions in Honduras 	Environmental Development Project (ongoing) (Credit 2693-HO)	S	S
<ul style="list-style-type: none"> • Reform of agricultural and forest policies 	Agricultural Sector Adjustment Credit (AGSAC) (ongoing) (Credit 2450-HO)	S	S
<ul style="list-style-type: none"> • Poverty alleviation, small-scale infrastructure, decentralization 	Social Investment Fund III (Credit 2766-HO)	S	S
<u>Other development agencies</u>			
<ul style="list-style-type: none"> • Develop conceptual framework for MBC; prepare an investment project to support the MBC in each Central American country 	(representative list) Regional Mesoamerican Biological Corridor Project (UNDP-implemented GEF Project; planned)		
<ul style="list-style-type: none"> • Support for ecotourism; construction of a visitor center 	Environmental Management Project for the Bay Islands (IDB; ongoing)		
<ul style="list-style-type: none"> • Support for sustainable management of forestry; buffer zone activities; support for PAs 	Conservation and Forest Development Project of the Río Plátano (GTZ; ongoing)		
<ul style="list-style-type: none"> • Support for PA management plans and buffer zone activity in Atlantic coast project areas 	Fundación VIDA Conservation Program (FUCSA; PROLANSTATE; FUCAGUA)		
<ul style="list-style-type: none"> • Support for PAs and sustainable use in Honduras and elsewhere in Central America 	PROARCA (USAID; ongoing)		
10. Lessons learned and reflected in the project design:			
<p>A reviewer from the Scientific and Technical Advisory Panel (STAP) roster of experts recommended consideration of the: (a) Value of corridors to protect otherwise isolated islands of biodiversity; (b) Importance of incorporating local communities and local governments into biodiversity conservation planning; (c) Need for financial mechanisms to fully cover operational costs; and (d) Importance of institutional strengthening of agencies responsible for conservation. These comments were incorporated into the project design.</p>			
11. Indications of Borrower commitment and ownership:			
<p>Honduras is signatory to many regional and international biodiversity conventions which provide conceptual framework for this project; the country is committed to key sector reforms. Willingness to borrow for these reforms through the PAAR is an indication of commitment.</p>			

12. Value added of Bank and GEF support:

GEF support is warranted because of the global significance of the MBC and the need for incremental financing for its long-term protection. The project is being jointly supported by both the Bank and UNDP, thereby drawing on the comparative advantage of each institution and ensuring cooperation between regional and national programs. Value added of Bank support lies in technical support for preparation, supervision capacity, and development of linkages with the PAAR.

Block 3: Summary Project Assessments

13. Economic Assessment: <input type="checkbox"/> (see Annex 9)	Cost-Benefit Analysis: <input type="checkbox"/> N/A	Cost Effectiveness Analysis: <input checked="" type="checkbox"/>	Other [Incremental Cost Analysis]
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14. Financial Assessment (see Financial Summary):

Financial sustainability of SINAPH (generation of revenues and financial management) is key element of project concept. Studies were carried out under BPAP and PAAR project preparation to evaluate feasibility of a Protected Areas Fund, being established under the PAAR, to be partially endowed through revenues from protected areas investments. The studies estimated potential revenue streams, anticipated tourism growth based on nature tourism, and analyzed alternative financial funds structured. The Financial Summary shows the anticipated financial stream based on the findings of the feasibility studies.

15. Technical Assessment:

Notable technical issues dealt with during project preparation include the nature of appropriate investments in buffer zones that balance both promotion of local community development and defense of biodiversity in core areas and buffer zones of protected areas. Other issues include indigenous land tenure concerns, the balance of gender in project activities, and the appropriateness of buffer zone activities. Appropriate type and levels of investments in protected areas were also considered in depth in a number of background studies.

16. Institutional Assessment:

Executing agencies: Weakness of AFE-COHDEFOR and DAPVS is of major concern. Project includes institutional strengthening and intends to decentralize administration of some components to regional and local organizations. It will complement activities of conservation NGOs in the Atlantic coast that are being financed by Fundación VIDA, a Honduran conservation foundation.

GEF implementing agencies. UNDP and the Bank will both serve as GEF implementing agencies, the first experience of this kind in Latin America, using unified criteria for implementation to simplify the reporting and administrative procedures of AFE-COHDEFOR and GOH.

Project management: The project will be managed by AFE-COHDEFOR through DAPVS. Three regional DAPVS field offices will be strengthened in the project area, which will provide staff greater presence and outreach. Activities financed under this project will be coordinated with activities being financed through the PAAR within AFE-COHDEFOR and through the PAAR's Coordination Unit at the Ministerial level.

The project will support the creation of regional committees for protected areas management (*Consejos Regionales de Areas Protegidas*, CORAPs) and local committees for protected areas management (*Consejos Locales de Areas Protegidas*, COLAPs) which will coordinate training inputs at the regional and protected areas level, and the local committees will also prioritize requests for buffer zone activities. Regional DAPVS offices and the CORAP/COLAP will coordinate complementary activities funded by Fundación VIDA. SERNA will take the lead on strategic issues related to the SINAPH and will preside over the Council for Protected Areas, which is the institution with responsibility for priority setting and financing strategies.

17. Social Assessment:

The social assessment included: (a) a natural resource analysis, with field data; (b) a gender analysis with field survey data and a literature review; (c) an indigenous land tenure study; and (d) an analysis of indigenous issues. A Social Assessment, Participation Plan, and an Indigenous Peoples Development Plan have been prepared (see Annex 2). The total indigenous

population affected by the project is approximately 78,000, including the Miskito, Pech, Tawahka, and Garifuna. The social assessment analyzed the different patterns of land use and productive systems among the indigenous and non-indigenous people living in the buffer zones and identified and assessed the capacity of community-based organizations and NGOs. The role of women in biodiversity conservation was specifically addressed by a gender specialist during preparation.

Land Tenure. For the indigenous peoples in the buffer zones, there are constraints to recognition of indigenous land and forest rights. The legal study evaluated three options for indigenous land tenure titling: individual, communal, and usufruct contract all of which are options in the Honduran legal framework. Based on the findings of the draft study, GOH has decided to further evaluate these options and may opt to apply a blend of usufruct and communal title. In addition, an ongoing Institutional Development Fund grant will strengthen the capacity of indigenous communities and organizations to formulate proposals and document their land tenure claims. Regardless of the option selected, GOH is committed to protecting traditional use rights.

Implementation Capacity. The existing capacity of the PAAR Project Coordination Unit to implement the participation plan is limited. To address this, SAG will contract a specialist in social and participation issues who would coordinate with the BPAP to incorporate these issues into project components, ensure implementation of the participation plan, and supervise consultants contracted for specific studies or activities. Additional social science staff will be recruited into DAPVS who will work with the promotional staff of AFE-COHDEFOR and NGO personnel.

Local Capacity. Existing community-based organizations and farmers groups lack the capacity to actively participate in the local and regional committees for protected areas management. Training and capacity-building resources will be made available to strengthen the capacity of members of the COLAPs, CORAPs, NGOs, and other organizations. Through the process of participatory planning, management plans for the core and buffer zone areas will be developed and the subprojects to be supported by the buffer zone fund will be developed and prioritized, and then endorsed by the committees. Environmental education materials will be designed to promote broad participation in protected areas management.

Gender. Men and women have unequal access to land and agricultural and forestry production services, and different needs for information and technologies. To address gender needs and opportunities, a program of gender training would be designed and implemented for the agencies and NGOs involved in the project, and buffer zone activities will be targeted to female producers and entrepreneurs.

18. Environmental Assessment: Environmental Category A B C

Minor impacts are possible from some infrastructure investments in protected areas and in buffer zones. The basic screening and evaluation procedures of DAPVS, previously developed and analyzed in the context of PA investments to be done under the PAAR, have been evaluated during preparation missions and are considered appropriate.

19. Participatory Approach:	Identification/Preparation	Implementation	Operation
Beneficiaries/Community groups	COL	COL	COL
Intermediary NGOs	COL	COL	COL
Academic Institutions	IS	IS	IS
Local Government	CON	CON	COL
Other donors	CON	IS	IS
UNDP	COL	COL	COL

Note: Information Sharing (IS), Consultation (CON), and Collaboration (COL)

Project preparation included an analysis of the stakeholders in the land administration and natural resource sectors and regional consultation workshops, carried out by a multi-disciplinary team, with representatives of stakeholders living in the buffer zones of the protected areas of the project. A meeting was held with NGOs working with farmers and forest producers in the buffer zone areas and there were consultations with the national indigenous confederation (CONPAH) and representatives of indigenous and non-indigenous communities in the project areas. During project implementation, the COLAPs and CORAPs will be the focus point for participatory involvement in decision-making and carrying out of activities.

20. Sustainability:

Project sustainability will be promoted through: (a) improvement of the ability of local and national institutions to provide technical assistance on sustainable land use and to address land tenure issues (primarily through the PAAR); (b) support for a self-financing mechanism for the SINAPH, also to be supported primarily under PAAR; (c) increasing public support for the protected areas and participation in their management, by working closely with many stakeholders; (d) institutional strengthening; and (e) investments and conceptual support from the regional Mesoamerican Biological Corridor Project (UNDP-administered).

21. Critical Risks (see the Project Design Summary):Project outputs to development objectives

<u>Risk</u>	<u>Risk Rating</u>	<u>Risk Minimization Measure</u>
High population growth and poverty will continue to drive movement of the agricultural frontier	Substantial	PAAR and other programs of Bank and donors address some of the root causes, but the challenges remain formidable. While this is a historical problem, the recent adjustment loans and environmental technical assistance (TA) under current loans have helped put in place a more enduring policy framework for natural resource management.
Unstable institutional and policy environment	Modest	While this is a historical problem, the recent adjustment loans and environmental technical assistance (TA) under current loans have helped put in place a more enduring policy framework for natural resource management.
Continued "frontier culture" leads to encroachment on protected areas	Substantial	Environmental education and involvement of all stakeholders in management planning under this project should help to change traditional and non-sustainable land uses. The project also seeks to decentralize implementation to increase effective targeting to the poor.
<u>Project components to outputs</u>		
Institutional Capacity	Substantial	Reliance on multiple institutions: government and non-governmental and local community-based organizations; coordination with other donor initiatives.
Lack of financial sustainability	Modest	PA Fund is to be created to increase availability of financing for protected areas, but there is not guarantee of its success.
Adoption of biodiversity friendly technologies is slow due to market access problems or income flows	Substantial	Project is extending successful pilot models for TA to upland and marginal agriculture and forest areas; these are untested in remote areas of buffer zones, however, and may need adjustments. To reduce risk, demand-driven proposals will be financed and NGOs provided TA to strengthen capacity and exchange knowledge.
Community organizations may not participate in protected areas management	Modest	Considerable training and capacity building is planned as well as partnering with development NGOs currently in the area.
<u>Overall project risk rating</u>	Substantial	

22. Possible Controversial Aspects:

Indigenous land rights in buffer and core areas is always controversial. Mitigating measures are explicitly included in project design, in the Indigenous Peoples Development Plan, and in the PAAR.

Block 4: Main Loan Conditions**23. Effectiveness Conditions:**

1. Signed Subsidiary Agreement with AFE-COHDEFOR, reflecting responsibilities of participating agencies.
2. Project Coordinator recruited and in place and PCU established.
3. Draft legislation submitted to Congress for the establishment of the areas Patuca, Tawahka, and Punta Izopo as Protected Areas.
4. Adoption of the Operational Manual by AFE-COHDEFOR.

24. Others:

Accounts/Audit: Project will implement agreed plan of accounts and auditing.

Counterpart funding: Government will maintain sufficient budgetary funds for implementation. In event that PA fund does not provide enough funds to cover operational costs, GOH will provide counterpart funding for recurrent costs.

Management aspects: GOH will maintain staff needed to implement project (in DAPVS or some other equivalent agency).

Procurement: Procurement will be carried out in accordance with the agreed categories detailed in the Procurement and Disbursement Arrangements. All procurement will follow the UNDP/World Bank Loan Financed Cost Sharing Arrangements under National Execution.

Monitoring: Quarterly and annual reports will be prepared according to agreed formats.

Other: An acceptable resettlement plan will be prepared and furnished to the Bank and UNDP in case of resettlement of populations in the project area.

Conditions of disbursements for the Management of Globally Important Protected Areas Component: (a) prior to demarcation activities, a strategy for indigenous land policies must be agreed; and (b) passage of Congressional bills to declare seven of the project protected areas (Patuca, Tawahka, Punta Izopo, Warunta, Rus-Rus, Caratasca, and Mocerón) is a condition of disbursement for certain activities as detailed in the GEF Trust Fund Grant Agreement.

Conditions of disbursements for the Improving Natural Resource Management in Buffer Zones Component: (a) criteria and structure of buffer zone fund agreed, including administrative arrangements; and (b) payments for each subgrant unless the corresponding eligible subproject has been approved by DAPVS in accordance with the criteria and procedures set forth in the Operational Manual and the subgrant agreement has been executed by the parties thereto.

Block 5: Compliance with Bank Policies

This project complies with all applicable Bank policies.

Detailed Project Description

Project Component 1 - Strengthening of DAPVS and Local Capacity for PA Management - US\$ 2.6 million

This component will: (a) strengthen DAPVS at national level but primarily at the field office and protected area levels; (b) build local capacity for PA management through training and workshops for NGOs, local government, members of the regional protected areas management committees (CORAPs), and members of the local protected areas management committees (COLAPs); and (c) provide coordination support for project implementation. Financing will be provided for: (a) development of in-service training courses and periodic in-depth courses for DAPVS staff; (b) curricula and courses for regional committee members, NGOs involved in protected areas and buffer zone activities, and for staff of complementary biodiversity projects in the project area; (c) demand-driven training and study tours or interactions among members of the COLAPs, including community-based organizations, productive organizations, indigenous organizations and federations, and private sector stakeholders; and (d) a project coordinator, operational expenditures, monitoring and evaluation, and special studies. In addition, funds will be provided for studies and consensus-building activities to complement the national biodiversity strategy and improve the capacity for the development of management plans for core and buffer areas of the SINAPH. The consensus-building will draw upon the information available from the ecosystems map that has been prepared under the PAAR, which will assist in agreeing on priorities for protection and sustainable use.

Project Component 2 - Management of Globally Important Protected Areas - US\$ 4.6 million

This component will finance: (a) management plans for the protected areas which are globally important and which do not have complementary financing from other donors for elaboration of participatory management and operational plans; (b) demarcation of core and buffer zones, with complementary delimitation of lands with indigenous property claims; (c) construction of one visitor's center in the Atlantic zone to expand the potential to attract and manage tourists in one protected area; (d) recruit personnel for protection of the protected areas; and (e) construction of park guard facilities in each protected areas, including the acquisition and utilization of goods required to the operation of such facilities.

Project Component 3 - Improving Natural Resource Management in Buffer Zones - US\$ 1.9 million

This component will finance buffer zone investments that are identified during the elaboration of the protected areas management plans in the Mosquitia region (including Patuca-Tawahka, Caratasca, Warunta, Rus-Rus) that will be carried out by groups of individuals within the communities in the buffer zones of the protected areas. Financing will be channeled to groups selected by the COLAPs. Funds transferred will be approved by DAPVS. Subproject proposals that are not identified through the management plan process, which are submitted by the COLAPs, can also be considered by DAPVS, based on the no-objection of UNDP and the Bank. In parallel, residents of the buffer zones of all protected areas included in the project will be eligible to submit proposals for technical assistance to the Upland Producers Fund through the PAAR.

Project Component 4 - Biological Monitoring - US\$ 0.3 million

This component will establish a monitoring system to determine major changes in the status of biodiversity in the corridor. Specifically, the project will finance: (a) installation of computer and software in four regional offices and at headquarters; (b) purchase and interpretation of satellite images to generate a baseline and comparative analyses of the project area; (c) 2 overflights and four field visits to project area; (c) collection and analysis of data derived from on-the-ground surveillance by park guards and others; and (d) two annual workshops on monitoring.

Estimated Project Costs (with Counterpart Funding)
(US\$ million)

<u>Project Component</u>	<u>Local</u>	<u>Foreign</u>	<u>Total</u>
A. Strengthening of DAPVS and Local Capacity for PA Management			
1. Institutional Strengthening at National Level	1.2	0.6	1.8
2. Institutional Strengthening at Local Level	<u>0.4</u>	<u>0.2</u>	<u>0.6</u>
Subtotal	1.6	0.8	2.4
B. Management of Globally Important Protected Areas			
1. Demarcation	0.7	-	0.7
2. Management Plans	0.0	0.2	0.2
3. Infrastructure and Equipment	1.9	0.5	2.3
4. Staff Fund	<u>0.8</u>	<u>-</u>	<u>0.8</u>
Subtotal	3.4	0.7	4.1
C. Improving Natural Resource Management in Buffer Zones	1.6	-	1.6
D. Biological Monitoring			
1. Design and Operation of BD Monitoring	0.1	0.1	0.2
2. Equipment	0.0	0.0	0.0
3. Mesoamerican Corridor Monitoring	<u>0.0</u>	<u>0.1</u>	<u>0.1</u>
Subtotal	0.1	0.2	0.3
Total BASELINE COSTS	6.7	1.7	8.4
Physical Contingencies	0.2	0.1	0.3
Price Contingencies	<u>0.7</u>	<u>0.1</u>	<u>0.8</u>
Total PROJECT COSTS	7.6	1.9	9.5

Financial Summary

Table A: Honduran Conservation Program Costs by Financiers¹
(US\$ million)

	BPAP			PAAR			Fundación VIDA	Total
	GOH Amount	GEF Amount	Beneficiary Amount	GOH Amount	IDA Amount	Beneficiary Amount	Amount	Amount
A. Land Tenure Studies				0.1	0.5	0		0.6
B. Natural Resource Management								
1. Improved Natural Resource				0.1	1	0	0.4	1.5
2. Fund for Upland Producers				0.1	0.6	1.4		2.1
3. Biodiversity Conservation				1.2	4.7	0		5.9
Subtotal Natural Resource				1.4	6.3	1.4	0.4	9.5
C. Project Administration				0	0.2	0		0.2
D. Institutional Strengthening of								
1. National Level	0.2	0.6	0					0.8
2. Local Level	0.2	0.5	0				0.1	0.8
Subtotal Institutional	0.4	1.1	0				0.1	1.6
E. Strengthening of Protected Areas								
1. Demarcation	0.2	0.6	0.0				0.1	0.9
2. Management Plans	0.0	0.2	-				0.2	0.4
3. Infrastructure and Equipment	0.8	1.8	-				0.2	2.8
4. Personnel Costs	0.3	0.5	-					0.8
Subtotal Protected Areas	1.3	3.1	0.0				0.5	4.9
F. Fund for Buffer Zones	0.2	1.6	0.3					2.1
G. Monitoring								
1. Design and Operation of System	0.0	0.2	-				0.2	0.4
2. Equipment	0.1	0.0	-				0.0	0.1
3. Mesoamerican Corridor Monitoring	0.0	0.0	-				0.1	0.1
Subtotal Monitoring	0.1	0.3	-				0.2	0.6
H. Project Coordination	0.2	0.9	-					1.1
Total Disbursement	2.2	7.0	0.3	1.5	7.0	1.4	1.2	20.6

¹ Table A presents the costs of the Honduran Conservation Program which includes the GEF Grant of US\$ 7.0 million equivalent within the Biodiversity in Priority Areas Project (BPAP) and support from the Rural Land Management Project (PAAR) and Fundación VIDA.

Table B: Total GEF Costs by Financier

(US\$ million)

	GOH		GEF		Beneficiaries		TOTAL	
	Amount	%	Amount	%	Amount	%	Amount	%
A. SINAPH								
1. National Level	0.4	20.8	1.5	79.2	0.0	0	1.9	20.0
2. Local Level	0.2	27.8	0.5	72.2	0.0	0	0.7	7.8
Subtotal Institutional	0.6	22.7	2.0	77.3	0.0	0	2.6	27.8
B. Strengthening PAs								
1. Demarcation	0.2	25.8	0.6	64.9	0.0	9.2	0.9	9.1
2. Management Plans	0.0	7.8	0.2	92.2	0.0	0	0.3	2.8
3. Infrastructure and Equipment	0.8	31.1	1.8	68.9	0.0	0	2.6	27.4
4. Staff Fund	0.3	35	0.5	65	0.0	0	0.8	8.9
Subtotal Strengthening PAs	1.3	29.5	3.1	68.8	0.0	1.7	4.6	48.2
C. Buffer Zone Investments	0.2	10	1.6	81	0.2	9	1.9	20.5
D. Monitoring								
1. Design and Operation of System	0.0	7	0.2	93	0.0	0	0.2	1.8
2. Equipment	0.0	19.6	0.0	80.4	0.0	0	0.0	0.6
3. MBC Monitoring	0.0	7	0.0	93	0.0	0	0.1	1.1
Subtotal Monitoring	0.0	9.1	0.3	90.9	0.0	0	0.3	3.5
Total Disbursement	2.2	22.9	7.0	74.4	0.3	2.7	9.5	100.

**Table C: Summary of Financial Projections for Protected Areas Fund
and Income Flows for Recurrent Costs of SINAPH**

Years Ending 1998 through 2004
(projections in US\$ million)

	1998	1999	2000	2001	2002	2003	2004
Fiscal allocation for DAPVS and protected areas management (for recurrent costs)	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Donor commitments for protected areas (recurrent costs of environmental NGOs, including staff/ operating costs)							
• Fundación VIDA/USAID	0.2	0.2	0.2	0.2	0.2	0.2	0.2
• Canadian Development Agencies	0.2	0.2	0.2	0.2	0.2		
• German Technical Assistance	2.0	2.0	2.0	2.0	1.5		
• Inter-American Development Bank	2.0	2.0	2.0	1.2	1.2		
• European Union	0.1	0.1	0.1	0.1	0.1		
• Proposed Biodiversity in Priority Areas Project	0.3	0.3	0.24	0.22	0.18		
TOTAL FINANCIAL RESOURCES WITHOUT FUND (1)	5.5	5.5	5.5	4.72	4.18	1.0	1.0
Revenues from Protected Areas Fund (projections)	0	0.5	1.6	1.6	1.8	2.0	2.0
Operating costs of the Fund (**)	0	0.01	0.02	0.02	0.03	0.04	0.04
NET REVENUES FROM THE FUND(2)	0	.49	1.58	1.58	1.77	1.96	1.96
TOTAL PROJECTED FINANCIAL RESOURCES (1+2)	5.5	6.0	7.1	6.3	5.9	3	3
PROJECTED RESOURCE REQUIREMENTS FOR RECURRENT COSTS OF THE SINAPH	1.7	1.9	2.1	2.3	2.7	2.8	2.8

* Revenues are calculated on a conservative basis, projected from Tourism Institute statistics that show at least a 10% increase in nature tourism per year, and assume that 50% of entrance fees from four income-generating protected areas would be combined with up to 10% of user fees for electricity generation and commercial water use.

**Operating costs are not expected to exceed 2-3% of the value of the Fund.

Procurement and Disbursement Arrangements

Procurement

Procurement of works and goods financed by the Bank and UNDP under the project would be carried out in accordance with the *Bank's Guidelines for Procurement under IBRD Loans and IDA Credits* (January 1995, revised in January and August 1996). Consultant services to provide technical assistance and training would be procured in accordance with *Guidelines for the Use of Consultants by World Bank Borrowers and the World Bank as Executing Agency* (January 1997), consistent with the UNDP-Bank cost sharing agreement (February 1994). As applicable, International Competitive Bidding (ICB) would use the Bank-issued Standard Bidding Documents for the procurement of goods and National Competitive Bidding (NCB) would be based on standard bidding documents acceptable to the Bank.

Procurement would be undertaken by the Project Coordination Unit together with UNDP, as well as by beneficiaries implementing subprojects.

Special Provisions. Additional special provisions have been specified in Schedule 3, Section III of the GEF Trust Fund Grant Agreement regarding contracts, bids, and consultants.

Subgrants (Upland Fund) consist of packages of small civil works, goods, and technical assistance with an expected average cost of approximately US\$ 25,000. In order to encourage community participation in project execution, and given the remote location of many rural communities, direct contracting may be permitted to implement subprojects up to a maximum amount by subproject of US\$ 10,000.

Consultant Services are expected to cost approximately US\$ 1.3 million and would be procured in accordance with the Bank's procedures for hiring of consultants (see Table A).

Bank prior review thresholds are shown in Table B. Annual procurement audits would be carried out to ensure that the procurement procedures specified in the GEF Trust Fund Grant Agreement and the operational manual for the project are being followed. The annual procurement audits would be carried out by an external auditor contracted under terms of reference satisfactory to the Bank and UNDP.

Disbursements

Allocation of grant proceeds: Disbursements would be made against the categories of expenditures indicated in Table C. The proceeds of the proposed Grant are expected to be disbursed over a period of five years. The project is expected to be completed by July 31, 2002 and the Grant Closing Date would be January 31, 2003.

Use of Statements of Expenditures: UNDP will administer the GEF grant funds through its Resident Mission in Honduras and will be responsible for disbursements. Disbursements would be made directly to UNDP and would function similarly to a special account. An initial advance sufficient for expenditures of up to six months would be made and subsequently replenished based on acceptable reporting of eligible expenditures made from the advance. Withdrawal applications would be fully documented, except for expenditures under contracts for goods (other than vehicles) costing less than US\$ 150,000 equivalent, contracts for works costing less than US\$ 500,000 equivalent, contracts for consulting firms costing less than US\$ 50,000 equivalent, contracts for individual consultants costing less than US\$ 25,000 equivalent, training, salaries and operating costs, and subgrants. Supporting documentation for such expenditures would be retained by the implementing agency and made available for auditors and Bank staff as requested.

Retroactive Financing: At negotiations, retroactive financing of up to US\$ 700,000 equivalent (10 percent of the Grant amount SDR 510,000) was reviewed and agreed for any eligible expenditures incurred after August 1, 1997 (but not earlier than 12 months before Grant signing).

Table A: Project Costs by Procurement Arrangements

(in US\$ million equivalent)

<u>Expenditures</u>	<u>ICB</u>	<u>NCB</u>	<u>Other</u>	<u>N.B.F.</u>	<u>Total</u>
A. Civil Works	0.5	1.7	0.2 a/	-	2.5
	(0.4)	(1.0)	(0.2)		(1.6)
B. Goods					
Vehicles b/	-		0.5 c/	-	0.5
			(0.4)		(0.4)
Goods other than vehicles	0.2	0.3	0.3 d/	-	0.8
	(0.1)	(0.1)	(0.2)		(0.5)
C. Consultants Services			1.3 e/	-	1.3
			(1.2)		(1.2)
D. Training			0.8 f/	-	0.8
			(0.7)		(0.7)
E. Subgrants			1.9 g/	-	1.9
			(1.6)		(1.6)
F. Operating Costs			1.6	-	1.6
			(1.0)		(1.0)
TOTAL	0.7	2.2	6.6	-	9.5
	(0.5)	(1.4)	(5.1)	-	(7.0)

Note: N.B.F. = Not Bank-financed.

Figures in parenthesis are the amounts to be financed by GEF

a/ Small civil works to be contracted through lump-sum contracts.

b/ Includes motorcycles.

c/ Limited International Bidding (US\$ 287,000) for pickup trucks.

d/ Mainly publications, International and national shopping procedures (US\$ 380,000).

e/ Consultant Services in accordance to "Guidelines on the Use of Consultants" (January 1997).

f/ Procurement not applicable.

g/ Matching grants for Upland Fund.

Table B: Thresholds for Procurement Methods and Prior Review

Expenditure Category	Contract Value (Threshold)	Procurement Method	Contracts Subject to Prior Review
1. Civil Works	> 500,000 150,000-500,000 <150,000	ICB NCB Lump-sum contracts	All First two None
2. Goods Vehicles	> 150,000 25,000 - 150,000 <25,000	LIB NCB International/National shopping	All First two None
Goods other than Vehicles	> 150,000 25,000 - 150,000 < 25,000	ICB NCB International/National shopping	All First two None
3. Consultant Services		According to Consultant Guidelines	
with Firms	> 50,000 < 50,000	QCBS CQ	All TORs, RFPs, Contracts Only TORs
with Individuals	> 25,000 < 25,000	Individuals “	TORs, CVs None

Table C: Allocation of Grant Proceeds
(US\$ million)

<u>Categories</u>	<u>Amounts</u>	<u>Financing</u>
1. Civil Works	1.5	70%
2. Goods	0.9	100% FE/ 50% LE
3. Consultants Services	1.2	100%
4. Training	0.9	100%
5. Subgrants	1.5	100% of amount disbursed
6. Incremental Recurrent Costs /c	0.8	90% first two years, 60% next two years, 40% thereafter
7. Unallocated	<u>0.2</u>	
TOTAL	7.0	

Project Processing Budget and Schedule

A. Project Budget (US\$000)	<u>Planned</u>	<u>Actual</u>
Block B Grant for Preparation	US\$ 300,000	US\$ 300,000
B. Project Schedule	<u>Planned</u>	<u>Actual</u>
Time taken to prepare the project (months)	14 months	16 months
First Bank mission (identification)	3/12/1996	3/12/1996
GEF Council	11/15/96	3/1/1997
Appraisal mission departure	2/20/1997	5/26/1997
Negotiations	5/21/1997	7/30/1997
Expected GEF/CEO Final Endorsement	8/25/97	8/25/97
Planned Date of Effectiveness	9/1/1997	12/1/1997

Prepared by: DAPVS within AFE-COHDEFOR with UNDP-Honduras assistance

Preparation assistance: GEF PDF grant; Canadian Trust Fund

Bank/UNDP staff and consultants who worked on the project included: Augusta Molnar (Task Manager), Reynaldo Pastor, Douglas J. Graham, Teresa Roncal, Kathryn Johns Swartz, Juan Martínez, Silvia Castro, and Ana Lucia Moreno (RUTA-Costa Rica; gender issues), Jim Smyle (RUTA-Costa Rica; buffer zone activities), Jorge Guevara and Dina Salinas (UNDP). Consultants included Victor Archaga (National Coordinator), Daniel Vreughdenhil (protected areas), Teresa Kramarz, Hugo Galeano, Ernesto Galvez, Santa Lopez, Luis Morales, Virginia Ravndal, and Cecilio Zelaya.

Part II: Project Document

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CONTEXT

Description of Sector

1. *Biological Diversity.* Honduras is located in the middle of Central America between 13 and 16 degrees of north latitude. It has a territory of approximately 112,492 square kilometers limited to the north by the Caribbean Sea, to the south by the Pacific Ocean, and bordering Nicaragua in the east, and Guatemala and El Salvador in the west.
2. Honduras is primarily mountainous with narrow coastal plains and several interior valleys. Much of the land is above 30 percent slope with low soil fertility and erratic rain fall. More than 90 percent of the country is officially categorized as unsuitable for agriculture (forest vocation). The subtropical climate of the country in combination with a wide range of variations in humidity provide favorable habitat conditions for a high diversity of flora and fauna.
3. The area of the Mesoamerican Biological Corridor (MBC) is irregular and characterized by three wide classifications: the coastal plains (less than 150 meters above sea level), upland areas (150-600 meters above sea level), and the mountainous highlands (greater than 600 meters above sea level). The topography of the coastal plains is flat or slightly rolling with soft slopes. The area contains mangroves, brackish and fresh water lagoons, coastal vegetation, and marshy forests (periodically or permanently flooded with fresh water). Most of these areas are covered with pine (*Pinus caribaea*), savanna palms and humid tropical forests with species like *Bravaisia integerrima*, *Salix humboldtiana*, *Andira inermis*, etc. In addition, there are permanent wetlands and mangroves along numerous creeks and lagoons that characterize the Caribbean coast.
4. The temperatures vary by elevation. The coastal lands less than 500 meters above sea level have an average annual temperature of 24 degrees centigrade while the mountains between 500 to 2000 meters above sea level vary from 16 to 24 degrees centigrade. The zones above 2000 meters above sea level have an average annual temperature of 15 degrees centigrade. The sea influence, the abrupt topography, and the different types of soils have resulted in the joining of a wide variety of ecosystems.
5. As a result, Honduras has a rich biological diversity that, except for some pine savannas, originally was almost entirely covered by several types of dense forests, varying from the dry forests of the Pacific slopes to the rainy forests in the low lands of the Atlantic slopes. The country contains the greater portions of five terrestrial ecoregions, as defined in a recent study by the World Bank/World Wildlife Fund on the terrestrial ecoregions of Latin America and the Caribbean. The ecoregions include: the dry forests of the Pacific in Central America; the forests of pine-oak of Central America; mountain forests of Central America in high altitudes; humid forests of the Atlantic region of Central America, and the pine forests in Mosquitia in the east. The pine-oak forests and the mountain forests have a complex and discontinuous distribution, which suggests highly rich endemic patterns, until today little studied. Both coasts of Honduras are also characterized by diverse mangroves and ecosystems of humid areas and the coral reefs are second in size and importance in Central America after those of Belize.

