

Ministry of Foreign Affairs - Embassy La Paz, Bolivia

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Agenda Item no.: 7

1. Title: Central America: Environmental Management
2. Partners: International Union for Conservation of Nature (IUCN), Guatemalan Association of Exporters (AGEXPORT), Honduras Rural Development Foundation (FUNDER), Honduras; and the NITLAPÁN Institute, Nicaragua.
3. Amount: 20.0 million DKK
4. Duration: 2½ years, 2014 - 2016
5. Presentation to the programme Committee: 10 June 2013
6. Previous Grants: Central America: Human Rights Programme 2013-2015, DKK 50 million, Regional Environmental Programme 2006-2012, DKK 250 million
7. Strategies and policy priorities: Danida Strategy – Right to a Better Life (2012), Danish Strategy for Latin America (2007), Energy, and Climate Change (2013)
8. Danish National Budget account code: § 06.32.02.18 Øvrige indsatser i Latinamerika (20 mio. DKK)
9. Desk officer: Carmen Barragán
10. Head of Representation: Ambassador Ole Thonke

11. Summary:

The programme builds on Danida experiences between 2005 and 2012, which have been used to select the partners and the areas of intervention. At the regional level, the expected result will be to strengthen indigenous peoples' capacity to negotiate and implement co-management agreements of protected areas that overlap with indigenous territories. In Guatemala, Honduras and Nicaragua, three non-governmental organisations will be supported to create jobs and improve income for indigenous people through eco-businesses and improved natural resource management in protected areas. The main risks are that the activities have to be implemented in volatile political environments and increased violence stemming from drug trafficking.

Objective and problem formulation

According to data from the Nature Conservancy¹, the seven Central American countries account for less than 2% of land territory on the planet, but are home to around 12% of its biodiversity. Currently the protected areas of the region cover 24% of the total land surface on the isthmus and are considered one of the main strategic resources for sustainable development in Central America. Most protected areas exist within a constitutional or other normative framework, however many still lack human, financial and infrastructural resources for an efficient management. In fact only 35 pct. of the protected areas have some institutional presence. An estimated 37 pct. of the population living in and around protected areas in Nicaragua, Honduras and Guatemala live below the poverty line. Rural poverty in Central America is directly related to patterns of unsustainable land use as well as inequality in access to and benefits from natural resources management. Additionally indigenous populations and peasant communities living in the protected areas are often not included in decision making about resource use and management. There are serious environmental threats to the protected areas and the indigenous population within the forests. These are illegal deforestation, uncontrolled logging, illegal hunting, colonization, infrastructure projects, etc. It is estimated that these threats are increasing and is now aggravated by climate variability.

Geographically the support will focus its interventions in indigenous territories and peasant communities with a high degree of poverty, but where at the same time the partner organisations have achieved results in relation to environmental and territorial management, for example through the implementation of watershed management plans or the establishment of local procedures for a free, prior and informed consent regarding the exploitation of the natural resources; and where there are possibilities to develop economic opportunities in the short term for the most vulnerable population groups. Following this logic, the development objective of the support is:

“To promote conservation of protected areas and to improve indigenous peoples' rights and livelihoods through co-management schemes, and through increased income generation for the rural poor on basis of sustainable agriculture and eco-business initiatives.”

Resource efficiency

The four organisations selected have all been Danida partners for several years and they have over twenty years of experience each on the issues of environmental management and sustainable agriculture. Considering the limited resources available, all partners will work in territories in which they have already been active for prolonged periods and where they are recognized by the local populations, organisations and government institutions. In this regard, the support will contribute to already existing partner

¹ The Nature Conservancy (2010). Áreas protegidas. Una región que protege su patrimonio natural, Capítulo 10, página 7.

programmes, while avoiding the setup of specific administration structures for the Danida funds.

Challenges and underlying reflections

The following considerations were central during the formulation; a) the need to achieve results in three years; b) the relative moderate funding available, c) an analysis of the challenges and opportunities in the region and d) use of lessons learned. This led to the choice of continued focus on only three countries in Central America and only selecting four partners, which Danida have had positive experiences with from previous collaboration. Furthermore, it was decided to target selected indigenous territories and peasant communities in order not to spread the activities too thinly. It was chosen to focus on strengthen the capacity of indigenous peoples and their organisations for negotiation and co-management of protected areas that overlap with indigenous territories, which can be replicated more extensively if successful. Furthermore, national focus is on generation of sustainable economic opportunities primarily in the buffer zones of protected areas as a means for promoting human rights particularly for the most vulnerable and marginalized population groups.

The previous Danida supported Environment Programme in Central America (2005 – 2012) showed that supporting indigenous and peasant communities in both natural resources management, land rights and sustainable production simultaneously and both at regional, national and local levels, was an effective approach to improving environmental management, poverty reduction and the promotion of human rights of these population groups. The proposed activities will build upon these experiences focusing principally on the communities that live in the vicinity of protected areas. A larger Human Rights and Environmental Programme for Central America (DKK 125 million) is included in the financial bill for 2015.

Project/support description

The support will be channelled through one regional partner International Union for Conservation of Nature (IUCN) and one strategic partner in each of the three priority countries, i.e. the CSO's FUNDER, AGEXPORT and NITLAPAN. The support has been designed with the following two intervention areas: 1) strengthening the capacity of indigenous peoples for negotiation and co-management of protected areas and indigenous territories - IUCN, and 2) sustainable rural production, income generation and sustainable use of natural resources primarily in the buffer zones of protected areas through the three CSO's in Guatemala, Honduras and Nicaragua.

