ADAPTATION FUND

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Adaptation Fund Board
Project and Programme Review Committee
Thirty-sixth Meeting
Bonn, Germany, 8-9 October 2025

PROPOSAL FOR INNOVATION LARGE GRANT FOR HONDURAS

ADAPTATION FUND BOARD SECRETARIAT TECHNICAL REVIEW OF PROJECT/PROGRAMME PROPOSAL

PROJECT/PROGRAMME CATEGORY: Single Large Innovation Project Full Proposal

Country/Region: Honduras
Project Title: Resilience and Ancestry: Community Adaptation in the Honduran Trifinio Biosphere
Thematic Focal Area: Innovative Climate Finance
Implementing Entity: CASM
Executing Entities: SERNA, CA, ACCH and PIL PILARH-OPDF
AF Project ID: AF00000417
IE Project ID:
Requested Financing from Adaptation Fund (US Dollars): USD 4,000,000.00
Reviewer and contact person: Marcus Johannesson **Co-reviewer(s):** Naoki Uozawa
IE Contact Person:

Technical Summary	The project "Resilience and Ancestry: Community Adaptation in the Honduran Trifinio Biosphere" aims to implement innovative financing mechanisms to support climate adaptation for vulnerable families in the Trifinio fraternity biosphere reserve. This will be done through the two components below: Component 1: Establish a funding mechanism for innovation in climate change adaptation and resilience building (USD 1,794,276) Component 2: Systematic strengthening of the project's knowledge management and it is scaling up in local and international policies (USD 1,552,130) Requested financing overview: Project/Programme Execution Cost: USD 350,230 Total Project/Programme Cost: USD 3,686,636 Implementing Fee: USD 313,364 Financing Requested: USD 4,000,000

	The first technical review raised several issues, including the absence of key activities in the proposal, lack of clarity on the proposed financing mechanism and its alignment with the AF's Full Cost of Adaptation Approach, misalignment with the AF's Strategic Results Framework, the need for further justification of the project's cost-effectiveness, inconsistencies in the classification and mitigation of ESP risks, and minor budget discrepancies related to breakdowns and rounding. These issues, along with others, are detailed in the Clarification Requests (CRs) and Corrective Action Requests (CARs) raised in the review. The second technical review raised several issues, including lack of the details of the proposed financial mechanism, the absence of key activities, Full Cost of Adaptation reasoning, misalignment with the AF's Strategic Results Framework, the need for further justification of the project's cost-effectiveness, and minor budget discrepancies related to breakdowns and rounding. These issues, along with others, are detailed in the Clarification Requests (CRs) and Corrective Action Requests (CARs) raised in the review. The third technical review still raises several issues, including unclarity of the project's alignment with the Fund's Full Cost of Reasoning, the lack of detailed activities, unclarity in relation to the risks of the ESP principles and some budgetary issues. These issues, along with others, are detailed in the Clarification Requests (CRs) and Corrective Action Requests (CARs) raised in the review. The fourth technical review still raise several issues, such as the absence of required Sections, lack of clarity on financial flows for each financial product with actual amounts, full cost of adaptation reasoning, and budgetary issues. These issues, along with others, are detailed in the Clarification Requests (CRs) and Corrective Action Requests (CARs) raised in the review.
Date:	August 7th, 2025

Review Criteria	**Questions**	**Comments 1st Technical Review (March 11, 2025)**	**Comments 2nd Technical Review (June 25, 2024)**	**Comments 3rd Technical Review (August 7th, 2025)**
Country Eligibility	1. Is/are the beneficiary country/countries a developing country/countries Party/Parties to the Kyoto Protocol?	**Yes.**	**-**	**-**

	2. Is the participating country / are all participating countries developing countries particularly vulnerable to the adverse effects of climate change?	**Yes.** Increased floods and droughts coupled with higher temperatures risks and impacts biodiversity, livelihoods and food security for the most vulnerable in Honduras's Trifinio region.	**-**	**-**
Project Eligibility	1. Has the designated government authority for the Adaptation Fund / Have the governments' design ated authorities for the Adaptation Fund endorsed the project?	**Yes.** As per the Endorsement letter dated 17 January 2025 by Honduras's DA, Mr. Lucky Halach Medina Estrada, Secretary of State at Secretariat of Natural Resources and Environment.	**Yes.**	**-**
	2. Does the project/programme supp ort concrete adaptation actions to assist the country or countries in addressing adaptive capacity to the adverse effects of climate change and build in climate resilience? In case of regional project/programme, is	**Not Cleared.** The page numbering in the proposal is inconsistent. Please ensure consistency throughout the document or consider separating sections like the Annex into a different document. Some figures and	**Not Cleared.** The page and table numbering still need to be reviewed for consistency. For instance, Table 32 appears on a page labeled "0," and there are two separate tables labeled "Table 2" on pages 27 and 34.	**Not cleared.** Page numbers are inserted; tables are labelled and have been translated into English. However, the proposal is over allowed 100 pages (**112**) and Annexes over allowed 100 pages (36+109=**145**).

	there added value using the regional approach, compared to implementing similar activities in each country individually?	tables in the proposal are in Spanish. Please make sure that these are translated into English. **CR1:** Table 3 lists various beneficiary groups, including families, farmers, producers, and urban/rural communities. However, the proposal suggests that families are the primary focus for investment selection and application of the Climate Resilient Families Model (CRFM). Please clarify how these target groups are interrelated and how the model applies across them. **CR2:** The Climate Resilient Family Model (CRFM) is described as a tool for problem analysis and adaptation planning. Under 1.1 the project plans to facilitate 600 adaptation interventions among	Please ensure that page and table numbers are consistent and sequential throughout the document. Alternatively, since the proposal including Annexes exceeds 200 pages, please consider separating the main proposal and Annexes into separate documents to enhance clarity and ease of reference. Some tables/figures still in Spanish and some have no numbers. Please check. **CAR15 (New):** Please ensure that the proposal follows the AF proposal template structure consistently. For example, the document currently skips from Section K to Section J (page 83).	Please, adjust the number of pages. **CAR15: Not cleared.** Some Sections have been added but the proposal is lacking Section **B**, **C** and **K** as outlined in the AF proposal template. The order of the included Sections does not follow the sequence as outlined in the template. Please, include Sections B, C and K and use the AF proposal template structure as a reference. See the AF proposal template. Also, put the Sections in the correct order. **CAR16: Not cleared.** While describing Component 1, 1400 families will be targeted. However, throughout the document there is a reference to 700 families (previously 600) (e.g., para 97 and 101). In addition, across many parts of the

		households/families. The Climate Resilient Families Model will guide the implementation of these. At the same time, the project lists a range of other potential beneficiaries such as local farmers, small producers, rural and urban communities etc. in Table 11. Please confirm whether the CRFM model applies to all target groups listed in Table 3 (e.g., farmers, producers, communities) or is specific to certain beneficiaries. **CR3:** The community infrastructure to be developed is said to be "crucial for the successful implementation of adaptation projects". Please more clearly elaborate how this will tie into and be supportive of the development and adaptation of	**CAR16 (New)** The proposed financing mechanism includes multiple financial products, such as credit, grants, and seed funding, as outlined in Table 2. However, throughout the proposal, the terms "credits," "grants," and "seed funding" appear to be used interchangeably. Please clearly **define each term** and **elaborate on the flow of funds**: specifically, who is providing the financing and who the intended recipients are for each type of financial product. **Please include a diagram illustrating the financial flow between funders, intermediaries (if any), and beneficiaries to enhance clarity and understanding.** **CR1: Cleared (Page 35)** Table 3 has been updated to indicate that	proposal it still refers to 600 families such as in the results framework (Annex E). While 700 loans/grants are to be awarded, para 102 refers to 700 eligible loans. Please clarify the above issues and the no. of families to be reached and harmonize across the proposal. In para 88, it is now clarified that the loans to be coupled with grants and seed grants are not grants based but commercial. Please note that in accordance with the Adaptation Fund's Full Cost of Adaptation Reasoning, the intended results of a project must be able to be achieved without any external sources of finance. A mechanism where loans are mingled with grants as now proposed does not seem feasible, especially since the targets of the

		sustainable practices and technologies. **CR4:** Various abbreviations are used alongside the abbreviation CRFM are used but not in the list of acronyms. These include MFRC, CRFM, CRFF and RSFF. Please clarify if these are only typos or otherwise, they would need to be either explained or corrected. **CAR1:** The proposal lacks details on the key activities that will enable the desired outputs (and its indicators) and outcomes of the project. Please insert key activities into the results framework that strengthen the Theory of Change (ToC) and depict how these activities are encouraging and incentivizing the desired change so	the beneficiaries would be the small rural farming families (including vulnerable and indigenous people), men, women, and young people. **CR2: Not Cleared** While the proposal has clarified that it will mainly target small rural farming families, some figures in Table 2 related to the target group is unclear. Please clarify the figures presented in Table 2 (p.27) and the corresponding explanation. For example, the "People reached directly" is listed as 600 credits in the narrative, but only 280 appears in the table. Ensure consistency between the narrative text and the table. **CR3: Cleared** As described in para 129-134, the infrastructure investments are well aligned with and	results refer to loans, among others. See also CR20. Please, suggest a model where the project is not dependent on the loans to achieve its intended results but rather be complementary to the grants in parallel to the grants. Under Output 1.1.2, the total amount allocated is USD 960,496. However, based on the breakdown provided on para 241: - Loans through PILARH: USD 200,000 - Loans through Rural Savings Bank: USD 100,000 - Seed Fund - Grant: USD 100,000 These figures combined amount to USD 400,000, which is less than half of the total allocated amount for this output.

		that anticipated outputs, outcomes, and objectives are achieved. **CR5:** The Theory of Change (Fig. 6) lacks clarity on the key actors, partnerships, and activities required to achieve project goals. Please specify how the interventions will incentivize behavior change, including assumptions, causal linkages, and expected outcomes. **CR6:** The proposal identifies reliance on agriculture as a risk but does not clarify whether livelihood diversification is a project objective. Please confirm whether the project actively promotes livelihood diversification or remains centered on agriculture. **CR7:** The project includes priority sectors (Table No.3), selection	benefiting the projects and community priorities. The project will also ensure these are aligned with plans at the Secretariat of Natural Resources and Environment (SERNA) and municipal level. **CR4: Cleared.** MFRC refers to Climate Resilient Families Model in Spanish and CRFM has been used through the document. The acronyms MFRC, CRFF and RSFF have been replaced by CRFM Climate Resilient Families Model throughout the text. **CAR1: Not cleared.** While the proposal now has updated the Results Framework (Annex E) with activities, targets, and follow-up measures, please also number these and include a description and elaborate the activities that are underpinning the various	To improve clarity, please update a diagram showing the flow of funds from the Adaptation Fund to the Executing Entities and then to the final beneficiaries, **along with the corresponding amounts allocated at each stage.** **CR2: Not cleared** Figures in table 2 are now somewhat clarified such as disaggregation of benefitting men, women, youth, and indigenous people but still some issues remain in reference to CAR16. Further Clarification on Table 2-1: The table mentions 40% Loans and 60% Grants." Could you please clarify what these percentages refer to? Does this imply that 60% of the total funding comes from the Adaptation Fund and the remaining 40% from other sources? Or does it mean that, of the financing provided loans. Adaptation

		criteria (Table No.5), curriculum (Table No.7 and 8), and infrastructure (Table No.9). However, the linkage between these elements is not clearly explained. Please clarify how these components are interconnected and aligned with the project's objectives to ensure a cohesive and effective implementation strategy. **CR8:** A collaboration with the municipalities and public private partnerships is mentioned as necessary in order to scale up and extend innovations during the project's life. Please clarify the target groups' relation to municipalities and their partners, and how the project's activities are strengthening the connection to these stakeholders. Also, clarify if and how the	outputs under the proposal's section "A PROJECT COMPONENTS." Also, please clarify if the activities listed under Table 14: Institutionalized activities, Table 13: Positioning activities, Table No. 12: Formative Curricula and potential others have been included? **CR5: Cleared (Page 24)** The ToC has been revised. **CR6: Cleared** In response to this review sheet, it has been clarified that the project actively promotes livelihood diversification in the area of agricultural practice as a core climate change adaptation strategy. **CR7: Cleared** Tables 3, 5, 7, 8 and 9 have been amended, and it is clarified that these are strategically interlinked to achieve the	Fund, 60% will be disbursed as grants and 40% as loans? Additionally, it appears that local organizations are expected to be responsible for the distribution and implementation of the grants. Please specify which entities will be in charge. **CAR1: Not cleared.** A clarification of activities listed under Table 12, 13 and 14 has been provided as being a part of output 2.1.1 and output 2.2.2. While the results framework (Annex E) has now been updated with activities, these are not numbered. Still, under Section A (Projects Components) numbered and elaborate activities are lacking for each of the outputs under the various components. Please, include number and elaborate the activities in reference to above.