6. These complex ecosystems support a wide variety of plants and animals. Animals in these areas include, among others, the jaguar, white-tailed deer, ocelot, white-face monkeys, jaguarundis, spider monkey, and howler monkey, etc. In addition, more than 375 species of birds and nearly 200 species of amphibians and reptiles exist in these areas. Many of these species are considered rare, threatened, or in danger of extinction, such as the harpy eagle, jaguar, and tapir, etc. However, very little is known about the ecology and the resources of the zone. In a rapid study in 1980, six percent of the inventoried plants were new for the flora of Honduras. Detailed studies on fauna are scarce, but the information available indicates that the region is extremely interesting faunistically.

7. Of equal importance for habitat diversity is the fact that Honduras represents an important link in the transition among plants and animals of the neoarctic and neotropical domains. The humid tropical forest of the lowlands of southern Central America is restricted and discontinuous in the north and east of Honduras and forms the first natural filter for the northern expansion of the biota of the pluvial forest to the north of Panama.

8. *Socio-Economic Context.* The economy of Honduras is relatively small and highly influenced by the conditions of the international markets as a result of its dependence on a few products for export, mainly coffee and bananas. There is a large foreign debt, estimated to be US\$ 4.3 billion in 1996. With a GNP of approximately US\$ 3.5 billion and per capita income of US\$ 580/year, Honduras is one of the less developed and poorest countries in Latin America.

9. Honduras has a highly skewed land distribution and a rapidly growing, primarily poor population. Historically, the lack of other economic opportunities and the existence of a relatively large frontier in the central and eastern part of the country have led to two types of frontier expansion and land clearing. The first by elites in search of economic opportunities for cattle raising and plantation crop establishment and the second by the poor in search of land for subsistence agriculture. The impact on the forest was and continues to be devastating. The total forested area has declined by 5.7 million hectares since colonization, with most of the losses in the past 50 years. Pine forests have also become degraded. Increasingly, forest areas being cleared are not suitable for agriculture or pasture production and water shortages are beginning to be a problem.

10. Poverty has a significant effect on households in rural areas headed by females and nearly 30 percent of the households in rural areas are headed by women (Woman and Employment Module of the Household Survey, March 1993). It is estimated that nearly 15 percent of rural households under the poverty line are headed by females and of the total number of female-headed households, 66.7 percent are under the poverty line (SECPLAN/ILO/ FNUAP, 1990).

11. The population of Honduras is young with a high economic dependence since many households have a large nuclear family with parents, young children and unmarried adults. Under these conditions, a biodiversity conservation project must work to harmonize the technical needs of conservation with those of the population.

12. *Cultural and Demographic Context.* The total indigenous population in the project area is about 78,000 people. Four indigenous groups are found in the project area: the Pech, Garífunas,

Tawahkas and Miskitos. The Pechs are located in the eastern part of Honduras, between the Garífunas and the Miskitos in the departments of Colón and Norte de Olancho. Their population is about 2,600 inhabitants. They are organized in the Federation of Pech Indigenous Tribes of Honduras (*Federación de Tribus Indígenas Pech de Honduras, FETRIPIH*).

13. The Tawahkas are the most isolated indigenous group in the country with about 900 inhabitants located in the communities of Krausirpe, Krautara, Yapuwás and Parawás on the banks of the Patuca River in the department of Gracias a Dios. This area is in the center of the biological corridor that runs from the Honduran Atlantic coast to the border with Nicaragua. The Tawahkas speak their own language in addition to Miskito and Spanish. Since 1988, they have been organized in the Tawahka Indigenous Federation of Honduras (*Federación Indígena Tawahka de Honduras, FITH*). They are also part of the RAICES Foundation, a private development organization that supports the Tawahkas.

14. The Miskitos are descendants of the native Indians, blacks and pirates and are all located in the large department of Gracias a Dios in eastern Honduras. The population numbers around 49,000 with women making up 52 percent. They speak the Miskito language and, currently, they are organized in a well-known indigenous confederation known as MASTA, made up of seven different Miskito federations.

15. The Garífunas are the most numerous indigenous community inside the project area and the majority are located practically inside the Honduran biological corridor along the part of the Atlantic coast from the Cabo Camarón in the Plaplaya community in the department of Colón extending to the Gulf of Honduras on the border with Guatemala. The main communities are located in the departments of Atlántida and Colón. The Garífunas, of mixed African and indigenous heritage, arrived in Honduras between the 18th and 19th centuries as refugees from the Caribbean island of St. Vincent. They originally settled on the islands of Roatán and Bahía de Trujillo. The total Garífuna population is estimated to be approximately 95,000 and 56 percent are women. They possess a clear cultural identity and linguistic pattern. The most important communities have an average of 5,000 inhabitants each and include: Tornabé, San Juan and Truinfo de la Cruz in areas surrounding Punta Sal and Punta Izopo, near to the port city of Tela. There are also communities in the municipalities of Irióna, Santa Fé and Trujillo in the surrounding areas of the Capiro-Calentura-Guaimoreto Protected Area. Also in the Mosquitia region, there is a community with a strong Garífuna presence known as Plaplaya.

16. All the groups practice agriculture, dedicating themselves to the cultivation of yucca, rice, corn, and plantain. Fruit trees, palms and medicinal and nutritive plants grow in family gardens and in small agroforestry parcels. In all cases, parcel rotation is practiced and the fallow time (to let the soil rest) is three to eight years (Miskitos), depending on the zone, the availability of lands and the soils. This practice means that women must make arrangements to move often, each time further away from their place of residence. Hunting and fishing are very important (above all for the Garífunas, Tawahkas, and Miskitos). They clearly identify the importance of natural resources for their own survival.

17. In these indigenous groups, female participation in productive activities, gathering and commercialization is very important. Men generally have responsibility for soil preparation,

slashing and burning, while the sowing, harvesting and storage of the agricultural products is for the most part the responsibility of the women (for Miskitos). The women also participate in gathering coconuts and they are in charge of collecting seeds from the forest and at times participate in fishing together with the men (Tawahkas and Garífunas). Women also handle the commercialization of most of the available agricultural surpluses and the sale of fish.

18. Besides the practices mentioned above, the indigenous groups have been involved in commercial activities to obtain other manufactured products. These groups extract wood, resins, medicinal and edible plants, animals and animal skins to sell. They also sell lobsters, shrimp, turtles, and fish.

19. The indigenous groups of the zone are peaceful and tolerate the incursion of external users of the resources of the zone (cattlemen, fishermen, hunters, lumbermen), generally reacting by requesting authorities to apply the law to those that violate the legal regulations on the use of natural resources, but not entering into confrontations.

20. The traditional culture of non-indigenous people in the project area is shaped primarily by a subsistence economy, a lack of basic social services, and few opportunities within the local rural context for changing this situation. Politics are characterized by the continued dominance of traditional regional leaders with *caciquista* or a paternalist style of domination. Most of the *ladino* population have customs tied to mystic-supernatural superstitions or beliefs. There are some recent changes in the local economy with more political action by producers organizations, small but increasing numbers of export farmers with more sophisticated productive systems, and the emergence of community organizations with a diversified clientele, cooperative groups, and clubs. The majority of individual holdings are still less than 5 hectares. The expansion of electric power, highways, and television have modified peasant culture, previously marked by isolation, but it is now more similar to that of urban social groups.

21. Overall, smallholder *ladino* farms in the project area are not significantly better off than those of indigenous peoples. Due to their lack of access to or lack of knowledge about the use of wild foods, they have less food security in general and, particularly in times of crisis. Sources of *ladino* income include: products from their harvests, sale of animals and their byproducts, sale of family property, income from seasonal work, and occasionally income from selling handicrafts or small industries. The comparative advantage of non-indigenous over indigenous peoples is their relatively better access to public services such as health, education, communications and other services. At the same time, this means that they are more immersed in the market economy and in a financial society which necessitates the availability of money which they are usually lacking. Most *ladinos* live in permanent illiquidity, which some solve by felling trees and selling the valuable wood and the cleared land to lumbermen and cattlemen. Few *ladinos* live in Mosquitia. Those that do generally work in other activities, such as lending services and more recently in commercial cattle raising. In the Tawahka area, a number of farmers are clearing forest for pasture with the intention of selling it to newcomers. In the zone of Trujillo along the Atlantic coast, the wetlands of the Atlántida and the Cordillera de Nombre de Dios, there is rapid movement of the agricultural frontier. In many cases, producers fell the forest and convert the areas to grasslands to sell to cattlemen or land buyers, and then they move to new forest areas and repeat the process. Through this process, *ladinos* are advancing rapidly.

22. *The Project Area.* The project area covers a surface area of approximately 1.5 million hectares. It is a region that includes the largest areas of tropical forests and the greatest biodiversity in the country according to studies carried out by the World Conservation Monitoring Center. The region is in relatively intact condition and as a consequence, it is the area where the Honduran section of the Mesoamerican Biological Corridor extends, including the massive forests of the Patuca, the Tawahka, the Río Plátano Biosphere, Mosquitia, the wetlands of Atlántida and Cordillera de Nombre de Dios. Except for the Río Plátano Biosphere, all the other areas are included in this project. The eleven protected areas include Pico Bonito, Texiguat, Patuca, Tawahka, Cuero y Salado, Punta Izopo, Punta Sal, Laguna de Caratasca, Rus-Rus, Warunta, and Mocerón.

23. The project area is made up of four ecoregions: extensive areas of mangroves; important coastal-marine areas containing wetlands, lagoons, reefs and keys; pine savannas of the Mosquitia; and extensive areas of humid tropical forest. The Mosquitia wetlands and the mangroves are critical for the maintenance of the habitat of important threatened species or those in danger of extinction such as, the manatee, crocodiles, caymen, turtles, and several species of migratory birds. The pine savannas in the Mosquitia are considered unique. The humid tropical forests are the most extensive and intact in all of Central America and they are under strong pressure from agriculture and cattle raising, particularly in the western area of Mosquitia and in the southern part of the department of Atlántida.

24. The project area includes a total of sixteen municipalities, of which eight are located in the department of Atlántida, one in the department of Colon, two in the department of Olancho and five in the department of Gracias a Dios. In its entirety, the region contains approximately 350,000 inhabitants of which approximately 60 percent live in rural areas. The population is concentrated in the department of Atlántida, particularly in the cities of Ceiba and Tela.

25. The variety of ecosystems that the country possesses are reflected in the 8 zones of life recognized by the Holdridge system, four of these are included in the project area: (a) the Dry Subtropical Forests in the main valleys; (b) an important remnant of Humid Tropical Forests; (c) Humid Subtropical Forests characterized by coniferous trees; and (d) Cloud Forests with quetzals (*Pharomacrus mocinno*) and tapirs (*Tapirus bairdii*). At the moment, a classification and ecosystem mapping is nearly finished that recognizes more than 30 terrestrial ecosystems and more than 15 aquatic ecosystems.

26. The project area includes all the main wetland areas of the country with mangroves, grassy swamps, inundated forests, natural channels and coastal lagoons with high fishing productivity, where crocodiles (*Crocodylus acutus*), manatees (*Trichechus manatus*), aquatic migratory birds, and other animals live. The rivers are important aquatic ecosystems due to the different levels of flooding, limestone caves, etc. The project area includes 80 percent of the terrestrial ecosystems of the country (see Table 1).

Table 1: Project Protected Area Groupings and Ecoregions

Protected Area Group	Ecoregion	Vegetative Association
1. Cordillera de Nombre de Dios	Central American Atlantic Moist Forests	-Montane Forests -Subtropical Broadleaf Gallery Forests
2. Patuca-Tawahka	Central American Atlantic Moist Forests	-Subtropical Broadleaf Montane Forests; Gallery Forests
3. Wetlands of Atlántida	Central American Atlantic Moist Forests Mangroves	-Tropical Broadleaf Forests - Gallery Forests Wetland Forests -Marshy zones -Lagoons -Mangroves.
4. Mosquitia	Central American Atlantic Moist Forests Mangroves Miskito Pine Forests	-Tropical Broadleaf Gallery Forests -Wetland Forests -Marshy zones -Lagoons -Mangroves

27. Although the biodiversity in Honduras is among the least inventoried in Central America, the few figures that are known illustrate that there is no doubt about its importance nor about the degree of threats it is facing. The number of species of vascular plants has been estimated to be 5,000 of which 244 are endemic or their extension is restricted to the northern part of Central America. The state of conservation of some of these species is considered to be "threatened." The list of birds in the country includes 720 species, 59 of which are threatened at the national level and 5 are in danger of extinction. The list of mammals is 200 species including 19 threatened species and 8 in danger of extinction. Of the 187 species of reptiles registered in the country, 15 of them are threatened and 4 are in danger of extinction. The list of amphibians includes 89 species, 12 of which are threatened. The coral reefs that surround Las Islas de la Bahia (The Bay Islands) and numerous keys in the Atlantic coast are of great global importance. The wealth of terrestrial biodiversity in Honduras is comparable with that of Costa Rica, which is recognized worldwide for its biological wealth. The marine biodiversity of Honduras is comparable with that of Belize, which is well known at a global level.

28. In the project area, the fauna is abundant. These areas support populations of threatened species, those in danger of extinction, and species that require large areas to reproduce and feed. These species are numerous: howler monkeys (*Alouatta palliata*), white-face monkeys (*Cebus capucinus*), and red monkeys; (*Ateles geoffroyi*); the pumas (*Felis concolor*), jaguars (*Panthera onca*), deer (*Odocoileus virginianus*), tapirs (*Tapirus bairdii*), peccaries (*Tayassu peccary* and *T. tajacu*), sloths (*Bradypus variegatus*) and agoutis (*Agouti paca*). In the project area about 377 species of birds exist, among them, harpy eagles (*Harpia harpyja*), very close to extirpation; guans (*Penelope purpurascens*), curassows (*Crax rubra*), the jabiru stork (*Jabiru mycteria*) and the macaws (*Ara macao* and *A. ambiguous*). Animals in the rivers are abundant, with otters

(*Lutra longicaudus*), green iguanas (*Iguana iguana*), river turtles (*Rhinoclemmys funerea*), the sabalos fish (*Tarpon atlanticus*) and bull sharks (*Carcharhinus leucas*). In the coastal lagoons, like Cuero y Salado, Caratasca, and Punta Sal, manatees (*Trichechus manatus*), caimans (*Caiman crocodylus*), and crocodiles (*Crocodylus acutus*) are abundant and there are diverse native and migratory aquatic birds. Along the beaches, particularly in Mosquitia, three species of marine turtles nest, the baula turtle (*Coriaceous dermochelys*), the caguama turtle (*Caretta caretta*) and the green turtle (*Chelonia mydas*) as well as the tortoise (*Eretmochelys imbricata*).

Table 2: Identified Species and their Status

Group	Identified Species	Threatened at the National Level	In Danger of Extinction at the Global Level
Birds	720	59	5
Mammals	200	19	8
Reptiles	187	15	4
Amphibians	89	12	--
Fresh Water Fish	120	2	--
Hard corals	40	--	--
Flora	5000	35	2
Mollusks	331	Information not available	Information not available

HOST COUNTRY STRATEGY

National Environmental Policy Framework

29. The GOH has developed a national environmental policy embodied in its National Environmental Action Plan (PAAD) of 1992. In general, the policy seeks to protect the environment and support management and sustainable development of the country's natural resources. To address the main environmental problems identified--the loss of biodiversity from deforestation, inadequate management of the protected areas and wildlife, erosion, degradation of marine and coastal resources, and contamination of rivers and deposits of water--the PAAD outlines five strategic programs:

(a) The creation of a mechanism for political and participatory consent: This mechanism should allow for the incorporation of concepts of sustainable development in all productive activities.

(b) Legal and Institutional Strengthening: This strengthening should allow for the definition of consistent and coordinated actions for the formulation, implementation and evaluation of environmental policies and sustainable development.

(c) Implementation of an Environmental Education Program: This program should be implemented at the formal and informal level, considering sustainable development in a wide context so that it also contributes to a greater consciousness of society about their commitment to the environment.

(d) Promotion and Adoption of Sustainable Agriculture: To prevent the degradation of soils and provide services to drive the economy of the rural population, this strategy, like the following one, suggests the necessity of a program to order to attack and overcome poverty. This program will focus on those areas with the most environmental degradation, in light of the fact that populations with the worst poverty indicators are also located in these areas..

(e) Improve the Urban Area in Relation to Poverty: The purpose of this program is stop the deterioration of the urban areas and improve the conditions of the inhabitants in the cities, especially the poorest. At the same time it will strengthen the productive capacity of the residents of the cities.

At a sectoral level, the priorities and measures considered are:

(a) Soil Degradation: Establish policies and alternatives to discourage the expansion of agriculture in inappropriate areas, provide technical assistance to limit soil erosion and regulate the use of pesticides and fertilizers.

(b) Shortage of Water and Flooding: Develop price policies to support more efficient use of this resource and at the same time, implement a master plan for the development of water resources.

(c) Contamination of Soil and Water: Develop effective control mechanisms, develop economic incentives and at the same time disincentives to control contamination and support investments in the treatment of drinking water.

(d) Biodiversity: Improve the management of wild protected areas and consolidate a National System of Protected Areas.

(e) Marine and Coastal Resources: Strict fulfillment of the environmental impact evaluations for economic activities.

National Forest Policy Framework

30. With the issuance of the *Ley Forestal Decreto 85-72* (Forest Law) in 1972, the Honduran State defined policy guidelines to manage forests under the concepts of sustained output and multiple use, respecting private property, municipal and communal rights of indigenous groups and local communities. In 1974, with the creation of the Honduran Corporation of Forest development (*Corporación Hondureña de Desarrollo Forestal, COHDEFOR*) through the *Decreto Ley 103*, the policy was modified substantially to nationalize the administration and management of all the forests of the country under the responsibility of COHDEFOR, with maintaining in force the principle of sustained output and multiple use and introducing the concept of the Social Forestry System--forming groups of peasants dedicated to forest work.

31. In 1992 with the issuance of the *Ley de Modernización y Desarrollo del Sector Agrícola* (Law for Modernization and Development of the Agricultural Sector) (LMDSA) Decreto 31-92 substantial changes were introduced in forest policy to devolve responsibility for management and administration of the forest areas to their legitimate owners, be they private, *ejido*, or national. In 1991, with Decree 74-91, the Department of Protected Areas and Wildlife (DAPVS) was established within AFE-COHDEFOR and AFE-COHDEFOR was assigned the responsibility for management and administration of the wild protected areas and the fauna, confirmed in the 1992 LMDSA law. Based on the LMDSA, the Government was able to structure an agricultural sector policy, based on the concepts of opening markets and enhancing participation, integrating, for the first time, a Public Agricultural Sector under the leadership of the Ministry of Natural Resources. AFE-COHDEFOR was integrated into this concept with responsibility for the forest sub-sector.

32. Prior to the 1990s, the policy and legislation in the area of land and forest management supported deforestation and the poor management of soils and water. Agrarian Reform Programs which were applied inconsistently, combined with unreliable land registration led to the insecurity of land tenure and contributed to the uncontrolled occupation of forests. The LMDSA abolished agriculture and livestock subsidies, rationalized the responsible agencies in the sector, created positive incentives for forest management in private, municipal, and public lands and changed the regulating framework for management plans. The principles of the law are essential to support socially and environmentally sound growth in rural areas and raise consciousness on the potential benefits of the forest sector.

33. In 1987 with the issuance of the *Ley de Bosques Nublados Decreto 87-87* (Cloud Forests Law), a new aspect of conservation was added that recognized the watershed value of these forests. Since the concomitant declaration of 107 protected areas was not within an overall policy context, this did not lead to a clear strategy for biodiversity conservation.

34. The *Ley General del Ambiente Decreto 104-93* (General Law of the Environment), issued in 1993, creates the Secretariat of the Environment (SEDA) with normative and coordination functions for the environment. This same law created the National System of Protected Areas Honduras (SINAPH), comprising different categories of existing protected areas in the country. At the same time, and with the purpose of operationalizing SINAPH, the National Council of Protected Areas of Honduras (CONAPH) was formed, consisting of several government institutions, NGOs and municipalities as representatives of civil society.

35. The current management of AFE-COHDEFOR has recently elaborated a Long-Term Forest Action Plan (PLANFOR) with the following guidelines:

(a) The forest should benefit both the national economy and local populations by effectively incorporating local people in production and conservation of public forests, improving private forest development, and paying attention to indigenous peoples, women, and youth.

(b) The dialogue between communities, local governments, and the industrial sector should support participatory action guaranteeing that benefits from forestry contribute to living standard improvements around the forested areas.

- (c) Balanced forest development will meet industrial and commercial needs while maximizing economic, ecological, and social functions of the forest.
- (d) Forest plans should integrate private, national, and municipal forest areas within one master plan strategy.
- (e) Social forestry cooperatives should be encouraged to form and grow from the management of municipal and public forest blocks to maximize local employment and protect the resource base.
- (f) All sizes of forest processing and product manufacturing enterprises should be encouraged to add value to forest utilization and expand employment opportunities.
- (g) The full range of environmental goods and services generated by forests should be recognized, including biological values and the economics of nature and ecotourism.
- (h) A protected areas system should be supported to preserve representative ecosystems, and be incorporated with sustainable use of adjacent areas.
- (i) AFE-COHDEFOR should be strengthened at a local level, with complementary improvement of the effectiveness and transparency of forest regulation and enforcement.

Although this group of laws and policies has advanced the integration of production and conservation policies, these have not yet led to the desired institutional development.

PRIOR AND ONGOING ASSISTANCE

36. Most international cooperation has been channeled through the Secretariat of Agriculture and Livestock (SAG), the Secretariat of Natural Resources and Environment (SERNA) and AFE-COHDEFOR. Organizations such as UNDP, Food and Agriculture Organization of the UN (FAO), Finnish Cooperation (FINNIDA), U.S. Agency for International Development (USAID), the European Union (EU), German Cooperation (GTZ), the World Food Program (WFP), Canadian International Development Agency (CIDA), Japanese International Cooperation Agency (JICA), British Overseas Development Assistance (ODA), the World Bank, the Inter-American Development Bank (IDB), and the Central American Bank of Economic Integration (BCIE), etc., have been assisting government institutions to improve their administrative capacity, to carry out policy studies, and to test pilot approaches, often with strong NGO inputs on a local scale. A summary of the organizations and the projects they are supporting are listed in Table 3.

Table 3: International Technical Cooperation

Project	Contact	Activities	Duration	Stage	Counterpart	Cost (millions of US\$)
A. Regional Projects						
1. Mesoamerican Biological Corridor GEF/UNDP	Edgar Pineda UNDP/ Guatemala	Regional project for the identification and management of the Mesoamerican Biological Corridor	1996	preparation	AFE-COHDEFOR	10.0 (1.4 at the national level)
2. PROARCA/USAID	Alex Dickie USAID/ Guatemala	Management of the coastal zone of the Gulf of Honduras and Gracias a Dios Cape	1997-2000	implementation	CCAD-CCAP-B NGOs	ND
3. Agricultural frontier CEE	Jorge Rodriguez Costa Rica	Buffer zone management, Agalta National Park	1997-2000	implementation	AFE- COHDEFOR- SERNA	15.8
B. Joint Projects in Implementation						
1. Development of Agricultural Policies in Honduras Project (PRODEPAH)	José Rodas Flores, PRODEPAH	Support for the establishment of regulation and restructuring of SINAPH	1993-1997	implementation	SAG and AFE- COHDEFOR	ND
2. Biodiversity Companions USAID/USDI	Jorge Betancourt, Peace Corps	Use and conservation of biodiversity in the northern part of the Río Plátano Biosphere	1996-1999	implementation	AFE- COHDEFOR, MOPAWI, Peace Corps	1.0
3. Community Forestry/Fundación VIDA/WWF	Oswaldo Munguia, MOPAWI	Community forestry management in the Mocerón Reserve	1995-1998	implementation	MOPAWI	0.45
4. National Park Conservation. La Tigra.Fundación VIDA/Tropical Management Trust	Foundation AMITIGRA.	Manage the National Park La Tigra	1997-1998	implementation	AMITIGRA	0.36
5. National Park Conservation. Cerro Azul Meambar. Fundación VIDA	Chester Thomas, Global Village	Management and protection of the National Park Cerro Azul Meambar	1995-1997	implementation	Global Village Project	0.42
C. Related Projects						
1. Rural Land Management Project, World Bank	Augusta Molnar, World Bank/René Soler, UPEG/ SAG	Management of natural resources Administration of lands Fund for Upland Producers Biodiversity	1997-2000	implementation	SAG	34.0
2. Environmental Development in Honduras World Bank	Raf Flores, SERNA	Institutional Coordination Territorial Management Support to municipalities	1995-2000	implementation	SERNA	1.4
3. Development of Bay Islands/IDB	Peter Schorder Roatán	Basic Sanitation/ Management of coastal and marine resources	1996-2000	implementation	SERNA	23.9

Project	Contact	Activities	Duration	Stage	Counterpart	Cost (millions of US\$)
4. Broadleaf Forest Development Project CIDA	Denis Buteau La Ceiba	Broadleaf Forestry Management/Community Development/Agroforestry.	1996-2000	implementation	AFE-COHDEFOR	6.0
5. Forestry Development, Bay Islands/OIMT	APRODIB Roatán	Forestry Management	1996-	implementation	APRIDIB	0.75
6. Conservation and Management of the Broadleaf Forest of the Northern Coast, COSPE	ESNACIFOR	Community Forestry	1996-	implementation	ESNACIFOR	10.80
7. Conservation for Sustainable Development. DANIDA/ CATIE	AFE-COHDEFOR.	Use of non-timber species	1996-	implementation	AFE-COHDEFOR	1.14
8. Participatory Forest Titling, PMA	Raul Samayoa, COHDEFOR	Community forestry and forest protection	1996-2001	implementation	AFE-COHDEFOR	2.30
9. HON/91/001 Environmental Studies for Development of the Bay of Islands	Jorge Guevara/UND P	Feasibility studies and environmental assessments for an IDB financed project to develop ecotourism in the Bay of Islands	1991-1993	finalized	Honduran Tourism Institute (IHT)	.54
10. HON/91/015 Pilot Program on Ecotourism in Cuero y Salado	Jorge Guevara/UND P and Jose Herrero/IHT	Monitoring of natural resources, provision of basic infrastructure, and ecotourism services developed with the community	1991-1992	finalized	Honduran Institute of Tourism (IHT)	.92
11. HON/92/005 Ecotourism and Sustainable Development in the Bay of Tela	Jorge Guevara/UNDP and Antonieta Bogran/IHT	Base studies on natural resources of the Bay of Tela to back up the formulation of an ecotourism project in the area	1992-1993	finalized	Honduran Institute of Tourism (IHT)	.30
D. National Projects with Specific Components in protected areas						
1. Forestry Development Project, USAID	Armando Busmail, USAID	Strengthening DAPVS Management of 10 protected areas	1995-1998	implementation	AFE-COHDEFOR	2.9
2. Sectoral Adjustment Program USAID.	Armando Busmail, USAID	Support to 15 protected areas	1994-1997	implementation	AFE-COHDEFOR	0.5
3. Biodiversity in Priority Areas Project, GEF/ UNDP/ World Bank	Jorge Guevara, UNDP, Honduras. Augusta Molnar, World Bank	Consolidate SINAPH based on priority protected areas. Conserve the integrity of the ecosystems in the Honduran section of the Mesoamerican Biological Corridor. Use and conservation of biodiversity in the buffer zones in the key protected areas. Biodiversity monitoring	1996-1997	preparation	AFE-COHDEFOR	7.0

Project	Contact	Activities	Duration	Stage	Counterpart	Cost (millions of US\$)
4. Management and Conservation of the Río Plátano Biosphere, GTZ	Wulf Killmann, GTZ, Honduras	Management, demarcation, protection, and conservation of the Río Plátano Biosphere in its entirety	1997-2000	implementation	AFE-COHDEFOR	15.3
5. Management and Conservation of the Celaque National Park, GTZ	Wulf Killmann, GTZ, Honduras	Management, demarcation, and protection of the Celaque National Park	1997-2000	implementation	AFE-COHDEFOR	2.0
6. Management and Conservation of the Santa Bárbara Mountain, JICA/ Japan	JICA Elsa Lagos COHDEFOR	Management of core and buffer zones of the Santa Bárbara National Park	1996	preparation	AFE-COHDEFOR	ND
7. Conservation and Management of the Cuenca el Cajón, IDB.	Jorge Palma PROCUENCA	Management of four protected areas in the central area of the country: demarcation, management plans, protection, and community development	1996-2000	implementation	AFE-COHDEFOR	24.5
8. Support to Community Forestry, GTZ.	Leonardo Espinoza	Management of the Yuscarán Biological Reserve	1994-1997	implementation	AFE-COHDEFOR	0.56
9. Guanacaure Project, Switzerland	Felipe Maradiaga. Choluteca	Conservation and Management of Cerro Guanacaure.	1996-1998	implementation	AFE-COHDEFOR	0.51

37. It is important to note that the projects mentioned in Table 3 are focused on sustainable use of natural resources. Despite the extensive international assistance, until now, only a limited amount of the total financing available has been targeted to conservation activities directly. Recently, a number of projects have been approved that attempt to place more emphasis on conservation, although these projects still include a majority of financing for rural development related initiatives. These include: the regional USAID-financed PROARCA project that supports protected areas in Honduras and through Central America, executed through NGO consortiums and local NGOs, the Fundación VIDA-financed activities by NGOs in the protected areas, the Conservation and Forest Development Project of the Río Plátano financed by German Cooperation (GTZ), and the Bay Islands Environmental Management Project, financed by IDB, which includes protected areas management as well as municipal environmental development. The new phase of the Broadleaf Project (PBDL) increasingly focuses on financing buffer zone activities in the protected areas in its area of influence along the Atlantic coast. Japanese financing is being finalized for fisheries management in the wetlands of the Mosquitia, with a component on integrated wetlands management. Small amounts of financing are also available through European donors for the Atlantic Coast, cloud forests, and mangrove areas of the Gulf of Fonseca.

38. One of the objectives of the social assessment of the project, carried out during project preparation, was to learn about the different non-governmental and private development organizations working in the protected areas of the project. In the four groups of project protected areas, a number of NGOs are present that work with indigenous organizations, communities and *ladinos* to provide community development assistance and capacity building. Some of the NGOs with

more national coverage have begun to work with first and second-tier producer and community-based organizations to develop their capacity to deliver development assistance. The unique feature of the more successful NGOs is the use of a farmer-to-farmer extension methodology, whereby interested farmers are trained in the basic principles of a new practice and encouraged to experiment in adapting the practice to their own farm and to transfer the knowledge of basic principles to other interested farmers.

