ADAPTATION FUND

PRE-CONCEPT FOR A REGIONAL PROJECT/PROGRAMME

PART I: PROJECT/PROGRAMME INFORMATION

Title of Project/Programme:	**INCREASING CLIMATE RESILIENCE THROUGH RESTORATION OF DEGRADED LANDSCAPES IN THE ATLANTIC REGION OF CENTRAL AMERICA**
Countries:	Belize, Guatemala and Honduras
Thematic Focal Area[1]:	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:	12.009 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. There is a surge in land-falling hurricanes and an increase in average tropical cyclone wind speeds. This has been linked to increases in sea-surface temperature. There is also a documented 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

[1] Thematic areas are: Food security; Disaster risk reduction and early warning systems; Transboundary water management; Innovation in adaptation finance.

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.

However, to enable the development of adaptation actions, including with the participation of the private sector, there is a need to address: a. The lack of a conducive framework that enables adaptation actions on the ground; b. the lack of coordination among different local stakeholders carrying out; and c. information gaps that do not allow to access to key information that could lower the impact of extreme weather events.

Project / Programme Objectives:

Building on Initiative 20x20, the project's objective is to strengthen resilience in the coastal Atlantic region of Belize, Honduras 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, Honduras and Guatemala (5 year duration):

Components	Expected Outputs	Expected Outcomes	Amount (US$)
1. **Supporting a conducive regulatory framework and conditions for adaptation implementation**	- Assessments of policy and regulatory measures for sustainable land restoration for adaptation - Assessments of fiscal and other economic incentives for the adoption of adaptation measures - Promotion of coordination of actions 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 **technical, extension and financial services** in support of restoration projects in coastal areas vulnerable to the intensification of extreme weather events	800,000
2. **Addressing key information gaps**	- Regional information system covering the three participating countries, focused on land-use based management, adaptation-based response systems to the intensification of extreme weather events.	Improved and timely **access to information** reducing the damages caused by extreme weather events	650,000
3. **Implementing restoration measures**	- 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. Design 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 through improved resilience to weather extremes, improved conditions for private investment in adaptation and protection of critical habitat for	8,400,000

		biodiversity conservation. Local communities are involved as beneficiaries and participants.	
4. **Dissemination of results**	- Results are disseminated for use by a wider set of actors in the region through an information campaign and a knowledge management plan	Increased awareness of proposed measures for adaptation measures.	500,000
6. Project/Programme Execution cost			875,000
7. Total Project/Programme Cost			11,225,00
8. Project/Programme Cycle Management Fee charged by the Implementing Entity (if applicable)			0
			784,125
Amount of Financing Requested			12,009,125

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 actions 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, Honduras and Guatemala (the coastal area from Izabal lake in Guatemala, Amatique Bay shared by Guatemala, Honduras 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 (UNFCC, 2012). A regional approach can inform ongoing adaptation processes in the Central American 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.

Nature and scope of likely activities include: a) **Reforestation of deforested coastal areas** using native species with economic timber value and the potential for non-timber products. Examples of areas where reforestation activities could take place include the Honduras' Mosquitia, and other areas where the "Pinus caribea" has lost cover. Reforested areas would contribute to maintain soil integrity, and prevent flash floods induced by extreme rainfalls justifying the deployment of resources from the adaptation fund. Additional private sector involvement would be used to strengthen sustainably of the effort by supporting production of oleoresin and for manufacture of pulp; b) **Restoration of degraded mangrove**. About 4000 ha of all mangroves have been lost in Belize and about 50,000 Honduras from 1980 to 2010. Losses in Belize were more prominent in southern Belize, around the Placencia Peninsula but were experienced all along the coast. Honduras counts with the largest concentration of Mangroves in central America and are placed all along its Atlantic Coast. Mangrove recovery efforts will dampen the

impacts of sea surges and shoreline protection in particular against extreme weather events, again justifying the use of resources from the AF. Working with local communities, landholders, local government authorities and civil society, mangrove recovery efforts would be promoted in areas of significant mangrove loss (Placencia Peninsula in Belize, Amatique Bay in Honduras and Guatemala); private sector involvement would add resources to that could yield financial benefits through eco-tourism initiatives and the set-up of sustainable fisheries) **Restoration of Coastal swamp forests**. Coastal swamp forest in Honduras and Guatemala in Amatique Bay as well as in delta of the Patuca River have been heavily degraded. The clearing of land and draining canals and water diversion have further contributed to these losses. These swamp forests include flooded savannah and remnants of humid tropical forests. The recovery of these coastal swampy forests would contribute to maintain vegetation, recover natural drainage that would alleviate run offs during extreme weather events and maintain avifauna and flora unique to the area. Sustainability of the efforts could be achieved by promoting ecotourism and harvest of non-timber products with involvement from private sector. Local communities will participate as direct beneficiaries and shareholders as appropriate in all of these activities. Specific involvement will be defined as project activities are formulated in greater detail.