Intervention area 1:

Intervention area 1 will be implemented by the regional IUCN office for Mesoamerica and its scope of action will be Honduras, Nicaragua and Guatemala, with two practical experience of co-management from territories located in Honduras and Guatemala that will feed into the regional work. The expected outcomes are:

1. Indigenous peoples' negotiation capacity for co-management of protected areas / indigenous territories in Central America is strengthened.
2. Case studies of co-management and other mechanisms that recognise local communities and indigenous peoples' rights in protected area and indigenous territorial management in the region and elsewhere are analysed and published.

Through the support, indigenous organizations will be provided with tools for negotiation of protected areas and indigenous territories co-management schemes. Specifically, the work will consist in supporting indigenous people and their representative organisations in preparing and promoting procedures and guidelines for co-management of protected areas. Concrete Programme experiences from Guatemala and Honduras will be used in this context as well as the analysis of case studied from other parts of the region. A number of policy guidelines, standards/regulations and procedures for entering into agreements for co-management of protected areas will be developed. The end result is conceived to be flexible enough to adapt to the highly varied environmental, social, economic, political and institutional realities found in the Central American countries. With these guidelines, the indigenous organisations are helped to develop at least 3 specific local co-management agreements for their protected areas – one for each of the three countries. IUCN will also support advocacy activities carried out by indigenous organisations among environmental bodies that are part of the Central American Integration System (SICA) and the national environmental authorities governing the protected areas system in the region.

At the national level, IUCN will support territorial co-management in San Marcos (Guatemala) and in the recently titled indigenous territory of Katainasta (Honduras). In Guatemala, the strengthening of watershed management in the Tacana volcano protected area will permit titling of 45 hectares of communal forests as well as funding from the Forest Incentives Programme. These resources will be co-managed between the municipality and the indigenous population. In Honduras, the Development Plan of the Katainasta Indigenous Territorial Council will be implemented to strengthen their territorial rights and to improve the sustainable natural resource management. These concrete experiences of territorial co-management and land rights of indigenous people will be analysed and used in the national and regional advocacy work of the indigenous organisations supported by IUCN. Concrete activities will include regional seminars for relevant stakeholders, a mapping of where indigenous territories overlap with protected areas, training seminars in negotiation skills for indigenous organisations and case studies on best practices for co-management of protected areas.

The possibility of achieving the first outcome will depend upon the willingness of the governments to engage in discussions and negotiations on the issues of co-management of protected areas. IUCN, which includes 120 governmental and non-governmental organizations in Centro America, is well positioned to facilitate dialogue between indigenous organizations and governmental institutions to reach consensus on co-management of protected areas that overlap with indigenous territories. During the first

trimester of the programme IUCN will clarify and define the best possible strategy to facilitate this dialogue. The second outcome, the case studies of concrete co-management schemes will provide IUCN as well as the indigenous organizations with instruments for continuing advocacy for protected areas and indigenous rights and livelihood at the end of the Programme.

Intervention area 2:

The support to sustainable use of natural resources, production and income generation in Guatemala, Honduras and Nicaragua will be implemented by AGEXPORT, FUNDER and NITLAPÁN, three experienced civil society organisations and long-time Danida partners. The expected outcomes are:

1. Eco-enterprises contribute to the sustainable use of natural resources, implementing sustainable productive and climate change mitigation activities, which generate income and jobs (AGEXPORT, Guatemala).
2. Eco-enterprises and rural banks' business capacity strengthened contributing to the sustainable management of natural resources and protected areas (FUNDER, Honduras).
3. The expansion of the agricultural frontier in the buffer zone of the Peñas Blancas natural reserve (part of the Bosawás Biosphere Reserve) has been reduced, protecting the core area of the reserve (NITLAPAN, Nicaragua).

The three partner organisations will work mainly in the buffer zones of protected areas promoting sustainable rural production businesses, generating income and reducing poverty among peasants and indigenous peoples. At the same time there will be a strong emphasis on social and environmental responsibility. By consolidating and improving the economy of these rural enterprises based on certified agricultural practices and sustainable land use, this support is expected to contain the expansion of the agricultural frontier into protected areas. It is expected that the support will generate more than USD 2 million in additional sales by eco-enterprises (two of them women business) in Guatemala and Honduras, 1000 families benefitting directly from new or improved jobs and increased livelihood diversification and that USD 500.000 in additional capital savings is created in rural banks in Honduras.

This will be reached by helping local indigenous people and peasant farmers through access to small credits, training in eco-business such as cocoa, coffee and xate, sustainable timber production and linking small farmers or indigenous groups to larger markets. The activities will be carried out directly by the three CSO's in close collaboration with the local authorities.

In order to exploit regional synergies and link the intervention areas, the partner organisations in each of the three countries will present their work and through bilateral meetings and visits for mutual learning. IUCN will contribute with regional coordination and exchange of experiences and methodologies as well as technical

assistance for environmentally compatible production in protected areas. This systematisation and coordination effort will aim at promoting the establishment of alliances and feed into the regional initiative to develop procedures for indigenous peoples' co-management of protected areas and the advocacy work related to this initiative.

The management of the support is based on the same principles as the Danish support to Human Rights Programme in Central America. Coordination, exchange of information, monitoring and analysis and dissemination of lessons learned will be undertaken by IUCN. They had a similar role during the previous Danish support, including acting as head of the regional programme steering committee. A regional kick-off workshop is planned for the first trimester of 2014 in which a participatory stakeholder analysis and a communication and management plan will be discussed and approved. In addition, possibilities for regional synergies will be permanently promoted. In this process the Appraisal Team's recommendation on the support on agreement to reduce illegal deforestation between the local population, indigenous people living in indigenous territories and local municipal authorities will be discussed.

In order to ensure sustainability of the activities, the programme will work not only with local authorities, but also link to the national government and national policies to the extent possible. IUCN has proven methodologies, such as use of stakeholder and context analysis and the development of alliances for advocacy, which will be used during and after the implementation.