39. Additionally, a number of NGOs are implementing programs that promote upland technologies for sustainable use, based on extension methodologies developed originally by World Neighbors, an international NGO with a local base in Honduras. Perhaps thirty NGOs in Honduras are involved in upland rural development and technology transfer programs, some of which rely heavily on international cooperation and farmer subsidies, and others, like World Neighbors, on technical assistance designed to build farmer self-reliance from the start. A summary of the organizations and the projects they are supporting are listed in Table 4

Table 4: Non-Governmental Organizations - Technical Assistance

NGO	PROTECTED AREA COVERED	ACTIVITIES
ATLANTIC COAST REGION		
1. Foundation PROLANSATE	Wetlands area of the Atlantic and part of the Cordillera Nombre de Dios	Environment Protection, Community Development, Natural Resources Management and Use plans
2. Foundation Cuero y Salado (FUCSA)	Part of the wetlands of the Atlantic	Environmental Protection, Training, Institutional Strengthening and Management Plans
3. Foundation Pico Bonito (FUPNAPIB)	Part of the Cordillera Nombre de Dios	Community Development and Ecotourism
MOSQUITIA REGION		
4. Mosquitia Pawisa (MOPAWI)	Protected areas of the Mosquitia and part of the Patuca area	Community Forestry, Use, Conservation of Biodiversity and Micro-financing community enterprises
5. Christian Commission for Development (CCD)	Tawahka and Warunta zones	
6. World Neighbors	Southern part of the Río Plátano Biosphere and to the southwest of the Tawahka zone	Appropriate Technology and Community Development
7. Community Development Organization (ODECO)	Garífuna organization in the Atlantic coastal area	Upland Agriculture
8. Proyecto de Desarrollo Bosque Latifoliado--Development of the Broadleaf Forest Project (ACDI)	Broadleaf Forest, La Ceiba	Community Development, Agroforestry, Management of Broadleaf Forest

Relationship with the Rural Land Management Project

40. The integrated program of the Rural Land Management Project/Biodiversity in Priority Areas Project (BPAP) has as an overall objective, the conservation and sustainable use of Honduras' natural resources and biodiversity. In addition to benefits for local communities and the national economy, the resource management investments are intended to protect biodiversity by slowing the advance of the agricultural frontier by stabilizing communities in buffer areas and creating incentives for protection of the resource base. To achieve these objectives, the integrated program has six components: Land Administration Modernization, Natural Resources Management (Biodiversity Conservation Component), Institutional Strengthening, Strengthening Protected Areas, Biological Monitoring, and Project Coordination. The integrated program is complemented by an IDF grant of approximately US\$ 183,000 for capacity building of indigenous organizations for land and resource management.

41. The two main components of the Rural Land Management Project are as follows. The Land Administration Modernization Component would test and install a land administration modernization system based on *folio real* (a parcel-based system in which physical cadastral information is overlaid with a consistent legal register of that parcel), focusing on the Departments of Comayagua, Cortés, Yoro, Olancho and Francisco de Morazán. These departments have the greatest potential for agricultural and forest sector development, and also experience a high incidence of land conflict. The Natural Resources Management Component would be implemented in priority public forest blocks and protected areas with ecosystems important to the Mesoamerican Biological Corridor. Activities include: (a) forest management with local participation; (b) improved upland agriculture and forestry through building capacity in producers organizations and NGOs; and (c) management of key protected areas and the design of strategies for self-financing in the protected areas system.

42. It is expected that the investments in the Rural Land Management Project biodiversity component will begin in the fourth semester of 1997. The payments under the BPAP are programmed to begin tentatively in the first trimester of 1998. It is hoped that this adjustment of investments will support the success of the BPAP since a number of key activities are within the Rural Land Management Project. This includes: institutional strengthening of the Ministry of Agriculture and Livestock and AFE-COHDEFOR, execution of a self-financing mechanism for SINAPH, and contracting additional personnel. The bilateral donors with complementary projects in protected areas will be coordinating their activities with the National Biodiversity Strategy. Therefore, the BPAP would play the role in particular of helping GOH to coordinate such activities and strategies in the protected areas.

INSTITUTIONAL FRAMEWORK FOR BIODIVERSITY CONSERVATION

Main Implementing Agencies

43. There are four main government actors that are pertinent to the implementation of the BPAP: SERNA, SAG, AFE-COHDEFOR (DAPVS), and the Honduran Institute of Tourism (IHT). The relevant functions of these entities have recently changed with the passage in 1996 of

the public administrative reform law (Decree 218-96) which created the Secretariat of Natural Resources and the Environment (SERNA, formerly SEDA y SRN) and revised the functions of the Secretariat of Agriculture and Livestock (SAG, formerly SRN).

44. To provide adequate coordination of the BPAP among the Government and non-governmental agencies involved, a steering committee will be designated to support project implementation. The committee will be made up of representatives from AFE-COHDEFOR, SERNA, SAG, NGOs working in the project areas, local governments, and community-based organizations including indigenous organizations, and the World Bank and UNDP as observers.

45. **SERNA.** SERNA was created in 1993 (then called SEDA) under the Environmental Law, to function as a small regulatory and policy making secretariat. In 1996 it was transformed to a larger ministry which incorporates coordination of water resources and non-renewable energy in addition to the original regulatory functions. Under this new institutional framework and through Decree 008-97, the General Biodiversity Department in the regulatory Subsecretariat of SERNA will coordinate and promote activities at the national and local levels to conserve biodiversity in coordination with DAPVS and according to decisions taken by CONAPH.

46. **SAG.** The SAG remains the lead government institution for agriculture and forest sector policy and action. The SAG is comprised of: (a) the Economic Policy Unit (UPEG), a planning and policy cell; (b) the State Forestry Agency (AFE-COHDEFOR), a semi autonomous forestry agency; (c) the National Agrarian Institute (INA) which adjudicates rights according to the law in rural lands; (d) the Directorate for Agricultural Science and Technology (DICTA) that finances privatized extension and research through the Upland Fund; (e) a phyto-sanitary directorate and (f) the Department of Rural Development (DDR), a small directorate which has yet to be given a clear mandate or work programme.

47. **AFE-COHDEFOR.** This agency continues to have executive responsibility for the SINAPH through DAPVS. The administrative change has created a situation in which SAG coordinates agricultural sector policies and SERNA coordinates environmental sector policies, with AFE-COHDEFOR guided by both and its own executive norms.

48. There are five units within AFE-COHDEFOR that provide information about natural resources: a statistics department, an information unit, a GIS-based forest information unit in the town of Siguatepeque (financed through a German Cooperation Agency (GTZ) project called SIFOR), a GIS information unit in the La Ceiba office, and a small GIS unit with little capacity in AFE-COHDEFOR's main office. SIFOR has developed a change detection methodology and has a laboratory for remote sensing analysis and computer digitalization. There are also several investigation projects in the country. These include: the Forest Conservation Project (CONSEFORH) financed by the British Government, which is currently carrying out research on the dry forest (it had previously carried out research on cloudy and coniferous forests); the Broadleaf Project mentioned earlier (PDBL), which has developed valuable experiences in the management of the broadleaf forest, establishment of a germplasm bank and agroforestry activities in buffer zones; and the Department of Biology of the National Autonomous University of Honduras (UNAH) that, although it does not have a specific research program in protected

areas, carries out several efforts in this area with students and professors in several protected areas in the country.

49. In marine ecosystems, the Smithsonian Institution assists GOH with research and monitoring of natural resources in the Cayos Cochinos island and is in the process of building and establishing a biological station for research in the area.

50. *The Protected Areas and Wildlife Department (DAPVS)*. By law AFE-COHDEFOR through DAPVS is responsible for administering the protected areas and flora and fauna of the country, in collaboration with other public agencies and environmental and development NGOs and community-based organizations. AFE-COHDEFOR through DAPVS is also responsible for norms and controls to regulate management of these areas within the policies and strategies defined by the Secretariat of Natural Resources and the Environment (SERNA) through General Directorate of Biodiversity (DIBIO) and CONAPH. At a central level, DAPVS focuses on carrying out normative functions through two administrative units: (a) Protected Areas Section--whose functions include the protected areas management, the legal status, delimitation, protection, coordination and consolidation of SINAPH; and (b) Wildlife Section--whose main functions include the norms on the use and management of fauna and wild flora, scientific investigation and the implementation of the International Convention on Threatened Flora and Fauna Species (CITES). DAPVS, within AFE-COHDEFOR has only barely begun to receive the needed budgetary allocation to fulfill its assigned function of operating the SINAPH.

51. Regionally, DAPVS is located within the regional offices of AFE-COHDEFOR which have a protected areas unit to coordinate work at local and regional levels with the geographical management units. DAPVS currently only has a staff of 60, of which only 15 are posted outside Tegucigalpa. Prior to the transfer of DAPVS to AFE-COHDEFOR in 1991, little attention was paid to the SINAPH administration. Some progress has been made, but without considerable capacity-building of AFE-COHDEFOR, including adding staff to DAPVS with other qualifications besides forestry and providing regional offices with more independence and more support, the agency cannot deliver its mandated services. SERNA has the responsibility for broad policies related to biodiversity development, including international conventions and the national biodiversity strategy.

52. *The National Protected Areas System of Honduras (SINAPH)*. There are 107 protected areas identified in Honduras representing 24 percent of the national territory and covering nearly 2.5 million hectares. They are organized into the National System of Protected Areas of Honduras (SINAPH). However, due to diverse pressures, it is estimated that more than half of the protected area has been converted to agriculture or pasture land.

53. There are nine management or administrative categories in the SINAPH. Many of the high-value protected areas in SINAPH are located in zones sparsely inhabited compared to the rest of the country (for example, the departments of Colón, Gracias a Dios and Olancho). They are also home to a significant percentage of the indigenous population of the country, such as Garifunas, Miskitos, Tawahkas and Pech. These areas are under increasing pressure from invasion of poor migrants and opportunists. Very few protected areas benefit from appropriate management or true protection. There are also gaps in the coverage of representative

ecosystems, with overrepresentation of some ecosystems, lack of inclusion of others, and management categories that are not consistent with the biological values of the particular area or the system as a whole. Currently, only 25 protected areas receive, through AFE-COHDEFOR (DAPVS) and NGOs, some management and support for conservation of their values and attractions.

54. **Honduran Institute of Tourism (IHT).** An important agency outside the sector which will be an actor in project implementation is the Honduran Institute of Tourism (IHT), a decentralized entity in the Secretariat of Governance created in 1993. The fundamental laws that govern the operations of this institution are the *Ley del Instituto Hondureño de Turismo* Decreto 103-93 (Honduran Institute of Tourism Law) and *Ley de Zonificación Turística* Decreto 986-80 (the Tourist Zoning Law).

55. The main functions and attributions that the law confers on IHT are related to the implementation of the tourist policy for the country and creating and controlling the conditions that permit the development of this activity. Their relationship with the protected areas management concerns the potential that these natural spaces have for the development of tourism. IHT has established priority tourism zones where the important protected areas are located. These have high tourism potential but they have not yet been developed.

56. **Local NGOs and Community-Based Organizations in the Project Area.** A rapid increase in the number of NGOs in Honduras began approximately 20 years ago, with the largest increase occurring over the period of economic structural adjustment policies, starting in the 1980s. Currently, about 300 NGOs exist, both with and without legal status. The Federation of Private Development Organizations of Honduras (FOPRIDEH) includes 89 Honduran NGOs. In the area of influence of the project, several NGOs have a considerable presence and capacity in the protected areas, and will be key players in the implementation of the project in their selected area of operation.

57. In addition to the NGOs, there are a number of community based organizations that are important. The Garífuna have two indigenous federations, each representing individual communities and their chosen leaders: ODECO and OFRANEIT. Both are relatively recent political entities and have been strong in implementing specific programs financed by the Government or NGOs in the social services sector and micro enterprise. The individual communities are also beginning to organize to develop their own identity separate from the federations.

PROJECT JUSTIFICATION

Problems to be Addressed by the Project

58. More than half of Honduras' forests have already been converted to other uses. Policy and legislation prior to the 1990s in the area of land and forest management encouraged deforestation and poor soil and water management. More recently, the government has begun to pursue policies to implement a more balanced natural resource management strategy, by adopting

a more decentralized and participatory approach and strengthening the concerned sector institutions. The main problems causing biodiversity loss in the project area are: (a) encroachment into pristine areas of ecosystems by the agricultural frontier; (b) degradation of pine forests from poor management; (c) pollution and urban development in the watersheds and marine areas of important ecosystems; and (d) the lack of an agreed national strategy or civil society consensus on the values of the corridor. The root causes of this situation are: (a) insufficient social and economic valuation of biodiversity; (b) lack of defined tenure rights and reliable systems to register those rights; (c) poverty in the western and central areas of the country which encourages migration to the agricultural frontier; (d) weak institutions at the national level and in civil society at the level of the protected areas; (e) lack of information about the environmental values of the corridor areas that need to be preserved; and (f) lack of legal protection of core and buffer areas due to lack of demarcation efforts and the non-existence of local staff for vigilance and management activities. Inconsistently applied land reform programs, combined with poor land registration systems, have led to tenure insecurity and discouraged investment.

59. Honduras' protected areas system (SINAPH) consists of 107 protected areas, representing 24 percent of the Honduran territory, however, as much as half of this area has already been converted from natural forest to agricultural uses and very few areas receive adequate attention to foster management or real protection against external pressures. The Protected Areas Department in AFE-COHDEFOR was only created in 1991 and has only recently received significant financing from the forestry agency. Staff are still too few, devolution of management responsibilities to NGOs and local government is still nascent, and most staff are poorly trained.

Expected End of Project Situation

60. Upon concluding the project the following results will have been achieved:

(a) AFE-COHDEFOR through DAPVS will have the legal capacity and technical and operational expertise to coordinate SINAPH in a coherent and participatory manner.

(b) There will be a tourism development program in the Cordillera Nombre de Dios, specifically in Pico Bonito. This program will have cultural tourism and scientific and adventure components. This program will benefit the surrounding communities with alternative sources of income, that in turn, will generate resources for the trust fund that will finance the key protected areas of SINAPH.

(c) There will be institutional strengthening at different levels including the central and local governments and the local or regional environmental NGOs working in the protected areas and buffer zones of the project. These organizations will be strengthened in the areas of organization and self-management so that they are able to participate actively in the process of protected areas management, including preparation of the local committees for protected areas management (COLAPs) and regional committees for protected areas management (CORAPs).

(d) The protected areas in BPAP will be physically demarcated in the most critical sections.

(e) Each protected area of the project will have their respective operational plan.

- (f) All the protected areas of the project will have their respective park guard huts and multiple-use centers. In addition, Pico Bonito will have a visitors center.
- (g) Three regional DAPVS field offices (La Ceiba in Atlantic region, Mocerón in Mosquitia, and Catacamas in Olancho) for SINAPH execution will be strengthened and working efficiently.
- (h) Park guards and field personal will be hired and they will be working in the protected areas of the project, assuring an appropriate presence of DAPVS with respect to the management of each area.
- (i) The communities in the buffer zones of the protected areas of the project will be trained in appropriate technologies and greater income-generating productivity, including transfer of successful experiences.
- (j) Financial assistance will be transferred to the communities so that they will have the investment capital necessary to put in practice the appropriate technologies supported by the project.
- (k) Environmental education will be incorporated in the curriculum of the primary schools in the buffer zones, and the communities will have participated in practical and theoretical educational activities, resulting in a better understanding of the value of natural resources.
- (l) The local committees for protected areas management (COLAPs) will be formed and in operation to coordinate the management efforts and actions in protected areas. These committees, made up by the mayor's office, NGOs, public and private institutions and organizations, will be participating directly in the management decisions of the areas they are responsible for.
- (m) In addition, these committees will work in coordination with the park guards and technical personnel of the corresponding protected area and be involved in the maintenance of borders, demarcation, surveillance and protection of the area, as well as other activities in the operational plan.
- (n) A system of biological monitoring inside the key protected areas and Honduran part of the biological corridor will be installed and working. This monitoring system will be coordinated with the Center of Forestry Evaluation and Information (CIEF) of AFE-COHDEFOR, information systems in SERNA, and with the monitoring system of the Regional MBC Project.

61. It was originally anticipated that this project would finance consultation, information dissemination and special studies to support the draft National Biodiversity Strategy. However, the Government of Honduras decided that it would be more effective to carry out these activities under a separate but coordinated strategy financed as an Enabling Activity and implemented through UNDP. It is important to note that the project sites selected have already been identified as priority areas and have received broad endorsement regarding their national, sub-regional and global significance.

Target Beneficiaries

62. The Incremental Cost Analysis presented in Annex 9 of the Technical Annexes provides a break down of the national and global benefits of the project

63. **Direct Beneficiaries.** The population that will benefit directly from the project is located inside the buffer zones of the project protected areas and it is estimated to be approximately 150,000 inhabitants. There are different indigenous groups, the majority pertaining to the Pech, Tawahkas, Miskitos and Garifunas and the *ladinos* which are a minority group inside the project area.

64. The direct beneficiaries will be involved in the implementation of the project activities. They will benefit from biodiversity conservation with respect for their traditional customs, the development of sustainable practices, the training activities that are developed, the establishment of special funds for financing, the development of small and medium rural enterprises, support to community organizations, the development of tourism activities, and the conservation of their living environment.

65. **Indirect Beneficiaries.** The inhabitants of the cities and urban centers located in the area of influence of the project will benefit through the conservation of water. They will also benefit from environmental education and improved access to the protected areas of the project.

66. The government agencies and the local and national environmental and development NGOs that are linked to the project will receive benefits through the support they will receive to improve their management capacity and through participation in policy dialogues.

67. The entire Honduran society will benefit from the cultural and spiritual opportunities that the well managed, conserved and accessible protected areas will provide at a relatively low cost. In addition, through the improved conditions for tourism, opportunities for employment will be created, increasing the supply of foreign currencies.

68. At a global level, the project will contribute to biodiversity conservation and important genetic banks. It will support the regulation of climate change through the appropriate conservation of extensive protected areas that conserve important genetic resources and retain large amounts of carbon and other components that reduce the greenhouse effect.

PROJECT STRATEGY

International Strategy

69. As part of its strategies to increase national development, Honduras has decided to participate actively in the initiatives and actions related to the environment and sustainable development that are being carried out at the global and at the Central American region level. Honduras is a signatory of the Montreal Protocol, the International Convention on Threatened

Flora and Fauna Species (CITES), the Convention on Biological Diversity, and the ILO Convention on Indigenous Peoples Rights, among others.

70. At the Central American level, Honduras is part of the Central American Commission of Environment and Development (CCAD), which aims to assist and guide the institutions and national authorities in the formulation and planning of policies, strategies and mechanisms that support sustainable development and the conservation of natural resources of the Central American region. CCAD is made up of representatives of the highest authorities from the environment and natural resources sectors of each country. Honduras is represented by the Secretariat of Natural Resources and Environment (SERNA).

71. In 1992, CCAD in coordination with the Central American Council of Forests and Protected Areas (CCAB-AP) and with support from several organizations and regional projects, elaborated the Central American Agenda on Environment and Development and they have defined a series of priority actions for the sustainable management of natural resources, which are being pursued through the national institutions.

72. On October 12, 1994 the Presidents of the region subscribed to the Sustainable Development Alliance (ALIDES). The Government of Honduras, following the commitments of this Alliance in 1995, constituted the National Council of Sustainable Development (CONADES) to provide follow-up for the commitments of the country in this area and at the same time, support the national institutions in the implementation of the commitments.

National Strategy

73. The country is in the process of developing a national biodiversity strategy. Many of the key elements of a strategy have been agreed upon, but work is still needed on collecting the wealth of information about biodiversity status and trends and determining the relative responsibility and actions of national, municipal, and local actors. The national strategy is the responsibility of the Secretariat of Natural Resources and Environment (SERNA) which coordinates the administration of the SINAPH. SERNA is guided by a national advisory group, Comisión de la Conservación Nacional del Ambiente (COCONA) which includes a subgroup on biodiversity. Subgroup members are SERNA, SAG, AFE-COHDEFOR (DAPVS), other concerned agencies, NGOs, and the private sector. SERNA has requested an Enabling Activity grant from the GEF to finalize their national biodiversity strategy and collect needed information for reporting requirements for the Convention on Biodiversity Conservation. This grant would complement information from the ecosystems map financed under the preparation of the Rural Land Management Project.

74. The present strategy for the SINAPH includes the prioritization of key areas of biological diversity, most of which fall within the MBC and the concentration of fiscal resources on priority areas. Non-priority areas and corridors would be protected through decentralized entities--municipal authorities, community groups, protected areas committees at regional and protected area level, and conservation NGOs. Also included in the strategy is the creation of a mechanism to capture fee revenues from protected areas with economic potential to help self-finance the SINAPH as a whole. In the future, other taxes and fees or private sector contributions could

augment the funds available. DAPVS has formed regional and local committees for biodiversity conservation which will increasingly participate with regional DAPVS personnel in the planning and implementation of biodiversity activities, and in the establishment of local regulations for conservation and sustainable use. The committees provide a window for dialogue among diverse stakeholders, including commercial developers, commercial fishing enterprises, and commercial livestock owners who put the greatest pressure on the MBC.

75. A complementary initiative to the National Biodiversity Strategy is the bi-annual Environment and Development Plan which is prepared by SERNA for input into the National Development Plans prepared annually by the Government. The next version of the bi-annual plan is scheduled for 1998, coinciding with the beginning of the next four-year political cycle.

Project Strategy

76. The project aims to protect the integrity of the natural systems in the priority protected areas within the Honduran section of the MBC within a participatory approach for sustainable development. The project aims to strengthen the capacity of the government protected areas agency (AFE-COHDEFOR through DAPVS) and of the regional and local organizations which represent environmental interests and/or the local populations living in and around or benefiting from the protected areas. Biological management of the protected areas is combined with complementary management of the buffer zones and biological corridors to enhance the viability of the protected areas and garner support for their long-term management (see Annexes 3, 4, 5, 6 for a full description of the components).

77. An institutional analysis was carried out as part of project preparation to determine whether the planned institutional arrangements would lead to an effective project implementation. While DAPVS is weak at present, the aim of the BPAP is to provide some minimum strengthening of the regional offices, diversify the range of disciplines represented by the national and regional staff, and provide training on participation and partnerships, so that DAPVS personnel are able to work with and support the NGOs and community groups in and around the protected areas in the project. Local park staff, in addition to the parks administrator would be drawn from the local community or concessionary staff of NGOs working in protected areas management.

78. AFE-COHDEFOR is committed to strengthening this department and the recent restructuring of SERNA and SAG has elevated the dialogue about the need for strengthening the SINAPH. Regardless of the degree of participation of NGOs and communities in protected areas management, there is a minimum regulatory and normative role that Government must be prepared to fulfill. This project will build on the existing AFE-COHDEFOR infrastructure while creating additional decentralized offices of DAPVS that are focused on local-level needs with budgets decentralized to the regional AFE-COHDEFOR office.

79. Four groups of protected areas have been selected for prioritization by the project: Atlántida wetlands, Cordillera de Nombre de Dios, Mosquitia, and Patuca-Tawahka. Along the Atlantic coast and adjacent mountain ranges, the project would support management activities including demarcation and capacity-building of regional and local organizations involved in

protected areas management and protection. In this region, the project would complement actions of NGOs working with specific protected areas and municipal and local governments and community organizations. In the Mosquitia, the project would also experiment with buffer zone activities for which there is not significant alternative financing by supporting demand-driven proposals by members of local committees for protected areas management (COLAPs) for productive investments that are identified in the management plans as contributing to sound buffer zone management and participation objectives. Resources for technical assistance on forestry and upland agriculture will be channeled to all project areas through the Upland Fund financed by the Rural Land Management Project.

80. AFE-COHDEFOR through DAPVS will administer the project through three regional operational centers: Mocerón for the Mosquitia region; La Ceiba for the Atlantic region, and Catacamas for the area of Olancho, with the main office in Tegucigalpa providing coordination and overall project administration. NGOs will play a key role as providers of technical assistance and/or co-implementers of management and buffer zone activities with local communities. A significant part of the project budget is for training and capacity-building: (a) at national level for DAPVS and other donor financed project staff; (b) at regional level for NGOs and regional committees for protected areas management; and (c) at local levels for community organizations and local protected areas management committees. Environmental education will be developed and carried out by local educational institutions and teachers.

81. The strategy elaborated in the regulations for SINAPH, which has been approved as a Presidential Decree, is to work through regional biodiversity committees called CORAPs for regional management initiatives and through protected areas level committees, or local committees, called COLAPs. DAPVS will work to strengthen CORAPs and COLAPs in the project area and these committees will be made up of representatives of NGOs, indigenous federations and confederations, community-based organizations, producer organizations, and local municipal governments. The project will finance buffer zone activities identified by COLAP members as part of the process of elaborating the management plans for individual protected areas.

82. This strategy aims to foster participation in planning and implementation of management and protection by a wide range of social actors and social institutions. Since a large percentage of the population in the Mosquitia and the Atlantic coast is indigenous, the project includes indigenous peoples development as an integral part of its design. Recognizing that the wider the range of participation, the more sustainable the management and buffer zone initiatives, gender is a key element of design, encouraging both women and men to participate in management and productive activities.

83. The NGOs that the project will work with are diverse environmental or development NGOs which have been engaged in biodiversity conservation activities in and around protected areas in the project area, and which receive support from a variety of other sources, most recently, from Fundación VIDA. They are involved in environmental education, community organization for protected areas management, conflict resolution, and buffer zone activities. Some NGOs partially finance management costs from tourist entry fees or ecotourism enterprises. The project aims to strengthen the capacity of these organizations by complementing financing for

protected areas management and demarcation which is available through on-going programs or new financing, through the relationship with NGOs and the dialogue created for management plan preparation and implementation, and strengthening the participation of local populations in the CORAPs and COLAPs--the regional and local protected areas committees.

84. Under the Rural Land Management Project, a Protected Areas Fund will be created that will capture entry fees from the protected areas with a clear economic potential. Infrastructure will be financed in part by the Rural Land Management Project to attract a larger number of tourists to the selected protected areas. In cases where NGOs have been collecting entry fees as part of their financing of environmental activities, agreements will be made with them regarding capture of funds on a case by case basis. Efforts will be made to ensure that non-entry fee earnings from increased numbers of tourists are captured by the NGOs and the local communities.

85. Tenure rights has been identified to be a key issue for which the project needs to have a clear strategy. The first draft of a study has been completed evaluating the alternatives for addressing issues of indigenous and non-indigenous property rights in and around the protected areas. Three options currently being applied in Honduras include: (a) titling public lands to the forest department to stabilize occupation and prevent newcomers from establishing rights to the detriment of indigenous peoples and the biological resource; (b) providing communal land rights to indigenous populations which recognize the legal status of the protected areas as well as the communal ownership of the indigenous populations; and (c) individual title. The project will seek to clarify tenure rights to the extent possible, setting the conditions for effective protected areas management. In some cases, this will lead to an overlap of indigenous tenure rights and core protected areas delimitation. In other cases, tenure will be confined to buffer zones. For this reason, demarcation activities may include delimitation of individual or communal tenure as well as buffer and core zones, in cases where this serves to protect indigenous tenure rights and/or gain acceptance for buffer and core zone boundaries.

86. **The Project Area.** In order to determine the areas of greatest interest for investment under the project, a three-step prioritization process was adopted. The general approach and preliminary results that emerged during preparation of the project, were discussed and revised in national fora and workshops and with national and international experts. The prioritization methodology is discussed in greater detail in Annex 1. In brief, the three-step approach included:

- (a) defining areas of global biodiversity importance;
- (b) eliminating the subset of areas receiving or about to receive significant investments from other donors or financiers; and
- (c) selecting areas which represent feasible investments taking into account the resources available, the lifetime of the project, local and national capacity, commitment, and sustainability.

87. A summary of the prioritization was also presented in the background paper for the regional MBC project (Archaga and Marineros, 1996: *Honduras: Dentro del Contexto del Corredor Biológico Mesoamericano*, CCAD/AFE-COHDEFOR/PNUD/GEF). Criteria included: size, degree of intervention, potential connectivity, representativeness of ecosystems, and

presence of species of global importance. Degree of integrity was determined by a series of three overflights of the entire country carried out in 1996 by DAPVS experts and international consultants.

INSTITUTIONAL ARRANGEMENTS

Implementing Agencies and Arrangements

88. The project implementing arrangements are described in Annex 7. The project will be coordinated and administered by AFE-COHDEFOR through the Protected Areas and Wildlife Department (DAPVS). These agencies will work within the strategy and policy guidelines approved by SERNA for protected areas and SINAPH administration. Much of the implementation of the project will be decentralized to the protected areas themselves. Although overall project coordination will be in DAPVS under a project coordinator based in Tegucigalpa. Each regional field office will work in the headquarters of the respective forest office of the corresponding region.

89. The Upland Fund which was established to channel financial resources to upland forestry and agricultural producers for technical assistance and technology generation under the Rural Land Management Project, will extend its coverage to include the buffer zone areas of the BPAP. The same criteria for eligibility of proposals will be considered for the BPAP project area. In addition, financial resources will be channeled to beneficiaries in the buffer zones of the Mosquitia project area for investment activities that are identified as part of the management plan for the particular protected area. The local protected areas committees, COLAPs, will be responsible for identifying these investments as part of the participatory management plan, and for supervising (with DAPVS and NGOs) the success of these investments. The buffer zone investment arrangements are described in more detail in Annex 5.

90. At a regional level, the regional coordinators of the protected areas will be responsible for the coordination and supervision of activities to be carried out by the administrators of the respective areas. The administrators of the protected areas will be responsible for the implementation of management plans in coordination with the local committees for protected areas management.

91. UNDP and the World Bank will jointly serve as GEF implementing agencies. The two agencies will be jointly responsible for technical supervision of the project and UNDP will administer the financial resources through its Honduras office. The Government of Honduras also plans to contract UNDP-Honduras as a procurement agent for part of the activities in the Rural Land Management Project, including procurement for the Biodiversity Conservation Component. This will provide greater coordination of the activities in the integrated program within Honduras.

JUSTIFICATION FOR GEF FINANCING

92. On July 31, 1995, Honduras ratified the Biological Diversity Agreement. The BPAP is consistent with the operational programs of the Operational Strategy of the GEF since it focuses on the Mesoamerican region and a strip of habitats from mountains and forests to wetlands and marine ecosystems--all identified as priority types of habitats. The project is consistent with the guidelines since it includes in situ conservation and it will include strengthening of the conservation, management, and sustainable use of the humid ecosystems and the mountainous regions, and strengthening the involvement of the indigenous population and integration of the social dimensions, including those related to poverty.

93. GEF financing will assist the Government in coordinating the activities of several donors and agencies involved in biodiversity conservation. With the combined initiative of the World Bank and UNDP in the preparation of the BPAP, the Government has developed a wide forum of consultations to generate ideas and guidelines for the National Biodiversity Strategy. This has captured the attention of the President of the Republic who has requested that the self-financing mechanism for the management and administration of protected areas also incorporate a tourism strategy for the country. The BPAP is also part of a larger strategy supported by the GEF for a regional Mesoamerican Biological Corridor. The regional MBC Project, managed by UNDP is quite advanced in preparation and is providing a framework under which to develop the MBC. This project is being developed in close coordination with the BPAP. An important justification for GEF funds is the influence of the fund for biodiversity conservation on bilateral and multilateral donors that are expected to join in the next year (discussions are currently being carried out with donors).

PARTICIPATION AND SUSTAINABILITY

Social Participation

94. A social assessment was carried out as part of preparation of the project with the following objectives: (a) analyze the existing patterns of natural resource and land ownership, management, access, and use among different groups and institutions in the protected areas system; (b) identify the actors that should be involved in preparation, implementation, and evaluation, and obtain their contributions with respect to design and areas of action of the project; (c) identify potential negative impacts of the proposed activities for the vulnerable groups of the population, including indigenous groups and women and design measures to avoid or mitigate these impacts; (d) identify opportunities to construct capacities in the local governments, indigenous organizations, producers, and NGOs; and (e) prepare a development plan for the indigenous population (Miskitos, Garifunas, Tawahkas, and Pech) based on the consideration of the development needs of the indigenous groups potentially involved in the project. See Annex 2 for a full description of the results of the social assessment.

95. The social assessment included: (a) an analysis of the land owners in the BPAP project area; (b) participatory consultation workshops in three regions with representative actors from the BPAP project area and a national consultation workshop; (c) extensive analysis of secondary

information on the social impacts of natural resource management projects; and (d) field visits and interviews with local authorities, women, representatives of the indigenous population, producers, and NGOs.

96. **NGO and Community Based Organizations' Involvement.** There are emerging federations in the Mosquitia: FETRIPH, FITH, and MASTA representing Pech, Tawahka, and Miskitos respectively. MASTA has tried to represent all Mosquitia-based communities of indigenous origin, but like the Garífuna federations, still does not have a clear identity vis a vis individual community leadership. The project's strategy is to include these organizations as much as possible in the protected areas dialogue while working as well with individual community leaders. Part of the training funds will be available to members of these federations.

97. Recognizing the relative weakness of these organizations in terms of vertical integration, the Rural Land Management Project has supported a proposal for institutional strengthening with IDF funds which will provide results before the BPAP project activities start in the project area.

