



## ADAPTATION FUND

# PRE-CONCEPT FOR A REGIONAL PROJECT/PROGRAMME

## PART I: PROJECT/PROGRAMME INFORMATION

Title of Project/Programme:	<b>INCREASING CLIMATE RESILIENCE THROUGH RESTORATION OF DEGRADED LANDSCAPES IN THE ATLANTIC REGION OF CENTRAL AMERICA</b>
Countries:	Guatemala and Belize
Thematic Focal Area <sup>1</sup> :	Disaster risk reduction and early warning systems
Type of Implementing Entity:	Multilateral Development Organization
Implementing Entity:	UNEP
Executing Entities:	WRI and CATIE
Amount of Financing Requested:	10.009 Million (in U.S Dollars Equivalent)

### **Project / Programme Background and Context:**

Central America is one of the most vulnerable regions to climate change world-wide. As warming of the atmosphere continues, the impacts of weather extremes in the fragile and exposed Atlantic coastal area of Central America pose a major risk for countries in the region. The surge in land-falling hurricanes indicates an increase in average tropical cyclone wind speeds as sea-surface temperature rises, and a shift toward a greater number of Category 4 and 5 hurricanes (Curry et al. 2009). Hurricanes in coastal areas cause heavy rainfall, massive river flooding, soil erosion and mudslides which destroy crops, affect infrastructure, limit potential for the expansion of coastal tourism and disrupt conservation and management of coastal vegetation.

These climate extremes negatively affect people's livelihoods, economic activity, and drive-up migration and resettlement. As an example, entire villages were wiped out in the region by the flooding and mudslides during catastrophic hurricanes Mitch (1998), Stan (2005). The number of homes destroyed was in the hundreds of thousands, and thousands of hectares of coastal mangrove, broadleaf and pine forest were damaged or blown down. A report on the financial consequences of global warming (Vergara et al, 2013), concludes that the anticipated costs of weather extremes are amongst the most onerous in the region. The economic impact of damages from tropical cyclones is considerable and is projected to be \$110 billion–\$149 billion for the period between 2021 and 2025, including \$30 billion–\$44 billion for Central America and the Antilles (Curry et al. 2009). Toba (2009) places the annual costs of intensified hurricane activity in the region by 2050 at approximately \$5 billion.

Fortunately, there is a growing consensus in the region that land restoration is not only key to protect natural capital and social welfare but could also be a mechanism to strengthen resilience to climate impacts. This consensus is reflected in the region's involvement in Initiative 20x20 an effort to change the dynamics of land degradation in Latin America and the Caribbean.

---

<sup>1</sup> Thematic areas are: Food security; Disaster risk reduction and early warning systems; Transboundary water management; Innovation in adaptation finance.

## Project / Programme Objectives:

Building on Initiative 20x20, the project's objective is to strengthen resilience in the coastal Atlantic region of Belize and Guatemala to the impacts induced by the intensification of weather extremes. This will be pursued through the promotion of sustainable landscape restoration efforts (restoration of degraded natural forest, reforestation, optimal management of vegetation, sustainable use of mangrove and coastal swamp forests) with an emphasis in poor rural areas in the region. Efforts on landscape restoration in coastal areas align to the Central America Commission on Environment and Development's strategies (CCAD 2014).

## Project Components and Financing in Belize and Guatemala (5 year duration):

Components	Expected Outputs	Expected Outcomes	Amount (US\$)
1. <b>Supporting a conducive regulatory framework</b>	- Assessments of policy and regulatory measures for sustainable land restoration for adaptation - Assessments of fiscal and other economic incentives - Promotion of coordination between social organizations, communities and private parties that steer the process of restoration as an adaptation measure to extreme weather events in coastal areas of the Atlantic region	Improved use of available <b>technical, extension and financial services</b> in support of restoration projects in coastal areas vulnerable to the intensification of extreme weather events	800,000
2. <b>Addressing key information gaps</b>	- Regional information system focused on land-use based management, adaptation-based response systems to the intensification of extreme weather events.	Improved and timely <b>access to information</b> reduces the damages caused by extreme weather events	650,000
3. <b>Implementing restoration measures</b>	- Design and deployment of specific measures in coastal land ecosystems with significant potential for replication by the private sector. - Participation of private sector in financing of restoration as adaptation measures. Adoption of monitoring processes to capture increased resilience of projects and landscapes adopting land-based adaptation measures. Produce a pipeline of adaptation projects based on land restoration.	With restoration for adaptation investments in place, specific land use measures are regionally recognized to have the potential to reduce vulnerability and improve social welfare.	6,400,000
4. <b>Dissemination of results</b>	- Results are disseminated for use by a wider set of actors in the region.	Increased awareness of proposed measures for adaptation measures.	500,000
6. Project/Programme Execution cost			875,000
7. Total Project/Programme Cost			9,225,000
8. Project/Programme Cycle Management Fee charged by the Implementing Entity (if applicable)			784,125
<b>Amount of Financing Requested</b>			<b>10,009,125</b>