		innovations generated by families, producers and farmers will be connected to the municipalities alongside the infrastructure innovations among communities. It is stated that “Seven tools” assessing the areas of livelihoods, social risk management and agroecology will be used to screen application for financing among families. Then families will enter into a sequence of phases including diagnosis, planning, implementation and monitoring, and feedback and evaluation. **CR9:** Please clarify if these tools are the same as the selection criteria in Table 5? If not, please provide details on how they function.	overall project's objective of piloting and institutionalizing innovative climate adaptation financing mechanisms. **CR8: Not cleared** The response in the review sheet clarified the partnership between the municipalities and their partners and how it relates to the small rural farming families in terms of interconnectedness and how it ensures sustainability beyond the project’s reach. **Please make the clarification in the proposal main text.** **CR9: Cleared** The text in the proposal has been revised to clarify the seven assessment tools. Starting from para 105 and onwards. **CR10: Not cleared** In the response sheet it was clarified that the reference to families previously engaged with	**CR8: Cleared (Page 105)** The partnership between the municipalities and their partners how been clarified under para 242. **CR10: Cleared (Page 45)** In para 103 it has now been clarified that families previously engaged under the Consortium will not be given preferential treatment as the same selection criteria will be applied across all beneficiaries.

		One of the criteria in Table 5 gives a preferential treatment to beneficiaries who have already been participating in previous Consortium projects and who have knowledge of its processes and practices. **CR10:** While this may ease implementation, it may also exclude new participants. Please justify this approach and clarify whether efforts will be made to include first-time beneficiaries.	consortium projects is not intended to imply preferential treatment but rather to facilitate early-stage implementation through communities already familiar with the consortium's processes. However, the same selection criteria will be applied to all families who are selected in this project. **Please make the clarification in the proposal main text.**	
	3. Does the project/programme help spread innovative adaptation practices, tools and technologies that have demonstrated success in one country to another country, countries, or regions; and/or Does the project/programme pilot at larger scale innovative adaptati on practices, tools or	**Not Cleared.** **CAR2:** The proposal should further clarify the innovative aspects of the project. Please specify the key challenges faced by beneficiaries and how the proposed solution addresses them in a novel way. Additionally, explain how the intervention will drive meaningful change	**CAR2: Not Cleared.** One of the key elements of the proposal is the innovative finance mechanism. However, Output 1.1.1 focuses on designing this mechanism. At the fully developed proposal stage, the financing mechanism should already be designed and clearly defined. Please revise accordingly.	**CAR2: Not cleared** As previously raised, one of the key elements of the proposal is the innovative finance mechanism; however, Output 1.1.1 focuses on designing this mechanism. At the fully developed proposal stage, the mechanism should already be clearly defined. At a minimum, feasibility studies should have been conducted—particularly

	technologies generated that have demonstrated viability at a small scale?	within the targeted region. Families in the intervention area face the following challenges: **<u>Climate challenges:</u>** **Disasters due to hurricane season:** The western region of Honduras is highly vulnerable to the effects of climate change; the geographical location between the Pacific and Atlantic oceans exposes them to climatic risks caused by tropical storms and hurricanes, which as they pass through the territory leave floods, landslides, and landslides. The project will address this challenge in an innovative way by providing climate services, which generate access to reliable and up-to-date	**CR11: Not cleared** In the response sheet, it has been clarified that the project already has on-going dialogues with both local and national level so that the project results can be incorporated into their development and/or adaptation plans. **Please make the clarification in the proposal main text.** **CR12: Not Cleared** A clearer description of the innovation process has been added to the proposal, starting from para 102. Two tables (3-	given that the proposed model involves financial institutions and multiple stakeholders. For your reference, project formulation grants are available at the pre-concept or concept proposal stage. Please, address CAR2 in reference to above issues. **Note**: Highest priority in regard to the mechanism is to address CR20. **CR11: Cleared (Page 91)** The project's focus on building strong alliances with both local and national actors has now been clarified in para 228. **CR12: Not cleared** As concluded under CR20, a mechanism which is depending on external sources of financing (such as commercial loans) to achieve the project's

		climate information for decision-making. **Prolonged and accentuated dry periods:** On the other hand, it experiences prolonged and recurrent droughts that significantly reduce water sources, affect agriculture and consequently the food security of the population. Another factor that increases vulnerability is its orographic characteristic, with mountainous lands and very steep slopes. The innovative approach of the project consists of training farmers' capacities on the implementation of CSA practices, which improve adaptive capacity in the face of drought situations. **The lack of climate information for decision-making:** In Honduras, there are	1 and 3-2) describe the types of projects which will be funded. In accordance with Table 4-2 (page 39), which describes the process and stages of the mechanism, it is unclear how the project is already able now to foresee that loans will be approved since these will be based on a credit assessment by the microfinance institution. Please clarify.	intended results is not aligned with the AF's Full Cost of Adaptation Reasoning. This CR can only be revisited and addressed further once this fundamental issue is resolved. **CR13: Not cleared** While it has been stated that loans are based on commercial capital (and repayable w. interest rate), the response in the review sheet is a bit ambiguous as it seems to indicate that AF funds will be transferred to the microfinance institution and the Savings bank for lending purposes? Please clarify who will be responsible for covering the transaction costs incurred by the financial institutions involved in the loan mechanism. Will these costs be borne by the borrowers (e.g., through collateral requirements or interest

		sources of climate information, including CENAOS-COPECO, the United Nations Development Program (UNDP) and other organizations that are venturing into this area; however, this information is very general and not very precise. For decision-making in agricultural systems and the management of climate-related risks, it is necessary to have accurate and easily accessible information, which allows timely decision-making and minimizes the impact. Farmers require sources of information that help guide decision-making in each production cycle; usually in Honduras the first and last season, where the basic foods that are part of the diet throughout the year are produced. The project will address this	**CR13: Not Cleared.** Under **Output 1.1.1: Design of financing mechanism for climate change adaptation practices,** the outline of the financial mechanism is described. Is the financial mechanism a loose constellation where the various actors have a joint agreement to serve the project's objectives or will it be its own legal entity as a special purpose vehicle? **To which of the actors** in Table 2 (p. 34) **will AF funds be allocated** for further disbursement to end beneficiaries? For instance, will the financial	rates), or will they be covered by the Adaptation Fund as part of the project budget? If the Implementing Entity (IE) or Executing Entity (EE) will cover these costs, please ensure that this is clearly reflected in the IE/EE budget breakdown. Please clarify whether any Adaptation Fund (AF) resources will be directly transferred to the participating financial institutions. Specifically: - Will the financial institutions disburse loans to the project's beneficiaries using their own commercial capital already available on their balance sheets? - Or will AF funds be transferred to the financial institutions and then used to finance the loans

		challenge in an innovative way by providing climate services, which generate access to reliable and up-to-date climate information for decision-making. **<u>Agro-productive challenges:</u>** **Low resilience in agricultural production under a monoculture system:** In Honduras, more than 80% of small-scale farmers are dedicated to producing their corn, beans, and coffee under a monoculture system. This condition generates, on the one hand, greater risks of agricultural losses and, on the other hand, the progressive degradation of their productive units. It is necessary to commit to agricultural diversification in order to increase resilience and improve the	institutions use their own commercial capital already available on their balance sheets while disbursing loans to the project's beneficiaries or is it AF funds that first will be transferred to the financial institutions that then will be used to allocate for loan disbursements to the beneficiaries? **Please clarify.** Furthermore, **who will pay and cover the financial institutions' transactions costs?** Is it the borrowers through collateral and interest rates or is it the Adaptation Fund through the project? **CR14: Not Cleared.** In the response sheet, a section for "**<u>lessons learned from similar mechanisms</u>**" has been elaborated thoroughly, and the same goes for "**<u>Justification for selecting this mechanism."</u>**	disbursed to beneficiaries? **CR14: Not cleared** A justification of choice of mechanism is now provided in para 238. From para 218 it is made clear that lessons learned from similar mechanisms are not integrated into the proposal but that it should be finalized during June 2025. Also, an illustration of the financial flows is now provided under para 91. Please, clarify if the lessons learned from similar mechanisms are ready to be included in the proposal at this point. An illustration showing AF financial flows into the various parts of the project is still missing. See CAR16

		conditions of their soils. The innovative approach of the project consists of training farmers' capacities on the implementation of CSA practices, which include productive diversification as a means of improving adaptive capacity in the face of climate variability. **Little knowledge about climate change adaptation measures:** farmers need to strengthen their knowledge and capacities on adaptation measures that allow them to be resilient to climate variations. They need to know about agricultural measures and livelihood diversification measures that will help them adapt. The innovative approach of the project consists of training farmers'	More importantly, it is unclear if these also are integrated and emphasized in the proposal in a fitting manner. If not, please integrate. It is a bit unclear where the AF funds will be allocated into the project including under the financial mechanism and then further transferred to project's activities and beneficiaries. Therefore, it would be helpful if the proposal in **<u>one</u>** **<u>illustration</u>** could depict **all financial flows** from AF into the project and how these will branch out to **all financial and non-financial actors** that will further administer and disburse/transfer funds through **various financial products** (credits, grants, subsidies) to **all involved beneficiaries** (families, communities	

		capacities on the implementation of CSA practices, which improve adaptive capacity in various situations of climate variability. **Slope soils with low fertility and prone to degradation:** 85% of the soils belonging to farmers are forestry; however, the need to produce food forces our rural families to work in soils with great challenges. The need to produce under the implementation of soil and water conservation measures and with an agroecological approach is imperative. The innovative approach of the project consists of training farmers' capacities on the implementation of CSA practices, which include soil and water conservation with an	and any other party). (Also, see CAR16)	

		agroecological approach. **<u>Financial challenges:</u>** **Difficult access to agricultural financing**: In the agricultural sector, the percentage of producers who have access to credit is very low (below 10%). Especially those who grow coffee, beans and corn lack access to credit. Interest rates in formal banking are very fluctuating with a tendency to increase; and informal lenders often offer excessively high rates. Another important element is that the availability of collateral is usually a requirement for obtaining loans, and can range from fiduciary and mortgage, which most agricultural producers do not have. The innovative approach of the project		

		consists of designing and making available to farmers a financing mechanism that prioritizes the implementation of adaptation measures in areas where access to credit is incipient. **CR11:** The proposal states that into n Government agencies will integrate project innovations national policies and programs. Please specify which agencies are involved and provide details on any dialogues already undertaken or planned to facilitate this integration. **CR12:** The innovation process is central to any innovation project. The proposal lacks details on the process of identifying, testing, and deploying adaptation solutions that are responding to		

		adaptation challenges. Please, elaborate more on the innovation process and how the target groups are assessing, identifying, testing, and deploying adaptation solutions to meet real needs. **CR13:** The project plans to involve the private sector and to foster private public producer partnerships in relation to access to technology, markets, and capital. This is supposed to reduce risks and leverage the assets of the families. Please provide more details on how these partnerships will be structured and whether private sector support will extend beyond families to include producers and farmers. The financing mechanism will enable access to finance through a multilayered approach combining		

		loans (microfinance, rural banks, community funds), grants and savings. However, the proposal does not provide detailed information on the background to the proposed funding mechanism, its structure, functionality, and implementation approach and innovativeness. **CR14:** To ensure clarity, please provide additional information on the following: • Lessons learned from similar mechanisms in Honduras or the region. • Justification for selecting this mechanism over alternatives. • Its innovative aspects and potential for scaling in the financial sector.		