98. In 1992, a conservation foundation, Fundación VIDA, was created as an NGO to channel resources to NGOs and community-based organizations for conservation and sustainable development. This foundation has approved a number of grants to NGOs working in the protected areas included in the BPAP project to support capacity-building and finance a range of activities.

99. Participation of the different community organizations in environmental management is varied. In some protected areas such as Punta Sal, the communities are represented in the office of the Park Authority and participate directly in decision-making. In Trujillo, an inter-institutional committee has been created under the coordination of FUCAGUA, with a strong governmental focus, to try and bring together a wide range of stakeholders. All of the NGOs working in protected areas have different levels of involvement with stakeholders in the area. Few have reached the breadth of involvement of FUCAGUA. There are several conflict situations in the protected area of Cuero y Salado, for example, which the Fundación VIDA and BPAP support would seek to solve.

100. A capacity analysis was carried out of these organizations. The analysis looked at the range of staff of each organization, the range of projects which were being managed by the organizations, the relationships with community organizations and beneficiaries, and the capacity to scale up. Without the support of Fundación VIDA in the BPAP, most of these NGOs would not be able to extend themselves to undertake the planned collaboration. With this assistance and the planned training activities under the BPAP, combined with the involvement of local governments and local indigenous federations, that will also receive training support, there should be capacity for these groups to carry out the needed activities. In the area of the Mosquitia, the only organization with a strong base is MOPAWI, an NGO formed to advance the development of the Miskito peoples. MOPAWI currently has little capacity for expansion of its activities, given its limited staff and administrative base. The project would draw upon MOPAWI's expertise for some of the technical assistance and community organization activities, but would work directly with the local committees for protected areas management (COLAPs) supported by the BPAP project, for protected areas management decisions, and would channel the buffer zone

financing through the DAPVS office contracting a private bank in the Mosquitia for the financial accounting and preparation of checks for disbursement of the funds to beneficiaries.

Sustainability

101. The sustainability of the project would be increased through a combination of measures. First, the Rural Land Management Project would improve the ability and capacity of local and national institutions to provide technical assistance in the sustainable use of the land and to confront issues related to land tenure. In particular, the Upland Producers Fund will be an important tool to support more sustainable land use and rational benefits with biodiversity in the buffer zones (as well as the buffer zone component of the BPAP). Second, a self-financing mechanism to be created in the Rural Land Management Project gradually will generate revenue for maintenance of the infrastructure, equipment and personnel of the protected areas of national and international importance. Third, through working very closely with several land owners and opening a number of protected areas to the Honduran public, the project will benefit from public support for the protected areas.

102. The financial sustainability of the National System of Protected Areas of Honduras (SINAPH) depends in part on the generation of a competitive ecotourism industry in the country. This goal is the focus of several components of the integrated program. As it is described in the BPAP, the Government has agreed to assume the recurrent costs of the additional personnel of DAPVS in case the mechanism is less successful than expected.

DEVELOPMENT OBJECTIVE

Strengthen the National System of Protected Areas of Honduras (SINAPH) and contribute to the integrity and environmental values of the Honduran section of the Mesoamerican Biological Corridor through better conservation of biodiversity in core areas with the participation of the communities in the buffer zones and improved local capacity to make wise choices regarding management of biodiversity and natural resources.

Immediate Objectives Outputs and Activities

Immediate Objective 1: Strengthening of DAPVS and Local Capacity for Protected Areas Management

Strengthen the institutional capacity of the institutions and organizations that participate in the National System of Protected Areas (SINAPH).

Output 1.1: Institutional Strengthening at the National Level

Built-in institutional capacity and consensus among the institutions and organizations that make up SINAPH in support of a cohesive and participatory management strategy of key Protected Areas in the Mesoamerican Biological Corridor.

Success Criteria

- DAPVS and national stakeholders of the SINAPH are more capable and willing to implement management plans
- National consensus is built around the concepts of core and buffer zone management

Activities

1.1.1 Design an in-service training program with a series of short courses (one or two weeks) at the national, regional, and local levels for the personnel of DAPVS on issues related to planning, decentralized management, GIS, biodiversity, protected areas management, and methodologies for community participation with a focus on gender. Includes training of approximately 60 park guards and 36 DAPVS employees throughout the five years, a total of approximately 288 weeks of training.

1.1.2 Implement technical and administrative training of personnel in the implementation of new activities or on issues where they may have limited experience such as participatory planning. This support will be provided in local areas or offices and will be available for DAPVS personnel and the NGOs that are involved in protected areas management. A total of 12 months (3 months per region) will be available during the project.

1.1.3 Facilitate the participation of ten employees of DAPVS in international events on policies, strategies, financing and marketing of the use and management of natural resources, especially in protected areas.

1.1.4 Revise and update the technical and administrative operational procedures of DAPVS. Produce a procedural manual on protected areas management and administration which will describe how the covenants between DAPVS and the regional and local committees for protected areas management and possibly other groups in the protected areas will be implemented (currently there is no manual).

1.1.5 In coordination with IHT, contract services to design and implement a program of marketing of the protected areas for ecotourism at the international level.

1.1.6 In coordination with national NGOs and international institutions, design and implement a strategy for capturing financial resources for protected areas management to support recurrent costs of DAPVS and other institutions involved in protected areas.

1.2 Output: Institutional Strengthening at the Regional Level

Institutional strengthening to support the coordination of participating organizations involved in providing direct services in protected areas management (mainly NGOs, local government technicians, and COLAPs) according to the coordination mechanisms established for SINAPH in the National Strategy for Biodiversity Conservation. Development of an environmental education program for primary school children in the project area.

Success Criteria

- Four regional committees (CORAPs) for protected areas management are established and in operation in coordination with the established COLAPs.
- An integrated educational program is implemented. Conservation values have been imparted to teachers and community leaders. Long-term attitudinal shifts toward sustainable use of natural resources in the project's areas of influence are demonstrable.

Activities

1.2.1 In close coordination with the groups that will manage the protected areas and other beneficiaries, design a training course to train individuals from cooperating organizations, members of the local and regional committees for protected areas management (COLAPs and CORAPs) and volunteers that will support protected areas management. The program will focus on the transfer of the skills necessary for each group to assume a role in the decentralized and participatory management of the protected areas and buffer zones. Social, technical, administrative and legal issues will be covered. Necessary equipment to be purchased includes training materials, printing, slides, VCR, camera, and a generator.

1.2.2 Establish eleven COLAPs for protected areas management to support the coordination of work at the local level. In addition to the support given to these committees, they will also have access to DAPVS facilities which will be established under the project. After the COLAPs have been established, four CORAPs will be formed based on the forestry regions of the country.

1.2.3 Train an average of 30 people through a series of short courses from cooperating agencies (NGOs with donor-financed projects and base organizations) in administration of financial resources, ecotourism, and environmental legislation. An average of 8 weeks of training will be offered during implementation and approximately 30 functionaries will be trained (three from each protected area), a total of approximately 240 weeks of training in the five years.

1.2.4 Provide five weeks of training through a series of short courses (2 to 3 days) for 36 representatives of the COLAPs and CORAPs. The training will address issues of procedures and laws of SINAPH, organization, participation and conflict resolution, and procedures of the project. Each year, the project will hold a week-long course for all the members of the committees to ensure that they are organized. Approximately 180 weeks of training for the five years.

1.2.5 Promote and finance three study exchange trips of five days to neighboring countries with biodiversity conservation projects associated with the Mesoamerican Biological Corridor to allow the members of the committees to learn about other experiences and reinforce their active involvement in the committees.

1.2.6 In coordination with the Ministry of Education, train approximately 100 teachers from the schools located in the communities near the protected areas in two-day courses. The courses will introduce teachers to educational material on biodiversity and the role of the protected areas and buffer zones developed for use in the schools. The courses will provide support for the teachers to integrate these materials into the normal curriculum of the schools.

1.2.7 Carry out a program of environmental education targeted to primary school students with support from the trained teachers. The environmental education should be offered in Spanish and in the native languages where appropriate. Educational and informational materials will be developed for use in the schools. Distribution of approximately 1,000 environmental education texts, 1,000 posters, 1000 bulletins, and 500 study guides of specific cases of the communities of the project area.

1.2.8 Distribute and implement the Manual of Environmental Education in fifty schools in the project area.

1.2.9 Promote in coordination with the teachers, the formation of fifty juvenile groups for conservation with participatory actions such as field trips, cleaning green areas, and reforestation.

1.2.a Develop an environmental education program to be broadcast over local radio stations directed to rural communities and schools.

1.2.b Establish a program of educational trips to several protected areas of the country to supplement academic learning about the value of natural resources and the need to protect biodiversity. Approximately 40 students a year from the local communities will participate.

1.3 Output: Strengthening at the Local Level

Communities will be organized (CORAP, COLAP) to effectively participate in management decisions and activities related to the SINAPH.

Success criteria

- COLAPs will be organized, have a greater understanding of linkages between development and conservation and protected areas management issues.

Activities

1.3.1 Establish a minimum of 11 local committees for protected areas management activities.

1.3.2 Design a training program for the COLAPs on topics related to the value of biodiversity and the transfer of skills they need in order to maintain a strong role as the interlocutors of the communities for participatory planning, identification of activities eligible for GEF financing, and supervision of the implementation of local activities. Specific themes may include protected areas management, protection, surveillance and maintenance of paths. The training program will consist of four weeks of training in courses, two weeks of short courses (2 to 3 days) and 30 workshops for participatory planning. Approximately 75 individuals will be training with a total of 450 weeks of training over the five years.

1.3.3 Establish in coordination with the COLAPs, a program to provide training to volunteers supporting DAPVS and the cooperating organizations in protected areas management. Approximately 130 volunteers will receive two days of orientation regarding the role of SINAPH,

the role of the volunteers, procedures, biological values, and natural history of the area for a total of 52 weeks of training in five years. The majority of training for the volunteers will be in-service.

1.4 Output: Project Management

Establishment of a project management unit for project implementation and monitoring and evaluation.

Success Criteria

- Efficient and timely execution of the project with high levels of accountability for financial and operational administration, strong coordination of project components, and on-going beneficiary evaluations guiding the implementation process.

Activities

1.4.1 Appoint national project staff, establish the project coordinating unit's office within DAPVS, and sub-offices at the project sites, and set up a Project Steering Committee.

1.4.2 Execute sub-contracts, purchase equipment, and provide general administrative support, including supervision of project staff and management of project vehicles and equipment.

1.4.3 Provide high standard of financial accounting and activity reporting, and prepare progress reports for UNDP, World Bank, GEF, DAPVS and other relevant government agencies.

1.4.4 Evaluate through an annual workshop, the participation of the institutions with direct responsibility for the administration of the protected areas with respect to the consolidation of the institutional framework of SINAPH.

1.4.5 Appraise information reported from project monitoring activities and take necessary action to improve project delivery.

1.4.6 Elaborate and execute a program of dissemination of information on the advances and experiences of the project. Establish information, reporting, storage, management, retrieval and analysis system with proper procedures.

Immediate Objective 2: Management of Globally Important Protected Areas

To reduce external threats to biodiversity through management of the key protected areas inside the Honduran section of the Mesoamerican Biological Corridor in partnership with local committees, under the overall responsibility of AFE-COHDEFOR

2.1 Output: Delimitation and Demarcation

Physical delimitation and demarcation of the key protected areas in the most critical sections.

Success Criteria

- Demarcation of 350 kilometers of the core areas. Demarcation of 50 km of core areas by year 2 and at least 75 km annually thereafter.

Activities

2.1.1 Define the borders of the core zones of the protected areas through participatory processes and design of the corresponding digitized maps. This activity will finance workshops, field visits, overflights, and actual mapping. Protected areas to be involved in project are: Punta Sal, Punta Izopo, Cuero y Salado, Pico Bonito, Texiguat, Laguna de Caratasca, Warunta, Patuca, Tawahka, Mocerón, and Rus-Rus.

2.1.2 Begin or continue, as applicable, the process of legal declaration of the key protected areas that do not yet have this designation.

2.1.3 Contract services for the physical demarcation of the protected areas in the most critical sections. According to preliminary estimates, approximately 350 kilometers will be demarcated as follows: Atlántida 50 kms; Cordillera de Nombre de Dios 50 kms; Patuca-Tawahka 150 kms; and Mosquitia 50 kms. USAID is financing the demarcation of the northern part of Pico Bonito.

2.2 Output: Management Plans

Preparation of management plans for the project sites with wide stakeholder participation.

Success Criteria

- Management Plans reflect consensus built at national, regional and local levels around the concept of core and buffer zones.
- Updated Management Plans will be guiding activities within the protected areas.

Activities

2.2.1 Contract services for the design of protected areas management plans (in Patuca-Tawahka and the protected areas of the Mosquitia), designs and studies of environmental impact, and the management of areas of intensive use in certain protected areas. The management plans will be prepared through a process of consultation and participation with the local communities. Other management plans are being developed by Wildlife Conservation Society and Fundación VIDA.

2.3 Output: Infrastructure and Equipment

Provision of necessary infrastructure and equipment to enable full operational capacity.

Success Criteria

- A visitor center, guard huts, and multiple-use stations are built and maintained, integrated interpretative programs, including paths, labeling, and educational material are developed in each of the protected areas
- Three regional sub-offices in Mocoacán, la Ceiba, and Catacamas will be improved.

Activities

2.3.1 Contract services for the construction of a visitors center in Pico Bonito. Contract services to design and implement an integrated interpretative program with the development of interpretative paths with labeling and educational material. Contract services for the construction of 28 park guard huts, 4 multiple-use stations, improvement of 3 regional operational offices and creating trails in Mocoacán, la Ceiba, and Catacamas.

2.3.2 Acquire communication and transport equipment necessary for the protected areas management work. The equipment includes 4x4 vehicles, boats, motorcycles, radio, solar energy equipment, photocopiers, desks, filing cabinets, fax machine, phone lines, benches, chairs, desks, uniforms, walkie talkies, machetes, axes, etc.

Immediate Objective 3: Financing Demand-Driven Activities in the Buffer Zones

Promote the conservation and sustainable use of biodiversity in the buffer zones of the key protected areas through financing of demand-driven activities.

3.1 Output: Financing of Buffer Zone Activities

Finance demand-driven activities (general and targeted) in the buffer zones that contribute to increased participation of local communities in management activities and more benign land use.

Success Criteria

- Increased knowledge and adoption of biodiversity-friendly land use alternatives by communities in the buffer zones.
- Increase in the number of beneficiaries in buffer zones that take an active role in protected areas management.

Activities

3.1.1 Design a participatory diagnosis of the financial demands of the involved communities, that reflects the differences between the beneficiaries, according to indigenous group and gender.

3.1.2 Contract services for management and administration of the fund through established procedures.

3.1.3 Through parallel financing of the Upland Producers Fund, provide technical assistance to producers, in accordance with the recommendations in the Operation Manual, in agroforestry, soil conservation, production of basic grains, use of organic fertilizers, plant production, crafts, and fishing.

3.1.4 Promote the use of the special fund for the buffer zones through the COLAPs.

Immediate Objective: Biological Monitoring

Implement a biodiversity monitoring system that complements the monitoring system of the regional MBC project and strengthens the monitoring system of AFE-COHDEFOR.

4.1 Output: Design and Operation of Biological Monitoring

Monitoring system in place to determine major changes in the status of biodiversity in the Corridor with local participation in monitoring and the generation of a flow of information on the biological status of resources.

Success Criteria

- Establishment of the biodiversity monitoring database by 1998 and installation of computers in four regional offices and in the central office.

Activities

4.1.1 Carry out an annual review of the protected areas to identify the critical areas subject to the advance of the agricultural frontier. This review should include at least two overflights and four land-based tours.

4.1.2 Carry out two annual workshops on the monitoring of the protected areas to discuss and analyze project implementation in coordination with the regional Mesoamerican Biological Corridor project.

4.1.3 Establish at the regional level, a computerized database system and a mechanism to gather necessary field information. This information will be collected from the Forest Information System of AFE-COHDEFOR and through the field personnel of the protected areas.

4.1.4 Coordinate with the Mesoamerican Biological Corridor project for systematic information exchange, monitoring compatibilities, and reporting mechanisms.

4.1.5 Prepare a detailed annual report on the situation of the protected areas in the project including: threats to biodiversity, financial viability of revenue generating activities in Pico Bonito, and social and economic welfare amongst target communities and linkages to sustainable use of natural resources.

Table 5: Project Design Summary

* Key indicators are indicated in Bold in the Performance Indicators Column.

Narrative	Performance Indicators	Monitoring and Supervision	Critical Assumptions
<p>1. CAS Objective (August 1993): Sustainable natural resource management & poverty alleviation</p> <p>2. GEF Operational Program: Conservation of biodiversity of global importance within the Honduran parts of the Mesoamerican Biological Corridor (MBC) with sustainable use of its components, fair & equitable sharing of its benefits, & slowing the decline of genetic material</p>	<p>1.1 More rational allocation of forest resources, including land, to balance conservation & economic needs/development</p> <p>2.1 Creation of a Corridor of continuous blocks of complementary conservation and sustainable use which takes into account dynamic needs & interests of stakeholders</p>	<p>1.1.1 Surveys in selected areas in years 1 & 5</p> <p>2.1.1 Evaluation of extent to which protected areas plans incorporate buffer zone l& use concerns & linkages between discrete conservation blocks within sub-corridor regions</p>	
<p>Project Development Objective: 1. To put in place measures to assure the conservation of the MBC in core areas in the long term</p>	<p>1.1 No discernible decline in core area forest cover from baseline</p> <p>1.2 Decline in corridor gene flow of indicator species from baseline less than in a no-project scenario.</p>	<p>1.1.1 Remote image interpretation of satellite data</p> <p>1.1.2 Small area random surveys</p> <p>1.1.3 Reports by guards/ patrols</p> <p>1.1.4 Periodic species counts</p> <p>1.2.1 Mathematical model to be developed & run using satellite & habitat quality data</p> <p>1.2.2. Ground truthing & collection of habitat quality data (M.Sc. scholarship to Honduran student)</p>	<p>(PDO to CAS & GEF Goals)</p> <ul style="list-style-type: none"> • The root causes of deforestation & unsustainable land use are in control (high population growth, in-migration, & poverty) • UNDP regional coordination of the MBC
<p>Project Outputs: 1. Minimum institutional capacity achieved to change protected areas from "paper parks" to actively managed entities</p> <p>2. Key core areas benefit from better management & protection with management plans, demarcation & delimitation, & participatory management</p>	<p>1.1 Management plans reflect consensus built at national regional & local levels around the concept of core & buffer zones</p> <p>1.2 DAPVS is more capable & willing to implement management plans</p> <p>2.1 Adequate implementation of plans for core areas reflected in budget, including annual updates</p> <p>2.2 Infrastructure & equipment in place & maintained</p> <p>2.3 Minimum 50 locally recruited volunteers & wardens are working in the core areas</p>	<p>1.1.1 Attitude survey of officials & local population</p> <p>1.1.2 Management plans review (supervision mission)</p> <p>1.1.3 Project evaluation (mid-term & final)</p> <p>2.1.1 Project evaluation (mid-term & final)</p> <p>2.1.2 Audits & expenditure review</p> <p>2.1.3 Field visits to management committees</p> <p>2.2.1 Evaluation of implementation of plans</p> <p>2.3.1 Number of patrols</p>	<p>(Outputs to PDO)</p> <ul style="list-style-type: none"> • National & municipal development plans reflect existence of SINAPH • Decentralization occurs • New Government administration pursues similar goals • NGOs, cooperating organizations & local communities develop the capacity & participate in the preparation & implementation of management plans • National initiatives in protected areas are coordinated • Enforcement of protection of protected areas with invasions systematically recorded & addressed

Narrative	Performance Indicators	Monitoring and Supervision	Critical Assumptions
<p>3. Demand-driven activities in buffer zones (general & targeted) result in increased participation of local communities in management activities & more benign land use</p> <p>4. Biodiversity monitoring system in place to determine major changes in the status of biodiversity in the Corridor with local participation in monitoring activities & a flow of information on the biological status of resources</p> <p>5. Project is implemented satisfactorily, monitoring & evaluation is carried out</p>	<p>2.4 Minimum 30 DAPVS staff (permanent staff) in each PA</p> <p>2.5 Communities actively involved in plan preparation & implementation</p> <p>2.6 Local mechanism in place to maintain limits in focal areas</p> <p>3.1 Increased knowledge & adoption of biodiversity-friendly land use alternatives by communities in the buffer zones</p> <p>3.2 Increase in income from activities with benign land use</p> <p>3.3 Increase in the number of beneficiaries in buffer zones that take an active role in protected areas management</p> <p>3.4 100 projects executed, targeting women & indigenous peoples, & representing the range of potential beneficiaries</p> <p>4.1 Establishment of database by 1998 & installation on computers of four regional offices & central office</p> <p>4.2 Preparation of annual reports on the situation of protected areas in the project</p> <p>4.3 At least 30 COLAP members involved in monitoring & field reports prepared by protected areas staff</p> <p>5.1 Reporting is timely & reflects progress accurately</p>	<p>2.4.1 Number of patrols</p> <p>2.5.1 Proceedings of meetings</p> <p>2.6.1 Inspection of demarcation</p> <p>3.1.1 Rapid Rural Appraisal with baseline</p> <p>3.1.2 Participatory monitoring & evaluation</p> <p>3.2.1 Cost Benefit studies of individual investments</p> <p>3.3.1 Participatory monitoring & evaluation</p> <p>3.4.1 Project evaluation (mid-term & final)</p> <p>4.1.1 Review database & field warden reports</p> <p>4.2.1 Review of annual reports</p> <p>4.3.1 Project evaluation (mid-term & final)</p> <p>5.1.1 Project evaluation (mid-term & final)</p> <p>5.1.2 Quarterly, annual, & audit reports</p>	<ul style="list-style-type: none"> • Local communities are interested in participating • Institution retains technically skilled people to use & maintain database • Local community is interested in participating in biodiversity monitoring • SINAPHI continues to receive funding & donor support • Results of evaluations are taken into account
<p>Components/Activities:</p> <p>1. Strengthening of DAPVS & Local Capacity for Protected Areas Management</p> <p>1.1 Strengthening at the National Level</p> <p>1.2 Strengthening at the Regional Level</p>	<p>Inputs:</p> <p>US\$ 2.6 million for:</p> <p>1.1.1 60 park guards & 36 DAPVS employees trained</p> <p>1.1.2 Annual participation of DAPVS staff in international training courses</p> <p>1.1.3 Revision of DAPVS Procedures</p> <p>1.1.4 Program of Ecotourism Marketing</p> <p>1.2.1 Officials from donor projects trained</p>	<p>1. Quarterly disbursement & progress reports</p>	<p>(Components to Outputs)</p> <ul style="list-style-type: none"> • Political commitment • Local communities are interested in participating in development of management plans • Protected areas concept is shared widely & there is interest in long-term protected areas management • Teachers are able to absorb new information • Access to radio in remote communities

Narrative	Performance Indicators	Monitoring and Supervision	Critical Assumptions
<p>1.3 Strengthening at the Local Level</p> <p>1.4 Project Administration</p>	<p>1.2.2 Central America field trips (3)</p> <p>1.2.3 Develop teachers training program, train 100 teachers</p> <p>1.3.1 Develop & distribute educational materials, radio programs; field trips to protected areas (40 students/year); formation of 50 youth conservation groups</p> <p>1.3.2 Establish 4 Local & 3 Regional Councils & train 36 regional & 75 local representatives (12 communities)</p> <p>1.4.1 Contracting personnel, short-term consultants, & preparation & management of project (US\$ 0.8 million for project administration)</p>		<ul style="list-style-type: none"> • Coordination with Education Ministry regarding changes in curricula • Sufficient interest/time for volunteers & members of committees to participate in training events • Counterpart funds are available • Local communities are interested in participating in monitoring & evaluation • Good coordination between UNDP & World Bank as GEF implementing agencies
<p>2. Management of Globally Important Protected Areas</p> <p>2.1 Delimitation & Demarcation</p> <p>2.2 Preparation of Management Plans</p> <p>2.3 Infrastructure & Equipment</p> <p>2.4 Hiring of Personnel</p>	<p>US\$ 4.6 million for:</p> <p>2.1.1 Area demarcated (demarcation of 50 km. of core areas by year 2 & at least 75 km annually thereafter (350 kilometers total)</p> <p>2.2.1 Four management plans prepared & operational</p> <p>2.3.1 Contracting of visitor's center by year 1, construction completed by end of year 3</p> <p>2.4.1 Hire 60 staff who gradually will be paid by the PA Fund</p>	<p>2.1 Kilometers of different categories of land demarcated</p> <p>2.2 Review of plans & supervision</p> <p>2.3 Quarterly disbursement & progress reports</p>	<ul style="list-style-type: none"> • GOH committed to protected areas • Land tenure conflicts addressed with legal input to define tenure rules • Financial Mechanism put in place through IDA credit is effective GOH assumes long-term recurrent costs & attracts well-trained staff
<p>3. Financing of Buffer Zone Activities</p>	<p>US\$ 1.9 million for:</p> <p>3.1.1 Financing buffer zone activities</p> <p>3.1.2 Technical Assistance through Upland Producers Fund</p>	<p>3. Quarterly disbursement & progress reports</p>	
<p>4. Biodiversity Monitoring</p> <p>4.1 Design & Operation of Biological Monitoring</p> <p>4.2 Equipment</p> <p>4.3 Mesoamerican monitoring</p>	<p>US\$ 0.3 million for:</p> <p>4.1.1 Purchase & interpretation of images</p> <p>4.1.2 Annual Review of protected areas with at least 2 overflights & 4 land-based tours</p> <p>4.1.3 Two Annual Workshops on Monitoring</p>	<p>4. Quarterly disbursement & progress reports</p>	<ul style="list-style-type: none"> • Good coordination between this project, regional MBC project, government agencies, & other donor-financed initiatives • Adequate data for analysis for baseline & new information

INPUTS

103. **Government Inputs.** Total Government counterpart funding is US\$ 2.2 million. This includes staff costs of regional and central AFE-COHDEFOR staff who will be working in the project, GOH's assumption of an increasing percentage of staff and equipment costs over the life of the project, and Government contribution to the costs of infrastructure and operating expenses. In addition, it is expected that communities will contribute US\$ 300,000 for activities in the buffer zone.

PROJECT REVIEW, REPORTING AND EVALUATION

104. **Annual Review.** The project will be subject to Tripartite Reviews (TPR) conformed by the following: (a) Government Representatives, (b) Representatives of the World Bank, and (c) Representatives of UNDP. A Tripartite Review will be held at least once every 12 months, as of the effective start date of project execution. The National Project Coordinator will prepare one month before each Tripartite Review, a Project Performance Evaluation Review (PPER). The National Project Coordinator will present the PPER during the Tripartite Review. During project execution other reports may also be requested by the Tripartite Review parts.

105. A Terminal Report will be prepared and presented for consideration by the parts during the final Tripartite Review. The draft of the said report will be prepared at least four months ahead of the scheduled final Tripartite Review to allow the executing agency to review and revise, where appropriate, any technical aspects of the document.

Annex 12 details the scheduled supervision plan.

106. **Financial Audit.** The GOH, represented by AFE-COHDEFOR, will submit the financial registries of the project for an annual audit. The audit must be conducted by external auditors acceptable to the World Bank and UNDP, satisfying Terms of Reference that cover the financial reporting needs of both institutions. The costs of the audit will be covered by the project budget.

LEGAL CONTEXT

107. This Project Document is referred to in article 1 of the Basic Model of Assistance Agreement of Honduras and the United Nations Development Programme (UNDP). This Agreement was signed by the parts on 17 January, 1995 and published in the official bulletin "La Gaceta" on 27 April, 1995.

108. The following project revisions will be approved with the sole signature of the Resident Representative of UNDP providing that the said Representative is assured that the other signatories of the project document do not have any objections to the proposed changes:

(a) Revisions to any of the annexes of the project document;

(b) Revisions that do not involve significant changes in the immediate Objectives, Outputs, or Activities of the project, but are caused by the rearrangement of inputs already agreed to or by cost increases due to inflation; and

(c) Mandatory annual revisions to rephase the delivery of agreed project inputs, reflect increased expert or other costs due to inflation, or take into account agency expenditure flexibility.

Technical Annexes

Annex 1 Selection of Priority Areas

1. In order to determine the areas of greatest interest for investment under the Biodiversity in Priority Areas Project (BPAP), a three step prioritization process was adopted. The general approach, and preliminary results that emerged during preparation of the project, were discussed and revised in national fora and workshops and with national and international experts.

2. The prioritization of sites for a GEF project is a complicated exercise due to the inherent complexity of any prioritization exercise and the lack of clear guidance from the GEF Council on the appropriate methodological approach. The GEF Operational Procedures stress that national priorities are important in addition to global priorities but national benefits are excluded from consideration because they are not considered incremental costs. The GEF stresses that GEF funds are to target not only conservation of biodiversity but also its sustainable use but the latter automatically implies a clear national benefit which is not able to be financed. No clear definition has emerged as to what constitutes "globally important biodiversity" nor is there a consensus on the relative importance which should be ascribed to threat (should GEF funds be used to protect areas under low threat, which offer the best possibility in the long term of protecting large intact ecosystems, or should they be used to save areas under critical threat?). Small changes in underlying assumptions in a prioritization exercise can have dramatic changes on the resulting priorities.

3. Given this context, the three step approach employed here was developed as an effort to balance global and national priorities, conservation and sustainable use priorities, and to help guide the preparation of a project that ultimately must represent a series of feasible investments in terms of sustainability and national and local capacity. The three steps used in the prioritization exercise, which can be thought of as successive filters, were the following:

- (a) define areas of global biodiversity importance;
- (b) eliminate that subset of areas which are receiving or about to receive significant and adequate investments from other donors or financiers; and
- (c) select areas which represent feasible investments taking into account the resources available, the lifetime of the project, local and national capacity, commitment, and sustainability.

Determination of Global Biodiversity Importance

4. The definition of global biodiversity importance was an exercise carried out over more than a year as part of the preparation of the UNDP-coordinated Regional Mesoamerican Biological Corridor Project (MBC). The full methodology and results are presented in the background paper for Honduras that was used as the national input to preparing the Regional MBC Project (Archaga and Marineros, 1996: *Honduras: Dentro del Contexto del Corredor Biológico Mesoamericano*, CCAD/AFE-COHDEFOR/PNUD/GEF).

5. The methodology used in that study was developed by biodiversity experts within AFE-CODEHFOR and both the approach and preliminary results were discussed in a series of twelve national workshops and consultations in which more than 280 people participated. The overall process benefited in addition from the input of the GEF and various international experts as part of the preparation of both the Regional MBC Project and the BPAP.
6. The focus of the MBC approach was to identify four categories of corridors/PAs: (a) Category I, corridors of importance at a global level, large mostly intact areas of at least 10 000 ha; (b) Category II, small corridors important for connecting globally important areas, of 10,000 to 20,000 ha; (c) Category III, large protected areas of national importance, areas of 10,000 to 20,000 ha with fragmented nuclei; and (d) Category IV, small protected area of local importance, with highly fragmented nuclei and offering little connectivity with other areas.
7. To determine areas of global importance to be included under the BPAP, the Category I and II areas were chosen as a starting point. Briefly resuming information available in the national report for the MBC, the following criteria were critical in delineating the Category I and II areas: size, degree of intervention, potential connectivity, representativity of ecosystems, and presence of species of global importance.
8. The *size of an area and its degree of intervention* (or inversely, the degree of intactness) are important attributes of an area when determining its conservation importance. Large areas of natural habitat not significantly degraded by human activities are essential to ensure functional ecological processes characteristic of the ecosystem in its natural state. Large areas are also necessary to maintain viable populations of species of both plants and animals. This is particularly so for "umbrella species", such as Harpy Eagles, which require extremely large areas to maintain viable populations; satisfying their habitat requirements satisfies area and ecological requirements for most other species occurring in that ecosystem.
9. The degree of intactness was determined in a series of three overflights of the entire country carried out in 1996 by experts of DAPVS and international consultants. All large areas of at least 10,000 ha of contiguous undisturbed natural habitat (areas where it was judged that 90 percent of the natural vegetation was in an undisturbed state and where there were no significant human populations) were initially retained for consideration as Category I or II areas.
10. Blocks of habitat which were clearly important links in maintaining *connectivity* within a given ecoregion or ecosystem type of Honduras were rated more highly in the MBC exercise. Connectivity of natural habitats underlies the very principle of the Mesoamerican Biological Corridor which is based on the concept of strips of natural habitat stretching from Mexico to Colombia. Corridors of natural habitat are important in allowing a flow of genetic material between adjacent populations and maintaining ecosystem dynamics which operate over very large geographical scales.
11. The *representativity* of different ecosystem types was also considered as an important criterion. A revised and detailed habitat map for Honduras is still in preparation but some guidance was available at a fairly broad ecoregional level: five ecoregions were identified in Honduras in a World Bank/WWF study (Dinerstein et al., 1995: *A Conservation Assessment of*

the Terrestrial Ecoregions of Latin America and the Caribbean) and the traditional Holdridge classification identifies eight life zones in the country. It was considered important to ensure representativity (and connectivity) between broad classes of habitat such as the Atlantic lowland humid forests, the pine savannas of Mosquitia, and mid-altitude forests of highlands on the Atlantic slope. Most other ecoregions in Honduras, such as the pine-oak forests and cloud forests of the highlands and the dry forests of the Pacific slope, are already so degraded and fragmented that few areas of sufficient size were classed as potential Category I areas.