## PART II: PROJECT / PROGRAMME JUSTIFICATION

**Adaptation activities.** The project proposes activities that seek the use of land restoration as an adaptation measure through regulatory, information and technical activities leading to investments in improved resilience to the intensification of weather extremes. The project has a

focus in biomes and rural communities in the Atlantic coast of Belize and Guatemala (the coastal area from Itzabal lake in Guatemala, Amatique Bay shared by Guatemala and Belize to the northern coastal and Cay areas of Belize). The project seeks to promote restoration methods that include revegetation and restoration of coastal areas, which have been shown to reduce risks of soil erosion, reduce the likelihood of floods, mudslides, contribute to maintain stable surface hydrology and stabilize runoffs associated to heavy rain fall linked to extreme weather events (UNFCCC, 2012). A regional approach can inform ongoing adaptation processes in the Central America coastal region where results can benefit from cross-dissemination activities. Promoted restoration of major wildlands, watersheds, areas lived in and governed by Miskito and Garifuna peoples, and the negative effects of climate extremes and land degradation, are all trans-frontier. Cooperation among countries is also required in early-warning systems and management responses for climate extremes. Additionally, the regional approach of this project will permit intensive comparative multi-disciplinary monitoring of restoration in different political contexts.

**Innovation.** The use of restoration approaches as adaptation measures in coastal areas is innovative. Linking private impact investment to support restoration as adaptation efforts will be a first in the region. The cross fertilization between private and public concerns in two neighboring countries exposed to the same risks is also innovative. The project will initiate a regional communication program and form a regional information center that will collect, analyse and disseminate information generated through the project and from other sources. The information will support decision-making and allocation of resources in the participating nations.

**Cost effectiveness.** The involvement of two nations exposed to the same level of risks and sharing an area of high risks of weather extremes (Amatique Bay, part of Hurricane Alley) improves the costs effectiveness of the solutions. Also, the cultural and social proximity of the coastal areas in the two countries calls for a regional approach. The use of restoration approaches rather than hard infrastructure is expected to yield lower costs. Involvement of the private sector will ensure that solutions deployed are cost effective. Dissemination of lessons learned will contribute to drive future costs lower.

**Development strategies alignment.** At a regional level, both countries are part of a regional strategy for the conservation and sustainable use of biodiversity in Mesoamerica as well as a Regional Strategy for Rural Development<sup>2</sup>. These are complemented by a Regional Climate Change Strategy (CCAD 2010a) and a Regional Strategy for the Integrated Management of Water Resources (CCAD 2010b). Also, the region has also adopted a Regional Strategic Program for the Management of Forest Ecosystems, which calls for sustainable use, conservation and restoration of forest resources (Programa Estratégico Regional para el Manejo de los Ecosistemas Forestales - Perfor (CCAD y CAC, 2014)).

**Guatemala.** The project supports the implementation of the National Forest Landscape Restoration Strategy, that aims to improve adaptation processes to achieve better landscape management and planning on degraded landscapes. The project also supports the country adaptation efforts under the strategical objective 11 from the National Strategy on Biological diversity and the Action Plan 2012-2022 from the National Council of Protected Areas

---

<sup>2</sup> Estrategia Regional para la Conservación y Uso Sostenible de la Biodiversidad en Mesoamérica (CCAD 2003) and Estrategia Centroamericana de Desarrollo Rural Territorial - ECADERT (CAC, 2010)

(CONAP). Additionally, this project will contribute to achieve the targets on reduction of deforestation and degradation established under the National Strategy for the reduction of the deforestation and will make the links with mitigation under the Law for the reduction of vulnerability and adaptation to climate change Decree 7-2013. The objective of this project for the improvement of livelihoods in the focus areas of the project will contribute to the goals of the National Development Plan K'atun 2032: protect the natural resources in a sustainable way.