Previous results

The previous regional support to environment was reviewed on three occasions. All reviews noted that the Danida support was particularly successful regarding the results achieved through the support to civil society environment advocacy and through the support to eco-enterprises creating employment, income and improved environmental management. A specific technical review concluded in 2010 that IUCN had been successfully implementing the environmental research and advocacy component, and in late 2011 the above-mentioned lessons learned study on the support to eco-enterprises concluded that the support to AGEXPORT and FUNDER had been very successful and that both organizations had exceeded the expected results. The new support will build on the most successful methodologies related to environmental advocacy, rural banks and eco-business and will expand cases to new geographical areas where the partners have recently started working. The inclusion of NITLAPAN from Nicaragua will increase the potential for further exchange of experience and improvement of methodologies. Finally, the production initiatives in the buffer zones will benefit from the technical assistance from IUCN in order to assure the environmental sustainability of the activities.

Special considerations and priorities.

In accordance with Danida’s overall strategy “The Right to a Better Life”, the support applies a rights-based approach with a particular focus on indigenous peoples’ rights, non-discrimination and participation, for example through the promotion of the negotiating capacity of indigenous people. The support to rural eco-enterprises also adds to the human rights focus particularly through the promotion of the economic and social rights of indigenous peoples and peasants. Furthermore, the support incorporates priorities from Danida’s Strategic Framework for Natural Resources, Energy, and Climate Change, for example by supporting a just and fair access to natural resources, which is seen as a prerequisite for economic and social development. In addition, elements from the Strategy for Danish Support to Indigenous Peoples are reflected, for example by addressing territorial and environmental issues of indigenous peoples through assistance to the conservation, improvement and sustainable use of the territories, lands and natural resources. Moreover, the new support is in line with the Danish Strategy for Latin America (2007) and its strategic goal regarding Danish support to sustainable environmental development and the fight against global warming.

The countries in the region have ratified international legally binding agreements, such as the ILO Convention No. 169 and the United Nations Declaration on the Rights of Indigenous People. These agreements are the foundation for the development and implementation of co-management schemes and sustainable management of natural resources in the protected areas buffer zones. However, there is a lack of mechanisms that contribute to the practical implementation of these international conventions – which among other things is where collaboration and information sharing are expected with the Human Rights Programme, particularly with ILO and CEJIL, two of the main partners.

Finally, collaboration and harmonization will be sought with other donors like USAID (AGEPORT and FUNDER), HIVOS and FIDA (AGEXPORT), COSUDE (FUNDER) and DFID (IUCN).

Budget (in DKK)

	2014 (DKK)	2015 (DKK)	2016 (DKK)	Total (DKK)	%
1.1 Support to IUCN	3,1	2,1	0,8	6,0	30%
1.1.1 IUCN - Coordination, monitoring, systematization, dissemination	0,5	0,5	0,6	1,5	7%
Total intervention area 1:	3,5	2,6	1,4	7,5	37%
2.1 Support to AGEXPORT	1,6	1,6	0,9	4,1	20%
2.2 Support to FUNDER	2,0	1,8	0,3	4,1	20%
2.3 Support to NITLAPAN	1,2	1,7	0,1	2,9	15%
Total intervention area 2:	4,7	5,1	1,2	11,0	55%

Subtotal all 4 partner agreements	8,3	7,6	2,6	18,5	93%
External monitoring and reviews*	0,5	0,7	0,3	1,5	7%
GRAND TOTAL	8,8	8,3	2,9	20,0	100%

The Embassy will sign agreements with each partner in which the donation and its detailed budget is specified. The disbursements to the partners will take place on a semester basis, according to the yearly operational plans approved by the Embassy for each partner. The administrative and financial control regulations of each partner will be applied. At a minimum, these must comply with the General Conditions for Danish Cooperation to Development Programmes and Projects

Significant risks

A number of contextual and programmatic risks have been included in the formulation document (in Spanish). The most significant of these include:

(i) Lack of government willingness to engage with indigenous organisations to protect their land and natural resources. The probability of this risk is considered high as it cannot be expected that the governments will always be willing to work on the issues of co-management of protected areas and reducing the expansion of the agricultural frontier. To mitigate this risk, IUCN will use its leverage with the environmental authorities, and synergies with other partners of Human Rights Programme will be pursued, for example with the ILO which has working processes underway with the three governments regarding national consultation procedures with indigenous peoples. In addition, the four partners will continuously dialogue with the governments to maintain their environmental policies and presence in the territories/protected areas while the Embassy will closely monitor the situation.

(ii) Intense climatic and geological events. This risk refers to the extreme exposure and vulnerability of Central America to intense rainfall, earthquakes and volcanic eruptions. This poses a significant risk to any agricultural activity. It is difficult to mitigate this risk and its impacts tend to be devastating for productive activities. As a mitigation measure, farmer organisations and partners are including climate change adaptation measures to their agricultural activities. Another mitigation measure will be to explore the economic viability of acquiring collective harvest insurances.

(iii) Increasing level of crime and violence, which could undermine the political and institutional stability and capabilities of the government and states
There is nothing the Embassy can do to reduce this risk except for continued monitoring and evaluation of the political situation and particularly the crime and violence in the intervention areas like San Marco in Guatemala and Katainasta in Honduras.

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ANNEX 1: Partners

IUCN: IUCN 60 employees, Budget of 6,7 Million USD (2012)

The International Union for Conservation of Nature (IUCN) is the biggest environmental organization in the world with offices in 45 countries. Its regional office for Mesoamerica and the Caribbean is situated in San Jose, Costa Rica (IUCN – ORMA). Conserving biodiversity is central to IUCN’s mission and the organization works to demonstrate how biodiversity is fundamental to addressing some of the world’s greatest challenges such as climate change, sustainable development and food security. As part of its vision of “a just world that values and conserves nature” it has three pillars of work (a) valuation and conservation of nature, (b) effective and equal governance in the use of natural resources and (c) implementations of natural solutions for global climate change, food security and development challenges.