12. Finally, the last criterion which was considered to be useful in prioritizing areas of global importance was the presence of *species of global importance*. Two hundred and ten species were identified as being of global or national concern in Honduras. The full list of species and details on how they were identified can be found in a report prepared during preparation of this project (Cerrato, 1996: *Informe del Componente de Biodiversidad*). Species of global biodiversity importance would be those that are endangered or threatened on a global basis (as defined in IUCN Red List volumes, CITES appendices, SPAW annexes, or similar publications), endemic species of restricted range, and migratory species which are declining on a world-wide basis. Because of the lack of good data on the occurrence and distribution of species in Honduras this criterion could not be accorded much importance but every area classed as a Category I or II corridor was believed to be frequented by at least five species from the list of globally important species.

Consideration of Other Sources of Financing

13. A considerable volume of bilateral and multilateral aid is currently being channeled to Honduras specifically for the protection of biodiversity or for investments in buffer zones around key protected areas. In order to help determine which of the nine Category I and II corridors would be prioritized in the BPAP, aid flows for biodiversity conservation in each of the areas was determined (see detailed tables in Archaga and Marineros, 1996).

14. Half of the six Category I areas were eliminated from consideration because they are receiving substantial aid from other sources. The Bay Islands marine ecosystems corridor will be receiving considerable support from the Inter-American Development Bank (IDB) under the Bay Islands Development Project which is expected to shortly begin disbursements. The Gulf of Fonseca corridor area will be receiving funding through the Rural Land Management Project and is also receiving support from a wide variety of other donors for buffer zone activities. Finally, the Agalta-Río Tinto Corridor will receive biodiversity conservation funding from the Dutch Government and the Frontera Agrícola Project of the European Community. Within the Plapawans corridor, a decision was made to not further consider the northern part, the Río Platano Biosphere Reserve, because of a large project with German support which will be starting in mid-1997.

15. Of the three Category II areas, two were eliminated from consideration. These were the Capiro-Guaymoreto area which will be supported by the Dutch project mentioned above and will also be receiving support from the USAID-financed Fundación VIDA. The Cusuco-Merendón-Omoa area of highlands near the border with Guatemala will receive funding for conservation activities from USAID and from local municipal governments.

Determination of Investment Feasibility

16. As a result of the first two steps above, the four general corridors or areas to be prioritized under the GEF project were chosen: the southern half of the Plapawans Corridor (the Patuca/Tawahka area), the Mosquitia, the Cordillera Nombre de Dios, and the Atlántida wetlands.

17. As a final "filter" in the process of fine-tuning the selection of areas within these areas to be prioritized for investments under the project, a subjective assessment was carried out by DAPVS staff. This assessment took into account the limited financial resources which could be assigned to any given area, the threats that the area was under, spatial distribution of biological resources of global importance, and an analysis of how reasonable it would be to expect that the BPAP could achieve significant and sustainable results. Factors which were important were the likely level of support from local communities, particularly in the case of indigenous populations. Consideration was also given to logistical difficulties and the question of local and national capacity in implementing investments in the area under consideration.

18. As a result of this exercise, the final geographic foci of the BPAP were determined. The areas of greatest priority for the project were determined to be the Patuca/Tawahka area and the Mosquitia area. These areas, along with the Río Platano Biosphere, are probably the most important remaining areas of biodiversity in Honduras. They are not however receiving any support from other donors and AFE-COHDEFOR has almost no presence in the area. At the same time, the Patuca-Tawahka area is being eroded by one of the most aggressive agricultural frontiers in the region. It was felt that the BPAP can make a significant contribution in this area by working closely with the indigenous and non-indigenous communities of the area.

19. Within the Mosquitia, it is proposed to prioritize investments in the Caratasca Laguna area near Puerto Lempira and in the humid forests of Warunta, Rus-Rus, and Mocerón. The pine savannas of the southern Mosquitia are under relatively less threat and is currently benefiting from the presence of AFE-COHDEFOR and WWF investments in sustainable management of the native pine forests. The *laguna* area is however currently receiving no external financial assistance and the rich and relatively unknown aquatic and terrestrial biodiversity of the area is under significant threat from the Mosquitia's largest concentration of people.

20. In northwestern Honduras, the entire corridors of the Cordillera de Nombre de Dios and the Humedales de Atlántida were retained. However, both of these areas will benefit from investments from other donors and from assistance of local NGOs and of AFE-COHDEFOR. As a whole they will receive less funding than the other two areas of the project.

Annex 2 Social Assessment, Participation Plan, Indigenous Peoples Development Plan

Introduction

1. A social assessment (SA) was carried out as part of project preparation with the following objectives: (a) to evaluate existing patterns of natural resource and land ownership, management, access, and use among different groups and institutions in the protected areas system; (b) to identify stakeholders, using a gender perspective, who should be involved in preparation, implementation, and evaluation and to obtain their inputs on project scope and design; (c) to identify potentially negative impacts of proposed activities on vulnerable groups in the population, including indigenous peoples, low-income producers, and women, and design measures to prevent or mitigate these impacts; and (d) to identify opportunities to build the capacity of local governments, indigenous organizations, producers and non-governmental organizations (NGOs).
2. This document summarizes the main findings and recommendations of the SA. The outputs of the SA include a Participation Plan overlapping with an Indigenous Peoples Development Plan, developed to support the involvement of indigenous communities in the project area (Miskitos, Garifunas, Tawahkas, and Pech), and target activities for low-income producers and women. The Participation Plan includes a matrix extracting costs of activities related to participation and the incorporation of special interest groups from the overall cost tables (see Table 1).

Methodology

3. The social assessment consisted of: (a) an analysis of the stakeholders in the land administration and natural resources sectors; (b) regional consultation workshops with representative stakeholders in the buffer zones surrounding the protected areas carried out by a multi-disciplinary team; (c) an extensive analysis of secondary literature on the social impacts of the land titling program; (d) a meeting with NGOs that are working with farmers and producers in buffer zone areas; (e) meetings with members of the National Confederation of Autochthonous Communities of Honduras (*Confederación Nacional de Pueblos Autóctonos de Honduras*, CONPAH) and with representatives of indigenous and non-indigenous communities, including traditional indigenous leaders, in the project areas; and (f) specific research on gender issues. An international gender specialist and two international indigenous/social specialists participated in preparation to oversee in-country work on these aspects of project design.

Results of the Social Assessment

Honduran Indigenous Peoples

4. The indigenous population in Honduras (including black Caribbean communities) consists of eight ethnic groups, numbering about 293,000 inhabitants and comprising 12.8 percent of the total population (1988 Census). The eight groups are: Xicaques or Tulupanes, Lencas, Garífuna, Miskitos, Pech or Paya, Tawahka or Sumos, Chorti, and Isleños or the Creole-speaking black

population. Membership in an ethnic group is generally determined by language affiliation and/or socio-cultural organization.

5. *Indigenous Peoples in the Protected Areas.* The eleven protected areas selected for the Biodiversity in Priority Areas Project (BPAP) comprise one of the last great wilderness regions of Central America. The project area contains both terrestrial and marine ecosystems that are of national, regional and global importance. The two main geographic areas are the coastal lands along the northern Atlantic coast with a high concentration of Garífuna, and the Mosquitia. The Mosquitia encompasses a tropical forest corridor and coastal wetlands, both of which extend south into Nicaragua, forming the largest contiguous tract of tropical forest remaining in Central America. This area contains at least a third of the remaining indigenous population, including all of the Tawahka, one half of the 2,600 Pech, a majority of the Miskitos, and a large Garífuna population.

6. It is difficult to estimate the exact indigenous population in the project area. The total Miskito population in the Mosquitia region is approximately 49,000 in 100 communities and it is estimated that the Garífuna population in the Atlantic region is approximately 95,000 in 38 communities, including the northern coast of the Mosquitia. Based on these calculations, it is likely that the indigenous population living in the areas affected by the BPAP is approximately 78,000, including:

- Approximately 20,000 of the Miskito population in about 60 communities;
- About 250 Pech or Paya, in Nombre de Culmí and San Esteban municipalities in the Olancho Department;
- The total population of the Tawahka or Sumus with 900 inhabitants in 7 communities along the Rio Patuca River
- Sixty percent of the total Garífuna in Cortéz, Atlántida, Colón, Gracias a Dios and Islas de la Bahía.

7. Parallel biodiversity projects in the Atlantic coast and the Mosquitia financed by German Technical Cooperation, the European Union, Japanese International Cooperation Agency, US Agency for International Development, and Fundación VIDA are affecting another 71,000 indigenous people.

8. *Indigenous Organizations.* In general, the indigenous organizations in Honduras combine elements of their traditional culture with those of the non-indigenous society, such as economic strategies, politico-administrative aspects, and religious affiliation. The lowest level of organization is the community (village, township) which participates both as a community and as individual members, in ethnic federations with either regional or national affiliation. Recently, the lower level organizations have formed federations at the ethnic level. The indigenous community based-organizations are stronger in comparison with the federations because they have a large membership and a collective decision-making system, however their capacity to mobilize as part of the federations is still weak. Since there is no historical supra organization of individual communities in any of the four groups of indigenous peoples in the project area, the federations that have recently formed have had to develop a new mode of organization, since they are unable

to build on traditional ties. The Miskitos have the longest history of organizations, followed by Garífuna, Pech, and Tawahka. The Pech and Tawahka organizations were modeled on the Miskito federation, while the Garífuna have responded much more to models of the non-indigenous political movements.

9. The indigenous peoples in the forested areas of the Mosquitia (Pech, Miskito, and Tawahka) have relatively fluid relationships at the community level and there is a fair amount of movement by individuals from one resource-rich area to another, resulting in changes over time in the membership or identity of any particular community. This is not to say that there are not strong and functional relationships do not exist at the community level, but in the case of shifting residence, these relationships are transferred to newly-formed communities and new organizations are created with similar patterns as the older communities.

10. The community representation at the federation level of organization is less stable. In the Garífuna coastal communities, there is considerable migration to the Caribbean and to the United States, which has created a large juvenile population with parents who are overseas, and a mixed allegiance to community members in Honduras and to those overseas. The existing indigenous federations are as follows:

- The Pech have organized at the national level in the Federation of Pech Tribes of Honduras (*Federación de Tribus Pech de Honduras*, FETRIPH).
- The Miskitos are represented by the Mosquitia-Asla Takanka - Unidad de la Mosquitia (MASTA). This is made up of seven different federations located in seven different sub-ecological regions. The Miskito organization of the Miskitos is very fluid and alliances are often not permanent, usually based on geographic or commercial interests under the leadership of a Zuqia or Tribal Chief.
- The Garífunas are represented by the Fraternal Organization of Black Hondurans (*Organización Fraternal Negra Hondureña*, OFRANEH) although the degree of representation is much weaker than in the Miskito case, since the communities are highly dispersed, the population is very large, and the federations have tended to concentrate decisions in a small percentage of the true leaders of the Garífuna communities. The Garífuna federations were initially mobilized around specific development funds for social service and microenterprise support and are only now beginning to develop an agenda that is more community-organization based.
- The Tawahka have organized the Indigenous Federation of Tawahka (*Federación Indígena Tawahka of Honduras*, FITH), but it is also in the process of consolidation.
- Since 1992, these and all other indigenous organizations and peoples, except for the Chorti and Isleños, have been members of CONPAH.

The Indigenous Economy and Land Use

11. The indigenous peoples in the Atlantic coast and Mósquitia have many ways of using natural resources. Local knowledge about biota, vegetation, soil, topographical and meteorological variation forms the basis from which the indigenous communities derive criteria to make productive decisions. From this knowledge, individuals determine agricultural and agroforestry sites and activities, the productive calendar, and the selection of species to be cultivated (corn, rice and beans) or protected (many medicinal plants).

12. Like many other indigenous groups in Honduras, the indigenous peoples in the project area are immersed in a double economy: they produce goods for the market and they buy goods with cash while at the same time, they are heavily involved in a subsistence economy and a consumption market. Given the nature of their access to land, cash, and subsistence needs, most adopt a multi-use strategy of appropriation of nature (in buffer and core zones).

Mosquitia

13. *Land and Property Rights.* In the Mosquitia (Miskito, Tawahka, and Pech), there are no regulations about the assignment and distribution of lands. Historically each indigenous family has had equal access to land within the community's geographic area. The territory used by individuals and families includes traditional fishing and hunting areas and sites with concentrations of medicinal plants and wild foodstuffs. Although, there are some examples of matrilineal inheritance of land, most communities have a system of patrilineal inheritance. Land was traditionally transferred to the oldest son, but recently there has been a tendency to transfer land to the youngest son. Community members also create new parcels of land as needed by clearing secondary or primary forest, usually plots ranging in size from 5-12 *manzanas* (1 *manzana*=0.7 hectares). The action of clearing land legitimates the farmer as owner of the cleared parcel.

14. In the Mosquitia, there are large areas of unclaimed territory, but not all of it has agricultural potential. For the most part, the local population has cultivated fields along the fertile edges of rivers, creeks and lakes. In some cases, they have settled in the area surrounding wetlands, but they live mostly in the dry, grassy plains, and in the hillsides.

15. Generally, land parcels are grouped closely together by community members and there is a shared residence area established away from the cultivated lands. This grouping of parcels is not just related to the availability of fertile sites, although this is a factor. It is also a means of promoting cooperation in productive tasks between families. While some parcels are managed continuously in a rotational swidden cropping cycle, there is also migratory agriculture to distant fertile areas for limited periods of time. Also, it is common to find that indigenous families have as many parcels under cultivation as in *guamiles*.

16. *Fallow-Fields (Guamiles).* The selection, clearing, burning, sowing, and harvesting of fields is culturally regulated through traditional community mechanisms. Fallow lands are called "*guamiles*." They may be abandoned for anywhere between two to six years, depending on when they were cultivated and the distance from the community settlement. The ratio of *guamiles* to

cultivated land in an individual family holding is about 3:1. Like other agricultural lands, the *guamiles* are considered the property of the person or family that worked the land and are inheritable.

17. *Grazing Areas.* The subsistence economy of the small towns in the Mosquitia also includes livestock production, such as the domestic breeding of pigs, chickens, and cows. The possession of cattle is a sign of wealth and is an important means of social differentiation among community members. The majority of indigenous families possessing cattle allow them to roam freely in areas of natural pasture cover. Some families do keep their cattle in pasture areas and in barnyards, but in general there is a high tolerance of free ranging cattle, even by families that do not own livestock. Most of the inhabitants of the area who pen their cattle are *ladino* (non-indigenous) families. It is therefore likely that the adoption of this practice among some indigenous families has come from assimilation of *ladino* livestock practices.

18. The majority of households use 7-10 ha of land. Even with the rules of open access to available land for cultivation, most households are not financially viable. Agricultural production of corn, beans and rice provides the main products for local consumption, but this production only covers three or four months of family consumption needs. In contrast, production from livestock and *guamiles*, together with harvesting of products from the mature forest, generate both consumption products and those for the market or local trade.

19. *The Miskito Economy.* The Miskito are swidden (slash-and burn) horticulturists who practice agriculture and agroforestry. They also participate to a great extent in fishing and diving activities, including lobster diving. They grow yucca, bananas, plantains, rice, and more recently, beans and corn. They practice a rotational system of farming, in which *guamiles* are returned to production after resting a number of years, or are managed in the medium term as horticultural or agroforestry plots with collection of wood and fruits. Small house gardens supplement what is grown in the fields and hunting and fishing provide much of the fresh meat. Women are more involved than men in some agricultural activities, particularly the sowing of cashew and cacao, the harvesting of rice, yucca, and traditional horticultural crops, and the marketing of local foodstuffs. Very little information is available on the carrying capacity of these systems. Little research has been done in Honduras on the impact of these practices on the biodiversity and ecological systems in the project area, making it difficult to anticipate what management decisions should be made in the core and buffer areas to serve the objective of maintaining biodiversity in the Honduran portion of the Mesoamerican Biological Corridor.

20. Historically, the economy of the Mosquitia region has been characterized by cycles of boom and bust, for the most part due to smuggling activities which were concentrated here in the 1800s. This area has a colorful history which is apparent to this day with cyclical economic activity and high levels of movement of people depending on the location of the current income-earning activity. As a result, there is little emphasis given to saving income or planning for the future--the economy of this area is very much driven by day-to-day necessities and attraction of the newest commercial activity.

21. *Tawahka and Pech Economies.* The Tawahka and Pech practice economic strategies similar to the Miskitos. They are also swidden farmers, growing root and grain crops for consumption and sale. Fruit trees, palms and other useful plants are grown in house gardens and agroforestry plots. They hunt, fish, and raise livestock. Edible and medicinal plants and materials are harvested from the primary forest and *guamiles*.

22. The Tawahka have been involved in commercial activities since the 17th Century. They traditionally traded dugout canoes, bark-cloth, hammocks, woven bags, pottery, dyes, feathers, roots, resins, gums and timber with both Miskito and European traders. They harvested mahogany and collected sarsaparilla during the 18th Century, tapped rubber in the 19th and early 20th Centuries, and more recently have tapped latex from the chicle trees. Very few engaged in coastal fishing activities. Today, cash cropping and gold panning are also important income earning activities. Women still make bags, decorative tree gourds, and bark cloth tapestries for an expanding crafts market.

23. The Pech living along the Plátano River are swidden horticulturalists who primarily cultivate yucca and corn in fields on high riverbanks near their settlements. They raise some livestock, but acquire most fresh meat from hunting and fishing. Some Pech sell surplus produce and game meat to coastal Miskitos. Gold panning is carried out during the dry season in the river headwaters. Around the town of Culmí, the Pech are more involved in the cash economy, working as wage laborers.

Atlantic Coast

24. *Garífuna Economy.* The Garífuna live primarily along the Atlantic coast in villages with stores, churches and schools. They fish from dugouts in coastal waters close to the shore with nets, hooks, and traps. Some Garífuna men work on the commercial fishing boats from the Bay Islands or on foreign boats. The Garífuna also practice agriculture and tend coconut and yucca plantations near the coast. They clear fields along the interior waterways to grow rice, beans and corn for consumption and sale. They hunt and fish in the same forests used by their Miskito neighbors. The productive role of women and men is strongly divided. Men are responsible for preparing the land and for fishing, while women are the main cultivators, harvesters, and post-harvest storerers. Women are very involved in marketing and in small crafts and businesses--they are the main sellers of fish, coconuts, and cassava in the nearby markets.

25. Garífuna women and men have begun to migrate in large numbers outside of Honduras in search of better livelihoods. There are many Garífuna living elsewhere in the Caribbean or in the United States, who have left their children with other family members or neighbors while they accrue enough financial resources to support a family. These children grow up with relatively loose supervision, and there is a growing problem of how to integrate these children into productive activities in the communities when their main interest is to move away to live with their parents.

Non-Indigenous People

26. In the Mosquitia, the early *ladinos* who settled in the area largely adopted the traditional subsistence and commercial activities practiced by the local indigenous people. In the 1950s, however, as loggers opened up the western flank of the Mosquitia, more *ladinos* flooded into the region. Most them currently depend almost entirely on farming for consumption and sale. Due to this dependency, the amount of land cleared for agriculture tends to be greater than that utilized by the indigenous people. Average farm sizes range from 20 to 60 *manzanas* (1 *manzana* = 0.7 hectare), although some farmers have as many as 200 *manzanas* under production.

27. Some *ladinos* practice traditional swidden agriculture and may plant coffee and cacao as a primary cash crop. The overwhelming majority of *ladinos* are landless farmers who clear the forest for subsistence farming for two or three years and then they sell their plots to cattle ranchers and land speculators, pushing on into the forest to clear new lands and repeat the cycle. There are a growing number of larger *ladino* landowners, either newcomers or entrepreneurs who have amassed lands sold to them by these subsistence farmers.

28. Along the Atlantic coast and the Cordillera Nombre de Dios, there is an older pattern of *ladino* settlement and migration, although this pattern mentioned above continues at a fairly aggressive pace. Larger landowners concentrate their holdings in the lower elevation characterized by more fertile lands or extensive pasture areas, thereby encouraging long-term residents to sell out and clear on the nearby hillsides. New landless *ladinos* are also arriving, clearing parcels for a short time and then selling out and moving on to new frontiers. While the Mosquitia area is still relatively remote and the majority of the *ladinos* have little access to infrastructure, social services, or technological information, this population is rapidly assimilating a culture similar to the urban Hondurans, along with aspirations for a more material lifestyle. In this area, many families live in a continual state of indebtedness, with few economic opportunities to reverse this situation. Clearing new land is therefore an ever attractive option.

Gender

29. There are a number of aspects of gender which require a specific project design focus to achieve the stated objectives and reach the range of beneficiaries in the project area. One aspect, for which there is little micro-level information is the gender aspects of poverty. In Honduras overall, close to 30 percent of households are female-headed (Módulo Mujer y Empleo de Encuesta de Hogares de Marzo 1993), 15 percent of all poor households are female-headed, 66.7 percent of all female-headed households are below the poverty line (SECPLAN/ OIT/FNUAP. 1990). Female-headed households below the poverty line have specific problems of access to land tenure, as do women in households of common law marriages. Many of the female-headed households in the upland areas are on lands of forest vocation, which is not appropriate for title. Limited access to family labor makes it difficult for women in these households to cultivate larger areas of land and limited capital makes it difficult for them to purchase land. Women in common law marriages also face differential access because, under Honduran law, common law spouses do not have access to formal documentation of the union. It is therefore difficult for male spouses to

include their common law wives on titling documents for joint title, even when the couple has children and can demonstrate joint occupancy over a long period of time.

30. In the indigenous communities, women have a much more equal participation in the productive activities than in the non-indigenous communities. While men undertake heavy labor tasks of land preparation, women are key in sowing, weeding, harvesting, and collection of wild foodstuffs. Women are not as involved in fishing and diving as men, but are involved in marketing of fish. Wives and mothers of lobster divers are very concerned about the health problems related to diving with inadequate equipment and they can be strong lobbyists to encourage men to move to the swidden areas and abandon diving as a livelihood. Women's political involvement in formal federations and community organizations is more limited than men, both for indigenous and non-indigenous families. Part of the strategy of the buffer zone activities will be to encourage women and women's organizations to participate in the dialogue on protected areas planning and management. Women can have a strong stake in protection, given their relatively greater dependence on the traditional territories and limited migration for labor outside. This opportunity should be tapped in the promotion of community involvement in protected areas activities. Along the Atlantic coast, women are also likely to be key actors in ecotourism activities (preparation of food for tourists, sale of handicrafts and local products, managing and working in hotels and hostels, etc.).

Key Social Issues for Project Design

Land Tenure

31. *Demarcation of Protected Areas.* For indigenous populations, there are constraints to registration of indigenous land and forest rights under the modern system of land registration proposed in the Rural Land Management Project. These constraints are due to the lack of legal identity of most of the first-tier indigenous community organizations that comprise ethnic federations and to the overlapping rights of Spanish descendants with indigenous land rights, dating back to the colonial period. As in other countries of Latin America, Honduran indigenous groups are increasingly electing the communal title option to help preserve tenure to traditional territories. Communal title also has implications for forest tenure as indigenous populations are more likely to legitimate title to forest areas within their territories when entire domain is titled communally. Otherwise such areas are considered national forests owned by the state in this case, the State Forestry Administration/Corporation for Forestry Development (AFE-COHDEFOR).

Local Capacity

32. *Protected Areas Management and Use.* Except for a few, small scale pilot initiatives in community forest management, such as those implemented with the Organization for the Development of the Mosquitia (MOPAWI), Canadians and other agencies in recent donor and NGO programs, there has not been a systematic process of determining the relative rights and interests of communities residing in and around protected areas or for allocating traditional and other forest-based products. There is likely to be heavy pressure on the core and buffer zones by populations that are forced to expand to meet their consumption needs. This is especially the case

among the poorer families, which do not have access to technologies for better soil and water management, more intensive production, or alternative economic activities at the household or cooperative level. At present, most of the indigenous communities are highly dependent on the core and buffer zones as sources of wild animals and plants for home use and local markets. Even with the planned technical assistance and buffer zone investments, there is no guarantee that local people will agree to stop using resources in restricted areas. This warrants a strategy that monitors the impact of use and experiments with alternatives to complete closure of areas that are important for hunting or other extractive activities.

33. *Role of Community Based-Organizations and Small Farmers' Groups.* The role of indigenous traditional organizations and productive organizations is very significant in the buffer zones in terms of political representation (MASTA, FITH, FETRICH and OFRANEH) but not for initiatives related to productive activities or marketing. It is unlikely that indigenous organizations will initially have the organizational and technical capacity for active representation in the local committees for protected areas management (*Consejos Locales de Areas Protegidas*, COLAP) which will be the mechanism for participation in protected areas management planning and implementation. Careful monitoring of participation in the COLAP is needed in order to make adjustments made to the training component to build the needed local capacity. Another serious concern is the lack of agricultural self-sufficiency in the indigenous communities; during the non-agricultural season, at least one family member needs to migrate to seek temporary employment. This can make consistent participation and decision-making in protected areas management difficult.

34. *Participation in Decision-Making and Implementation.* The series of workshops and research carried out during preparation identified a number of constraints to participation in both the design of government programs and their implementation. Constraints include: the lack of knowledge of government activities by more remote communities; the lack of formal property rights of buffer zone inhabitants which thereby excludes them from specific programs, and the lack of institutional and financial capacity of municipal governments to design and implement long-term development programs.

Implementation Capacity

35. *Project Management Capacity to Implement Participation Plan.* There is little social science or participatory planning and implementation expertise in the various departments within AFE-COHDEFOR that would ensure a comprehensive vision for implementing the Participation Plan or provide guidance to implementing staff and NGOs. The NGOs present in the area have an interest in social issues, but little community-capacity building expertise or experience. While the National Agrarian Institute (*Instituto Nacional Agraria*, INA), which works with AFE-COHDEFOR on land rights issues, has considerable experience with field adjudication of land tenure rights, there is no INA department or other government agency responsible for indigenous policy. INA's only capacity in this area of expertise is the presence of a few staff lawyers interested in the issue. Nor is there a clear responsibility for gender or indigenous issues within the Secretariat of Agriculture and Livestock (SAG) to generate a longer-term sustainability of activities in these agencies.

36. *Gender.* Men and women have differential access to land and agricultural and forestry production support services, as well as different needs for information and technologies. The lack of attention to gender differences limited identification and pursuit of some rural development opportunities. One problem area is land titling access of women farmers. Though women represent an important group among rural producers, they traditionally received minimum benefits from the land titling program or from agriculture or forestry services. While more women are receiving land titles since the Agricultural Modernization Law recognized the rights to title of female landholders, many women farm land classified as areas of forest vocation that cannot be legally titled. In addition, common law marriages are not documented in Honduran law and couples of such unions are not eligible for joint titling, with the result that male spouses are the only household members to receive title.

37. Another issue is how to ensure that women as well as men are recipients of training, technical assistance, and buffer zone investments directed to their needs and interests. Family labor impacts of changed farming technologies and impact of forestry enterprises on gender division of labor are neither well understood or taken into account by all private or NGO technical assistance service providers. There is a tendency in Honduras to provide more information to men than women on agricultural practices related to planting, weeding, and management of pests and fungi, although in the case of indigenous communities are those responsible for these stages of the cropping cycle. There is also a tendency to give training to adult men rather than incorporating women and children who may be more likely to undertake an activity. Both women and men were found in the surveys to be concerned with storage of grains, access to improved farm tools, and access to timely capital for new processes and inputs. It is important that the project incorporate both men and women in the discussion of solutions and in the identification of training and investments.

Participation Plan and Indigenous Peoples Development Plan

38. The Participation Plan and Indigenous Peoples Development Plan were developed to address the issues raised above and the objectives of the Operational Directive on Indigenous People.² The target group includes not only indigenous groups but marginal producers and women. In particular, the participation strategy aims to : (a) mitigate against the potential sector and project-related conflicts described above; and (b) promote the involvement of indigenous peoples, women, and other low-income producers in protected areas management and protection.

39. To achieve the objectives outlined above, the Participation Plan and Indigenous Peoples Development Plan include following actions in the areas of implementation capacity, gender, protected areas management, participation in project activities, and community development. A breakdown by project component and budget is listed in Table 1.

² World Bank Operational Manual, Operational Directive on Indigenous People, 1991 (OD 4.20).

Implementation Capacity

40. SAG would contract a specialist in social and participation issues for the Project Coordination Unit (PCU) of the Rural Land Management Project who would coordinate a series of specific actions with PCU of the biodiversity project and oversee incorporation of these issues into the project components, implementation of the elements of the participation plan, and supervision of consultants contracted to undertake special studies or specific participation or consultation activities. This specialist would also work with AFE-COHDEFOR, advising the unit on how best to coordinate attention to these issues within SAG and suggesting staffing needs. This specialist should be supplemented by an additional consultant specialist that can provide inputs to the Department of Protected Areas and Wildlife (DAPVS) and the Promotion and Extension Department of AFE-COHDEFOR. One source of participation support is the newly created Center for Training and Research on Environment and Sustainable Forestry Development in Lepaterique that is holding courses for communities interested in local forest management.

Gender

41. To address the overall lack of a gender orientation in the activities of the SAG agencies involved in the project, a program of gender training would be designed and implemented. This training program would be targeted to all professional and technical personnel of the public institutions responsible for the coordination and implementation of the components, to private development organizations and NGOs providing services in the rural areas, especially through the Upland Producers' Fund. Both private development organizations and NGOs would need to receive training as a condition to be eligible to provide services, the cost of training would be their responsibility. The program would be under the PCU and would be implemented by the Pan-American Agricultural School -- El Zamorano -- where a permanent information network would be set up for service training providers at national and Central American levels. Training would be aimed to address specific detected needs of each component.

42. The criteria for selection of proposals for the Upland Fund would also include preference for technical assistance targeted explicitly to women farmer and forest managers. INA and CSJ have agreed to evaluate the restrictions on joint titling of common law couples and to present an action plan for increasing women's access to land. Project performance indicators have also included to measure progress on the incorporation of gender concerns.

Protected Areas Management, Land Tenure and Management

43. As part of the protected areas management component, the option of delimiting indigenous lands for agricultural and residential use may be considered, as well as zones for traditional use for collection of forest products and for community forestry. The legal study evaluated three options for indigenous land tenure titling within the Honduran legal framework: individual, communal, and usufruct contract. Based on the findings of the draft study, GOH has decided to further evaluate these options and may opt to apply a blend of communal title for use areas and usufruct contracts for lands with no clear evidence of ancestral domain. This model has been piloted in the Punta Sal Protected Area buffer zone in coastal Garifuna communities.

- Within the Rural Land Management Project component for land administration, initiate possible models for adjudication of indigenous lands and incorporate these into the expansion phase of the land administration component outside of Comayagua department.