		• Structure and types of financial products (grants, loans, etc.) and their target beneficiaries. • The mechanism's applicability to family investments, community infrastructure, and municipal works. • Clarification on the annual allocation of 600 credits—are these grants, loans, or both? • How savings products fit into the multilayered approach. • Whether Table 3's identified projects were selected through consultations. • A diagram illustrating financial flows		

		and interactions between financial products. • Capacity-building needs of financial intermediaries in climate adaptation finance. • The timeline for research, agreements with financial institutions, and training activities. • Loan recovery methods and allocation of AF grants across financial products. • Policies, procedures, and risk assessments developed for the mechanism. • Confirmation of compliance with financial regulations by relevant		

		authorities. Including an illustration or diagram may help clarify the structure and functioning of the mechanism.		
	4. Does the project / programme provide economic, social and environmental benefits, particularly to vulnerable communities, including gender considerations, while avoiding or mitigating negative impacts, in compliance with the Environmental and Social Policy and Gender Policy of the Fund?	**Not Cleared.** **CR15:** The proposal outlines economic, social, and environmental benefits but lacks a direct link to project activities. Please clarify: • How these benefits align with specific project activities (also see CAR2). • The connection between the benefits, the Environmental and Social Management System, and the Gender Action Plan, ensuring gender mainstreaming and mitigation of potential	**CR15: Not Cleared** The social, economic, and environmental benefits do not have clear references to specific numbered activities which also are lacking in the introduction of the proposal (See CAR1). Please connect the benefits mentioned to a set of numbered activities that have been fully elaborated and integrated into the proposal under its various components and their intended outputs.	**CR15: Not cleared** While a table under para 182 now lists how project actions generate social, economic, and environmental benefits, still no reference to numbered activities have been made since the Projects Components section (p. 31) still have no activities underpinning its outputs. See CAR1. Please, address the “activities issue” under CAR1 and then reference this in the “Benefits Section”.

		negative impacts. • Measures to ensure equitable benefit distribution among target groups. • Whenever feasible, provide quantifiable benefits.		
	5. Does the project engage, empower and/or benefit the most vulnerable communities and social groups?	**Cleared.** The beneficiaries in four highly climate change vulnerable municipalities will be integrated into participatory processes that ensure inclusion and empowerment of women, girls and youth, and the Mayan Chorti communities.	**-**	
	6. Does the project advance gender equality and the empowerment of women and girls?	**Not Cleared.** **CAR3:** The proposal includes a gender analysis and a Gender Action Plan, but the gender-mainstreamed activities are not yet aligned with the	**CAR3: Not Cleared** It is well noted that the proposal emphasizes a comprehensive gender perspective to ensure equitable benefits for both women and men in these communities, recognizing the critical	**CAR3: Not cleared** It is well noted that indicators from the Gender Action Plan (GAP) have now been integrated into the project's results framework (Annex E).

		project's results framework. Please update the proposal to ensure gender provisions are integrated into the identified activities (see CAR2).	role of women in climate adaptation and resilience. The proposed activities, indicators and targets listed to further women equality and empowerment under the Gender Action Plan (Annex 3) must also be numbered, elaborated, and integrated into the proposal in the overall results framework (as suggested under CAR1)	However, the project still has not included detailed activities that could be gender mainstreamed in a GAP. See CAR1. Please, include detailed and elaborate activities that could be referred to in the GAP.
	7. Is the project/programme cost-effective? In the case of regional project/ programmes, does the regional approach support cost effectiveness? Does the project engage, empower, and/or benefit the most vulnerable communities and social groups?	**Not Cleared** The proposal lacks quantification of economic benefits and does not compare the cost-effectiveness of proposed interventions with alternative solutions. **CAR4:** Kindly consider the following: • Quantify anticipated economic benefits wherever possible. • Provide a cost-effectiveness comparison with	**CAR4: Not Cleared.** The revised proposal has not addressed this clarification.	**CAR4: Not cleared** While the proposal has elaborated more on the profitability of the project under para 183 viii, it still has not illustrated an estimation in figures how cost-effective the project is compared to a status quo for beneficiaries and communities without the project in place. This Section C of the proposal could benefit from using the analysis already undertaken in table 28 (para 239) as a starting point in describing the

		alternative interventions in similar sectors/regions. • Whenever possible try to quantify the proposed benefits of cost-effectiveness while also weighing against alternative options		project's cost-effectiveness. Moreover, this section could be revised in a more advantageous manner when CR20 has been addressed and resolved.
	8. Is the project / programme consistent with national or sub-national sustainable development strategies, national or sub-national development plans, poverty reduction strategies, national communications and adaptation programs of action and other relevant instruments?	**Not Cleared.** The project is strategically aligned with key national and regional development strategies as well as international commitments including NDCs, NAP, National Climate Change Strategy, Regional Strategy to Address Climate Change and Mechanism for a Resilient Central America, SDGs and UNFCCC.	**CR16: Not Cleared.** The response in the review sheet states that the project is in line with the Technology Needs Assessment and the Technology Action Plan for climate change adaptation. However, this is not mentioned in the proposal. Please update, also clearly linking to specific elements in the TNA and TAP.	**CR16: Not cleared.** The proposal briefly mentions alignment with the national TNA and TAP in paragraph 201 but does not specify which elements are aligned. Please clarify which aspects of the project align with the national TNA and TAP.

		CR16: Please confirm whether the project is linked to Honduras's Technology Needs Assessment (TNA) and Technology Action Plan (TAP) and, if so, describe how.		
	9. Does the project / programme meet the relevant national technical standards, where applicable, in compliance with the Environmental and Social Policy of the Fund?	**Not Cleared** Section F outlines the national technical standards relevant for the project and the Fund's ESPs. **CR17:** The proposal references national technical standards but does not specify how compliance will be ensured across project activities. Please: • Define the processes and responsible entities for ensuring compliance. • Clarify how compliance will be monitored and enforced across different stakeholder groups.	**CR17: Not Cleared** While the proposal has clarified how the project will adhere and comply with technical standards (See p. 71), it is still not clear how the technical standards, particularly financial regulations, will influence the project activities.	**CR17: Not cleared.** While para 206-211 has added some references on an output level how the project will comply with relevant national relevant technical, there is still no reference on an activity level since activities as requested under CAR1 is still not in place. Please, address CAR1 and then update CR17.

	10. Is there duplication of project / programme with other funding sources?	**Cleared (page 53-57)** Related initiatives in the region are listed (Table 15-27) and no duplication is foreseen but complementarities. Dialogue with other initiatives and local authorities will be undertaken to ensure that no duplication arise and instead explore the potential synergies.		
	11. Does the project / programme have a learning and knowledge management component to capture and feedback lessons?	**Not Cleared.** Policy briefs based on case studies are mentioned as expected knowledge management results. The project has an ambition to influence the policy area. At the same time this is not explicitly mentioned in the results framework (indicator 2.2.1). **CR18:** The proposal mentions policy briefs but does not integrate them into the results framework (indicator 2.2.1). Please update	**CR18: Cleared** The results framework (table 32) has been updated. **CR19: Cleared** It is clarified that the project will collaborate and coordinate with academic centres (Universidad del Valle and Universidad Landívar in Guatemala and Universidad José Cecilio del Valle) in Honduras and the RC4 Network, which is the most important network in scientific research on	**-**

		the results framework to ensure knowledge management and policy influence outcomes are explicitly captured. **CR19**: Component 2: "Systematic strengthening of the project's knowledge management and it's scaling up in local and international policies" is research oriented. Please specify whether local research institutions or researchers will be engaged and, if so, outline their role in the project.	Climate in the Central American region.	
	12. Has a consultative process taken place, and has it involved all key stakeholders, and vulnerable groups, including gender considerations in compliance with the Environmental and Social Policy and Gender Policy of the Fund?	**Cleared (Annex 1)** To ensure that the project responds to local needs, a comprehensive and participatory consultation process was undertaken with various stakeholders including vulnerable groups, indigenous communities, and municipalities. Main		

		modalities for consultations were, Inter-municipal sessions, Community Sessions and Individual Interviews, and Interviews with public officials and organizations. The findings from the consultations have allowed the project design to be aligned with local needs and priorities, and with strong buy-in and commitment from local and national stakeholders.		
	13. Is the requested financing justified on the basis of full cost of adaptation reasoning?	**Not cleared.** The AF grant must independently deliver concrete adaptation actions and results, without reliance on co-financing, in line with the Full Cost of Adaptation approach. While AF-funded interventions can complement other investments, they must	**CR20: Not Cleared.** The issue remains unaddressed. This should be included under Section L: *Provide justification for funding requested, focusing on the full cost of adaptation reasoning*. Before addressing this point, please ensure that CAR16 is fully addressed first, as it provides the	**CR20: Not cleared** The response in the review sheet to this CR, states that the AF grant represents the only grant and funding required for the implementation of the project. While para 234 under "Section I" on p. 87 elaborates on the justification for selecting the particular mechanism, it does not state how the

		not depend on them to achieve results. The proposed financing mechanism includes a multilayered approach with loans, grants, and savings products for families, farmers, and producers. Additionally: • Community infrastructure and municipal works will receive investments through public-private partnerships and co-financing from multilateral and bilateral institutions. • The project will engage the private sector through public-private producer partnerships to improve access to technology, markets, and capital, reducing risks and	necessary context for this clarification. Also, clarify how the project will refrain from being dependent on loans to achieve its objectives in that the various project ideas will only be credit assessed during the project implementation. Is there a guarantee that a certain share of beneficiaries will be provided with loans?	project is not in need of any external sources of funding to reach its intended results. For instance, in the set targets across the results framework there is a reference to loans and microfinance. Under para 71, it appears that AF funds will be used for the CRFM diagnosis phase to assess families' access to loans and identify those who will be provided loans. In this way AF funds are used and directly supporting and dependent on “external sources” of funding. Furthermore, in reference to “direct and indirect beneficiaries” as illustrated in table 2 p. 27), it appears that loans are an integrated part of achieving the project’s objectives (direct and indirect beneficiaries). The loans to be provided are also considered an important sustainability

		leveraging assets for families. **CR20:** To ensure AF funding remains independent of external financial sources, please elaborate on: 1. How will AF-funded interventions achieve their intended outcomes without relying on co-financing? 2. How will co-financing mechanisms be structured to ensure that AF-supported activities are not delayed or hindered by external funding uncertainties? 3. How will AF investments continue delivering adaptation		aspect of the project. See p. 94. Please, clarify and potentially revise the proposal to showcase how the project is able to reach its intended results and targets without any external sources of funding.

		benefits if co-financing does not materialize as expected? This clarification is necessary to demonstrate that AF funding can stand alone in delivering adaptation outcomes, while maintaining coherence with other financial contributions.		
	14. Is the project / program aligned with AF's results framework?	**Not Cleared.** **CAR5:** The alignment with AF's strategic results framework (Table 33) requires further clarification below. Please update the table accordingly. As a reference to the above see AF's strategic results framework: https://www.adaptation-fund.org/wp-content/uploads/2019/10/Adaptation-Fund-Strategic-Results-Framework-Amended-in-March-2019-2.pdf	**CAR5: Not Cleared** It is well noted that the proposal's results framework (table 32) has been revised correctly in some parts but still some issues remain. In para 276 it is stated that community-defined indicators including baselines will be added only in the first quarter of the implementation. The results framework should at full proposal stage be completed	**CAR5: Not cleared** The proposal is now revised to be aligned with AF results framework. See table in Annex F, p. 118. Under the results framework some baselines are suggested to be finalized during the project's inception phase. Please note that the results framework should be completed during proposal stage. Please finalize baselines in the results framework.