IUCN-ORMA was a leading partner of component 2 of the Regional Environmental Programme in Central America (PREMACA) from 2005 to 2012. The main result include the formulation, modification or implementation of more than a hundred regional, national or local environmental policies

A key role for IUCN in the new programme is to address the regional perspective and ensure that cases, examples, lessons learned are integrated to enrich the regional results, primarily the Protocol of Co-management in protected areas, and other documents that could be generated based on the experience of the other partners and other experiences of co-management that exist in the region.

AGEXPORT: 268 employees, Budget of 7.3 Million USD (2013)

The Guatemalan Association of Exporters (AGEXPORT) is a private non-profit entity founded in 1982 with headquarters in Guatemala City, Guatemala. AGEXPORT works to strengthen export and competitiveness of Guatemalan products at international markets. AGEXPORT is composed of 950 export companies of which 85% are small or medium scale businesses (SMBs). Among its strategic objective are (i) to promote the inclusion of small scale producers and their SMBs in the export chains through capacity building, technical assistance, commercialization and access to market and (ii) to create consciousness in the public and private sector as well as among development cooperations of the economic, social and environmental benefits to development of export to Guatemala.

AGEXPORT was the main partner in Guatemala PREMACA’s component 4 of known as “Eco-enterprise Fund, Sustainable Management of Natural Resources and Poverty Alleviation in Guatemala”. The Programme that ran from 2006 to 2012 had a budget of \$4,127,444. Some of the main results include the improvement of working conditions and income of more than 5000 rural employees in 82 Eco-businesses in Guatemala. The programme worked with 35 different market chains and contributed to generate more than USD 8.000.000 – or more than twice the donation made by Danida.

In the new programme AGEXPORT aims to contribute to the Programme objective of sustainable management of natural resources through strengthening the business capacities of eco-firms, including some run by women, implementing sustainable production initiatives and climate change mitigation activities, both leading to job creation, increased environmental advocacy capacity and improved economic empowerment of women and men.

FUNDER: 133 employees, Budget of 5 million USD (2013)

The Rural Enterprise Development Foundation (Funder) is a private non-profit organization created in 1997 and has its seat in Tegucigalpa, Honduras. FUNDER's overall objective is to contribute to improving poor and rural people's quality of life through the implementation of a Rural Enterprise Development model (DER). DER consists in strengthening the business capacity of eco-firms and rural banks (cajas rurales) in Honduras. FUNDER has more than 10 years of experience in working with natural resource management and conservation through small scale agricultural enterprises, local organizations, rural banks and rural micro enterprises.

FUNDER was one of the partners of Component 4b ("Support to Eco-enterprises, Sustainable Management of Natural Resources and Poverty Reduction in Honduras") of PREMACA. From 2007 to 2012 FUNDER spent DKK 12.87 million.

FUNDER aims to contribute to the new Programme objective of sustainable management of natural resources and AP's through strengthening the business capacities of eco-firms and rural banks "cajas rurales" in Honduras. FUNDER receives resources from the Government of Honduras, which are complementary to the Programme funds, to promote cajas rurales as a means to capitalize small producers and other excluded groups including indigenous peoples. The proposal is designed in line with government policies to reduce poverty in rural areas.

NITLAPAN: 170 employees, Budget of 3 million USD (2013)

The Nicaraguan Institute for Research and Development, NITLAPAN of the Universidad Centro-Americana, UCA, was founded in 1988. NITLAPAN works - through research, capacity building and advisory services - with natural resource management, rural territorial development, value chains, micro-leasing and financial services, climate change and food sovereignty.

NITLAPAN worked for eight years (2004 to 2012) with the Danida PASA Programme in Nicaragua (Programme to Support to the Agricultural Sector) with positive results *"One of the positive impacts of the PASA II Programme has been the strengthening of the synergies between the Local Development Fund (FDL) and NITLAPAN integrated financial and non-financial services, which has allowed small and medium scale farmers access to credit, technical assistance and legal services for land titling. The synergies achieved have contributed to positioning both organizations as national and international references"* (Evaluation report, PASA)

In the new Programme NITLAPAN will work to stop the advancing agricultural frontier and pressure on the Peña Blanca core protected area (part of the Bosawas Biosphere Reserve) through activities with the population in buffer zone areas.

ANNEX 2: BACKGROUND FACTS

Despite being one of the most diverse regions in the world in terms of biological and cultural diversity Central America continues to be poor and unequal, particularly among rural and indigenous communities. Nicaragua, Honduras and Guatemala are listed as Lower Middle Income Countries (LMIC) but poverty is pronounced and the gini- coefficient high.

For Guatemala, in 2000, 56,2% of the population lived at or below the national poverty line. In 2006 (the most recent data available) the figure had decreased to 51%. For Honduras in 2006 62,1% of the population lived at or below the national poverty line. In 2009 the figure had decreased to 58,4%, while in 2010 it had again risen to 60%. In Nicaragua in 2001 45,8% of the population lived at or below the national poverty line. In 2005 (the most recent data available) the figure had increased slightly to 46,2%.

In terms of natural resource management, the Central American System for Protected Areas includes 699 protected areas with an extension of 124,250 KM² or around 24% of the total territory of Central America. Of these 33% belongs to a category of total protection while the rest allows for sustainable use of natural resource. Most protected areas exist within a constitutional or other normative framework, however many still lack human, financial and infrastructural resources for an efficient management. In fact only 35% have some institutional presence. Consequently many protected areas suffer from illegal deforestation, logging, hunting, colonization, infrastructure projects etc.