44. Include coordination with an ongoing Institutional Development Fund Grant (IDF) for Strengthening of Indigenous Institutions in Honduras which is targeting all the indigenous organizations which are members of CONPAH. The grant provides resources for capacity-building in a number of areas related to natural resources management and land tenure. Indigenous groups seek training in local planning and design of development initiatives, technical and business management tools to evaluate their capacity to undertake forestry-based enterprises, tools for community forestry management, including sites in and around protected areas, and training in legal aspects of individual and communal land tenure systems to enable members to make more educated decisions about the type of land tenure which would most benefit themselves and their families. The outputs of the IDF include building capacity of indigenous groups to make proposals to the Upland Fund and to participate more pro-actively in forest management and protected areas activities.

Participation in Protected Areas Management

45. The project will support the creation of regional committees for protected areas management (*Consejos Regionales de Areas Protegidas*, CORAPs) and local committees for protected areas management (*Consejos Locales de Areas Protegidas*, COLAPs) which will coordinate training inputs at the regional and protected areas level, and the local committees will also prioritize requests for buffer zone activities. During project implementation, the COLAPs and CORAPs will be the focus point for participatory involvement in decision-making and carrying out of activities. Regional DAPVS offices and the CORAP/COLAP will coordinate complementary activities funded by Fundación VIDA.

- To ensure that all the stakeholders will be incorporated into the protected areas planning and management process, training resources will be made available at the regional level for NGO staff, members of regional councils (CORAP), and other organizations.
- Training and capacity building resources will be made available at the local-level to strengthen the capacity of the members of the COLAP and the COLAP itself as an entity.
- COLAP will be encouraged to recruit a variety of community members to serve as local protected areas guards, including women, poor producers and indigenous people.
- Environmental education materials will be designed to promote broad participation in protected areas management and to increase the awareness of the value of greater community participation in management activities.

Community Development and Use of Resources

46. Prioritize addressing subsistence and small-farm production problems before introducing recommendations related to cash-generating farming systems through the Upland Producers Fund Subprojects. Build on the development experience of NGOs and indigenous communities in the buffer zones, starting with actions designed to provide food security and advancing to broader actions of sustainable buffer zones management and development of community-based organizations such as the general assembly of each local community (first-tier organizations).

47. Support conservation-enhancing economic activities in an integrated way in the buffer zone investment activities, considering not only the need to improve production, but also processing and marketing issues. Since the selection of subprojects for the buffer zones will be demand-driven (emerging from the management plans prepared with COLAP, See Annex 5), it is important that the project beneficiaries reflect the range of indigenous and non-indigenous populations in the project area and the range of types of projects of interest to different stakeholders (different ethnicities, different production systems, gender-related criteria, opportunities created by ecotourism, etc.).

Consensus Building on Buffer Zone Concept

48. As part of the building of a national biodiversity strategy, the BPAP will support a process of workshops at the regional and local levels to discuss the core and buffer zone concepts and develop local solutions in order to adapt these management concepts to the needs of the local population. This process should lead to a more participatory strategy for wildlife and biota management in buffer and core areas where there is traditional use or resources. It should also identify areas requiring biological monitoring to measure the potential impact of social activities on biodiversity within the protected areas.

49. Develop a strategy for community sanctions that will be applied to producers clearing new areas and/or selling existing plots to newcomers and moving further into the frontier in violation of management plan agreements as well as sanctions that will be applied to producers violating agreements on fishing rights as outlined in the management plans. This strategy should draw upon sanctions being applied in the pilot programs being implemented by NGOs and AFE-COHDEFOR in the Broadleaf Forest project area of the Atlantic coast.

Biological Monitoring

- Design and establish an information system with local computer connections for each protected area, allowing communities access to information with the capacity to add to the biological information base.
- Participatory installation of the biological appraisal for community monitoring and the social studies of human managed forest systems.

**Table 1: Biodiversity in Priority Areas Project
Participation Plan**

PRIORITY INITIATIVES	ACTIVITIES TO BE COMPLETED	EXPECTED DATE OF COMPLETION	AMOUNT (US\$)
1. Strengthening of DAPVS and Local Capacity for PA Management	- Training of Community Organizations	end of 1998	48,000
	- Training of NGO staff and leaders	end of 1998	34,400
	- Training of Leaders of CORAP/COLAP	end of 1998	41,216
	- Visits to other Central American Projects	periodic	78,000
	- Design of Curriculum for Environmental Education	mid-1998	21,300
	- Support to COLAP for meetings and activities	periodic	172,000
	- Evaluation of the level of participation in management plans - Gender training through program in Zamorano	annual periodic	107,500
2. Management of Globally Important Protected Areas	- Delimitation of buffer and core areas and uses	1999	45,000
	- Delimitation of areas of indigenous use and rights	1999	14,300
	- Gain legal identity for first-tier organizations	1999	660,000
	- Demarcation of social forestry areas	1999	585,000
	- Recruitment of range of local population as guards - Infrastructure Management	1998-99 2000	280,000 1,115,000
3. Buffer Zone Component	-Identification of buffer zone investments in the context of the Management plans	beginning in 1999	1,600,000
	-Upland Funds for technical assistance in the project area, including studies of promising buffer zone activities and marketing issues	beginning in 1999	
	-Financing demand driven projects, incorporating the range of local population (indigenous, women and low-income producers	beginning in 1999	
	-Land Regularization	2000	
4. Biological monitoring	- Design and establishment of information system with local connections for communities	1998-1999	150,000
	- Participatory evaluation of biological status of the protected areas in the project	once a year beginning in 1998	45,000

Annex 3
Strengthening of DAPVS and Local
Capacity for Protected Areas Management Component

Objective. Strengthen the institutional capacity of the institutions and organizations that make up SINAPH in the management and administration of the key protected areas in the MBC.

Specific Objectives:

(a) Strengthen the technical, logistical, operational, administrative and management capacity of the Department of Protected Areas and Wildlife (DAPVS) in protected areas management.

(b) Build local capacity and support the participation of local governments, rural communities, and NGOs in protected areas management and protection with consensus-building on SINAPH .

Geographical and Institutional Context

1. The institutional strengthening will focus on the communities and organizations located in the regions with the key protected areas. Specific actions will be carried out at the local and regional levels and it is expected that this component will have an impact at the national level with overall strengthening of SINAPH .

2. The main beneficiaries of this component are all the public or private institutions involved directly or indirectly in the management of protected areas, including:

- Community-based organizations, cooperatives, clubs, and associations;
- Ethnic organizations representing Garífuna, Pech, Tawahka, Miskito;
- Private industry;
- Local, national, and international NGOs;
- Government institutions: AFE-COHDEFOR, SERNA, INA, SAG, Ministry of Education; and
- Municipal governments.

3. This component will be implemented through the coordination mechanism agreed with DAPVS in the document entitled “Institutional Model of the System of Protected Areas of Honduras (SINAPH).” SINAPH is a multi-sectoral system and its sustainability will depend on the active and direct participation of all the different sectors involved. This involvement needs to go beyond consultation to allow for participation in decision-making. Based on this idea, organizations for participation have been created at different levels: the National Council of Protected Areas; the regional committees for protected areas management (CORAPs) and the local committees for protected areas management (COLAPs) .

Background and Justification

4. In the process of consolidation of SINAPH several problems were identified that may affect its ability to balance the needs of development and biodiversity conservation. This component was designed to address the issues that may limit the establishment and later strengthening of the system. These problems include:

- The weak institutional presence of AFE-COHDEFOR and limited resources available to increase their leadership capacity on the environment which seriously limits the effectiveness of the management of SINAPH.
- A lack of shared understanding about the actual situation of the components of SINAPH which makes the orientation, establishment of technical and legal norms, and prioritization of management difficult.
- The weak management capacity of DAPVS is strongly affected by a high demand for scarce resources (human, technical, logistical, etc.).
- The low priority given to strategic planning which results in most of the protected areas lacking legal documentation or plans for their organization and management.

Due to these institutional weaknesses, the following actions have been incorporated in this component:

- Identification and application of appropriate coordination mechanisms and participation of public institutions and the private sector with creation of conditions that allow for this interaction.
- Activities including, integration of priority actions, gathering information, analysis of data, evaluation of existing management conditions, and diffusion of information and promotion of the participation of civil society.
- Institutional strengthening of all the organizations that make up the organizational structure of the system (DAPVS, NGOs, municipalities, community-based organizations, etc.) with information on administrative procedures, and training human resources for the consolidation of the system.
- Follow-up on the organization of the conceptual framework that provides direction for DAPVS in the process of consolidation of SINAPH.

Institutional Framework of SINAPH

5. According to the current legal framework of AFE-COHDEFOR, protected areas administration and management is the responsibility of DAPVS and SINAPH will be consolidated under the national conservation objectives. With the new institutional framework proposed, SINAPH includes AFE-COHDEFOR and other government institutions such as, the Secretariat of Natural Resources and the Environment (SERNA), the Secretariat of Agriculture and

Livestock (SAG); National Agrarian Institute (INA); Honduran Institute of Tourism (IHT), Honduran Institute of Coffee (IHCAFE); Honduran Institute of Anthropology and History (IHAH), the Association of Municipalities of Honduras (AMHON), and representatives of NGOs and ethnic groups.

6. The institutional capacity of SINAPH with respect to protected areas management and administration is limited by operational, technical, and budgetary restrictions and the lack of a political and legal framework for conservation and community participation. Currently, DAPVS has 74 employees including technical, service, and administrative personnel. To execute their functions, they share the equipment of the other departments of AFE-COHDEFOR, illustrating that the physical resources assigned to them are less than those required.

7. Local organizations, NGOs, and municipalities lack the institutional capacity that would allow them to become involved in the process of protected areas management and participate in the decision-making process. This weakness has an impact on the behavior and attitudes of the communities living in the buffer zones since local community members have not been trained or involved in any decisions and DAPVS is restricting their presence in these areas. Currently, the communities do not have any participation channels available to involve them in the process of protected areas management.

8. The weak institutional capacity of SINAPH has resulted in: (a) a lack of information about norms and procedures for protected areas management; (b) with the lack of resources, the results and products are few; (c) there is no information regarding the value of the protected areas and therefore, Honduran society does not internalize their importance; and (d) appropriate coordination mechanisms do not exist.

Social Participation

9. At present, the participation of civil society in protected areas management is weak due to a lack of policies and clear mechanisms for participation and a weak institutional capacity in the public and private sector and in the community-based organizations. The Biodiversity in Priority Areas Project has as its fundamental objective, to support the integrity and sustainability of the Honduran section of the Mesoamerican Biological Corridor, parts of which support human productive activity.

10. Experiences in natural resource management at the national and international levels illustrate that the adequate consideration of social issues allows for greater sustainability of actions and conservation of natural resources. If the local communities do not have a stake in the necessity of conservation of their environment, there will be pressure on these areas from external actors seeking access to resources, resulting in damage that may be irreversible.

11. This project will incorporate all the stakeholders in the management and conservation of natural resources, including public and private organizations, community-based organizations, ethnic organizations, and municipalities. In the institutional strengthening component, the participation activities will be organized, so that each actor is aware of their role and of the shared global objective that they are working towards.

12. The participation of local communities will be facilitated through the establishment of COLAPs for coordination, support, follow-up, and consultation regarding the strategies, plans, conservation programs, and sustainable development activities. Each of the four groupings of protected areas will form a COLAP with representatives from the public and private institutions and organizations that have a direct relationship with the protection and management of the protected areas. The integration of the local committees will also facilitate inter-institutional and inter-community coordination and allow for fulfillment of the objectives for each protected area.

Main Activities

13. The main beneficiary of these activities is SINAPH and the institutions that make up the System at the operational, managerial, and strategic levels. To achieve the objectives proposed in this component, project resources will be used to strengthen the different organizations that will make up the institutional model of SINAPH. Emphasis is given to the operational level since problems need to be addressed from the local perspective, with attention paid to the necessities and demands of the population living in the buffer zones of the protected areas. At the national level, DAPVS, a key institution for the adequate functioning of SINAPH will be strengthened. The main activities of this component include:

14. **Training.** Implementation of a training program on topics related to protected area management, including planning, social participation, administration of resources, and monitoring and implementation of work programs. This program would provide training to the principal actors for project implementation. The objective is to ensure their capacity and knowledge to participate in biodiversity planning and conservation and to fulfill their roles and responsibilities. The program will also enhance the sustainability of project activities and support the institutions involved as they develop internal and external training programs.

15. Three levels of training would be provided: (a) *Management of the SINAPH.* Training both the personnel of DAPVS who are responsible for the functioning of SINAPH and for the organizations responsible for day-to-day management of the project's protected areas. (b) *Training for participating organizations,* including : (i) the newly established regional committees for protected areas management (CORAPs), (ii) the park administrators of the project's protected areas (primarily, NGO personnel), and (iii) the implementation of an environmental education program in primary schools in the project area buffer zones. (c) *Training for local management.* Training for the newly established local committees for protected areas management (COLAPs) in their leadership and conflict resolution roles for local participation in planning and management of protected areas and buffer zones. In addition, this latter activity would finance orientation seminars for volunteers in the park's volunteer program. Details of the training program are provided in Annex 3A.

16. **Technical Assistance.** Technical assistance will address the following areas: design of evaluation and control mechanisms for protected areas management activities; design and implementation of mechanisms for the capture of financial resources; programs to market ecotourism and the protected areas; social participation and management of buffer zones; strategic planning; monitoring and evaluation; and development and application of technical norms and

regulations which will provide adequate protection without creating disincentives for the management and conservation of the protected areas

17. **Logistical and Operational Support.** The minimum requirements of vehicles and equipment for the adequate management of the four groupings of protected areas will be provided. The three DAPVS regional offices and the central office which will be responsible for project implementation will also be equipped with the necessary items such as computers, printers, desks, photocopiers, other office materials and equipment for the field including vehicles, radios, and implements for the protection and maintenance of the limits of the protected areas. These items will be made available for use by members of the COLAPs.

18. **Promotion, Participation, Public Consultation, and Institutional and Community Organization.** This activity will support the proposed institutional framework for SINAPH with the participation of civil society in protected areas management with the organization and proper functioning of CORAPs, COLAPs, and the National Council of Protected Areas. Greater emphasis will be given to the establishment of the COLAPs that will make up the operational level of SINAPH. It is expected that gradually and when the social and institutional conditions allow, the regional committees will be established which will have, as their social base, the consolidation of the COLAPs.

Annex 3A Training Program

1. The objective of the training program is to ensure that the principal actors involved in the implementation of the Biodiversity in Priority Areas Project have the capacity to: (a) participate effectively in the planning and conservation of biodiversity activities; (b) fulfill their roles and responsibilities in the execution of the project; and (c) sustain the achievements of the project after it closes. The training program will also develop a continuous training program for DAPVS on biodiversity conservation.

2. The Training Program consists of three components at three levels of action. They include:

(a) *Training the Functionaries of the SINAPH.* Train DAPVS staff and the staff of the protected areas of the project who are responsible for the management of the system of protected areas.

(b) *Training the Participating Organizations and NGOs.* Train the regional committees for protected areas management (CORAPs) and the administrators of the protected areas (the majority are NGOs) that will provide direct services in the management of the protected areas of the project and carry out a program of environmental education in the schools near the protected areas of the project.

(c) *Local Training.* Train the local committees for protected areas management (COLAPs) that will be responsible for effective local participation in the planning and protection of the protected areas and buffer zones. There will also be training for the local volunteers that will participate in management of the areas.

3. These training activities do not include all of the local training that will be financed by the project. The subprojects financed by the Buffer Zone Component and by the Upland Producers Fund (financed by the Rural Land Management Project) will also include significant investments in training (see Annex 5).

The Training Program

4. **Training the Functionaries of the SINAPH.** This subcomponent will finance technical assistance, workshops, courses, materials, and operational costs (expenses, travel, supplies, printing, etc.). The main activities to be supported include the following.

5. The design of a training program to support DAPVS to define a continuous internal training program and training activities for the other key actors involved in the management of the SINAPH. The internal training program will focus on improving and maintaining the professional abilities of DAPVS staff and other functionaries at the level of the protected areas. The design of the program will also include the training of the administrators and technicians of the participating organizations (mainly NGOs) that manage the protected area under agreements with AFE-

COHDEFOR (under the subcomponent Training Participating Organizations and NGOs). The four principal themes of the training will be social, technical, administrative, and legal aspects. The program will include a series of courses of one or two weeks that will be based on the terms of reference of the personnel working at each of the different levels (central and regional offices and protected areas). The program will finance workshops and information seminars lasting one to three days on current issues and develop training courses on local participation in the protected areas.

6. There will be training for the administrators and technicians of DAPVS and the NGOs involved in protected areas management. The training will include: (a) an average of two weeks of training courses per year per person for four years; (b) 10 grants for functionaries to attend short courses (3 to 4 months), regionally or internationally; (c) initial training of six weeks for new park guards and an average of two weeks of training per year per park guard for the next three years; and (d) training on current issues of interest for the personnel of DAPVS, NGOs, local governments, and other relevant actors--10 workshops or national seminars, 20 workshops or regional seminars, and 40 workshops or seminars at the level of the protected areas. The quantity of functionaries trained during the five years of the project will be 36 (6 at the central level, 2 for each region--8 total, and 2 for each protected areas--total of 22³) for a total of 288 weeks of training. The number of park guards that will be trained during the five years will be 60 for a total of 720 weeks of training. The training topics for the functionaries will be distributed into the following categories: 45 percent administration; 50 percent technical (including social); and 5 percent legal. For the park guards, it will be distributed into 80 percent technical and 20 percent administrative/legal. At least 1,350 persons (an average of 25 in each national workshop, 20 in each regional workshop, and 15 in the local workshops) will attend the informational seminars and workshops.

7. Ten DAPVS staff will be able to participate in international training events in order to meet with and exchange information with professionals from other countries. This will also finance the costs of reproducing and distributing the reports from the event that each participant will develop to disseminate the results of the event.

8. A program of in-service training will be developed to offer support and training to the technical and administrative personnel in the implementation of new activities that they have little experience with, for example, the participatory planning activities. This support will be provided in specific locations or local offices and will be available for the personnel of DAPVS and the NGOs that manage the protected areas. Twenty months (three months in each region) will be financed.

9. Development of a simple manual with procedures and guidelines for each member of the CORAPs and COLAPs. These manuals will help the members to understand their roles and

³The majority of the 22 functionaries trained at the level of protected areas will be from NGOs. In many cases, NGOs are responsible for management of the protected areas including administration and management of the areas under convenios with AFE-COHDEFOR. They should receive the same training (material and intensity) as the staff of DAPVS receives at the level of a protected area, and in a continuous training program to maintain their professional abilities.

responsibilities and will provide current information on legal and political changes and other important information. It can also be used to orient new members to the COLAPs and CORAPs.

10. **Training the Participating Organizations and NGOs.** This subcomponent will finance technical assistance, workshops, courses, equipment, materials, operational costs (expenses, travel, supplies, printing) and recurrent costs (maintenance of equipment) and costs for dissemination through mass communication. The principal activities will include the following.

11. Training NGOs involved in protected areas management by offering an intensive 3 week training course during the second year of the project. This training is in addition to the training they will receive as staff of the SINAPH. The training will be designed to respond to the issues they themselves have identified. The administrators and technicians will also attend workshops and seminars on current issues carried out by the subcomponent.

12. *Training the Functionaries of the SINAPH.* Twelve administrators will be trained (one for each protected area) with a total of 36 weeks of training. An estimate of the time spent on topics in the training is 55 percent administration, 30 percent technical (including social), and 15 percent legal.

13. *Training the CORAPs.* Training courses of two or three days will be offered to the leaders of the four CORAPs. On average, nine people per year will receive a week of training for each CORAP. The courses will focus on the internal regulations of the CORAPs, the legal framework of the protected areas, values of the protected areas, and conflict resolution. The CORAPs will receive on-site training by promoters that will accompany them during their meetings for the first several years of the project. The members of the CORAPs will attend workshops and seminars on current issues carried out by the subcomponent Training the Functionaries of the SINAPH. Finally, three exchange trips with neighboring countries in Central America will be planned during implementation to allow 15 members of each CORAP to learn about other experiences. Each land-based trip will last five days.

14. A Environmental Education Program will support a variety of activities focused on civil society and the role of the protected areas and buffer zones in preserving biodiversity. The majority of these efforts will be with primary school students. A radio program with environmental education programming for all the project areas will complement these programs. Educational materials will be developed to be used in the schools and approximately 40 teachers will be trained in five-day courses. The training courses will introduce the materials to the teachers and provide guidance as they integrate these materials in the normal curriculum of the schools. One thousand environmental education texts will be distributed; 200 students will visit the protected areas (25 trips) and at least 16 educational programs will be transmitted by radio.

15. **Local Training.** This subcomponent will finance technical assistance, courses, workshops, materials, and operational costs (expenses, travel, supplies, printing, etc.) The principal activities will include the following.

16. *Training the COLAPs.* There will be training courses of two to three days for the leaders of the 11 COLAPs. An average of 6 persons per year will receive approximately one week of

training. The courses will focus on the internal regulations of the COLAPs, the legal framework of the protected areas, values of the protected areas, and conflict resolution. The COLAPs will also receive on site training by promoters that will accompany them in their meetings during years one and two of the project. There will be six workshops and local seminars on current topics suggested by the COLAP members, in addition to the local workshops carried out under the subcomponent Training the Functionaries of the SINAPH.

17. The volunteers who will be providing support to DAPVS and the participating organizations will be given an orientation to the program. A total of 150 volunteers will receive two days of orientation about the SINAPH (the role of the volunteer, procedures, biological values, and natural history of the area) for a total of 300 days of training.

Institutional Arrangements

18. DAPVS will have responsibility for the implementation of the Training Program. They will be supported by the Department of Promotion and Extension for program design and at the regional level, by the social promoters in organizing and carrying out the activities with the local and regional management committees. They will also work with the coordinator of the DAPVS project in the development of terms of reference and the contracting of consultants, trainers, and other service providers. DAPVS will ensure the programming of the activities in the annual operational plans of the protected areas. Funds will be channeled to DAPVS through AFE-COHDEFOR from the budget for the implementation of the annual operating plan.

19. The subcomponent Training the Functionaries of the SINAPH will be administered directly by DAPVS through a series of subcontracts and all activities will be programmed through the annual operating plan. The implementation will occur through direct contracts with institutions (for example, ESNACIFOR, CURLA, CATIE), companies, NGOs, and individual consultants. DAPVS will have responsibility for supervising implementation.

20. The subcomponent Training of the Participating Organizations and the NGOs will be administered directly by DAPVS will all the activities programmed through the annual operating plan. The implementation will be through subcontracts. The subcontracts will be with institutions, companies, NGOs, or individual consultants. DAPVS will be responsible for supervising the implementation, with the regional offices of DAPVS providing local supervision, supported by those groups receiving the training.

21. The subcomponent Local Training will be administered directly by the regional offices of DAPVS will all the activities programmed through the annual operating plan. The implementation will be through direct subcontracts with NGOs or institutions with a presence in the project areas. In total four subcontracts will be distributed depending on accessibility and the presence of organizations. DAPVS will have responsibility for supervising implementation and the regional offices will provide local supervision with support from the COLAPs.

Annex 4 Management of Globally Important Protected Areas Component

Objective. Improved participatory management of the key protected areas that make up the Honduran section of the Mesoamerican Biological Corridor, development of management plans, and demarcation and delimitation of areas with support and coordination from the local committees for protected areas management (COLAPs) to be established.

Specific Objectives

- (a) Place the key protected areas of the Mesoamerican Biological Corridor under management plans with the necessary studies for their legal demarcation, delimitation in the most critical parts, and the construction of the infrastructure necessary for management.
- (b) Through the local committees, support the participation of the local governments, NGOs, and community-based organizations in protected areas management and protection.
- (c) Establish an adequate institutional presence of DAPVS in the key protected areas with the capacity for management and administration.

Geographic Context

1. The project and specifically this component will carry out actions in the four groupings of protected areas, which have been prioritized, through participatory processes as part of the Mesoamerican Biological Corridor. These areas are listed below:

- Cordillera de Nombre de Dios: the protected areas of Pico Bonito and Texiguat;
- Patuca/Tawahka: the protected areas of Tawahka and Patuca;
- Atlántida Wetlands: the protected areas of Punta Sal, Punta Izopo, and Cuero y Salado; and
- Mosquitia: the protected areas of Laguna de Caratasca, Rus-Rus, Warunta, and Mocerón.

2. These protected areas are located in the northern and eastern part of the country in the departments of Atlántida, Gracias de Dios, and Olancho. In total, the area covers approximately 1.5 million hectares. According to studies carried out by the World Conservation Monitoring Center, this region contains areas which are relatively intact and are the largest areas of tropical forest and greatest biodiversity in the country.

Background and Justification

3. **Legal Framework.** The National System of the Protected Areas of Honduras (SINAPH) was established in 1993 with the General Environment Law (*Decreto* No. 104-93). The System consists of 107 protected areas, approximately 2.5 million hectares and nearly 24 percent of the national territory. These areas are grouped into ten management categories. Only 42 out of 107 have a solid legal definition (see Table 1).

Table 1: Protected Areas and Management Categories

Management Category	Decree	Agreement	Proposed	Total
Biological Reserve	20	3	9	32
Marine Reserve		2	6	8
National Park	12	3	1	16
Wildlife Refuge	8	13	6	27
Natural Monument		1	11	12
Cultural Monument		4		4
Anthropological Reserve		1	2	3
Multiple Use Area	1		1	2
Biosphere Reserve	1		1	2
Natural Reserve		1		1
Total	42	28	37	107

4. According to the current law, DAPVS, part of AFE-COHDEFOR, is responsible for the management and administration of the protected areas of Honduras.

5. The areas with more protection are located in the sparsely populated areas in the northeastern part of the country. These protected areas have been identified to be priority areas for Central America and are part of the Mesoamerican Biological Corridor. The Central American Presidents have prioritized these areas to carry out conservation efforts at the regional level. These areas are geographically connected to the protected areas of Nicaragua and form the largest block of tropical forests in Central America.

6. **Protected Areas and Deforestation.** The loss of biodiversity due to the continual degradation of the natural resources has forced Honduras to quickly increase, in an unorganized fashion, the surface area of forests and other areas under the protected areas denomination. Currently, it is estimated that the forested surface in Honduras is between 48 to 58 percent of the total surface of the country and Honduras is the second largest country in Central America after Nicaragua in terms of forested area and forest cover. Nearly 25 percent of the forests of Central America are found in Honduras.

7. The protected areas represent nearly 24 percent of the national territory, but it is estimated that approximately 30 to 50 percent have already been converted into lands for agriculture or cattle use. More than 75 percent of this loss has occurred in the last 30 years. Although accurate facts on deforestation do not exist, it is estimated that approximately 100,000 hectares are deforested annually.

8. The principal causes of deforestation are the expansion of subsistence agriculture and cattle raising, mainly in the lowland areas of the tropical forests. In the pine forests, there is degradation not deforestation due to over-exploitation of wood, forest fires, conversion to pasture land, and firewood collection,

9. The principal difficulty related to conservation in Honduras is the accelerated loss of biodiversity. This problem is extremely complex since there are many biological and social variables involved in the different regions. Generally, the direct causes of the problem have been identified as: (a) insufficient social value given to biodiversity; (b) unsustainable use of natural resources; (c) inefficient functioning of SINAPH; (d) unsustainable practices which destroy biodiversity in the protected areas; (e) institutional weakness and lack of political and legal support for conservation of biodiversity; and (f) invasions of the people living in the buffer zones towards the protected areas and a lack of definition of land tenure.

Management Plans in the Protected Areas

10. In the technical norms for protected areas management, management plans are established as the mechanism to direct development in each protected area in the short, medium, and long term and conservation activities should be based on these plans. Currently, DAPVS is developing norms for the formulation of management plans according to the corresponding management category established in Article 2 of the Technical Norms. This document also defines a strategic plan, management plan, and operational plan.

11. Currently, formats or guidelines to direct the design of management plans to meet the objectives of the protected areas do not exist. Previously, the development of plans occurred in a traditional format which includes, an analysis of the national and regional context of the area, biophysical characteristics, cultural traits, socio-economic characteristics of the area, the area for management and development including the objectives, the limitations of management, zoning, the proposed limits, and the management programs with its subprograms.

12. None of the protected areas are managed effectively. To improve management, a number of serious obstacles must be overcome including: (a) land tenure conflicts due to the lack of clear definition and demarcation of the legal limits of the protected areas and the lack of a strategy to regularize the land of the communities living in these areas; (b) there is no benefit for the local communities from the protected areas and therefore the participation of the people living in the buffer zones in management or conservation of resources is limited; and (c) technical and institutional weaknesses do not allow for effective promotion of conservation and management such as, the lack of vigilance and control of illegal activities (hunting, logging, capturing animals, and clearing land).

13. **Personnel Requirements.** Currently DAPVS has approximately 70 employees, too few to allow for effective completion of the work and functions they have been given. The needs of the personnel required for protected areas management and administration depends on factors such as properties, visitor management, fire risks, and the complexity of the social problems near the area. A tentative calculation of the priority areas selected with the software MICOSYS generated the need for nearly 450 employees. This number may actually be slightly less for Honduras since currently, there are not a large number of visitors and it is hoped that through the work of the local committees, fire fighting decrease. It is estimated that the priority areas will need an absolute minimum of 400 employees (75 percent doing field work, 15 percent for management and administration at the local level (decentralization); and 10 percent for management and administration at the national level). In total, it is estimated that the system

would require approximately 15 percent professional employees, 10 percent for the decentralized offices and 5 percent for the central office.

14. Requirements for Infrastructure and Equipment. A constant presence in the field will be crucial for the success of protected areas management. The field stations must be located in isolated remote areas where the living conditions are extremely difficult. The field personnel will have to work in turns, perhaps rotating by weeks. Under these conditions, it is essential to have reliable communication and transport and adequate basic living conditions to satisfy needs, and maintain a high morale and loyalty among the employees. On average, and in ideal conditions, a radio is required for every 3 or 4 park guards and a vehicle for every 10 employees. The employees should have a motorcycle for every 2 employees, a motorized canoe for every 3 employees, and a horse for each park guard depending on the living conditions in each place. The infrastructure required for protected areas management in the project areas includes the construction of 31 small houses for the park guards, 5 multiple-use stations, improvement in the 3 regional offices, and a visitors center in Pico Bonito in the Cordillera de Nombre de Dios.

Main Activities

15. In order to achieve these objectives, this component is targeting resources to create a model of protected areas management based on the wide participation of the local communities, municipal governments, and NGOs located in the areas. The component will be executed in stages, taking advantage of the experiences generated by this project and other donor-supported projects. It is expected that the management activities in the protected areas implemented under this component will generate valuable lessons which may be extended to other areas with similar characteristics in the SINAPH system. The main activities include:

(a) Revision and definition of the limits of the protected areas, at the government and field levels. This activity will be executed through consultation workshops lasting two or three days, combined with field trips to any areas that may be in conflict. Thematic maps of the project areas using GIS will also be created.

(b) Once the limits have been defined, legal declaration of the protected areas will take place and they will be inscribed in the Catalogue of Inalienable Public Forest Patrimony.

(c) Following the definition of limits and legal declaration, the core areas of the protected areas will be demarcated. This activity will be carried out with a consulting firm and contracting of local workers. Given that this activity is fairly costly and difficult, demarcation will be done in the most critical spots (especially in those sections where the advance of the agricultural frontier is strongest). Demarcation consists of placing markers at established distances that signals the limits of the protected area. When possible, the limits will follow natural boundaries such as rivers, mountains, or valleys.

(d) To ensure conservation of the protected areas and the appropriate utilization of available resources, management plans for the protected areas will be designed and implemented. These plans will be developed through consultation with local communities so that they will internalize

the importance of maintaining the protected areas with proper management. Community participation and the involvement of other stakeholders will be coordinated through the COLAPs.

(e) There will be construction of the infrastructure necessary to carry out protected areas management. Studies for infrastructure construction include the design of environmental impact studies according to the guidelines of the Secretariat of Natural Resources and Environment. Infrastructure to be constructed includes small houses for the guards, multiple use centers, visitors centers, interpretive paths, and improvement of the regional offices. These studies and the construction will be implemented through contracting private consulting firms.

(f) Contract the necessary personnel for efficient management the protected areas of the project. Personnel will be contracted through a trust fund for the protected areas to be implemented through the Rural Land Management Project.

Annex 4A
Legal Process for Declaring Protected Areas

1. The declaration of the protected areas will be made through an executive agreement provided by the Secretary of Natural Resources and the Environment (SERNA), proposed by AFE-COHDEFOR, and approved by the Congress.