		Please address the following clarification and corrections: - **Row 1:** Clearly state which AF objective is being referred to. - **Row 3:** The project output 1.1.1 refers to the number of funding mechanisms designed and implemented. Since only one funding mechanism will be created, should the indicator instead refer to innovative adaptation practices, tools, and technologies designed and implemented? Please clarify. - **Row 4:** The table refers to AF Outcome 6, but this actually aligns with AF Output 6 in the AF Strategic Results Framework. Please revise accordingly.	before start of project. Please revise. It is unclear which part of the AF Strategic Results Framework that the first AF Objective in table 32 is referring to. Please revise. The stated AF indicators under 6.1 under AF Outcome 6 in the table is not reproduced correctly in accordance with AF's strategic results framework. Please revise. Similarly, go through the results framework again, checking previous clarification requests and making sure that it is fully aligned with AF's framework.	

		- **Row 5:** The project's Output 1.1.3 is currently linked to AF Outcome 3, but this seems misaligned. While AF's indicator refers to partnerships, the project's indicator refers to households receiving technical assistance. Please review and revise. - **Row 6:** The wording for AF Outcome 4 is incorrect. Please ensure that it matches the official AF Strategic Results Framework. - **Row 7:** The table describes AF Outcome 4, but the correct reference should be AF Output 4. Please revise. - **Row 8:** The project's Output 1.2.2 refers to alliances and		

		partnerships, while AF Outcome 7 refers to national and local policies. Please ensure alignment. - **Row 10:** The table lists AF Outcome 3, but this should be AF Output 3.2. Please correct and verify any related content. - **Row 11:** The table references AF Outcome 2, but the correct reference is AF Output 2.2. Please revise accordingly. - **Row 12:** The wording of AF Outcome 5 and its indicator is incorrect. Please ensure proper phrasing. - **Row 13:** The table refers to AF Outcome 7, but it should be AF Output 7. Please adjust.		
	15. Has the sustainability of the project/programme	**Not Cleared.**	**CR21: Not Cleared.**	**CR21: Not cleared**

	outcomes been taken into account when designing the project?	Section J outlines how the project's design considers long-term sustainability and replicability, but further clarification is needed regarding how beneficiaries (families, farmers, producers, and communities) will maintain the acquired knowledge, capacity, and investments beyond the project's duration to achieve stable, productive incomes and livelihoods. **CR21:** Please provide concrete details on how the project will safeguard the long-term sustainability of beneficiary investments and ensure that supported livelihoods remain viable post-project. Please consider the following clarifications: - Will any public sector backing be available for beneficiaries to address potential	The proposal includes an explanation on sustainability, for example, related to increased income (paragraph 248). However, one of the key elements of this proposal is the introduction of an innovative financial mechanism. Please provide a clear exit strategy for this financial mechanism after the project ends. For example, will the mechanism be phased out once certain income milestones are reached? If not, how will its operations be sustained beyond the project duration—financially, institutionally, or through partnerships?	A set of aspects in the design of the project which assures sustainability of project outcomes has been added in Section J Sustainability. For instance, training and knowledge transfer will be provided for the long-term sustainability along with the technical investments of climate monitoring stations. This work will post project be aligned with a Data Analysis Unit (integrated in the project) which will connect to relevant local and national bodies. The women seed grants will be anchored in the municipal women's office along with a Seed Capital Manual. During the execution of the projects, technical assistance and training in financial education, business management and sustainability will continue to be provided.

		business, financial, or technological challenges that may arise after project completion? - What documented guidance, methodologies, and training materials will be provided to beneficiaries to ensure continuity of adaptation strategies? - What revenue generation and business models will be implemented or tested to ensure financial sustainability of the supported livelihoods over time?		Post-project completion CASM will assume a follow-up role and the four municipalities will assume monitoring responsibilities related to the maintenance of the infrastructures and the development of the adaptation works implemented in the communities. However, it is unclear if the referred to future anticipated access to loans through PILARH and Rural Savings Bank should be seen as a key sustainability aspect of the project since it needs to be further assessed as described throughout this technical review. After CR20 has been resolved, this CR21 can be addressed.
	16. Does the project / programme provide an overview of environmental and social impacts / risks identified, in compliance with the Environmental and	**Not Cleared.** **CAR6**: The proposal includes Unidentified Subprojects (USPs), but a clear justification is needed regarding	**CAR6: Not Cleared.** While the proposal has integrated an ESMP which clarifies how each of the USPs will be screened and mitigated for potential ESP risks,	**CAR6: Cleared** In para 63, the proposal has clarified the necessity of including USPs due to the nature of the project and its approach.

	Social Policy and Gender Policy of the Fund?	their relevance to the project's nature and approach. • Please provide a detailed explanation of why USPs are included and how they align with the project's overall objectives and methodology. • Please specify how USPs will be identified, assessed, and managed to ensure they remain compliant with the AF's Environmental and Social Policy (ESP). **CR22:** There are inconsistencies and gaps in the Environmental and Social Policy (ESP) risk classification and	the revised proposal has not included a clarification of why USPs are needed under the approach that the project has chosen. (Kindly find the guidance for IEs on the use of USPs) **CR22: Cleared** Table 29 (p. 87) assessing for ESPs has now been revised and is aligned with the ESMP (Annex 4).	**CR25 (NEW): Not cleared** The ESP for Marginalized and Vulnerable Groups is stated to involve "no risk" but in the right text column it is stated that there is "low risk." In table 29 of the proposal, it is stated that there is "no risk" under the ESP principle for "Access and Equity". At the same time, the assessment in the table "Identification of Environmental and Social Risks according to the AF's ESP Principles and Mitigation Actions" p. 99 in document "D UF300525025-AF y Ancestralidad annexes" is stating that there is a risk. For clarification, an "x" in the middle column for any ESP principle should only be inserted if there is beyond a reasonable doubt that the there is no risk at all to be foreseen under all of the interventions under the project, i.e., it does not even have to be assessed, monitored and mitigated for

		assessment across different sections of the proposal. These inconsistencies need to be addressed for clarity and alignment with AF requirements. - Clarify the risk classification for "Gender Equality and Women's Empowerment." Currently, it is labeled as both "moderate risk" and "no risk" in different sections of the proposal. Ensure a consistent and accurate risk classification. - **Ensure consistency between Annex 4 (Social and Environmental Management Plan) and Table 29 (ESP Risk Assessment).** Annex 4 states that there is a **risk that beneficiaries may not comply with the law,** while		any of the anticipated interventions. With this in mind, it can be questionable if a fair and equitable approach is enough to rule out any risk at all related to "Access and Equity" for any of the interventions throughout the whole project. The same question could be posed for the ESP principle related to the ESP for "Compliance with the law," "Human Rights," "Public health" and "Land and soil conservation"? Please, consider above considerations in table 29 and harmonize assessments for these risks accordingly across documentation.

		Table 29 states **there is no risk.** These need to be **harmonized.** - **Clarify if further assessments will be conducted for identified ESP risks.** Some mitigation strategies are mentioned, but it is unclear whether additional **environmental and social risk assessments** will be carried out as part of project implementation. - **For easier reference, number the ESPs listed in Table 29.**		
Resource Availability	1. Is the requested project funding within the parameters for large grants set by the Board?	**Yes**	**-**	**-**
	2. Is the Implementing Entity Management Fee at or below 8.5 per cent of the total project budget before the fee? Are the	**Not Cleared.** The calculation of IE and EE fees are correct.	**CAR7: Not Cleared.** Please recalculate the total project cost, including all components and the executing entities' fee.	**CAR7: Not Cleared.** The response sheet indicates that the total amount allocated for Component 1 is USD 1,784,276. However,

	Project/Programme Execution Costs at or below 9.5 per cent of the total project/programme budget (including the fee)? For regional projects/programmes, are the administrative costs (Implementing Entity Management Fee and Project/ Programme Execution Costs) at or below 10 per cent of the project/programme for implementing entity (IE) fees and at or below 10 per cent of the project/programme cost for the execution costs?	But each budget item should be rounded to a whole number (no decimals). **CAR7:** Please revise all budget/cost figures accordingly throughout the document. It could be useful to apply the IE and EE fee Calculator.	Based on the amounts provided on pages 28 and 29, Component 1 (USD 1,794,276) plus Component 2 (USD 1,552,130) and the Executing Entities' fee (USD 350,230) totals USD 3,696,636. If this calculation is correct, please revise all related figures in the proposal accordingly.	based on the Project Components and Financing table on page 28, the sum of the listed budget items under Component 1 is as follows: USD 73,710 USD 960,495 USD 455,271 USD 300,000 USD 4,800 This results in a total of USD 1,794,276, which is USD 10,000 higher than the amount reflected in the response sheet. Kindly review the figures and adjust all related figures accordingly for consistency and accuracy.
Eligibility of IE	1. Is the project submitted through an Implementing Entity accredited by the Board?	**Yes.** CASM is an IE. Accreditation expiration date: 24 February 2026.	**-**	**-**
Implementation Arrangements	1. Are there measures in place for the management of for environmental and social risks, in line with the and Gender Policy Environmental and Social Policy of the Fund?	**Not Cleared.** **For reference see CAR3.**	**Cleared.** See CAR6 and CR22 for reference.	

	Proponents are encouraged to refer to the Guidance document for Implementing Entities on compliance with the Adaptation Fund Environmental and Social Policy, for details.			
	2. Are there measures for financial and project/programme risk management?	**Not cleared** **CR23:** In Table 30 some risks are described as “Under”. Please clarify if it is meant to signify “Low” risk and revise accordingly.	**CR23: Not Cleared.** The revised proposal has not addressed this clarification.	**CR23: Cleared (Page 116-117)** Table 30 is revised.
	3. Are arrangements for monitoring and evaluation clearly defined, including budgeted M&E plans and sex-disaggregated data, targets and indicators, in compliance with the Gender Policy of the Fund?	**Not Cleared** **CAR8:** The proposal includes a budgeted M&E, with a total of USD 141.336,22 (Table 31). Please correct the figures to be rounded to a whole number (no decimals).	**CAR8: Not Cleared** M&E budget is revised to 141,676 (Table 31). Page 98. In para 276 (p. 96) it is stated that some indicators will only be identified and added during the first quarter of project implementation. Please note that all measures needed for monitoring and evaluation including baselines and indicators must be finalized during	**CAR8: Cleared (Page 119)** Previously, the proposal stated that some indicators would only be identified and added during the implementation. In the revised proposal, the relevant sentences have been removed.

			Full Proposal stage. Note that as part of the reporting requirement a baseline report should be submitted.	
	4. Is a budget on the Implementing Entity Management Fee use included?	**Not Cleared** **CAR9:** The proposal includes a breakdown of the IE fee (Table 35). Please correct the figures to be rounded to a whole number (no decimals)	**CAR9: Cleared** (Page 11-13 / Table34) The IE fee breakdown is revised (Table 34)	**-**
	5. Is an explanation and breakdown of the execution cost included?	**Not Cleared.** **CAR10:** The proposal does not appear to include a breakdown of the EE fees. Please provide a detailed breakdown of the EE fees.	**CAR10: Cleared** (Page 14 / Table 35A) The breakdown of the EE fees is included.	**-**
	6. Does the M&E Framework include a break-down of how implementing entity IE fees will be utilized in the supervision of the M&E function?	**Not Cleared** **CR24:** The breakdown of the IE fee (Table 35) includes M&E-related items, such as Monitoring and evaluation cost, per-	**CR24: Cleared.** (Page 15 / Table 35B) The proposed revised the breakdown of the IE fee in Table 35B	**-**

		diem for visits to the monitoring projects, Mid-term and Final evaluation. Please clarify which specific items correspond to M&E and ensure consistency with the M&E budget provided in Table 31.		
	7. Is the timeframe for the proposed activities adequate?	**Yes.**	**-**	
	8. Is a summary breakdown of the budget for the proposed activities included?	**Not Cleared** **CAR11:** The proposal includes a breakdown of the budget (Table 34). However, each item only lists the total amount, without specifying the timing of disbursements. For transparency, please clarify when and how much will be disbursed for each item to ensure a clear financial flow. Please correct the figures to be rounded to a whole number (no decimals)	**CAR11: Not Cleared.** The revised proposal includes a breakdown of the budget (Table 36). Please correct the figures to be rounded to a whole number **(no decimals)**	**CAR11: Not Cleared.** This clarification has not been addressed.