**Belize** The project will contribute to Belize's priorities in addressing information gap on the role of best land-use practices as a means of adaptation and by linking restoration opportunities to investments. As determined in Belize's NDC, adaptation measures considered should include activities in reserves and sustainable forest management. Other affected sectors include agriculture, fisheries and tourism sectors.

The project is consistent with key national and sectoral policies, strategies and action plans to incorporate climate change to enhance Belize's resilience. Priority actions are outlined in the National Climate Change Policy, Strategy and Action Plan (2015-2020). The action plan calls for, inter alia, the reviewing of national strategies and regulations, designing monitoring and evaluation frameworks, improving mangrove and habitat conservation and management, institutional strengthening, integrated water resource management and the undertaking of comprehensive assessments on human settlements and infrastructure. More specific climate change adaptation needs in the sectorial plans include the need to educate different stakeholder groups about climate change adaptation measures and to help them develop capacity to research, develop and implement adaptation strategies.

**Knowledge management.** The project is proposing a dissemination component for knowledge capture and sharing of progress and results with local and regional stakeholders.

**Consultative process.** A comprehensive consultation process is being undertaken in the region, focused in capturing the experience of technical partners and other stakeholders working on site with population at risk. WRI is leading this consultation using the network of technical partners and government institutions involved in Initiative 20x20<sup>3</sup>.

**Sustainability.** The project relies on the long-term involvement of the private sector to expand and complement the financing from the adaptation fund for the restoration activities. The involvement of the private sector is anticipated to provide a 2:1 leverage on the Fund financing. The private sector resources will ensure that the restoration activities are also productive systems that will continue to deliver the adaptation benefit. This will include for example: reforestation through agroforestry and sustainable use of secondary forests as well as sustainable use of restored mangroves.

## PART III: IMPLEMENTATION ARRANGEMENTS

---

<sup>3</sup> Consulted stakeholders include: FUNDAECO an NGO working with local communities in the area; the Caribbean Community Climate Change Center (CCCCC), headquartered in Belize, INAB in Guatemala, Defensores de la Naturaleza, Althelia, American Bird Conservancy.

UNEP is the Implementing Agency. The institutional framework of Initiative 20x20 through WRI and technical (FUNDAECO, Defensores de la Naturaleza, CCCCC) and investments partners (ALTHELIA, FCF) will assist countries in the implementation of the project components. The investors will bid for expansion and operation of the adaptation measures designed under the project leveraging 2:1 the resources from the Fund. CATIE will lead in the assessment on policy and regulation for adaptation measures through restoration. At a country level, each nation will appoint a coordinating body with representation from the Ministry of Agriculture, Fisheries, Forestry, the Environment Sustainable Development and Immigration and INAB in Guatemala and the Ministry of Environment and Natural Resources in Belize. These bodies plus the three institutions above will form a steering committee for purposes of project implementation. The committee will use the members from the Initiative 20x20 network of technical partners to support project activities when relevant.

## PART IV: ENDORSEMENT BY GOVERNMENTS AND CERTIFICATION BY THE IMPLEMENTING ENTITY

### A. Record of endorsement on behalf of the government<sup>4</sup>

<i>Hon. Omar Figueroa, Minister of State, <b>Ministry of Agriculture, Fisheries, Forestry, the Environment Sustainable Development and Immigration</b></i>	Date: June 27 <sup>th</sup> , 2017
<i>Dr. Joseph Waight Finance Secretary, Ministry of Finance</i>	Date: February 9 <sup>th</sup> 2018
<i>Dr. Sydney Alexander Samuels Milson, Minister, <b>Ministry of Environment and Natural Resources</b></i>	Date: June 16 <sup>th</sup> , 2017

### B. Implementing Entity certification

I certify that this proposal has been prepared in accordance with guidelines provided by the Adaptation Fund Board, and prevailing National Development and Adaptation Plans (.....list here.....) and subject to the approval by the Adaptation Fund Board, <u>commit to implementing the project/programme in compliance with the Environmental and Social Policy of the Adaptation Fund</u> and on the understanding that the Implementing Entity will be fully (legally and financially) responsible for the implementation of this project/programme.	
Name & Signature Implementing Entity Coordinator	
Date: (Month, Day, Year)	Tel. and email:
Project Contact Person:	
Tel. And Email:	



Walter Vergara  
Senior Fellow Coordinator Initiative 20x20  
World Resources Institute  
10 G Street, NE, Suite 800  
Washington, DC 20002 USA  
WRI.org