2. A natural or legal entity (institutions, communities, municipalities) can present a proposal to DAPVS of AFE-COHDEFOR to decree an area as protected. DAPVS will provide a technical opinion of the proposal to support the request to SERNA. The request should contain, at a minimum:

- Justification for the request to declare an area as protected;
- Proposed objectives of the protected area;
- Spatial and physical location in a cartographic map from the National Geographic Institute in 1:50,000 scale;
- Studies completed on land tenure; biophysical and socio-economic characteristics;
- Proposed management category, with justification;
- Existing resources, species, cultural links, and ecosystems of relevance;
- Opinion of the municipality(s) located in areas that are proposed as protected areas; and
- Financing proposal for the area, and for acquisition of lands if necessary.

3. Based on the analysis of this information, before the Technical Commission of DAPVS and DiBio determines that the proposal is appropriate, the municipalities and communities located in the proposed area will be informed of the proposal. Information will be disseminated through the publication of the location, boundaries, and management category of the proposed protected area, noting that this is the opportunity for parties to lodge a complaint. This information will be published in three daily newspapers at intervals of ten days for one month.

4. The management of AFE-COHDEFOR, following appropriate technical and legal requirements will be informed of and resolve any complaints, following the Administrative Procedures Law. The complaints against the proposal should be accompanied by land titles or other arguments of a technical nature and should be provided within 90 days after the date of the final publication in the newspaper.

5. If the technical opinion of AFE-COHDEFOR regarding the proposed area is favorable, and any conflicts are resolved, DAPVS sends the proposal to the Ministry of Natural Resources and the Environment (SERNA) which will review the proposal. If the proposal is accepted, it then proceeds to the President and the Congress with a request for decreeing this particular area as a protected area. This same procedure is used for the reclassification or re-delimitation of a protected area. The activities of a scientific, technical, or environmental nature to determine the creation, classification, or re-classification of protected areas must be executed by qualified staff.

Project Protected Areas and Legal Status

Project Areas/Region	Department	Status	Legal Decree or Agreement	Legal Steps to be Taken
<i>Cordillera Nombre de Dios</i> Pico Bonito Texiguat	Yoro, Atlántida Atlántida	National Park not listed	Decree 8787 Decree 8787	Has Legislative Decree Has Legislative Decree
<i>Patuca-Tawahka</i> Patuca (ethnic) Tawahka (ethnic)	Olancho Olancho, Gracias a Dios	National Park Biosphere Reserve	A 118-92 (proposed) A 118-92	Proposed Legal Agreement
<i>Atlántida Wetlands</i> Cuero y Salado Punta Izopo Punta Sal	Atlántida Atlántida Atlántida	Wildlife Refuge Wildlife Refuge National Park	Decree 9987 A 118-92 (proposed) Decree	Has Legislative Decree Proposed Has Legislative Decree
<i>Mosquitia</i> Laguna de Caratasca Rus-Rus Warunta Mocorón	Gracias a Dios Gracias a Dios Gracias a Dios Gracias a Dios	Biological Reserve Biological Reserve National Park Extractive Forest Reserve	None A 118-92 None None	

BOLD: Draft legislation submitted to Congress for the establishment of these areas is a condition of effectiveness.

Annex 5 Buffer Zone Component

Objective

1. The objective of this component (US\$ 1.8 million including US\$ 0.2 million of beneficiary counterpart funding) is to promote the conservation and sustainable use of biodiversity in the buffer zones of the key protected areas (PAs) through financing of demand-driven activities and other investments to support the formulation and execution of such projects.

Description of Component

2. The component involves three distinct types of financing in order to attain its objectives:

(a) **Development of Local Plans.** US\$ 0.2 million will be used for supporting the development of participatory plans at the local level. Such plans will serve to help prioritize community investments and will be an important input to the protected area management plans to be financed under the Protected Areas Component of this project.

(b) **Support to COLAPs and CORAPs.** US\$ 0.08 million will be used to meet operational expenses incurred for the meetings of COLAPs and CORAPs, which are expected to play a key role in this component. The COLAPs in particular will facilitate the participation of the communities, take the lead in conflict resolution, as well as participate in the planning process. This financing will be additional to the costs of establishing these committees, to be covered under the Institutional Strengthening Component.

(c) **Financing of Subprojects.** US\$ 1.52 million (including US\$ 0.2 million of beneficiary counterpart funding) will be spent on demand-driven subprojects in the buffer zones of the key protected areas of the project.

Geographical Priorities

3. Investment funds would be distributed among the four project protected area groupings based on a consideration of their relative biodiversity importance, degree of threats facing each area, likelihood of project investments in subprojects having an impact on natural resource use patterns in the region, the buffer zone population, and the number of COLAPs in the region. A preliminary exercise of this nature suggested that of the \$1.3 million available from GEF financing for subprojects, the following would be an appropriate division of resources: Patuca-Tawahka - \$0.5 million; Mosquitia - \$0.4 million; Cordillera Nombre de Dios - \$0.3 million; and Atlantida Wetlands - \$0.1 million. This preliminary distribution of subproject financing would be modified as needed in the annual operating plan of each year based on data on financing needs versus existing financing in the regions. Within each area, communities eligible for financing will be those identified in the protected area management plans as being located within the buffer zones (or until management plans are finished, falling within such zones on draft provisional maps available in AFE-COHDEFOR).

4. Beneficiaries will be required to provide a counterpart contribution through cash or in kind contributions (labor, land, or other inputs). The beneficiary contribution of each subproject will be

determined based on the type of investments. The project will fund up to 100% of training and technical assistance costs, up to 90 percent of inputs to integrated community subprojects (presented by and benefiting the community as a whole) and up to 75 percent of inputs for subprojects benefiting a smaller number of beneficiaries.

Subproject Approval

5. **Subproject Cycle.** Based on priorities developed in the management planning process, communities or organized groups would submit project concepts to the COLAP. The COLAP would prioritize and pre-select those subprojects which meet eligibility criteria and, based on rough estimates of subproject costs, would approve for further processing the number of subprojects which could be financed within that year's financing ceiling. Following approval for further processing, the COLAP, from a list of pre-approved service providers, would facilitate contact between the community or group and service providers. The community or group would select and sign an agreement with the service provider to assist them to develop and implement the subproject proposal.

6. The developed subproject proposal would be resubmitted to the COLAP for approval. The COLAP would once again prioritize proposals and approve those meeting eligibility criteria and which could be financed within the year's budgetary ceiling. The service providers' costs for preparation assistance would be included in the total subproject cost in the case of subprojects which subsequently receive approval. In the case of subproject preparations not resulting in an approved project, the service providers' direct costs would be paid by the COLAP out of that year's subproject budget. Approved subprojects would be aggregated by the COLAP and submitted to the CORAP for a no-objection. The CORAP's no-objection would be based on a review of the subproject's consistency with eligibility criteria and verification of available financing. The CORAP would aggregate the approved subprojects and submit them to the AFE-COHDEFOR Regional Director. This package would be submitted to the PCU on a non-objection basis according to the project legal agreement and eligibility criteria.

7. **Subprojects Selection.** Subprojects would be approved according to the following general criteria (specific and detailed criteria will be included in the Operational Manual):

(a) Be environmentally friendly and sustainable. Investments with a direct or indirect positive environmental impact will be eligible for financing.

(b) Respond to priorities identified in the protected area management plans (or in locally developed plans if the former have not yet been completed).

(c) Complement, and not substitute, other available sources of financing. Only those subproject activities for which there are no alternative sources of financing available (i.e., other donor or private financing) will be eligible.

(d) Be technically, institutionally and socially feasible: Investments need to be technically sound, feasible under local conditions, and institutionally and socially sustainable. Eligible subprojects

must include capacity development as necessary to ensure their successful implementation and sustainability.

(e) Be directed to beneficiaries which are communities or organized groups, although benefits can reach individual households or group members within the group.

8. In addition, the COLAP would prioritize investments based on criteria at the level of a package of subprojects directed to a single area. Specifically, they would ensure that a package of investments over time and in one area would satisfy the requirement of maximizing benefits to the greatest number of people possible and ensure a balance among beneficiaries such that women and disadvantaged groups (e.g., ethnic minorities, rural poor in more remote areas) are adequately represented.

9. **Financing Ceilings.** A ceiling would be placed on individual subprojects so as to limit per family benefits to a maximum of \$600 overall totals to a maximum of \$10,000 per subproject. These ceilings could be revised based on experience and need after year two of implementation of the buffer zone fund.

Component Costs

10. The total cost of this component is estimated at \$1.9 million (including contingencies), of which the GEF will finance \$1.6 million, and beneficiaries the remaining \$0.3 million. \$0.2 million will be utilized for developing participatory plans at the local level within the buffer zones and \$0.08 million will be utilized to meet the operational expenses incurred for the meetings of the COLAPs and CORAPs. Of the remaining amount for subprojects, total costs cannot be broken down according to type of investment since the portfolio of investments will be essentially demand-driven. However, within subprojects, it is expected that about \$0.4 million will be spent on training, \$0.2 million in technical assistance, and \$ 1.0 million (\$0.7 million, GEF and \$0.3 million, beneficiaries) in subproject investment costs.

Administrative Arrangements and Flow of Funds

11. AFE-COHDEFOR, through DAPVS and the Regional AFE-COHDEFOR offices, will manage this component. The Regional Office Director will maintain records and accounts, set up an account at a local bank, and make payments against approved subprojects from this account. Project funds will be advanced to cover three months of projected expenditures for the subcomponent.

Relationship with Upland Producers Fund of the Rural Land Management Project

12. The coverage of the Upland Producers Fund, a component of the Rural Land Management Project, will be extended to provide assistance to all four of the groups of protected areas included in the Biodiversity in Priority Areas Project. The Upland Producers Fund's objectives are: (a) to reduce the environmental degradation of forest and soil resources in upland areas, (b) improve the incomes and well-being of poor, upland farming households, and (c) establish a long term financing mechanism through which the GOH can channel resources for extension and training assistance to such households. It will finance: (a) technical assistance and training for

upland farmers in sustainable forestry, agriculture and livestock practices; (b) applied research to generate improved technologies in agriculture, livestock and natural forest management for upland areas; (c) training for NGO and private sector technical specialists in priority themes for sustainable natural resource management; and (d) the establishment and implementation of a fund mechanism for directing resources under GOH policy direction and its associated supervision and monitoring processes.

13. Clients of the fund are: (a) for agriculture and livestock activities, groups of male and female farmers that demonstrate a need for technical assistance in forestry, and agriculture and livestock production, with a priority for groups that can not meet nutritional security; (b) for forest management activities, municipalities (*ejido* forest), communities (indigenous peoples in communal forests), and organizations carrying out social forestry activities in national forests (cooperatives and indigenous federations); and (c) for micro-watershed management, municipalities and communities responsible for managing designated micro-watersheds for potable or irrigation water. Members of SNITTA and private research institutions and NGOs would be the direct recipients of research funds.

14. The Upland Producers Fund would constitute the source for technical assistance, extension and training services in the buffer zones. Therefore, activities involving technical assistance, extension and training services for agriculture, livestock, and forestry would not be eligible for GEF subproject financing under the established criteria. Such subprojects would be passed by the COLAPs to the Upland Producers Fund.

Monitoring

15. AFE-COHDEFOR, CORAPs and COLAPs will share contractual responsibility for monitoring the actual implementation of subprojects and the use of project funds. The COLAPs would supervise the individual subprojects. However, in this case, "supervise" would not imply direct supervision. Rather, it would only be expected that the COLAPs would be informed as to how well the subprojects were functioning based on the perceptions of the subproject participants and the service providers, who would submit quarterly implementation reports. Other consultants contracted to provide technical assistance to the subproject would have within their terms-of-reference the additional responsibility to provide a technical supervision report based on their visits to the subprojects. All implementation and supervision reports would be copied to the CORAP and the AFE-COHDEFOR Regional Office. Non-performing subprojects could be canceled based on a joint decision of the CORAP and the Regional AFE-COHDEFOR Director or by request of the COLAP. Each year an independent financial, technical, and social audit of the region's subprojects would be carried out.

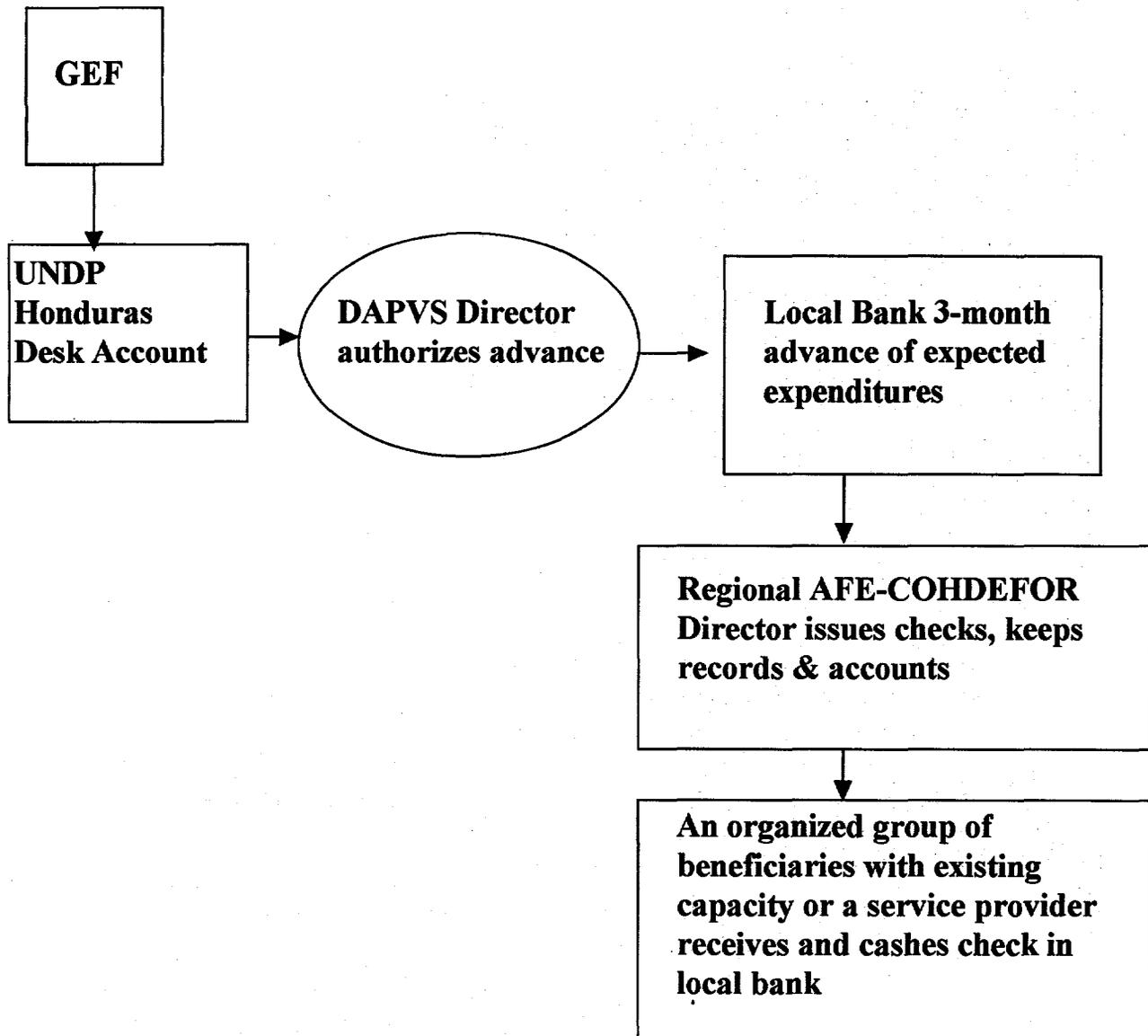
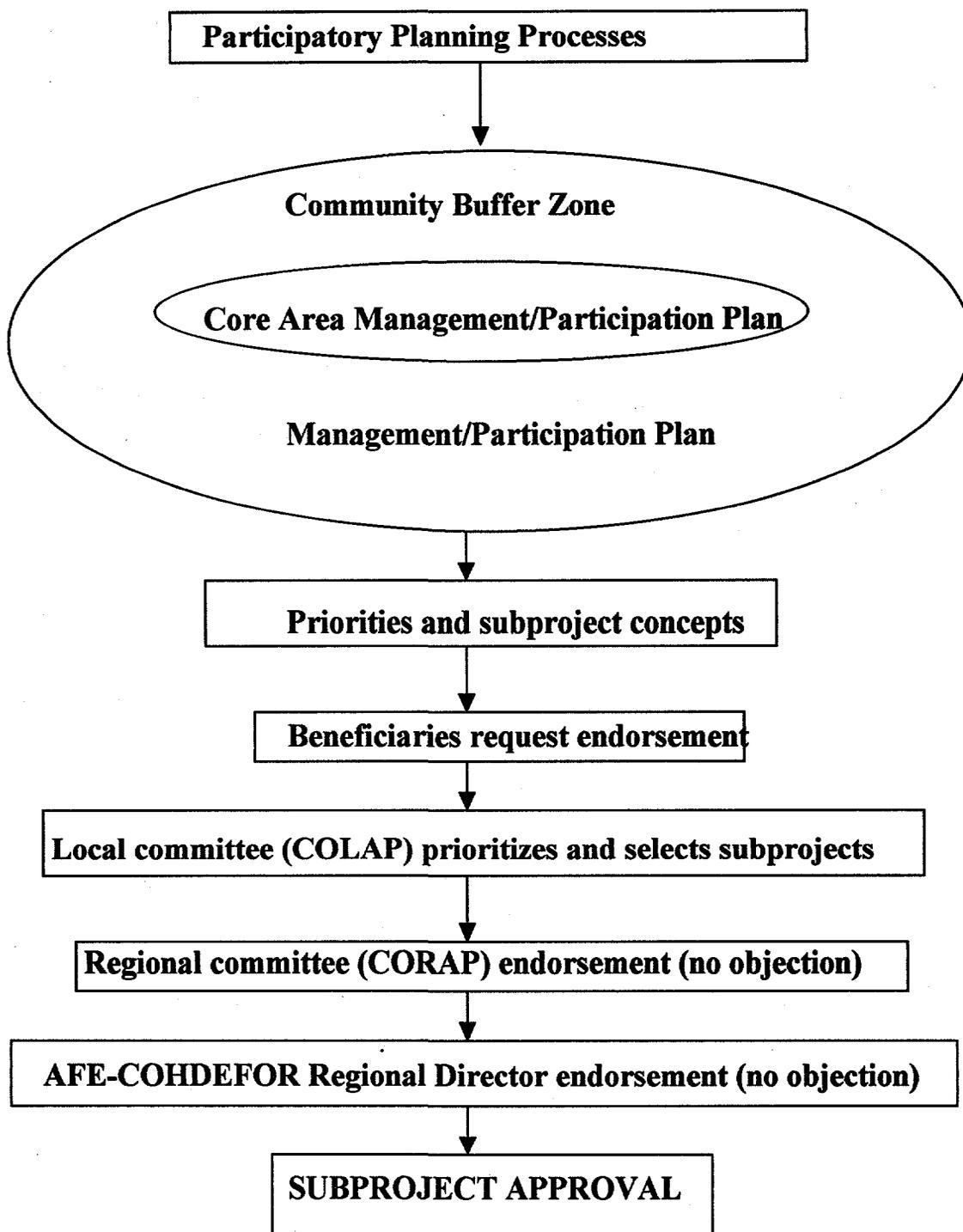
Figure 1: Flow of Funds

Figure 2: Subproject Approval Process



Annex 6 Biological Monitoring Component

Introduction

1. In a protected areas system, park rangers are field staff that are continuously present in the field. They travel throughout the park and communicate with the local population while performing their tasks of protected area administration and management. The volunteer rangers from local communities will perform similar duties in cooperation of the park rangers.
2. The monitoring system to be implemented under this component is based on the concept of developing this human resources base as the foundation of an efficient and cost-effective program. With the right guidance and appropriate training, field staff can inexpensively collect invaluable field information.

Design and Operation Subcomponent

3. **Design of the Monitoring System.** Considerable background work was carried out during project preparation in the design of the monitoring system, with substantial involvement of the National Autonomous University of Honduras (UNAH) (Forsythe, Adrian: *Proposal for a Monitoring System for the Honduras GEF Biodiversity Conservation Project*. 1997). To complete the design of the monitoring system, two internationally recruited consultants will be contracted under this component. One expert will complete the design of the system regarding choice of indicator species, field methodologies for collecting data, and analytical methodologies. A second expert will be responsible for designing and creating the databases and other software required for entering and analyzing data and producing reports.
4. The design expert will identify which data can be collected by the rangers and which would be the most valuable indicators. Such data would include a relatively short list of key animal species, information on human activities (like poaching, spontaneous settlements, clearing of forests, etc.). The rangers would register specific locations with the help of GPS systems. As field sheets would come in on a daily basis from all the protected areas, they will gradually start to form an invaluable source of statistical information on key indicator species and on human activities.
5. **Training.** Training on what data to collect and how to register them is crucial to the effectiveness of the system. Training for park rangers would not only involve training for how to register data but also training in species recognition, and as such it would be integrated into the overall training package for the rangers.
6. In each region a person (most likely a secretary) will be trained to feed the data into the databases, which would not only serve the purpose of data registration but also generic office tasks. Within the FIS, a person will be trained to collect the information from the regions into the national system.

7. Finally, the internationally-recruited experts would also provide training to the nationally recruited Monitoring Coordinator.
8. In cooperation with the regional coordinators of DAPVS and within the context of other training modules or management workshops or meetings, the monitoring coordinator will spend at least half a day per year with the rangers of each region to evaluate the system and discuss the need for adaptations.
9. **Operation of the Monitoring System.** Once the basic monitoring system has been designed and an information management infrastructure is in place, the operation of the system will rely on the input of the Monitoring Coordinator, participation of the regional offices of DAPVS, and collection of field data at the local park level.
10. The Monitoring Coordinator will be a consultant hired under the project for a period of six months per year for the five years of the project. His or her responsibility will be the entry of data received from the regional offices, ensuring coordination of the monitoring system with the SIF of AFE-COHDEFOR, conducting training programs for the regional and field level staff; verification of field data by regular visits to the field and through overflights (20 hours per year), analysis of the collected data (including where possible data available from other sources), coordination with other relevant monitoring programs in Honduras or in Central America, and preparation of detailed annual monitoring reports.
11. The regional DAPVS offices will receive initial training in the operation and maintenance of the regional level monitoring databases. A designated technical specialist will then be responsible for monitoring of field level staff, regular collection of field data, entry of data into the database, training of park guards, and regular transmission of data to the Monitoring Coordinator in Tegucigalpa.
12. Finally, the actual collection of data will be undertaken, as will be defined in the design phase of the monitoring system, by park guards or other designated individuals. It is expected that data collection will involve both data collection during other field tasks (such as vigilance patrols) and dedicated data collection field efforts.

Subcomponent for Equipment Acquisition

13. This subcomponent covers the costs of acquiring the minimal amount of equipment necessary for the functioning of the monitoring system. Equipment is required at three distinct operational levels: the central offices of AFE-COHDEFOR (DAPVS), the regional offices of DAPVS, and at the field level.
14. In the central offices of DAPVS, where the main monitoring databases will be established and maintained, a Pentium 200 computer, printer, and software will be purchased for the use of the Monitoring Coordinator. The data itself will be stored and manipulated on the computer system of the SIF but this equipment will provide a means for the independent entry, preparation, and manipulation of data and for the preparation of annual monitoring reports.

15. In four regional offices of DAPVS, which will serve as collection and transmission points for monitoring data, the project will also provide computers, printers, and software.

16. Finally, at the field level, it will be critical to provide additional equipment to park guards in order for them to become fully functional participants in the biological monitoring system being put into place under this project. In addition to a range of minor field equipment, the project will purchase 25 Global Positioning Satellite (GPS) field units for exact localization of field data points, 50 pairs of binoculars, and 50 ornithological field guides. The monitoring equipment would also be used by park guards after they had received monitoring training.

Subcomponent for Monitoring of Mesoamerican Biological Corridor

17. The biological monitoring program described in the two previous components focuses on the monitoring of the population dynamics of key indicator species in the four project areas of the project. In addition, the data collection system will provide data on invasions, and forest clearings which will provide information useful to a monitoring of forest cover and the movement of the agricultural frontier.

18. This information must however be considered in a larger framework, that of the Mesoamerican Biological Corridor (MBC) in Honduras, which is to say essentially the status of all remaining natural habitat in the Atlantic half of Honduras. With the resources and capacity available in Honduras, the ambitious goal of monitoring the entire Honduran section of the MBC can best be realized by remote sensing monitoring of the status of forest cover.

19. It is expected that the regional Mesoamerican Biological Corridor Project (implementation through the CCAD) will include financing for regular remote image monitoring of the MBC. At the time of preparation of this document, final details were however not yet available on the exact activities to be financed under the regional project.

20. The funds available under this subcomponent (US\$ 100,000) will be definitively programmed during the first year of the project. The objective of the investments will be to obtain a portrait of the changes in forest cover in the Honduran section of the MBC, with particular emphasis on the four groupings of protected areas of the project. The investments will however be decided in close collaboration with CCAD to ensure complementarity with the objectives, activities, and investments of the regional project. Any investments under this project would also be closely coordinated with other ongoing remote image analysis programs in Honduras (such as that which is being financed by GTZ in the Río Plátano area).

21. It is expected that investments would cover costs of remote satellite image acquisition, specialized analysis of remote images, field verification of data, production of maps, and dissemination of information.

22. One additional activity to be financed under this project will be support for research on innovative cost-efficient methodologies for monitoring the biological integrity of the MBC as a biologically effective corridor for dispersal of plant and animal species. An amount of US\$ 15,000 will be provided as a scholarship (eligibility criteria, including cofunding from other

sources, will be defined in the Operational Manual of the Project) to a Honduran student to pursue research at the graduate level.

23. The research should be directed at determining methodologies for measuring the effectiveness of the MBC in Honduras as an effective corridor for genetic flow. Dispersal and gene flow of any given animal or plant species can only be measured in the field with great difficulty and at great cost. The research should therefore be directed at producing a model for measuring gene flow of a hypothetical animal or plant species based on parameters such as dispersal rates of populations, habitat and minimal area requirements for resident populations, and habitat requirements for dispersal (width of corridors and degree of conversion of corridor habitat). Data to run the models could be inexpensively obtained from remote image interpretation and collection of habitat quality data in the field. The resulting data would provide a means of objectively monitoring the habitat quality of the MBC as well as a means of influencing land use and policy decisions by measuring the effect of different corridor configurations and land use patterns.

Annex 7
Project Administration and Institutional Arrangements

Component	Institution	Functions
1. Strengthening of DAPVS and Local Capacity for Protected Areas Management	DAPVS	<ol style="list-style-type: none"> 1. Facilitate activities of monitoring and evaluation 2. Prepare annual work plans and respective budgets 3. Signing agreements with NGOs and organizations for the implementation of activities in the buffer zones 4. Elaborate and implement the regulation for the protected areas management 5. Carry out periodic supervision and prepare reports for the corresponding agencies 6. Facilitate and coordinate activities between the participating institutions 7. Revise TORs and technical specifications for procurement of goods and services 8. Coordinate and Facilitate the formation of the COLAPs 9. Coordinate with the Project Coordination Unit of the Rural Land Management Project (coordination agreement)
	DFYE	<ol style="list-style-type: none"> 1. Design and coordinate the training, consulting, and technical assistance activities
	DAF	<ol style="list-style-type: none"> 1. Implement and supervise the budget 2. Prepare, implement, and supervise disbursement and procurement
	NGOs, Base Organizations	<ol style="list-style-type: none"> 1. Develop the diagnostics necessary as an input for the training programs with municipalities, communities and NGOs 2. In coordination with DFYE, design the training and consulting activities 3. Supervise the implementation of the training and consulting events 4. Participate actively in the COLAPs 5. Participate in the evaluations of established consulting mechanisms
	Municipalities	<ol style="list-style-type: none"> 1. Participate actively in the COLAPs of the protected areas 2. Facilitate the development of the training, consulting, and evaluation events
	Communities	<ol style="list-style-type: none"> 1. Participate actively in the training events and the COLAPs
	INA, IHT, SERNA, IHCAFE, SAG, AFE, AMHON	<ol style="list-style-type: none"> 1. Participate actively in the National Council of Protected Areas according to the institutional framework established in the regulations of SINAPH currently under discussion
	Regional Offices and Management Units	<ol style="list-style-type: none"> 1. Implementation and supervision of field activities in coordination with the COLAPs 2. Prepare reports on the advance of the activities to be carried out 3. Provide logistical support and technical assistance to the COLAPs 4. Represent AFE-COHDEFOR in the COLAPs
	COLAPs	<ol style="list-style-type: none"> 1. Coordinate the local efforts for the implementation of activities
	National Council of Protected Areas	<ol style="list-style-type: none"> 1. Generate and coordinate national policies for the protected areas 2. Approve a strategic plan 3. Assure fulfillment of the policies and strategies generated 4. Coordinate the activities of strategic planning for the system 5. Know about and participate in the evaluations of the system
-Project Administration/Monitoring and Evaluation	DAPVS	<ol style="list-style-type: none"> 1. Implement the unit of monitoring and evaluation in coordination with the Project Coordination Unit of the PAAR 2. Coordinate with the CORAPs and COLAPs, trips for vigilance and monitoring of the protected areas 3. Prepare, in coordination with the Project Coordination Unit, TORs for the external evaluations to be carried out by project 4. Prepare TORs to carry out the participatory workshops of monitoring and evaluation 5. Contract the services for development of the activities related to monitoring and evaluation 6. Prepare, in coordination with SIFOR annual reports about the results of the monitoring and evaluation studies
	SIFOR	<ol style="list-style-type: none"> 1. Process information collect in the trips for vigilance and monitoring

Component	Institution	Functions
	<p>NGOs, Base Organizations</p> <p>COLAPs</p> <p>Regional Offices/ Management Units</p>	<p>2. Elaborate maps corresponding to digitized information</p> <p>3. Prepare, in coordination with DAPVS, the annual reports about the results of the monitoring and evaluation studies</p> <p>1. Participate actively in the consultation workshops about monitoring and evaluation</p> <p>2. Carry out trips for vigilance and monitoring as a complement to the activities of the component</p> <p>3. Participate in the evaluations of the component</p> <p>1. Participate actively in the consultation workshops on monitoring and evaluation</p> <p>2. Recommend actions to take to mitigate the negative effects of the actions evaluated if this arises</p> <p>3. Understand and provide an opinion about the monitoring and evaluation reports</p> <p>4. Participate actively in the mitigation actions to be executed as part of the project</p> <p>1. Coordinate with the COLAPs the activities of monitoring at the field level</p> <p>2. Provide the necessary logistics to carry out the corresponding actions</p> <p>3. Coordinate the field level and participate in the activities of evaluation and mitigation of the component</p>
<p>2. Management of Globally Important Protected Areas</p>	<p>DAPVS</p> <p>NGOs, Base Organizations</p> <p>Office of CPPFI</p> <p>Municipalities</p> <p>Regional Offices/ Management Units</p> <p>COLAPs</p> <p>National Council of Protected Areas</p>	<p>1. Elaborate TORs for boundary demarcation, construction of infrastructure, paths, and development of management plans for the protected areas</p> <p>2. Coordinate with the COLAPs in the definition of the boundaries of the protected areas</p> <p>3. Initiate the steps to declare protected areas</p> <p>4. Contract firms to carry out studies and corresponding infrastructure</p> <p>5. Coordinate and supervise the field work with the COLAPs</p> <p>6. Contract personnel in the field required for the management of the protected areas</p> <p>7. Initiate the steps for the inscription of the nucleus zones of the protected areas in the Catalogue of Inalienable Public Forest Patrimony</p> <p>1. Develop and coordinate the consulting events on the boundaries of the protected areas</p> <p>2. Participate actively in the design of studies and the proposed infrastructure</p> <p>3. Formation and consolidation of the COLAPs for implementation of the management plan activities</p> <p>4. Elaborate and develop, with the COLAPs, work plans to operationalize the management plans (boundary maintenance, protection, vigilance, and monitoring, etc.)</p> <p>5. In coordination with DAPVS, supervise the implementation of the studies and services contracted for the protected areas</p> <p>1. Carry out the corresponding steps for the inscription of the core zones in the Inalienable Public Forest Patrimony</p> <p>1. Facilitate the process of delimitation and demarcation of the borders of the protected areas</p> <p>1. Supervise field activities</p> <p>2. Prepare reports about the advance and evaluation of activities</p> <p>3. Provide necessary logistics for the development of activities</p> <p>1. Coordinate local efforts for the implementation of activities and supervision</p>
<p>3. Improving Natural Resource Management in Buffer Zones</p>	<p>DAPVS</p>	<p>1. Develop TORs for technical assistance and special studies</p> <p>2. Carry out, through adequate procedures, the contracting of services of technical assistance and special studies</p> <p>3. Coordinate with the COLAPs and the regional offices the supervision and implementation of the activities in the buffer zones</p> <p>4. Evaluate the activities carried out by the consulting firms or NGOs contracted</p> <p>5. Coordinate the activities with other institutions, donors, and NGOs present in the zone</p> <p>6. Prepare the reports corresponding to the requests of the project</p> <p>7. Establish an agreement with the Ministry of Education for the implementation of activities related to environmental education</p>

Component	Institution	Functions
4. Biological Monitoring		8. Serve as a link and coordinate with the Administrative Council of the Upland Producers Fund, for the mobilization of resources for the buffer zones according to defined criteria
	NGOs, Base Organizations	<ol style="list-style-type: none"> 1. Provide, according to the mechanisms established in contracts or covenants, technical assistance, training, and transfer of technology 2. Participate in the evaluations and supervision of the component 3. Elaborate and develop, with the COLAPs, work plans for the buffer zones 4. Organize the mechanisms of access to the communities and indigenous base organizations to achieve greater confidence and credibility from the community bases
	DICTA	1. Monitor the implementation of the activities financed by the fund. This monitoring will be based on the terms of the agreement between DAPVS and the Project Coordination Unit
	Municipalities	1. Coordinate local efforts for the implementation of activities and their supervision
	COLAPs	<ol style="list-style-type: none"> 1. Identify and manage through corresponding channels, the financial and human resources for the development of activities 2. Participate in the supervision and evaluation of the program in the buffer zones 3. Coordinate, through the corresponding mechanisms, the efforts of other institutions
	Ministry of Education	<ol style="list-style-type: none"> 1. Sign the cooperation agreement with AFE-COHDEFOR on activities of environmental education to be developed in the project 2. Coordinate and implement with school located in the project area the activities related to environmental education
	Regional Offices/ Management Units	<ol style="list-style-type: none"> 1. Prepare progress reports 2. Provide logistical and human support to the participating institutions 3. Participate in the supervision and evaluation of the services contracted and the activities carried out 4. Active participation in the COLAPs
	DAPVS	<ol style="list-style-type: none"> 1. Contract services and equipment 2. Prepare annual reports
	Regional Offices/ Management Units/Protected Areas Offices	1. Produce field reports

-NGOs: International: World Neighbors, World Wildlife Fund; National: MOPAWI, CCD, FOPRIDEH; Local: REHDES, FUCSA, FUPNAPIB, PROLANSATE, FUCAGUA, FAMA, AGEO, CODDEFFAGOLF

-Base Organizations: Indigenous Federations (FITH (TAWAHKA); MASTA (Miskito); OFRANEH (Garifuna); ODECOH (Garifuna); FITRIPEH (Pech)

-Community Organizations: patronage, associations of producers

-COLAPs (Local Committees for Protected Areas Management): Committees made up of representatives of public organizations, indigenous organizations, community organizations, municipalities, and private organizations at the local level that have a presence in the protected areas and have a direct relationship with management of these protected areas. The COLAPs are organizations of coordination and consultation at the local level.