	9. Does the project/programme's results framework align with the AF's results framework? Does it include at least one core outcome indicator from the Fund's results framework?	**Not Cleared.** **CAR12:** The core impact indicator "Number of beneficiaries including estimations for direct and indirect beneficiaries is not included. Since the project also plan to also address "Assets produced, developed, improved, or strengthened," the project must include another core impact indicator as suitable. Please, include. Please refer to the link to relevant guidance.	**CAR12: Not Cleared.** This clarification has not been addressed. Please include "Number of beneficiaries including estimations for direct and indirect beneficiaries" into the Results Framework.	**CAR12: Not cleared** While the estimated number of direct and indirect beneficiaries now has been included into the results framework (See table 33), the framework's targets refer to loans provided. This CR will have to be addressed in alignment with that CR20 has been resolved in reference to if the project and its funding mechanism is aligned with AF's Full Cost of Adaptation Reasoning.
	10. Is a disbursement schedule with time-bound milestones included?	**Not Cleared.** **CAR13:** Based on the AF template format: Disbursement Schedule Template, please revise the disbursement table (Table 27) to adjust for the total funding	**CAR13: Cleared.** The IE and EE fees are consistent throughout the proposal. **CAR14: Not Cleared.** The revised proposal has not addressed this clarification. (Table 36)	**CAR14: Cleared (Table No. 36, Section H Page18)** Project disbursement table has been updated without decimals.

		amount (and IE and EE fees as necessary). **CAR14:** Please correct the figures to be rounded to a whole number (no decimals).		

ADAPTATION FUND

SINGLE COUNTRY INNOVATION PROJECT/PROGRAMME PROPOSAL

PART I: PROJECT/PROGRAMME INFORMATION

Title of Project/Programme: Resilience and Ancestry: Community Adaptation in the Honduran Trifinio Biosphere

Country: Honduras

Thematic Focal Area: Innovative climate finance

Type of Implementing Entity: Choose an item.

Implementing Entity: CASM

Executing Entities: CA, ACCH and PILARH-OPDF

Amount of Financing Requested: 4,000,000.00 U.S Dollars

Letter of Endorsement (LOE) signed: Yes x ☐ No ☐ ☐ ☐

NOTE: The LOE should be signed by the Designated Authority (DA). The signatory DA must be on file with the Adaptation Fund. To find the DA currently on file check this page: https://www.adaptation-fund.org/apply-funding/designated-authorities

Stage of Submission:

☐☐ This proposal has been submitted before including at a different stage (concept, fully developed proposal)

X This is the first submission ever of the proposal at any stage

In case of a resubmission, please indicate the last submission date: Click or tap to enter a date.

Please note that fully developed proposal documents should not exceed 100 pages for the main document, and 100 pages for the annexe

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ACRONYMS

ACCH - Central American Association Humboldt Centre
AF - Adaptation Fund
ASAC - Sustainable Agriculture Adapted to Climate Change
CA - Christian Aid
CASM - Mennonite Social Action Commission
CCAD - Central American Commission for Environment and Development
CRFM – Climate Resilient Family Model
COMINCHH - The National Indigenous Maya Chortí Council of Honduras
CSA Climate-Smart Agriculture
ENCC - National Climate Change Strategy
ERCC - Regional Strategy to Address Climate Change
ESMF - Environmental and Social Management Framework
GIZ - Deutsche Gesellschaft für Internationale Zusammenarbeit (German Corporation for International Cooperation)
GDP – Gross Domestic Product
ICTs - Information and Communication Technologies
KFW - Kreditanstalt für Wiederaufbau (German Development Bank)
LOE - Letter of Endorsement
M&E - Monitoring and Evaluation
NAP - National Adaptation Plan
NDC - Nationally Determined Contributions
NGO - Non-Governmental Organization
SDGs - Sustainable Development Goals
OECD/DAC - Organization for Economic Co-operation and Development/Development Assistance Committee.
PAS - Environmental and Social Policy
PCO-SERNA - Project Coordination Office of the Secretariat of Natural Resources and Environment.
PILARH-OPDF OPDF - Integral Projects in Rural and Urban Latin America (Private Financial Development Organization)
PES - Payment for Ecosystem Services
RBTF - Trifinio Fraternidade Biosphere Reserve
ROCC - Community-based Climate Observation Network
SDGs - Sustainable Development Goals
SERNA - Secretariat for Natural Resources and Environment
SSC - Strategic Steering Committee
TSC - Technical Steering Committee
UMA - Environment Unit
USAID - United States Agency for International Development
UNFCCC - United Nations Framework Convention on Climate Change
WMO - World Meteorological Organization
WFID – Women's Financial Inclusion Data Partnership
WWF - World Wide Fund for Natu

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A. PROJECT/ PROGRAMME BACKGROUND AND CONTEXT

1.**Problem that the project aims to solve.** In the Trifinio region of Honduras, specifically in the four municipalities of Copán Ruinas, Santa Rita, El Paraíso and San Antonio, climate change represents a threat to biodiversity and the livelihoods of the most vulnerable populations in this territory, who are mainly Maya Chorti indigenous people engaged in subsistence agriculture. Torrential rains and floods alternate with periods of drought, in addition to the increasingly frequent occurrence of highly dangerous hurricanes. These adverse conditions, coupled with rising temperatures, lead to low yields or crop failure, leaving communities mired in poverty and food insecurity. Projections suggest that climate change will intensify the country's vulnerability due to an increase in average annual temperature by 1.8°C by 2050 and between 3°C and 5.6°C by the end of the century, and the increasing intensity of extreme weather events, highlighting the urgency of improving people's resilience and adaptation. A critical factor that has hindered economic recovery from disasters in this region is the lack of access to credit for climate change adaptation practices. Without access to adequate finance, small rural farming families (including men, women and young people) are unable to implement the necessary measures to protect and recover their crops, improve agricultural infrastructure and livelihoods, and adopt resilient technologies. This not only perpetuates the vulnerability of communities to future extreme weather events but also impedes economic development and poverty reduction in the region. The absence of accessible and locally adapted financing mechanisms limits the ability of communities to invest in adaptation practices that could mitigate the impacts of natural, reinforcing a cycle of poverty and vulnerability.

2. In response to this problem and to increase climate resilience in the Trifinio region of Honduras, public entities, civil society organizations and communities are developing adaptation actions such as forest management plans, reforestation, conservation measures, awareness raising and training on climate change, risk management, and agroecology as part of the commitments made in the NDC and the National Adaptation Plan. However, technological vulnerability factors include inappropriate approaches to access to finance and technology transfer, which did not value or incorporate ancestral and local knowledge, under the umbrella of agricultural extension and technical assistance systems, particularly for small rural farming families.

3. This project aims to work with different public and private actors to design an innovative financing mechanism to improve resilience to climate change, targeting the most vulnerable people (Maya Chorti indigenous peoples including women and youth) in the municipalities of Copán Ruinas, Santa Rita, El Paraíso and San Antonio in the Trifinio region. This mechanism will be linked to technical-scientific capacity building and strengthening, such as community climate monitoring for informed decision-making, with the climate-resilient family model as a baseline and follow-up. The project will seek to ensure that access to finance is inclusive and tailored to local realities, including the need to transform existing gender inequalities while facilitating the implementation of adaptation practices that improve resilience and reduce the economic vulnerability of communities to future disasters.

4. Economic and social context. Honduras has made efforts towards economic diversification, such as the creation of free trade zones and export processing zones, which have supported the expansion of the commercial sector and accelerated job creation. Significantly, remittance receipts accounted for 24% of GDP in 2020, underpinning consumption and being a key factor for economic growth. Real GDP growth in Honduras has averaged 3.8% annually over the past three decades, outpacing the Latin American and Caribbean regional average of 2.6% and matching the Central American average of 3.9%.

5. However, the Honduran economy, being small, open and largely agricultural and informal, is susceptible to a wide range of external shocks and disasters, which has limited its growth and development. The country has the second highest poverty rate in the region, with almost one in six Hondurans living on less than $1.90 a day for the past two decades and 11.5% of the population illiterate.

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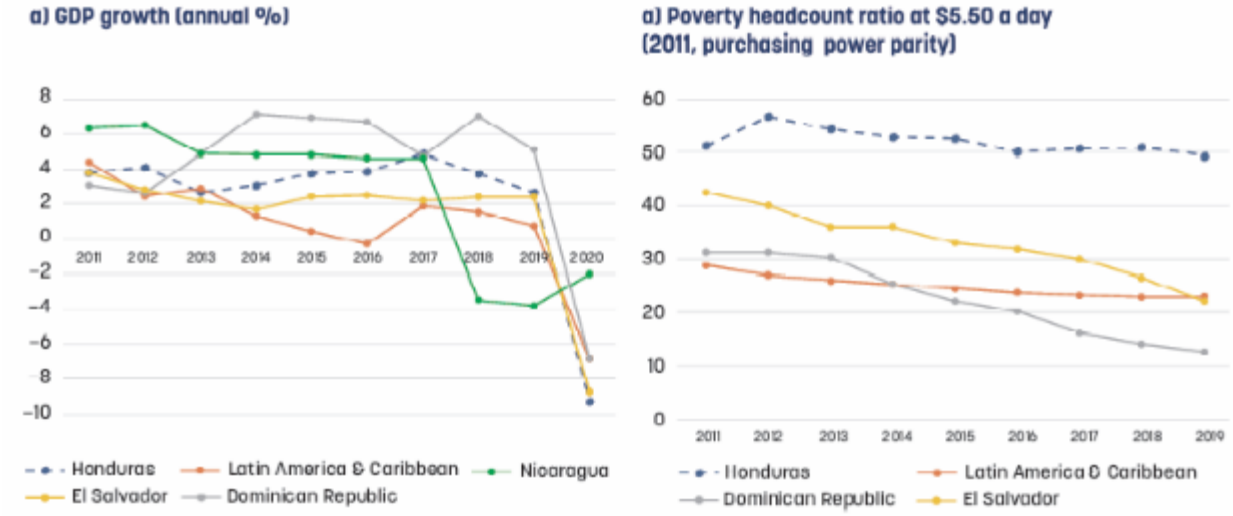
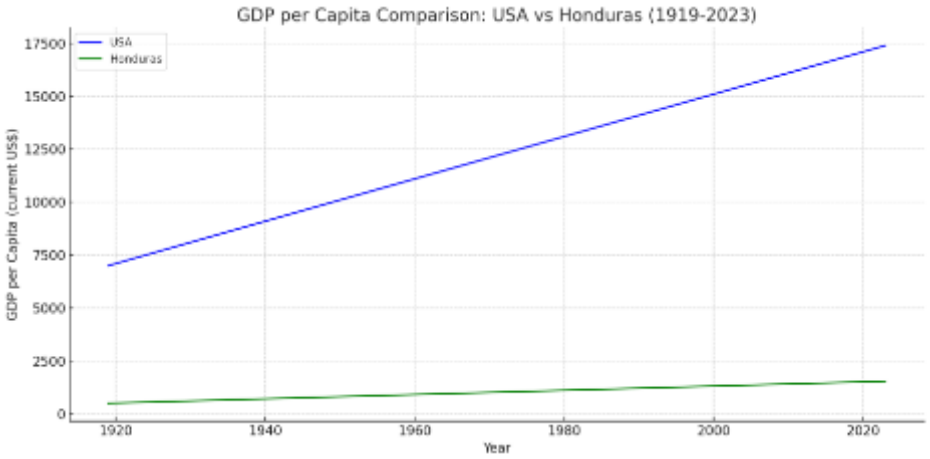
Figure 1: GDP growth and poverty rate in the LAC region



Source: World Bank Group. Climate Development Report Honduras, 2023

6. Crime, violence, political instability, corruption and a weak institutional and business environment have inhibited the structural transformation needed to advance employment and productivity growth. This has undermined the country's competitiveness, driven emigration and slowing progress towards income growth and poverty reduction. The World Bank in 2023 highlights that average incomes in Honduras have fallen further behind those of advanced economies. According to the graph below, GDP in Honduras compared to the US was 6% in 1919, 5% in 1960 and 4% in 2023, indicating a steady decline in percentage points from 1919 to 2023.