The majority of indigenous territories in Central America overlap with protected areas that were created without any consultation or participation of the indigenous people in terms of management regulation and administration of these areas. According to IUCN only 21 % of the protected areas in Central America include some forms of co-management despite the fact that some studies show that this management model may be the most efficient. Other research suggest that indigenous people's local institutions based on collective ownership to ancestral land contributes to conserve the forest and the protected areas inhabited by indigenous people particularly where these are include in decision-making on basis of local practices and customs.

The most acute potential risk for the region is the increasing level of crime and violence which seems to have swept across the entire region. The issue is not only the immediate human and social costs, but the increase also represents a major danger for the development potential in the countries. In a recent study from the World Bank it is calculated that these sources of instability could actually directly lead to a reduction in the GNP with up to 8% when figuring in the costs of the health institutions and the costs of private security measures. That is a significant figure when considering that the average real growth of GNP in the three countries was below 2% in the period 2009-2011, and when comparing this figure to the average growth of approximately 6% for the entire Latin American region.

The fragility of the democratic institutions has been evident for several years, but particularly so in Honduras in 2009. The coup d'état in Honduras 2009 and the ensuing polarization of the country still casts a shadow. Observers agree that while there is no systematic oppression of

the opposition several state institutions are still weakened, and persons linked to the government are not prosecuted for violations committed. Similarly, the institutions responsible for law enforcement in Guatemala have been visibly weakened, and they seem to be unable to cope with the sharp rise in organized crime.

According to the 2011 figures from Transparency International's Corruption Perceptions Index all three countries are found in the lowest third of the 183 countries assessed. Guatemala is placed as number 120, Honduras as number 129, and Nicaragua as number 134. All three countries have moved down the list in recent years.

	Guatemala	Honduras	Nicaragua
GNI per capita 2011 (USD)	2.870	1.970	1.170
GNP real growth per capita 2011 (pct.)	3,9	3,4	4,6
Average GNP real growth per capita during the period 1992 – 2011 (%)	1,3	1,5	1,7
Population 2011 (million)	14,7	7,7	5,9
Average population growth 1992 – 2011 (%)	2,4	2,7	1,6
Long term public and publicly guaranteed foreign debt 2009 (million USD)	4.931	2.446	2.461

ANNEX 3: OUTCOME AND OUTPUT INDICATORS

Outcomes	Indicators and targets	Outputs	Indicators and targets
Outcome 1.1: Indigenous peoples' negotiation capacity for co-management of protected areas / indigenous territories in Central America is strengthened	By 2016 at least one co-management agreement has been established between indigenous people and authorities of the national protected areas systems in each of the three beneficiary countries	Output 1.1.1: Consensus is reached on the principles and guidelines related to the Protected Areas Co-management Protocol, using gender sensitive methodologies, between indigenous peoples in Central America, the Central American System for Integration (SICA) and the national environmental authorities in the three beneficiary countries. Gender	By 2016, the implementation of the protocol is being negotiated with the national environmental authorities in each country. A draft of the protocol will be presented at the World Park Congress in Sydney, Australia, in 2014 as an example of an advocacy and negotiation instrument.
Outcome 1.2: Case studies of co-management and other mechanisms that recognise local communities and indigenous peoples' rights in protected area and indigenous territorial management in the region and elsewhere are analysed and published.	The publication of at least 3 case studies disseminated by at least one communication media in each country.	Output 1.2.1: Watershed management in the Tacaná volcano protected area in San Marcos de Guatemala is strengthened and the experience is analysed and published	By 2016, 45 hectares of communal forests titled and with funding from the Forest Incentives Programme for Small Scale Owners of Land Suitable for Forestry or Agroforestry (PINPEP).
		Output 1.2.2: The Katainasta Indigenous Territorial Council, particularly women's members, has increased its capacity to administrate its territory in a way that is environmentally sustainable, and the experience is	By 2016, 20% of the budget of the Katainasta Development Plan's has been invested in improving sustainable natural resource management.

		analysed and published	
		Output 1.2.3: Other case studies of knowledge, practices and norms that regulate access, use, management, control and protection of natural resources in protected areas/indigenous territories are analysed and published.	By 2015 a least one case study of co-management per country.
Outcome 2.1. Eco-enterprises, including those made up exclusively of women, generate income, employment and sales by implementing sustainable productive activities and	By 2016, an additional USD 500,000.00 in sales generated by eco-enterprises	Output 2.1.1: Consolidation of 5 eco-enterprises (two of these are made up of women)	By 2016, 500 jobs improved, 2 women eco-enterprises consolidated and 200 women participating in eco-enterprises (to be defined)
	By 2016, 5 eco-enterprises with environmental impact mitigation plans	Output 2.1.3: The REDUZCO platform ² is designed and functioning.	By 2016, 2 (medium or large scale) companies compensate their CO2 emissions through REDUZCO

² ReduzcoCO2 is a platform being developed through a multi-actor agreement between Rainforest Alliance, *Defensores de la Naturaleza* and *Eco-Negocios Occidente*, and is intended to facilitate tools by which to measure, reduce and compensate for greenhouse gas emissions made by the productive sector in the country. The initiative will be linked to other climate change mitigation and adaptation measures that require investments in order to propitiate a reduction in the vulnerability and increase in the resilience of indigenous communities in Guatemala.

climate change mitigation activities		Output 2.1.4: The REDD Guate Carbón ³ project is being implemented in the Maya Biosphere Reserve in the department of Petén.	By 2016, 100 families implement productive activities (xate, timber) to reduce CO2 emissions and to generate carbon credits from REDD
Outcome 2.2: Eco-enterprises and rural banks' business capacity strengthened contributing to the sustainable management of natural resources and protected areas.	USD 1,425,000 in additional sales generated by eco-enterprises and value chains	Output 2.2.1: Business capacities of cocoa, coffee, fruit and vegetable consortia and value chains strengthened in protected areas buffer zones contributing to reduce the expansion of the agricultural frontier.	By 2016, USD 1.4 million in additional sales and 328 new jobs created.
	USD 525,000.00 in additional capital savings in the rural banks	Output 2.2.2: The National Society of Rural Banks (250 banks) in Honduras is strengthened, contributing to economic development and to reducing the expansion of the agricultural frontier in protected areas buffer zones.	By 2016, capital savings have increased 15% (USD 525.000) and the National Society of Rural Banks has USD 100.000 at its disposal