-National Council of Protected Areas (CONAPH): Highest organization of coordination and consultation at the policy level, made up of SAG, SERNA, AFE-COHDEFOR, IHT, IHAH, INA, AMHON, FOPRIDEH, indigenous organizations at the national level, and others to be decided.

-Regional Offices and Management Units: These are the branch offices of AFE-COHDEFOR located strategically throughout the country.

-PCU: The Project Coordination Unit of the Rural Land Management Project. There will be close coordination among AFE-COHDEFOR and this unit which will allow for some sharing of facilities, mechanisms for evaluation and monitoring, services of the Upland Producers Fund, training, technical assistance, communication, and audits. An agreement between both agencies will allow for this coordination.

Annex 8: Key Input, Output, and Impact Monitoring Indicators

COMPONENT	TOTAL	1998		1999		2000		2001		2002		Source of Data
		Target	Actual									
Key Input and Output Indicators												
1. Strengthening of DAPVS and Local Capacity for PA Management												
<i>Input Indicators</i>												
Annual Budgetary Allocation a/	2.6	0.6		0.5		0.5		0.5		0.5		Quarterly disbursement reports
<i>Output Indicators</i>												
Number of park guards trained	60	15		20		10		10		5		Training records
Number of DAPVS employees trained	36	12		12		12						Training records
Number of DAPVS staff that participate in international training courses	10	2		2		2		2		2		PCU records
Procedural manual on PA management and administration produced and in use	N/A	Produced		In use		in use		in use		in use		PCU records
Number of months of in-service training available for DAPVS staff and NGOs	12	2		3		3		2		2		PCU records
Ecotourism Marketing Program designed and implemented	N/A	Design		Imple.		Imple.		Imple.		Imple.		PCU records
Strategy to capture resources designed and implemented	N/A	Design		Imple.		Imple.		Imple.		Imple.		PCU records
Number of officials from donor projects, NGOs trained	30			10		10		10				Training records
Manual for CORAP and COLAP produced and in use		Produced		In use		In use		In use		In use		PCU records
Number of COLAPs established	11	11										PCU records
Number of CORAPs established	4	3										PCU records
Number of representatives of COLAPs and CORAPs trained (short courses)	36			9		9		9		9		Training records
Number of members of local communities trained	75	20		20		10		10		15		Training records; PCU records
Number of exchange trips to other projects in Central America	3					1		1		1		PCU records
Teachers Training Program Designed and Implemented	N/A	Design		Imple.		Imple.		Imple.		Imple.		Review of program material
Number of teachers trained	100			50		50						Training Records
Number of environmental education texts distributed	1,000			500		500						Review of program material
Number of schools where the Environmental Education Manual is distributed	50			20		30						PCU records
Radio program designed and implemented	N/A			Design		Imple.		Imple.		Imple.		PCU records
Number of students participating in field trips to other protected areas in Honduras	200	40		40		40		40		40		PCU records
Number of youth conservation groups formed	50			50								PCU records
Number of individuals with management and environmental skills and awareness	N/A	Baseline		Increase		Increase		Increase		Increase		Attitude surveys
Number of viable organizations participating in planning and management	N/A	Baseline		Increase		Increase		Increase		Increase		Surveys of participating organizations
Number of networks operating	N/A	Baseline		Increase		Increase		Increase		Increase		Attitude surveys
Number of volunteers that participate in training	130			36		36		32		26		Training records
		X		X		X		X		X		
Project reporting is timely and reflects progress accurately												Project evaluation; quarterly, annual and audit reports

COMPONENT	TOTAL	1998		1999		2000		2001		2002		Source of Data
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	
Key Input and Output Indicators												
<i>Impact Indicators</i>												
Number of management plans that reflect consensus built at national, regional, and local levels around the concept of core and buffer zones	11					11						Management Plans review
Increased capacity and willingness of DAPVS to implement management plans	N/A	Baseline		Increase		Increase		Increase		Increase		PCU records, interviews
Number of local people recruited to be involved in protected areas management	N/A	Baseline		Increase		Increase		Increase		Increase		PCU records; interviews
Number of national and municipal development plans that reflect the existence of SINAPH	N/A	Baseline		Increase		Increase		Increase		Increase		PCU records
Participatory monitoring and evaluation	NA	X		X		X		X		X		PCU Records
2. Management of Globally Important Protected Areas												
<i>Input Indicators</i>												
Annual Budgetary Allocation	4.6	0.8		2.0		1.2		0.4		0.1		Quarterly disbursement reports
Budget disbursed on infrastructure and equipment	2.6	0.3		1.6		0.7						Disbursement and progress reports
<i>Output Indicators</i>												
Kilometers of land demarcated with participation of communities	350			50, in core areas		at least 75		at least 75		at least 75		Inspection of demarcation; PCU records
Physical presence of infrastructure and equipment in place and maintained						In place		Maintained		Maintained		Supervision mission to protected areas
Contract to construct the visitors center in Pico Bonito		Contract				Completed						PCU records; Field visits
Number of voluntary wardens recruited from local communities at each PA	N/A	Baseline		Increase		Increase		Increase		Increase		PCU records; field visits
Management plans for Patuca, Tawakha, and Laguna Caratasca	N/A			in place		updated		updated		updated		PCU records; field visits to management committees
<i>Impact Indicators</i>												
Number of communities involved in vigilance	N/A	Baseline		Increase		Increase		Increase		Increase		Number of patrols
Number of management plans in place and adequately implemented in core areas for each PA	11					XXXX						Review of management plans
Number of plans that reflect local decisions	11											Review of management plans
Number of budgets that reflect the implementation of plan and local interests	11											Review of expenditures
Invasions of parks systematically recorded and specifically addressed	N/A					System in place						PCU records; field visits; interviews
Number of communities actively involved in plan preparation and implementation	N/A	Baseline		Increase		Increase		Increase		Increase		PCU records; meeting records; interviews
Number of locally recruited volunteers and wardens at each PA	N/A	Baseline		Increase		Increase		Increase		Increase		PCU records
Establishment of local mechanisms for maintenance of limits in each focal area						Established						PCU records
Number of DAPVS permanent staff whose costs will be gradually assumed by the Fund	60	5		10		15		15		15		PCU records; expenditure review

COMPONENT	TOTAL	1998		1999		2000		2001		2002		Source of Data
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	
Key Input and Output Indicators												
3. Improving Natural Resource Management in Buffer Zones												
<i>Input Indicators</i>												
Annual Budgetary Allocation	1.9			0.5		0.5		0.5		0.5		Quarterly disbursement reports
<i>Output Indicators</i>												
Number of buffer zone activities financed	N/A	Baseline		Increase		Increase		Increase		Increase		Review of financing
Technical assistance training provided by the Upland Producers Fund				In place		Financing		Financing		Financing		PCU records
<i>Impact Indicators</i>												
Number of projects supported by fund with benign land use	N/A	Baseline		Increase		Increase		Increase		Increase		RRA; participatory M&E
Number of projects whose beneficiaries take an active role in PA management	N/A	Baseline		Increase		Increase		Increase		Increase		RRA; participatory M&E
Number of executed projects by category of beneficiary (indigenous communities, women, low-income, etc.)	N/A	Baseline		Increase		Increase		Increase		Increase		PCU records
Number of individuals with increased knowledge and adoption of biodiversity-friendly land use alternatives	N/A	Baseline		Increase		Increase		Increase		Increase		Baseline; Attitude Survey, years 1 and 5
Increase in income from activities with benign land use	Increase	Baseline		Increase		Increase		Increase		Increase		Baseline; Cost Benefit studies of individual investments
4. Biological Monitoring												
<i>Input Indicators</i>												
Annual Budgetary Allocation	.3	.2		29.8		19.3		19.9		20.5		Quarterly disbursement reports
<i>Output Indicators</i>												
Purchase and interpretation of images		XXXXXX										PCU records
Number of overflights for annual review of PAs	10	2		2		2		2		2		Annual Review
Number of land-based tours for annual review of PAs	20	4		4		4		4		4		Annual Review
Number of workshops on monitoring	10	2		2		2		2		2		PCU records; workshop records
Mesoamerican monitoring												
Establishment of monitoring database		Established		In use		In use		In use		In use		PCU records; review of database
Monitoring database installed on computers of 4 regional offices and on computer of headquarters				Installed								PCU records
<i>Impact Indicators</i>												
Number of local participants involved in monitoring activities	N/A	Baseline		Increase		Increase		Increase		Increase		PCU records; interviews; regular field reports from wardens
Number of users of the information generated	N/A	Baseline		Increase		Increase		Increase		Increase		PCU records
Number of field reports prepared by staff in protected areas		Baseline		Increase		Increase		Increase		Increase		Field reports
Number of annual reports prepared on the situation of protected areas in the project	5	1		1		1		1		1		Annual Reports
Impact Indicators of Overall Project												
Maintain forest and habitat coverage in core area of protected areas	No discernible decline	Baseline				No discernible decline				No discernible decline		Remote image data (Monitoring component); random surveys; reports by guards; periodic species counts
Population dynamics of key indicator species	No discernible decline	Baseline				No discernible decline				No discernible decline		Monitoring subcomponent data; mathematical model; ground truthing and collection of habitat quality data

a/ In US\$ thousands

Annex 9 Incremental Cost Analysis Summary

Context and Broad Development Goals

1. The rapidly fragmenting natural habitats of the Mesoamerican Biological Corridor (MBC) within Honduras is of great concern for the country and for the international community. The erosion of the country's biodiversity riches is taking place within a context of natural resource mismanagement in poverty-stricken rural areas and of little institutional capacity for managing the protected area network (SINAPH).
2. The broad development goals of the country focus on poverty alleviation strategies, land reform, and improvements in natural resource management in the MBC and other rural areas of Honduras. Many of the reforms are being supported under a series of World Bank loans including the Agricultural Sector Credit and PAAR. A SINAPH of 107 protected areas is a testimony to the interest of the country in conserving its rich biodiversity but the existing protected areas are being rapidly swamped by the advancing agricultural frontier and resources are insufficient to adequately protect even a core group of protected areas.

Baseline Scenario

3. A multi-pronged approach to the problem is being adopted by the Government of Honduras (GOH), assisted by an array of bilateral and multilateral donors. In the absence of GEF assistance for addressing global biodiversity objectives, this approach can be considered the "Baseline Scenario. It involves tackling root causes, such as natural resource mismanagement and land tenure problems, as well as limited direct support to biodiversity conservation in the protected area system.
4. Given that Honduras is one of the poorest countries in Latin America, the priorities of the GOH are concentrated on interventions that have an immediate impact on rural poverty. In the baseline scenario, the GOH would be expected to use its scarce development resources for pursuing three broad lines of development: (a) reform of land tenure problems representing important impediments to local development (US\$ 15.0 million); (b) improving the management of natural resources, particularly public forest management, so as to have an immediate impact in terms of poverty alleviation and food security in the poorest rural areas of the country (US\$ 19.0 million); and (c) support for protected areas with potential for generating revenues (US\$ 7.0 million). The estimated cost of these activities is US\$ 41.0 million, and the principal vehicle adopted by the GOH to carry out these development goals is the PAAR.
5. In addition to this initiative, complementary investments of the bilateral and multilateral donor community are an important part of the Baseline Scenario in the Honduran section of the MBC. These donor initiatives also focus on land tenure, natural resource management, and protection efforts, but they tend to be geographically focused on relatively small areas and do not address sectoral root causes. The most important donor initiatives are the following: (a) a proposed Japanese investment of about US\$ 11.0 million in fisheries and coastal zone management in the Mosquitia area; (b) German investment of US\$ 9.0 million in the sustainable

development of the Río Plátano watershed; (c) Canadian investment of US\$ 3.0 million in sustainable forest management of tropical broad leaf forests of north-central Honduras; (d) European Union funding of about US\$ 2.0 million in sustainable development of rural areas of northern Honduras (not in protected areas); (e) Finnish investment of about US\$ 1.0 million in social forestry investments and research in pine forests; (f) USAID funding of about US\$ 300,000 in the Gulf of Fonseca area (PROARCA Program), and (g) Fundación VIDA financing of about US\$ 1.2 million of NGO initiatives for protected areas management in selected areas of the country. The total cost of these donor programs is estimated at approximately US\$ 29.0 million.

6. The total cost of Baseline Scenario investments of the GOH and donor community, as described here, is estimated at US\$ 70.0 million; implementation of this investment program will be important to the development of Honduras. At least in some areas of the country, much improved natural resource management practices should be adopted as a result, leading to rural poverty alleviation and enhanced protection of the resources themselves. This will be particularly true for fisheries use in Mosquitia and the Gulf of Fonseca and for isolated areas under forestry exploitation. A strengthened institutional capacity in the sector can be expected, and this will generate benefits directly or indirectly in the entire country and in the MBC. Significant progress should be made in resolving land administration conflicts in some less conflictive regions of the country. Finally, through investments in protected areas under the PAAR, basic infrastructure and capacity should be in place to protect a few key areas and to help generate nature-based tourism revenues.

7. In terms of protecting biodiversity, these results are positive in that they should help slow the advance of the agricultural frontier by promoting more intensive agriculture and forestry. In areas that are under exploitation, particularly forestry, better natural resource management practices may have direct benefits for biodiversity by preserving better quality habitat patches. Finally, the direct investments in a handful of PAs will be important in safeguarding those particular areas. Increasing revenues generated by the PA system should benefit protected areas throughout the country, but in the short term, revenue generation will be modest.

8. Despite these positive elements, the Baseline Scenario would not result in effective protection of biodiversity conservation in the MBC of Honduras. Investments and land use planning decisions would be not aimed at protecting the corridor and no effective mechanisms would be in place to monitor the integrity of such corridors (although regionally oriented monitoring programs are expected under the UNDP-administered Regional Mesoamerican Corridor Project). Under the Baseline Scenario, fragmentation and conversion of natural habitats would continue, resulting within one or two generations in the reduction of the Honduran section of the MBC to nothing more than a few isolated protected areas and indigenous reserves.

Global Environmental Objective

9. The global environmental biodiversity objective in Central America, as strongly promoted by the Global Environment Facility and conservation experts throughout the world, is to protect and conserve a relatively intact corridor of natural habitat stretching from southern Mexico to Colombia, bridging the North and South American continents. Within Honduras, this translates into defining and protecting a number of key habitat corridors which collectively define the

Mesoamerican Biological Corridor in that country. The Honduran section of the MBC contains major portions of five terrestrial ecoregions: Central American Pacific dry forests; Central American pine-oak forests; Central American montane forests at higher altitudes; Central American Atlantic moist forests; and the Miskito pine forests of eastern Honduras. Each of these ecoregions contains high levels of endemic species of reptiles, amphibians, birds, and vascular plants as well as endangered mammal species.

GEF Alternative

10. Under the GEF Alternative, an expanded program would be undertaken which would comprise activities focused on national development/poverty alleviation goals as well as activities focused on protecting the Honduran portion of the MBC. The GEF Alternative would consist of the following *Baseline Activities*: (a) reform of land tenure problems (US\$ 15.0 million); (b) improving management of natural resources, particularly forest management (US\$ 20.0 million); (c) support for protected areas with revenue earning potential (US\$ 8.0 million); (d) complementary donor programs in the MBC (US\$ 28.0 million), including investments by Fundación VIDA in NGO activities along the Atlantic coast, **plus** the following *MBC Biodiversity Conservation Activities*: (e) institutional strengthening for protected area and natural resource management, including local capacity building (US\$ 0.65 million); (f) protected areas strengthening in globally significant sites within the Honduran segment of the MBC (US\$ 4.05 million); (g) improving resource management in the buffer zones, including promotion of appropriate technologies, integrating biodiversity conservation/use with sustainable forestry, and gender-sensitive biodiversity initiatives at the local level (US\$ 1.6 million); (h) biological monitoring (US\$ 0.4 million); and (i) project coordination costs (US\$ 0.3 million). The total cost of the GEF Alternative is estimated at US\$ 77.0 million.

11. Implementation of the GEF Alternative is expected to generate both national benefits (those outlined under the Baseline Scenario) as well as global benefits related to the establishment of the Mesoamerican Biological Corridor within Honduras. Implementation of the GEF Alternative would make possible critical activities that would not otherwise take place in the absence of GEF funding. These additional activities, which would generate global benefits, would include:

- (a) On-the-ground investments in protected area creation and management in four areas considered of the highest global biodiversity importance: Cordillera de Nombre de Dios, Patuca-Tawahka, Atlántida Wetlands, and Mosquitia;
- (b) The protected areas agency (DAPVS) of the GOH will be institutionally strengthened within the Corridor, allowing it to manage more effectively the globally significant PAs as well as other portions of the Corridor;
- (c) The incipient national dialogue on the country's draft Biodiversity Strategy will be supported and strengthened, contributing to a national consensus on priorities for action and providing a framework for national investments and donor assistance;

(d) Communities living in and around globally significant protected areas will benefit from a series of investments in natural resource use and management which will demonstrate and support alternative resource use options, thereby slowing movement into these protected areas;

(e) A variety of participatory and consultative mechanisms will be utilized (including environmental education and gender-based programs) in order to bring communities into the process of protected area management and to ensure more effective local management of globally important PAs; and

(f) Closely coordinated with GEF-supported efforts under the Regional project, a biological monitoring program will be supported in Honduras to help better manage the Corridor as well as to facilitate and orient future investments.

Incremental Costs

12. The total cost of the Baseline Scenario is estimated at US\$ 70.0 million, while the total cost of the GEF Alternative is estimated at US\$ 77.0 million. The incremental costs of the GEF Alternative, for which GEF funding is requested, are US\$ 7.0 million. It is expected that with the definition of a biological corridor and an associated framework of priorities, additional bilateral funds will be mobilized to complement and reinforce GEF-supported efforts.

Annex 11 Land Tenure

1. The protected areas included in the Biodiversity in Priority Areas Project, include large blocks of land claimed by the Garífuna, Miskito, Pech, and Tawahka indigenous groups. As part of project preparation, several studies were carried out to study the land tenure system in Honduras and to investigate the legal options for adjudication of communal land to these indigenous groups. This annex provides a short summary of the results of the studies, which are available in the project files, and the recommendations provided to GOH.
2. Land tenure security is one of the principal axes of the national policy in the agricultural sector and the forestry sector. In Honduras, Government policies regarding rural land are based on improving legal land tenure, a starting point for a number of actions in the agricultural and forestry sectors. Over the past two decades, the Government of Honduras has made this policy effective through the titling of agricultural land which is managed by the National Agrarian Institute (*Instituto Nacional Agrario*, INA). INA is the only institution able to title rural land, individually, collectively, or communally. The actions of INA with regard to titling communal lands are stated in the constitution, article 346, and the Modernization and Development of the Agricultural Sector Law.
3. In the forestry sector, the Government has attempted to adapt the legal framework with policies of conservation and sustainable use of natural resources. The Forest Agency of the State-Honduran Corporation of Forestry Development (*Agencia Forestal del Estado--Corporación Hondureña de Desarrollo Forestal*, AFE-COHDEFOR) is responsible for regulation of the forestry sector. In the case of agricultural lands transferred to lands in the public sector domain from private farmers, and in the case of public lands used for forestry, there are attempts to verify public domain with different methods of cadaster, demarcation, and legal inscription in the name of the state. The actions of AFE-COHDEFOR are stated in the Modernization and Development of the Agricultural Sector Law, Regulation to Title VI of the same and a series of laws that govern the forestry sector.
4. The Rural Land Management Project has a land administration component which should make the policy of legal security operational, with legal cadaster and registry reform in four departments. The natural resources component of this project will give greater emphasis to forest policy and attempt to develop activities in full coordination with the populations living in the project areas. There will not be attempts to resettle the population, without creating the appropriate legal instruments to support the rights and obligations of the communities and the Government.
5. There are a series of legal norms that are applicable to titling indigenous lands, but in general the issues are dispersed in special or sectoral laws. The only sole norm for the indigenous topics is Decree 26-94, through which GOH ratified Agreement 169 of the International Labor Organization on Indigenous Peoples and Tribes in Independent Countries.

6. As part of the study, different proposals and concepts regarding land tenure were studied with extensive document review and interviews with the government agencies and private organizations involved in land tenure and titling. The three options for indigenous land tenure titling that exist in the Honduran legal framework are individual, communal, and usufruct contract. In addition, three different proposals to address indigenous land tenure were also explored. The first is a proposal which originated from the Unit of the Mosquitia (*Unidad de la Mosquitia*, MASTA) to title all of the territory of the Mosquitia for the Miskito and Tawahka. This proposal was not accepted by the Government since it was considered unconstitutional.
7. A proposal from INA consists of titling land in communal or individual form, following the parameters established in the Agrarian Reform Law and the modifications introduced by the Agricultural Sector Modernization Law. This type of title can only be given to agricultural or ranch land.
8. AFE-COHDEFOR proposes to include the Mosquitia in the Catalogue of Inalienable Public Forest Patrimony (*Catalogo del Patrimonio Publico Forestal Inalienable*) which is a registry where all the public protected forest areas or areas of social interest, would be included. Inside these areas, AFE-COHDEFOR would be able to sign long-term usufruct contracts, through which the indigenous people would be able to carry out any activity included in the management plan for the area, but they would not have full dominion.
9. It appears that the proposal of AFE-COHDEFOR is accepted by all the actors as a reasonable immediate strategy. It would not preclude acknowledgment of prior rights of indigenous peoples should there be evidence of these rights. INA also proposes a mix with its own proposal through which the indigenous people would have the right to title a small portion of the areas. This would allow them to benefit from the agrarian reform. The areas catalogued by AFE-COHDEFOR would be signed under usufruct agreements.
10. To conserve the forestry resources, AFE-COHDEFOR will make the Catalogue of Forest Patrimony (*Catalogo de Patrimonio Forestal*) effective. The inscription of these lands will make their status inalienable for perpetuity, except in the case that there are prior rights. This legal mechanism leaves the option of granting usufruct rights to the communities living in the traditional lands that overlap with the areas inscribed into the Catalogue. In the case of the Miskito, the indigenous organization FINZMOS of the indigenous community of Mocerón was conceded approximately 40,000 hectares by AFE-COHDEFOR, of which half is under a forestry management plan and the remaining is under conservation. Until now, there are no other examples of this type of agreement in the country, but AFE-COHDEFOR considers it a model which could be reproduced.
11. INA has emitted various full dominion communal titles for indigenous communities. In 1993, INA granted a title to the Tornabe community (Garífuna community) that is located in the buffer zone of the Punta Sal Park. The title was granted on condition that the community will manage the property according to the regulations of the Park. Thus, the dominion is not absolute, but can be in perpetuity.

12. There was an agreement reached in the month of October 1996 between a Presidential Commission and the National Coordinator of the Black Organizations of Honduras (CNONH) that deals with the titling of the Garífuna communities of the departments of Cortes, Atlántida, Colón, and Gracias a Dios. Also, INA has developed an Action Plan for the implementation of the project of land titling in the Lenca communities (November 1996). MASTA has developed a proposal in the case of the Miskitos and FITH has developed one in the case of the Tawahka.

13. As a result of the evaluation of the three options for indigenous land tenure titling: individual, communal, and usufruct contract, all of which are options in the Honduran legal framework, GOH has decided to further evaluate these options and may opt to apply a blend of usufruct and communal title. To facilitate the organizational processes needed for communal titling, the Institutional Development Fund grant to the indigenous organizations in Honduras will provide training in issues related to land tenure and organizing to seek adjudication.

Annex 12
Supervision Plan (UNDP and World Bank)

1. The supervision of the project by the GEF implementing agencies (World Bank and the UNDP) will be carried out with a major role being played by the regional office of UNDP in Honduras for daily monitoring and supervision. The supervision plan included in this annex describes the planned supervision missions that will be carried out by headquarters staff and consultants of the two agencies.
2. There will be a cost savings (in both time and financial resources) by combining supervision by the World Bank and UNDP, and by taking advantage of the planned supervision of the associated Rural Land Management Project (PAAR). The estimates of inputs required for supervision (the table below) account for the co-supervision anticipated.
3. The dates outlined in the table are based on the assumption that the Project will be negotiated in July 1997 and approved by the World Bank Executive Board in September or October 1997. These dates will be adjusted accordingly should these dates change.
4. The total number of supervision weeks required are 109, of which 85 will be contributed by the World Bank (78%) and 24 by UNDP (22%). This total does not include the regional office of UNDP's contribution, that is estimated to be 5 weeks more per year. The allocation of the 109 weeks is as follows:

Agency	98	99	00	01	02	03	Total
WB	22	14	20	13	10	10	85
UNDP	5	1	6	1	3	4	24
Total	27	15	26	14	13	14	109

Supervision Plan

Approximate Dates	Main Activities	Personnel	Person Weeks (SW)
FY 1998			
10/97	Project launch; Review of the POA; structure of the PCU and Operational Manual, and Legal status of the Protected Areas	- Task Manager-WB - Representative UNDP (NY) - Social Specialist - Monitoring Specialist - Other Specialist - Administrative Specialist (UNDP)	1.5 1.5 1.5 1.5 2.5 1.5
12/97	General supervision; review of investments in PAs; review of training and biological monitoring and PA investments	- Task Manager(WB) - PAs Specialist - Community Development Specialist	2 1.5 2

Approximate Dates	Main Activities	Personnel	Person Weeks (SW)
		- Monitoring Specialist	1
		- Other Specialist	2
2/98	General supervision; review of procurement and disbursements; review of participation and indigenous plan	- Task Manager (WB)	2
		- PAs Specialist (UNDP)	1
		- Social Specialist	1
		- Disbursement Specialist	1
		- Other Specialist	2.5
5/98	General supervision; review of POA	- Natural Resource Management Specialist	2
		- Other Specialist (UNDP)	1
FY 1999			
10/98	General supervision; review of investments in PAs; review of training and biological monitoring	- Task Manager (WB)	2
		- PAs Specialist	1
		- Training Specialist	1
		- Specialist Monitoring	1
		- Nat. Res. Mgmt. Specialist	2
2/99	General supervision; review buffer zone component.; review participation plan	- Task Manager	2
		- Social Specialist	1
		- Community Development Specialist	1
		- Civil Engineer (UNDP)	1
		- Other Specialist (UNDP)	1
6/99	General supervision; review of POA	- Task Manager	2
		- Other Specialist	1
FY 2000			
10/99	General supervision: review of buffer zone management and subprojects	- Task Manager	2
		- PAs Specialist	1
		- Social Specialist	1
		- Community Development Specialist	1
		- Other Specialist (UNDP)	3
2/00	Mid-term Review	- Task Manager	3
		- Representative UNDP (NY)	3
		- Legal Specialist	1
		- Procurement Specialist	1
		- PAs Specialist	2
		- Social Specialist	2
		- Nat. Res. Mgmt. Specialist	2
		- Other Specialist	2
6/00	General supervision; review of POA	- Task Manager	2
		- Additional Specialist (UNDP)	2

Approximate Dates	Main Activities	Personnel	Person Weeks (SW)
FY 2001			
10/00	General supervision; review of the protected areas and monitoring components	-Task Manager (WB) -PAs Specialist -Natural Resource Management Specialist -Monitoring Specialist -Additional Specialist (UNDP)	2 1 1 1 2
2/01	General supervision; review of social and indigenous peoples aspects	- Task Manager - Social Specialist - Community Development Specialist - Additional Specialists	2 1 1 1
6/01	General supervision; review of POA	- Task Manger - Additional Specialists	2 1
FY 2002			
10/01	General supervision; review of protected areas component	- Task Manager - PAs Specialist - Additional Specialists	2 2 2
2/02	General supervision, review of social aspects and the buffer zone component	- Task Manager - Social Specialist - Community Development Specialist - Additional Specialists	2 1 1 1
6/02	General supervision; review of POA	- Task Manager - Additional Specialists	2 1
FY 2003			
10/02	Final supervision mission	- Task Manager - Representative UNDP (NY) - Additional Specialists	2 2 2
4/03	Preparation of the Implementation Completion Report (ICR)	- Task Manager - PAs Specialist - Social Specialist - Representative (UNDP-NY) - Additional Specialists	4 2 2 2 2
Subtotal			
Total (WB)			90
Total (UNDP)			30
TOTAL			120

Annex 13 Documents in the Project File*

A. Project Implementation Plan

AFE-COHDEFOR (1997). *Documento de Proyecto*. March 1, 1997 (document prepared for submission to GEF Council based on UNDP requirements for such documents; English translation available).

B. Bank Staff Assessments

Project Brief presented to the GEF Council and Secretariat, March 1997.
Staff Appraisal Report, PAAR, World Bank, March 1997.

C. Other (background documents for project preparation)

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*Including electronic files.

MAP SECTION