Graph No. 2: Comparison of Honduras' GDP per capita with the United States from 1919 to the present day



Source: Own elaboration based on data from World Bank Group, Climate Development Report Honduras, 2023

7. **Geography and environmental context**: Honduras is geographically located between 13° 33' 16" north latitude and 83° 8' 89" west longitude; it is bordered to the north by the Atlantic Ocean, to the south by the Republic of El Salvador and the Pacific Ocean, to the east by Nicaragua, to the southwest by El Salvador and to the west by Guatemala. Honduras, ranked as the second largest country in Central America, has a population of approximately 9,597,739 inhabitants, according to 2022 data from the National Institute of Statistics of Honduras (INE). With an area of 112,000 square kilometers, the country is abundant in productive resources. According to

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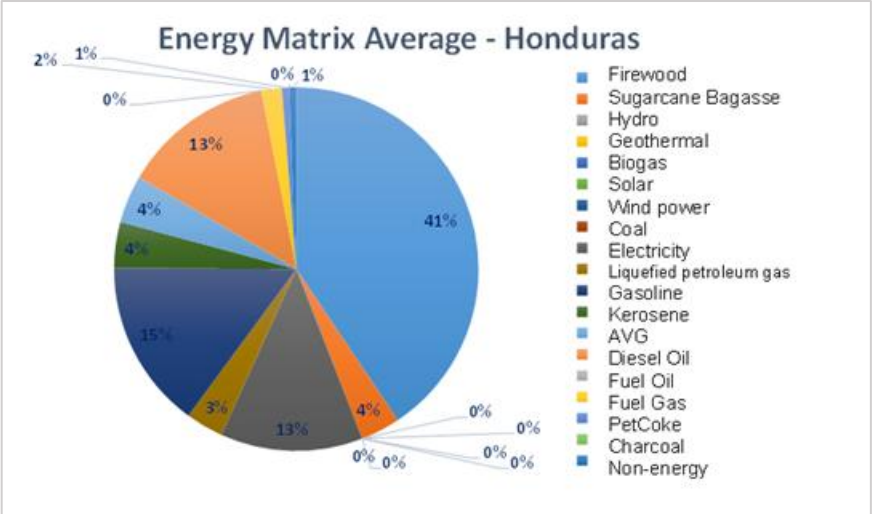
Holdridge's classification of life zones, there are 8 life zones in Honduras: tropical rain forest, tropical dry forest, tropical dry forest, tropical very dry forest, subtropical very humid forest, subtropical humid forest, low montane rain forest and low montane very humid forest[1] . The topography of Honduras is extremely mountainous and rugged, with steep slopes and shallow, recent soils. The Central American mountain range, which crosses the country from northwest to southeast, divides it into two large regions, the eastern and western, with altitudes exceeding 2,000 m above sea level. Between the branches of the mountain range are fertile valleys and savannahs where a large part of the population lives. More than 48% of Honduras' territory is covered by forests, which are essential for climate change mitigation through carbon sequestration and providing resilience to natural hazards. However, the rate of deforestation was 12% between 2010 and 2021, driven mainly by the expansion of commercial and smallholder agriculture. Rural areas, which use firewood for cooking and where illegal logging is rampant *(See Graph No. 3: Average Energy Matrix - Honduras),* have seen a greater loss of forest cover (59.2%), converting to pasture (*See Graph No. 4: Land use change 2015-2022)*. The country has 74 protected areas covering 3,566,847.97 hectares, of which 71.8% are terrestrial and 28.2% are marine, representing 22.6% of the country's continental surface[2] .

Graph No. 3: Average Energy Matrix - Honduras



Source: Prepared by Asociación Centroamericana Centro Humboldt. General Report on the Evaluation of the Use and Protection of Natural Resources in Central America, 2023.

[1] FAO, Honduras Country Fact Sheet, 2011 (https://www.fao.org/4/ac768s/AC768S02.htm)
[2] World Bank Group. Climate Development Report Honduras, 2023; pp: 20-28.

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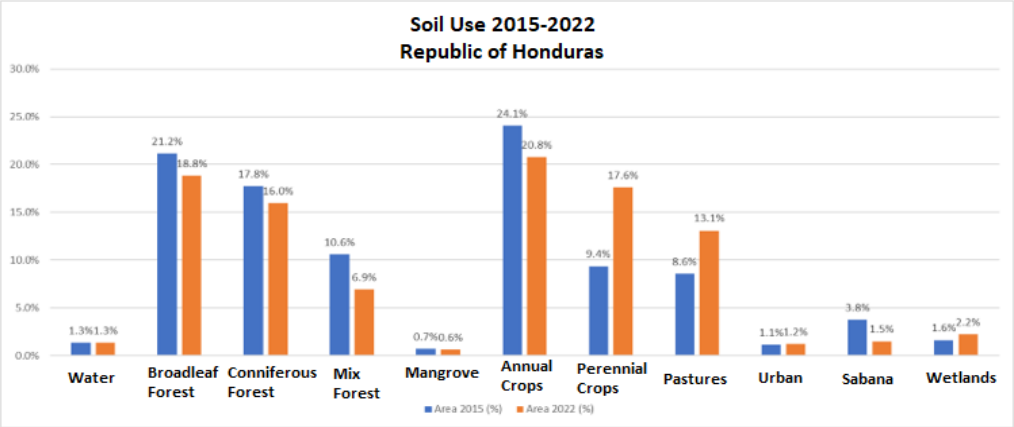
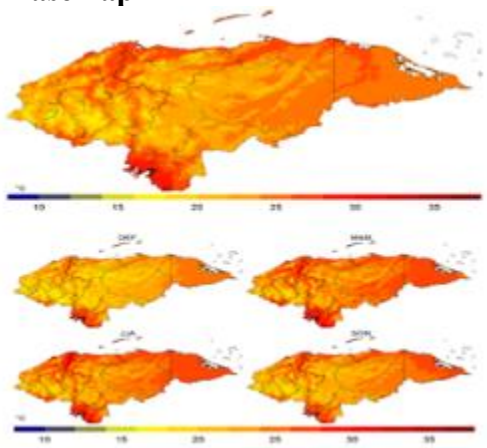
Graph No. 4: Land use change 2015-2022



Source: Prepared by Asociación Centroamericana Centro Humboldt. General Report on the Evaluation of the Use and Protection of Natural Resources in Central America, 2023.

8**. Baseline Climate:** Honduras is a Sub-Tropical country. The climate is hot and humid on the coasts (average temperature 31°C), more temperate in the mountainous zone. There are two distinct seasons: the rainy season from May to November and the dry season from December to April. During the rainy season, rainfall is widespread throughout the country, with higher volumes of water at higher altitudes (>1600 masl) and less in the flatter areas. The December to February quarter (DEF) shows seasonal drought in most of the country. The dry season begins in November, when rainfall has decreased. In the mountainous areas and the Pacific coast (Gulf of Fonseca) during the rainy season there is a decrease in precipitation in a period known as Canícula or veranillo, which can be seen in the months of July and August, towards the center and south of the country.

Figure No. 5: Current Temperature Basemap



Source: Government of Honduras, MiAmbiente. Documento Desarrollo de los Escenarios Climáticos de Honduras y Modulo Académico de Capacitación (2018; pp:34).

9. Information on temperature and rainfall distribution in the project target territories: Atmospheric conditions in the department of Copán Ruinas (municipalities of Copán Ruinas, El Paraíso, San Antonio and Santa Rica) are tropical, with significant rainfall almost all year round. The short dry season has little impact. The average temperature is 20.8 °C. Annual rainfall amounts to 1824 mm according to meteorological records[3] . The

3 Climate Data: Copán (https://es.climate-data.org/america-del-norte/honduras/copan-2464/).

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municipality of Copán Ruinas has a varied climate; however, it is humid mainly due to the proximity of the mountain ranges, with the rainy season from May to October and the dry season, due to the trade winds, from February to April. The municipality of Copán Ruinas has temperatures ranging from 14.20°C in Las Virginias to 29.70°C in the Florido area bordering Guatemala. Rainfall varies from 1425 mm around Agua Fría and Cordoncillo (near El Florido) to 1883 mm in the settlement of El Ocote (district of Nueva Armenia). With an average temperature range between 20.35 and 23.46 °C and average rainfall per micro-watershed between 1520 and 1683 mm[4] . The Municipality of Santa Rita has a humid tropical climate, with temperatures ranging between 15 and 23 °C, with 2 defined seasons per year (dry and rainy), with an average rainfall of 1200 ml/year[5]. Seasonal climate is strongly influenced by the El Niño Southern Oscillation, with drought associated with El Niño & floods with La Niña events. Both of these are expected to become more intense with climate change.

10**. Agriculture and access to credit:** Agriculture remains one of the economic pillars of the country, dominated by small subsistence farmers who are important for food security (70% of productive farms in Honduras, less than 5 hectares), face high poverty and low productivity, and are highly vulnerable to the effects of climate change. Important crops such as maize, coffee, beans and sugar cane are expected to see reductions in yields due to climate change, which will negatively affect both subsistence farmers' food security and the country's exports.

11. The low productivity of the agricultural sector and its vulnerability to climatic events is due to limited generation and adoption of improved technologies and practices. Investment in agricultural research and development (R&D) represents only 0.17 per cent of agricultural GDP, the lowest in the LAC region. Only 4.2 per cent of farmers receive technical assistance. Access to finance is limited, especially among smaller farmers, restricting the sector's use of inputs and technology, and investments in adaptation and mitigation, to less than 7 per cent. The agricultural sector accounts for only 7.5 per cent of banks' total credit portfolio, another limiting factor. The small rural families or farmers who grow coffee, beans and corn lack are particularly challenged regarding access to credit. Interest rates in formal banking fluctuate with a tendency to increase and informal lenders often offer excessively high rates. Another important element is that the availability of collateral is usually a requirement for obtaining loans, and can range from fiduciary and mortgage, which most agricultural producers do not have.

12. Most smallholder farms are located on hillsides with poor or degraded soils and minimal access to markets, inputs, improved seeds, water, credit, technical assistance and roads. Maize, beans, sorghum and coffee production are generally rainfall-dependent, making farmers vulnerable to seasonal hunger, variability and long-term climate trends. Poor soil management practices, combined with limited access to key assets and services (such as credit, electricity and technical assistance), credit, information and modern agroecological production technology, exclude many small rural farming families from the benefits of resilience that would lead to sustainable economic growth. This limits their ability to take advantage of market opportunities. Importantly, the agro-productive challenges are further exacerbated by: **Low resilience in agricultural production under a monoculture system:** In Honduras, more than 80% of small-scale farmers are dedicated to producing their corn, beans and coffee under a monoculture system. This condition generates, on the one hand, greater risks of agricultural losses and, on the other hand, the progressive degradation of their productive units. It is necessary to commit to agricultural diversification in order to increase resilience and improve the conditions of their soils. **Little knowledge about climate change adaptation measures:** farmers need to strengthen their knowledge and capacities on adaptation measures that allow them to be resilient to climate variations. They need to know about agricultural measures and livelihood diversification measures that will help them adapt. **Slope soils with low fertility and prone to degradation:** 85% of the soils belonging to farmers are forestry; however, the need to produce food forces our rural families to work in soils with great challenges. The need to produce under the implementation of soil and water conservation measures and with an agroecological approach is imperative.