³ Guate Carbón is a Project that seeks to reduce greenhouse gas emissions through the Reduction of Emissions due to Deforestation and Degradation (REDD) mechanism in the Maya Biosphere Reserve in the department of Petén. The interventions serve to promote the diversification and maintenance of sources of income from forest activities for the local population, as well as improvements in governance, strengthening of an institutional presence in the territory to ensure adequate law enforcement, and the promotion of conflict resolution in the use and tenancy of natural resources. This initiative was supported with funds from PREMACA

		Output 2.2.4: Organic production , Good Agricultural Practices ⁴ and Cleaner Production ⁵ techniques are developed and introduced.	By 2016, the areas certified for good agricultural practices and organic production techniques have increased with 20%
Outcome 2.3: The expansion of the agricultural frontier in the buffer zone of the Peñas Blancas natural reserve (part of the Bosawás Biosphere Reserve) in Nicaragua has been reduced protecting the core area of the reserve.	300 families in La Mora and La Rinconada in the municipality of Tuma-La Dalia, located in the buffer zone of the Peñas Blanca reserve, have increased their family incomes by 25% by means of appropriate agricultural and live-stock raising practices.	Output 2.3.1: Families have diversified their agricultural production (coffee, staple grains, vegetables, musaceans, and smallstock)	By 2016, 300 families have diversified their agricultural production with at least one new activity based on sustainable management practices
		Output 2.3.2: Agricultural enterprises are established by women in La Mora and La Rinconada for the purpose of adding value to and marketing agricultural products and livestock as well as other products generated on their farms.	By 2016, 5 new agricultural business established by women

⁴ Good Agricultural Practices include aspects related to human and economic development and cleaner production, linked to the entire process of product collection, storage, transformation, packaging, transport and marketing, through the productive chains that allow for reaching the consumer with products that are more hygienic, safer and differentiated, of better quality and whose origin respects the social and environmental setting, thus ensuring sustainability in the process and positioning in the market.

⁵ Cleaner Production is defined as the continuous application of a preventive environmental strategy which is integrated to processes and services, in order to increase global efficiency and reduce risks to human health and the environment.

ANNEX 4: Summary of recommendations from appraisal

8. Template for summary of recommendations of the appraisal report

The final appraisal report⁶ must include this table summarising the recommendations regarding the further preparation of the programme support. All major recommendations of the appraisal report requiring action from the Representation must be specified in the left column below, and the table must be signed by the team leader/TAS representative and received by the Representation no later than 14 days after the end of the appraisal process. "N.a." is indicated in case there are no recommendations regarding the issue concerned.

The right column is filled in by the Representation, when the final programme support document has been prepared, and the table must be forwarded to the Under-Secretary for Development Policy and TAS as soon as possible, and no later than five weeks before the planned presentation of the programme support appropriation to Danida's Board, i.e. two weeks before the request for inclusion of the programme on the Board's agenda is forwarded to HUC.

Title of programme support	Environmental Management and Sustainable Production in Protected Areas, Community Lands and Indigenous Territories - Pro-Ambiente
File number	Ref:104.Centralamerika.31-PRO-DERECHOS.LPB
Appraisal report date	November 18, 2013
Board meeting date	11. December 2013
Summary of possible recommendations not followed: None	

⁶ This table is only mandatory for programme support appropriations when TAS is involved in the appraisal, but may also be useful in smaller instances of programme support, when the appraisal is undertaken by external consultants.

Overall conclusion of the appraisal

Poverty reduction and co-management of protected areas, in connection with land rights for indigenous populations and local communities, are as relevant in today's regional and national agendas in Central America as they have been in the recent past.

The Programme reviewed by this AT fits well into the regional and national contexts since it is complementary to governmental interventions; it will be operated locally by means of a high level of commitment with the poor populations and with appropriate approaches to reduce poverty in a sustainable form; and it combines those efforts with the fostering of democratic practices in community organizations: generational, ethnic and gender equity. The programme will also intend to promote entrepreneurial economic development oriented towards the positioning in the markets, and ecological productive practices bound to sustainable uses of natural resources and the biodiversity. These interventions fit well into Danish cooperation strategy and the challenge is that they can serve as demonstration models that could be utilized by governments to develop policies to promote a more decentralized economic growth and a more efficient conservation of natural resources in protected areas.

The programme component is set to work through support to 4 partner organisations in the same three countries the regional programme is focusing on. The AT notes that strategic collaboration is intended with key partners of the regional program, in particular regarding indigenous peoples rights issues, in particular with the Centre for justice and international law (CEJIL), and the International Labour Organisation, however also assess that these potential synergies can be further integrated in particular into the second intervention area; the "Consolidation of territorial rights and production initiatives at local level".