Regional approach is justified on the basis of: a) The Atlantic corridor of Guatemala, Honduras and Belize experiences the same type of climate impacts (these areas constitute the prime landing area of tropical storms, depressions and hurricanes in the Caribbean Sea); b) further, as indicate elsewhere in the document, there is considerable evidence that weather events in the area will intensify in strength and frequency as the sea surface temperature in the area increases as a result of climate change; c) the coastal area in the three countries has a similar biophysical make up and d) posts cultural similarities in the local populations, who are among the most vulnerable in the area. A regional approach will add in economies of scale and sharing of experiences across participating countries. Additionally, it will provide improved adaptation benefits in the area as a whole, and provide co-benefits (e. g. improved habitats for key species, and mitigation co-benefits).

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 inputs in three 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 three 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, the three target 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[2]. 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, Central America 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 (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 outcome of this project for the improvement of livelihoods in the focus areas will contribute to the goals of the National Development Plan K'atun 2032: protect the natural resources in a sustainable way.

Honduras The project is consistent with national sustainability goals and supports the National Strategy for Productive Landscapes, that includes restoring degraded landscapes though a series of interventions in the landscape that are in consonance with the restoration strategies proposed in the project for coastal areas, such as agroforestry, restoration of degraded ecosystems and others. The project also supports the Country Vision Plan for 2038 specifically the goal (Meta 3.6) that aims to improve the sustainable use of natural resources to reduce environmental vulnerability. The Country National plan 2010-2022; The National Plan for a Better Life; the National Law for Climate Change and the National Strategy for climate change. And the National Adaptation Plan.

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 through restauration and

[2] 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)

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. At the current conceptual stage of the proposed project an initial contact with local communities has been undertaken. Organizations and communities contacted include: Organization of Garífunas Communities in Belize and Guatemala (OFRANEH, Miriam Miranda, representative) based in Honduras; Organization of coastal communities in Guatemala (Utz'che), based in Guatemala; and Ramiro Batzin as a local expert and contact for Indigenous Communities on the coastal zone of Belize. Expressions of interest in participation in project activities have been received from local indigenous communities and organizations including, Organización Ak' Tenamit in Guatemala and Organización Maya Leaders Alliance and Julian Cho Society in Belize. A key comment received involved the anticipated role and benefits to the communities, which will be built with the partners when the proposal is consulted. A comprehensive consultation process will be launched in the region, once the concept stage of the project is given a green light by the Secretariat of the AF, so that expectations are not raised if the project is not to take place. The consultation will involve the local communities 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[3], and the local organizations identified.

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 benefits. This will include for example: reforestation though agroforestry and sustainable use of secondary forests as well as sustainable use of restored mangroves.

PART III: IMPLEMENTATION ARRANGEMENTS

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 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

[3] 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.

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. The role of local communities will be clearly developed after the consultation takes place, considering their input.

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

A. Record of endorsement on behalf of the government[4]

Hon. Omar Figueroa, Minister of State, ***Ministry of Agriculture, Fisheries, Forestry, the Environment Sustainable Development and Immigration, Belize*** *Dr. Joseph Waight* ***Finance Secretary. Ministry of Finance, Belize***	Date*: June 27th, 2017* *Date: February 9th 2018*
Dr. Sydney Alexander Samuels Milson, Minister, ***Ministry of Environment and Natural Resources, Guatemala***	Date*: June16th, 2017*
Hon Carlos Pineda Fasquelle, ***Designated Minister of Environment, Honduras***	June 8th, 2018

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 (Belize's National Climate Change Policy, Strategy and Action Plan 2015-2020, Guatemala's National Forest Landscape Restoration Strategy, and Honduras' National Adaptation Plan) and subject to the approval by the Adaptation Fund Board, commit to implementing the project/programme in compliance with the Environmental and Social Policy of the Adaptation Fund and on the understanding that the Implementing Entity will be fully (legally and financially) responsible for the implementation of this project/programme.	
Leo Heileman Director and Regional Representative UN Environment Clayton, City of Knowledge-Morse Avenue, Building 103 Corregimiento de Ancón-Panama City, PANAMA Implementing Entity Coordinator	
Date: *July 27th, 2018*	Tel. and email: (507) 305 -3133; heileman@un.org
Project Contact Person: Gustavo Máñez	
Tel. And Email: (507) 305-3127, gustavo.manez@un.org	

[4] Each party shall designate and communicate to the secretariat the authority that will endorse on behalf of the national government the projects and programmes proposed by the implementing entities.

SECRETARÍA
RECURSOS NATURALES
Y AMBIENTE

Tegucigalpa, M.D.C., 08 de Junio de 2018 Oficio No. **UCEMR-DMA- 0534-2018**

To: The Adaption Fund Board
c/o Adaptation Fund Board Secretariat
Email: Secretariat@Adaptacion-Fund.org
Fax: 202 5223240/5

Subject: **Endorsement for INCREASING CLIMATE RESILIENCE THROUGH RESTORATION OF DEGRADED LANDSCAPES IN THE ATLANTIC REGION OF CENTRAL AMERICA**

In my capacity as designated authority for the Adaptation Fund in Honduras, I confirm that the above regional programme proposal is in accordance with the government's priorities in implementing adaptation activities to reduce adverse impact of, and risk, posed by climate changes in the region.