4 Copán Ruinas Municipal Climate Change Adaptation Plan (2022)
5 Santa Rita Municipal Climate Change Adaptation Plan (2022)

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13. Honduras faces the challenge and opportunity to transform its agricultural sector to increase its productivity and economic complexity, while reducing deforestation, GHG emissions and its vulnerability to climate and economic risks. It will be critical to consolidate and build on agricultural export successes, while improving the livelihoods, food security and climate resilience of small rural farming families. These families need to adopt good practices and climate-smart agricultural technologies to sustainably manage their land and improve their access to finance (credit) and markets. This would reduce the expansion of the agricultural frontier into forests.

14. In Honduras, COMRURAL is an example of government success, where climate-smart and nutritional agricultural practices were integrated through investment in agribusiness plans developed and presented by small producers; demonstrating that, with appropriate policies and investments, food security, nutrition and income of small producers can be improved, while reducing GHG emissions.

15. Climate Change Impacts: Historically, Honduras has been highly exposed to extreme natural phenomena, and this has posed persistent challenges to achieving the country's economic and social development objectives. The recent history of Honduras shows a close interaction between socio-economic development, the environment and natural hazards, both extreme and slow onset. Perhaps the clearest examples are the devastating economic and human effects of hurricanes and their associated floods. In 1998, Hurricane Mitch, the worst catastrophe in the country's recent history, generated economic damage estimated at between 59.6% and 70% of annual GDP, significantly delaying Honduras' development process and poverty reduction efforts. The Climate change impacts can be characterized are follows: **Disasters due to hurricane season:** The western region of Honduras is highly vulnerable to the effects of climate change; the geographical location between the Pacific and Atlantic oceans exposes them to climatic risks caused by tropical storms and hurricanes, which as they pass through the territory leave floods, landslides and landslides. **Prolonged and accentuated dry periods:** On the other hand, it experiences prolonged and recurrent droughts that significantly reduce water sources, affect agriculture and consequently the food security of the population. Another factor which increases vulnerability is its orographic characteristics, with mountainous lands and very steep slopes. **The lack of climate information for decision-making:** In Honduras, there are sources of climate information, including CENAOS-COPECO, the United Nations Development Program (UNDP) and other organizations that are venturing into this area; however, this information is very general and not very precise. For decision-making in agricultural systems and the management of climate-related risks, it is necessary to have accurate and easily accessible information, which allows timely decision-making and minimizes the impact. Farmers require sources of information that help guide decision-making in each production cycle; usually in Honduras the first and last season, where the basic foods that are part of the diet throughout the year are produced.

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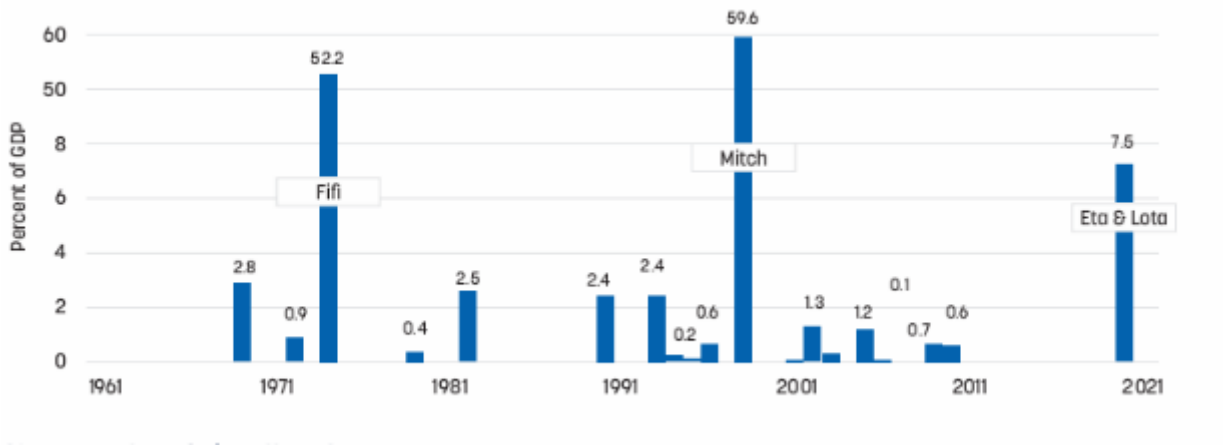
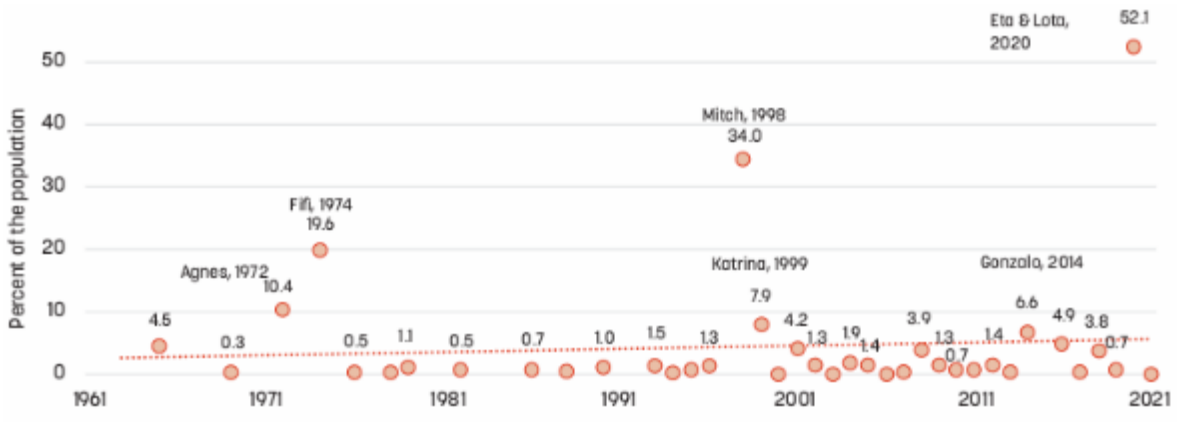
Graph 6: Disasters in Honduras

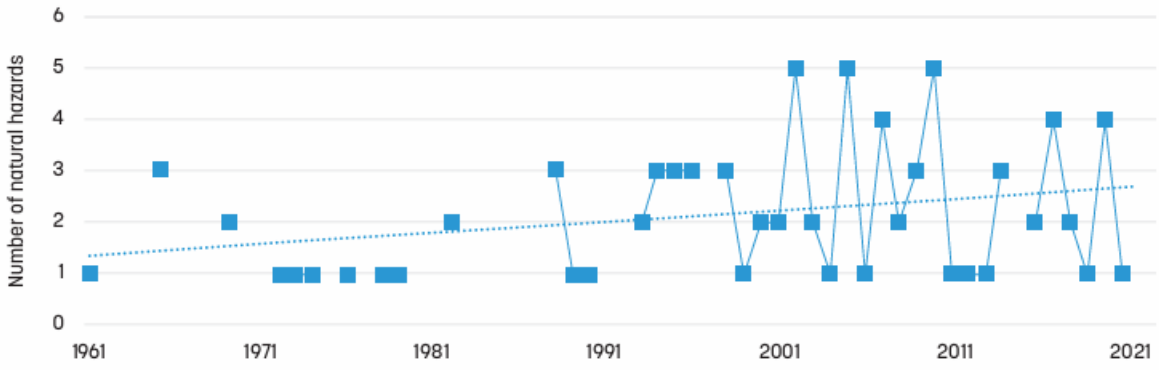
A. **Total damage as a percentage of GDP**



B. **Affected Population**



C. **Number of weather events per year**



Source: International Disaster Database (EM-DAT), Centre for Research on the Epidemiology of Disasters (CRED) / UCLouvain; Honduras's Central Bank
Note: Natural hazards include droughts, floods, storms, and earthquakes (2009). Data are unavailable for some of the recent years, especially for damage. GDP = gross domestic product.

Source: World Bank Group. Climate Development Report Honduras, 2023

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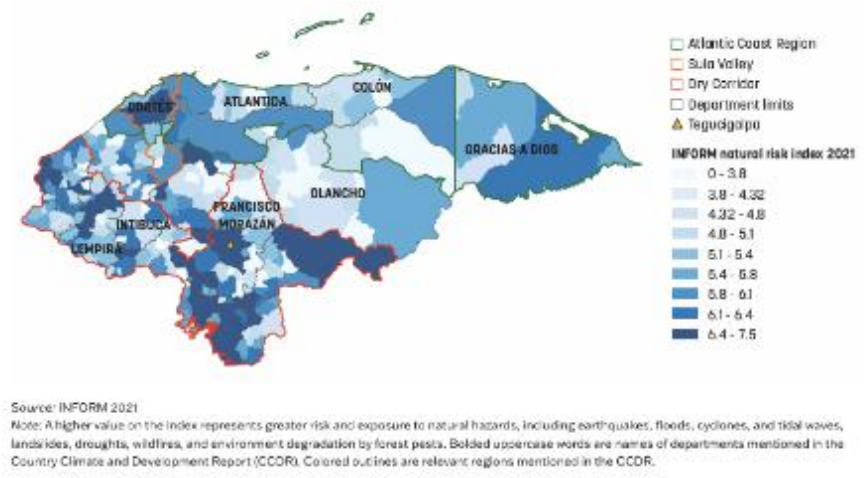
16. Between 1919 and 2012, floods were the natural hazard that caused the greatest economic losses in Honduras (48.5% of total losses due to natural phenomena), followed by droughts (34.1%). The Sula Valley and the Dry Corridor are particularly vulnerable to these phenomena (up to 70% of its population depends on agriculture), significantly affecting crop yields and the food security of poor household's dependent on agriculture. Honduras consistently ranks among the countries most vulnerable to natural hazards. In 2021, the Global Climate Risk Index ranked Honduras as the second most severely affected by extreme weather events in the period 1998-2017, with average annual losses equivalent to 1.8 per cent of GDP, affecting critical sectors such as transport, telecommunications, health, education, water and sanitation.

Figure No. 1: Natural Hazard Index Honduras 2021.