Recommendations by the appraisal	Follow up by the Representation
1. Adequacy of the preparation process of the partner programme and of the support	
1.1 The AT notes that the preparation process has been well-structured by the embassy, the intended partner organisations have been selected from a wide range of relevant organisations based on their thematic and geographical capacity and interest, and direct and indirect beneficiaries and other stakeholders have been consulted adequately.	1.1 No comments

<p>1.2 From the appraised documentation it was not possible to assess the extent of joint development efforts between the four partner organisations, and in particular linkages between regional and national/local efforts should be strengthened. The AT notes that the consultants have outlined a number of priority first steps for the partners to take, including a joint kick-off workshop in February 2014 to increase synergies, assess the political landscape regarding opportunities and risks, inviting at the least two key institutions from the regional Pro-Derechos Programme (CEJIL and ILO). The AT finds that this is a crucial activity, which could be integrated into the planning framework.</p>	<p>1.2 Agree. A Kick-off workshop has been included in the Programme Action Plan and is will take place in the first trimester of 2014. Some of the activities of the Workshop include:</p> <ul style="list-style-type: none"> - Revision of support activities in relation to the adjusted results framework. - Participatory comprehensive stakeholder analysis and communication and management plan - Consolidation of the proposed links between interventions 1 and 2
<p>2. Quality of the partner planning framework and its alignment to national and sector strategies</p>	
<p>2.1 R8: That the embassy review the programme design, including results framework and corresponding budgets, to increase the coherence at the objective and result levels, taking into account the adjustments suggested by the AT in section 6.5 and Annex B of the appraisal.</p>	<p>2.1 The proposed change in outcomes and outputs has been incorporated in the result framework presented in Annex 3 This does not lead to changes of the budget.</p>
<p>3. Consideration of relevant Danida thematic strategies</p>	

<p>3.1 The AT finds the approach to crosscutting themes adequate and that important lessons for future programmes may arise from the programme component. Therefore it is important that the partners continuously monitor progress, opportunities and potential pitfalls. The partners and in particular IUCN should further consider gender strategies developed in the previous programme as well as other experiences of success. Indigenous peoples will put emphasis on access to land and management of natural resources, which is at the crux of the PC objectives and overall aims. With respect to climate change, the programme will provide important lessons learnt and result to support advocacy work carried out by IUCN and others concerning climate change and indigenous peoples.</p>	<p><u>Agree. Outcomes and outputs including specific results on gender issues are:</u></p> <p>Output 1.1.1: Consensus is reached on the principles and guidelines related to the Protected Areas Co-management Protocol, using gender sensitive methodologies, between indigenous peoples in Central America, the Central American System for Integration (SICA) and the national environmental authorities in the three beneficiary countries. Gender.</p> <p>Output 1.2.2: The Katainasta Indigenous Territorial Council, particularly women's members, has increased its capacity to administrate its territory in a way that is environmentally sustainable, and the experience is analysed and published.</p> <p>Outcome 2.1. Eco-enterprises, including those made up exclusively of women, generate income, employment and sales by implementing sustainable productive activities and climate change mitigation activities.</p> <p>Output 2.1.1: Consolidation of 5 eco-enterprises (two of these are made up of women)</p> <p>Output 2.3.2: Agricultural enterprises are established by women in La Mora and La Rinconada for the purpose of adding value to and marketing agricultural products and livestock as well as other products generated on their farms</p>
<p>3.2 R2: That the embassy integrates gender into expected results and result indicators during finalisation of the programme design. Particularly IUCN's gender results can be made clearer.</p>	<p>3.2 See above (3.1).</p>
<p>4. Proposed programme support design including justification, strategy and partner choices.</p>	
<p>4.1 R3: Clarify the role and participation of relevant state agencies in the PCD, particularly in terms of policies making, coordination and risks</p>	<p>4.1 Agree. During the first trimester of the programme IUCN will clarify and define the best possible strategy to facilitate the dialog between relevant actors.</p>
<p>4.2 R4: that the development of a participatory comprehensive stakeholder analysis and communication and management plan will be included into the Kick-off programme seminar to take place during the first quarter of 2014.</p>	<p>4.2 Agree See point (1.2.)</p>

<p>4.3 R5: The embassy should clarify what is understood by the terms validation and consensus by indigenous communities and authorities in terms of legitimacy, representation and consultation, and to reflect on the consequences for time, resources and risk management.</p>	<p>4.3 As explained in the programme component document, PCD, IUCN will work with the national and regional indigenous organizations in order to reach agreements on the overall procedures and guidelines for co-management of protected areas that overlap with indigenous territories in Central America. These second-order organizations represent the indigenous communities and have been elected according to their own costumes and organizational structures. Concerning the concrete co-management agreement for specific protected areas/indigenous territories IUCN will use the overall guidelines in the process of consultation and consensus building with the indigenous communities and environmental authorities.</p>
<p>4.4 R6: That the embassy analyses the viability of the proposed mitigation mechanisms (REDD+ and REDUZCO2) and potential alternative ways to achieve the envisioned sources of income.</p>	<p>4.4 The Embassy has considered the recommendation and considers this, as a risk that the Programme must assume, like any other REDD+ initiatives.</p>
<p>4.5 R7: That the embassy in the final design of the programme component document, PCD, further reflects on how the consensus building between buffer zone farmer population, the indigenous peoples of the IPT/PA, and the local municipal authorities can promote a sustainable co-management with national authorities and decrease the pressure from the mentioned commercial and often government promoted interests in deforestation. This is a key area of the programme component as such and both Nitlapan and IUCN have experiences in this field.</p>	<p>4.5 Agree. Our counterparts consider that, top-down approach (command and control) to protected areas management does not work. Therefore experimentation with protected area co-management schemes is necessary as well as other approaches in the buffer zones as suggested by NITLAPAN. NITLAPAN provides an alternative that is based on the assumption that intensified diversification of the agricultural production, introduction of good agricultural practices and cleaner production, access to credit and markets, and strengthening of municipality governments as a platform for consensus building among farmers, indigenous people and local authorities will provide a reliably alternative and counterforce to pure commercial and central government interest in deforestation.</p> <p>The entire process will be analysed and useful lessons learned may be scaled out to communities in Nicaragua or other Central American Countries with similar social and environmental conditions. This will be done in collaboration among NITLAPAN and IUCN</p>
<p>5. Adherence to the aid effectiveness agenda</p>	