We wish to provide our endorsement and support for the project proposal submitted by World Resources Institute (WRI) and Centro Agronomico Tropical para la investigacion y Enseñanza (CATIE) which support or National.

SECRETARÍA DE RECURSOS NATURALES Y AMBIENTE MIAMBIENTE
SECRETARIO DE ESTADO
HONDURAS, C.A.

ING. CARLOS PINEDA FASQUELLE
SECRETARIO DE ESTADO
DELEGACION DE FIRMA MEDIANTE ACUERDO NO. 1038-2018
DE FECHA 07 DE MAYO DE 2018

C.c. JAG/FDD
Cc: Archivo
MiAmbiente+

PomonaImpact

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,

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
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,

Ministry of Finance
Belmopan City, Belize

Mr. Joseph Waight
Financial Secretary
Ministry of Finance

c: National Climate Change Office

Ministry of Agriculture, Fisheries, Forestry, The Environment, Sustainable Development and Immigration
Old Lands Building, Market Square, Belmopan, Belize, C.A.
T: (501) 822-0160 /62 F: (501) 822-0433
E: minister@environment.gov.bz minister.secretary@environment.gov.bz

Please Quote
Ref No: GEN/11/01/17 (74) VOL. V

June 27, 2017

The Adaptation Fund Board
c/o Adaptation Fund Board Secretariat
Email: 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,

Hon. Omar Figueroa, PhD.
Minister of State in the
Ministry of Agriculture, **Fisheries, Forestry,**
the Environment, Sustainable Development
and Immigration

c: National Climate Change office

MINISTERIO DE AMBIENTE Y RECURSOS NATURALES
GUATEMALA, C.A.

Ministro

Guatemala, 16 de junio de 2017
Oficio-No.MI-**790**-2017/SASM-pm

To: The Adaptation Fund Board
c/o Adaptation Fund Board Secretariat
Email: Secretariat@Adaptation-Fund.org
Fax: 202 522 3240/5

Subject: Endorsement for INCREASING CLIMATE RESILIENCE THROUGH RESTORATION OF DEGRADED LANDSCAPES IN THE ATLANTIC REGION OF CENTRAL AMERICA

In my capacity as designated authority for the Adaptation Fund in Guatemala, I confirm that the above regional) programme proposal is in accordance with the government's priorities in implementing adaptation activities to reduce adverse impacts of, and risks, posed by climate change in the region.

Accordingly, I am pleased to endorse the above programme proposal with support from the Adaptation Fund. If approved, the project/programme will be implemented by [implementing entity] and executed by WRI and CATIE.

Sincerely,

MINISTERIO DE AMBIENTE Y RECURSOS NATURALES
MINISTRO

Dr. Sydney Alexander Samuels Milson
Ministro
Ministerio de Ambiente y Recursos Naturales

c.c: Copperacion Internacional
Archivo

Forestry and Climate
Change Fund

EXPRESSION OF INTEREST

To: World Resources Institute
Mr. Walter Vergara

From: Kaspar Wansleben, CEO
+352 2747 3530
kaspar@fccf.lu

Date: 12 February 2018

To whom it may concern,
dear Walter,

We welcome very much the initiative of WRI, UNEP and CATIE to create more resilient and climate smart landscapes in the coastal areas of Guatemala and Belize. Our activities in Guatemala have shown that increased efforts are needed to adapt to the increasingly felt effects of a changing climate.

Based on the concept note entitled: "INCREASING CLIMATE RESILIENCE THROUGH RESTORATION OF DEGRADED LANDSCAPES IN THE ATLANTIC REGION OF CENTRAL AMERICA" we understand the project seeks to promote landscape restoration and revegetation efforts in different areas (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, whereas restoration is key to protect natural capital, social welfare, promote job creation and offer a mechanism to strengthen resilience to climate impacts.

The Forestry and Climate Change Fund (FCCF) invests into productive restoration of secondary and degraded forest and sees tremendous potential to create functional and resilient landscapes of forest and agricultural lands in the region. We focus our restoration efforts on areas with certain biological characteristics in view of our investment horizon. We would welcome very much intelligent combinations of grant and non-grant financial instruments to further the possible scope of projects we can finance.

We wish all the parties all the best for this application to the Adaptation Fund and look forward to discuss close collaboration in the Atlantic regions of Nicaragua and Belize in the near future.

Kind regards,

K.W

Digitally signed by Kaspar WANSLEBEN
DN: cn=Kaspar WANSLEBEN gn=Kaspar c=DE l=LU o=Luxembourg Microfinance and Development Fund ou=Executive Director e=kaspar@lmdf.lu
Reason: I am approving this document
Location: Luxembourg
Date: 2018-02-12 18:58+01:00

Kaspar Wansleben
Executive Director

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

London, 13th 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