Dear Mr. Vergara

This is to indicate our interest in exploring opportunities to invest in degraded areas in the Atlantic Corridor of Guatemala and Belize provided funding is secured for the proposed “**INCREASING CLIMATE RESILIENCE THROUGH RESTORATION OF DEGRADED LANDSCAPES IN THE ATLANTIC REGION OF CENTRAL AMERICA**”. We understand the project seeks to promote landscape restoration efforts (restoration of degraded natural forest, reforestation, optimal management of trees on farms, sustainable use of mangrove and coastal swamp forests, and landscape management) with an emphasis in poor rural areas in the region.

We look forward to hearing updates on the progress of the request to the Adaption Fund and to opportunities to discuss in more detail how best to support these efforts.

Best Regards,

A handwritten signature in black ink, appearing to read "Richard Ambrose".

Richard Ambrose  
Managing Director  
Pomona Impact LLC



**GOVERNMENT OF BELIZE**  
*Ministry of Finance*  
*Belmopan, Belize*

---

C/GEN/120/01/18(2) VOL I

February 9, 2018

The Adaptation Fund Board  
c/o Adaptation Fund Board Secretariat  
Email: [secretariat@adaptation-fund.org](mailto:secretariat@adaptation-fund.org)  
Fax: 202 522 3240/5

**Subject: Support letter for the project proposal entitled “Increasing climate resilience through restoration of degraded landscapes in the Atlantic region of Central America”**

We wish to refer to the project concept “Increasing climate resilience through restoration of degraded landscapes in the Atlantic region of Central America” presently under development by World Resources Institute (WRI) and Centro Agronómico Tropical para la Investigación y Enseñanza (CATIE).

We wish to provide our endorsement and support for the project proposal submitted by WRI and CATIE which supports our National Climate Change Policy in advancing adaptation actions to reduce the adverse impacts and risks posed by climate change.

Sincerely,

A handwritten signature in blue ink, appearing to be 'J. Waight'.

**Mr. Joseph Waight**  
**Financial Secretary**  
**Ministry of Finance**



c: National Climate Change Office



**althelia**  
ecosphere

**World Resources Institute**

10 G Street, NE  
Suite 800  
Washington, DC 20002  
United States

Althelia Ecosphere  
5, rue Guillaume Kroll,  
L-1884 Luxembourg  
Grand Duchy of Luxembourg

[www.althelia.com](http://www.althelia.com)

London, 13<sup>th</sup> February, 2018

**Subject:** grant Proposal World Resource Institute, Adaptation Fund request US\$7m as project co-financing for Guatemala and Belize

Dear Mr. Vergara

This is to indicate our interest in exploring opportunities to invest in the restoration of degraded areas in the Atlantic Corridor of Guatemala and Belize through farmers' cooperatives financing, social businesses and REDD+ schemes, among others, provided there are investible opportunities, good governance and transparency, strong local project developers with track-record in sustainable management of natural resources under a community-management approach. Our funding would require, as well, in cash co-financing for local activities in order to increase impacts, decrease operational costs (usually very high due to the community and landscape approaches), and make the projects bankable.

Therefore, we are keen to work with WRI in securing funding for the proposed project, **"INCREASING CLIMATE RESILIENCE THROUGH RESTORATION OF DEGRADED LANDSCAPES IN THE CARIBBEAN/ATLANTIC REGION OF CENTRAL AMERICA"**.

**Currently**, we have a total US\$11m investment commitment in the Caribbean Forest Corridor through an Agroforestry and REDD+ Project with the NGO Fundaeco, and we are keen to match and increase the impacts of such commitment.

We understand that WRI project seeks to promote landscape restoration efforts (restoration of degraded natural forest, reforestation, optimal management of trees on farms, sustainable use of mangrove and coastal swamp forests, and landscape management) with an emphasis in poor rural areas in the region, targeting vulnerable populations, with a strong commitment to quantifiably increase their quality of life.

We look forward to soliciting a request to the Adaptation Fund by WRI and for an opportunity to discuss in more detail how to best support these efforts, and operationalise such grant so it make the best impact possible on the ground, supporting the achievement of SDGs, Challenge Bonn and 20x20 Initiative Targets.

Warm regards,

Juan Carlos Gonzalez-Aybar  
Latin America Director - Mirova Althelia

Adam Gibbon  
Investment Director - Guatemala investment officer