<p>5.1 The combination of a few concrete tangible results for poverty reduction with regional advocacy instruments such as the “protocol”, presents opportunities to provide important results. However, the AT assess that in order to increase the effectiveness implementation of the programme in view of the objectives, a further developed link between the two intervention areas (eyes) could be promoted. Specific recommendations hereto are provided in the Results Framework section 6.5 of the appraisal recommendation R8.</p>	<p>5.1 Agree. See point 1.2.</p>
<p>6. Measures to address identified capacity needs in the partner organization</p>	
<p>6.1 R1: That the embassy further addresses in the finalization of the PCP how the partners should ensure or strengthen capacity and achieve or continue necessary political support to sustain the activities supported or to uphold the achievements. (Exit strategy section)</p>	<p>6.1 As explained further in the programme component document, it is evident that some of the expected results, such as co-management of protected areas as well as reducing the expansion of the agricultural frontier, will likely require continuous political support and government presence. As a part of the previous support, IUCN developed advocacy methodologies and strategies, including the use of stakeholder and context analysis and the development of alliances for advocacy, which will be used during and after the end of the new programme.</p>
<p>Recommendations by the appraisal</p>	<p>Follow up by the Representation</p>
<p>7. Management, monitoring, reporting, steering committee arrangements</p>	
<p>7.1 R9: that the embassy carry out a first external review already after 12 months of implementation in particular of the extent to which the programme partners (especially IUCN) have achieved synergy of the outputs and expected results of the two intervention areas (eyes) in mainly with respect to co-management, IP territories and the poverty reduction activities supported in the three countries.</p>	<p>7.1 The representation agree with the AT’s recommendation and has included the first external review within 12 months in the Programme Action Plan</p>
<p>8. Budget</p>	

<p>8.1 The AT has in its assessment of the planning framework made a number of suggestions (section 6.5 and Annex B). These adjustments are not foreseen to have any effect on the total allocated budget to the Programme Component, nor to relative distribution between each of the four partner organisations. However, it is likely that the proposed adjustments may influence the distribution of funds within and between results managed by the partner, in this case IUCN. The AT refers to recommendation number R8 of section 6.5</p>	<p>8.1 This was considered by the Embassy but did not lead to changes in the detailed budget.</p>
<p>9. Identified risks and risk mitigation</p>	
<p>9.1 R10: in order to secure a full and consolidated overview it is necessary to analyse the risks in terms of likelihood and impact, and insert all of the risks into the risk management matrix provided in the Danida Guidelines in order of priority.</p>	<p>9.1 Agree. See annex 6.</p>
<p>9.2 See also recommendation R7 above.</p>	<p>9.2</p>
<p>10. Follow-up to the recommendations of the MFA Programme Committee</p>	
<p>10.1 The representation has made a comprehensive follow up to the recommendations and comments (See AT appraisal of incorporation of comments and recommendations in the appraisal section 3). The AT recommends to strengthen these further. See recommendations R2, R7, R8, and R9.</p>	<p>10.1 See responses to recommendations R2, R7, R8, and R9.</p>
<p>10.2 Furthermore, A proposed PAP has been drafted by the AT and included in section 11 in the appraisal report for embassy review. The PAP underlines the idea of working with some of the more complex recommendations within the framework of the regional kick-of workshop.</p>	<p>10.2 The representation agrees with the Programme Action Plan elaborated by the AT.</p>
<p>11. Other recommendations</p>	

	<p>Concerning the potential synergies with pro-derechos (see overall conclusion of the Appraisal) Countries in the region have ratified international legally binding agreements, such as the ILO Convention No. 169 and the United Nations Declaration on the Rights of Indigenous People. These agreements are the foundation for the development and implementation of co-management schemes and sustainable management of natural resources in the protected areas buffer zones. However, there is a lack of mechanisms that contribute to the practical implementation of these international conventions – which among other things is where collaboration and information sharing are expected with the Human Rights Programme, particularly with ILO and CEJIL, two of the main partners.</p>
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I hereby confirm that the above-mentioned issues have been addressed properly as part of the appraisal and that the appraisal team has provided the recommendations stated above.

Signed in..... on the
Team leader/TAS representative

I hereby confirm that the Representation has undertaken the follow-up activities stated above. In cases where recommendations have not been accepted, reasons for this are given either in the table or in the notes enclosed.

Signed in.....on the.....
Ambassador/Head of Representation

ANNEX 5 – Overview of relevant supplemental material

Programme Document: Environmental Management and Sustainable Production in Protected Areas, Community Lands and Indigenous Territories, 2014-2016”

HRBA/Gender Screening Note

Climate change and environment screening note

Risk matrix

Engagement 1 UICN:

Propose Agreement
Programme Document
Annual Plan and annual Budget 2014-2016

Engagement 2 AGEXPORT

Propose Agreement
Programme Document
Annual Plan and annual Budget 2014-2016

Engagement 3 FUNDER

Propose Agreement
Programme Document
Annual Plan and annual Budget 2014-2016

Engagement 4 NITLAPAN

Propose Agreement
Programme Document
Annual Plan and annual Budget 2014-2016

Other documentation

A Greener World for All – Strategic Framework for Natural Resources, Energy, and Climate Change (2013)

The Right to a Better Life. Strategy for Denmark’s Development Cooperation. Danida. 2012.

Danish Strategy for Latin America (2007);

Strategy for Danish Support to Indigenous Peoples (2004)

Informe final. “Titulación del Territorio Rama y Kriol y Co-manejo de las Áreas Protegidas correspondientes”. Octubre 2006 – Abril 2012. Programa de apoyo al sector medio ambiente – PASMA II. Danida.

Programa Regional de los Derechos Humanos en Centroamerica - Pro-Derechos 2013 – 2015 (14 de septiembre de 2012)

Crecimiento Verde en la Práctica, Lecciones Aprendidas de la Promoción de Ecoempresas en Honduras y Guatemala, Jakob Grossen.