Source: World Bank Group. Climate Development Report Honduras, 2023

17. According to the World Bank (2023), the effects of the COVID-19 pandemic and hurricanes Eta and Iota in 2020 exacerbated existing economic and social problems, with impact on areas with high concentrations of indigenous peoples and Afro-descendants. In addition to the coronavirus pandemic and related business closures, two consecutive category 4 hurricanes caused torrential rains and severe flooding affecting 4.7 million people (48% of the population). The social and economic costs were estimated at USD 1.8 billion (7.5% of 2020 GDP), with severe damage to key infrastructure, land and crops. Real GDP contracted by a record 9% in 2020, with output contracting in almost all sectors due to a sharp drop in trade, investment and consumption amid the global recession and hurricane damage. Poverty ($5.50 line) is estimated to have increased by 6.4 percentage points in 2020 and remains above that level in 2021. Full recovery from the two hurricanes could take years. Full recovery from the effects of these cyclones could take years (*See Figure 6: Natural disasters in Honduras).*

18. Climate change impact projections: Climate change projections for Honduras is expected to follow the trend being experienced in other regions affected by the increase in average annual temperature exacerbating climate change. According to the Ministry of Natural Resources and Environment (Mi Ambiente), the average temperature in Honduras is projected to increase between 1.2 and 1.7°C under the RCP4.5 scenario, and between 1.7 and 2.3°C under the RCP8.5 scenario by the middle of the 21st century. By the end of the 21st century, temperature could increase by 1.6 to 2.4°C under RCP4.5 and by 3.2 to 4.2°C under RCP8.5. These projections indicate a significant increase in temperature extremes and the frequency of heat waves. In addition, precipitation is expected to be more erratic, with a higher incidence of prolonged droughts and extreme rainfall events. In regions such as Copán, Olancho and La Mosquitia, the frequency of droughts is projected to increase, severely affecting agricultural production and drinking water availability. Dry seasons could extend for 3 to 4 consecutive months, with some regional models indicating the possibility of even longer droughts. Coastal areas, particularly in the departments of Atlántida and Colón, are also at risk of recurrent flooding due to rising sea levels and

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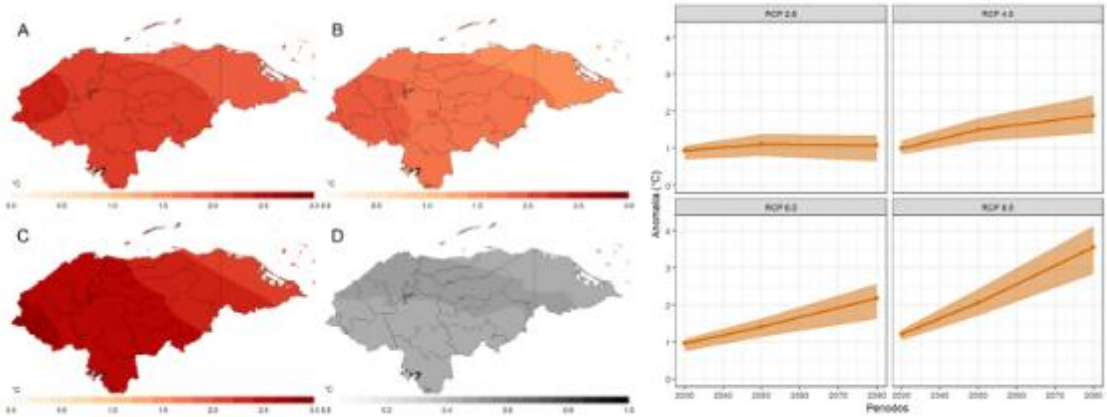
intensifying tropical storms. These adverse climatic conditions exacerbate socio-economic challenges, especially for indigenous and Afro-descendant communities that depend on subsistence agriculture and other livelihoods vulnerable to climatic variations. Moreover, given that less than 7% of these populations have access to credit, their ability to transform their reality will be limited, hindering their ability to cope with climate change. Thus, climate change adaptation and mitigation, as well as access to financing mechanisms that enable this adaptation, are crucial for the resilience of these communities and for the sustainability of economic and social development in Honduras.

Figure No. 2: Climate projections Honduras to 2050



Source: Government of Honduras, MiAmbiente. Documento Desarrollo de los Escenarios Climáticos de Honduras y Modulo Académico de Capacitación (2018; pp:51).

19. Characterization of the prioritized areas: Copán Ruinas, Santa Rita, El Paraíso and San Antonio. Municipality of Copán Ruinas: The municipality of Copán Ruinas has a population of approximately 37,490 inhabitants according to the 2018 census, distributed in 14 neighborhoods in the urban area, 101 villages and hamlets, with an average of 5 people per household. The population under or equal to 18 years of age represents 47.31% of the total. Most families use firewood for cooking (83.92%), followed by 15.18% who use volatile gas, 0.78% who use electricity and 1.63% who use paraffin gas and an eco-fireplace. The municipality has 13,700 children and young people of school age (46.65% of the total population), of which 6,899 are boys and 6,801 are girls. Of these, 6,022 are currently in school, while 1,435 children or young people are out of school. Only 50% of the population of secondary school age has managed to reach this level of education, and there are 6,612 illiterate persons over 7 years of age.

20. The main economic activities include the production of basic grains, vegetables and coffee, as well as professional services in business administration, public accounting, social promotion, carpentry, construction, and metal and mechanical workshops. The working-age population is 22,165, of which 13,765 (62.1%) are economically active. 12.94% of families have an income of less than one thousand Lempiras, 52.22% receive between one thousand and four thousand Lempiras, 28.19% receive between four thousand and twelve thousand Lempiras, 6.44% receive between twelve thousand and fifty thousand Lempiras, and 0.2% receive more than fifty thousand Lempiras. 6.7% of families receive remittances. Remittances sent to Honduras come from US represent approximately 20% of Honduran Gross Domestic Product. According to Banco Central Honduras (2022) this grew from 5,520 million USD in 2019 to 7370 million USD in 2021. In addition, 58.14% of families produce their own food, and 41.86% do not produce anything; only 2.66% have home gardens and 62.33% own domestic animals.

21. Copán Ruinas is famous for its magnificent Mayan ruins, declared a UNESCO World Archaeological Heritage Site in 1980. Considered the "Paris of the Mayan world" in Central America, the municipality also

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depends on tourism, with a wide range of hotels, restaurants, souvenirs, local and foreign handicrafts, and a variety of tourist attractions. Geographically mountainous, Copán Ruinas has a territorial extension of 360.29 km², of which 357.15 km² are rural and 3.14 km² are urban. It is in the department of Copán, in western Honduras, with coordinates between 14°42'32" and 15°05'43" north latitude and 89°01'29" and 89°13'58" west longitude. Elevations vary from 400 mt (lowest point) to 1582 mt (highest point).

22. The municipality has 10,540.95 hectares of forest (29.26% of the territory), including 5.14% pine forest, 21% broadleaf forest and 3.12% mixed forest. However, the rural and part of the urban population exert pressure on these natural resources, reducing the forest area due to inadequate silvicultural practices and the use of wood for energy consumption. There are two legally declared protected areas: Carrizalon (forestry) and the Copán Ruinas Area (archaeological). The municipality is also home to the Chorti, an ethnic group directly descended from the Mayas, as well as to mestizos, a mixture of Spanish and native or indigenous people.

23. **Municipality of Santa Rita:** It is in the northern part of the Copán Department, with a physical form of an irregular polygon and an altitude between 600 and 1400 mt above sea level. It has a territorial extension of 288.2 km², being one of the largest municipalities of the department. It is bordered to the north by the municipalities of El Paraíso, Copán and San Jerónimo; to the south by La Unión, Cabañas and San Agustín; to the east by Concepción, San Agustín, La Unión and San Jerónimo; and to the west by Copán Ruinas. With a population of 57,000 inhabitants (24,000 men and 33,000 women), Santa Rita has 13 barrios, 3 colonias, 60 villages and 55 hamlets. The population under 23 years of age is 27,000. The population density is 249.12 inhabitants per km² and the average number of persons per dwelling is 5.7. 14.5% of the families live on an income of less than one thousand lempiras and 97% of the families use firewood for cooking. 36.9% of families produce foodstuffs such as basic grains, coffee and vegetables, although only 42.7% produce enough for self-consumption. The soil of the municipality is predominantly clay loam, with medium fertility and a pH between 4 and 5.5.

24. The municipality's forest is composed mainly of conifers and broadleaved trees, with pine (60%), oak (10%) and other broadleaved trees (30%). During the summer season, 11 forest fires affected 100 hectares of forest, which also suffers deterioration due to indiscriminate logging. Santa Rita has forest reserve areas in the micro-watersheds. The municipality has good hydrology, with an abundance of water in rivers, streams and creeks. The main rivers include the Copán, Gila, Blanco, Mirasol and Amarillo. There are also streams such as the Cashapa and the Estribo. According to records, there are 469 subscribers to the drinking water service.

25. Municipality of San Antonio: has a population of 8,886 inhabitants distributed in 8 neighborhoods, 16 villages and 6 hamlets, according to the 2015 baseline. The population is divided into 4,415 men (49.68%) and 4,471 women (50.32%), with an average of 4.21 persons per household and a population density of 73.4 inhabitants per km². The population under 23 years old is 4,968 people (55.91% of the total). The main economic activities are agriculture, livestock, labor, commerce and, to a lesser extent, professional activities. 44.93% of the economically active population is engaged in agricultural production, although only 57.5% produces food for self-consumption. 13.5% of the families that produce food obtain surpluses to sell, mainly coffee, corn and beans.

26. San Antonio is in western Honduras, in the north of the department of Copán, with a territorial extension of 121,125 km². Its topography is irregular in 90% of the territory, with predominantly clay-loam soils. The climate is temperate, with an average annual rainfall of 14,456 cubic centimeters and temperatures between 18 and 22 degrees Celsius. The average annual relative humidity is 80%. Seventy-six per cent of the population lives on a per capita income of less than one dollar a day. With this plan, the entire population of the municipality will benefit. The main crops are basic grains (maize and beans), coffee, vegetables and sugar cane. 14.81% of the families have an income of less than one thousand lempiras, and 27.73% have an income of less than four thousand lempiras per month.

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27. El Paraíso Municipality: The municipality of El Paraíso, Copán, is located 2,000 feet above sea level and has a territorial extension of 249.5 km². The climate is warm with an average temperature of 21 ºC to 28 ºC, although a temperate climate predominates in the highlands. The rainiest months are from October to February, while from March to May it rarely rains. The population of El Paraíso is 13,870, with 6,890 men and 6,990 women. Most of the population (51.87%) is young, aged 0-23 years. The population is distributed in 11 barrios, 36 villages and 19 hamlets. Economically, 18.29% of families live on a daily per capita income of less than $1.00, and the malnutrition rate in children under 5 is 248 children. Only 46.02% of the emerging labor force has completed primary school. In terms of services, 79.95% of families use firewood for cooking, 98.5% have access to household water, 80.2% have access to adequate excreta disposal systems and 91.1% have access to electricity. However, 51.5% of families use only one room as a bedroom.

28. The main economic activities in El Paraíso include agriculture, commerce, livestock, carpentry, micro-enterprises, welding workshops, dairy production, poultry farming and pig trade. The predominant crops are basic grains such as maize and beans, coffee and vegetables, as well as the production of sugar cane sweets. Coffee production includes washing, pulping, selection, drying and bagging for marketing and local consumption. The predominant labor force in the municipality is in agricultural production, with 2,693 farmers, ranchers and day laborers, representing 83.10% of the economically active employed population. However, there is open unemployment of 51.2% among the Economically Active Population (EAP). The Working Age Population (WAP) constitutes 76.32% of the total population, and the Economically Inactive Population (EIP), which includes students, housewives, retirees, income earners and the disabled, represents 27.12% of the EAP. In terms of income, 18.29% of families live on less than 1,000 lempiras per month, and 58.98% have an income of less than 4,000 lempiras per month.

29. Justification for targeting: The choice of the municipalities of Copán Ruinas, Santa Rita, El Paraíso and San Antonio for the implementation of the "Resilience and Ancestrality" project responds to strategic criteria and specific needs of the Trifinio region. These municipalities are particularly vulnerable to the adverse effects of climate change, with extreme climatic variations that significantly affect agricultural activities and exacerbate environmental degradation. These localities are not only located within the Trifinio Fraternidad Biosphere Reserve, but also possess demographic and socio-economic characteristics that make them priority areas for intervention. High dependence on agriculture, predominant use of natural resources for domestic energy, pressure on forest resources and poor access to credit to finance their livelihood adaptation processes reflect the urgent need for integrated adaptive solutions. In addition, cultural diversity and the presence of indigenous communities, such as the Chorti in Copán Ruinas, provide an ideal context for the integration of ancestral practices in climate adaptation. By focusing efforts on these municipalities, the project seeks not only to strengthen community capacities and improve management of the natural and cultural environment, but also to generate replicable models of resilience and adaptation that can be scaled up at regional and national levels. This strategic selection ensures that interventions have a significant and sustainable impact, aligning with national and international climate change adaptation strategies and promoting gender inclusion and community participation in climate knowledge management.

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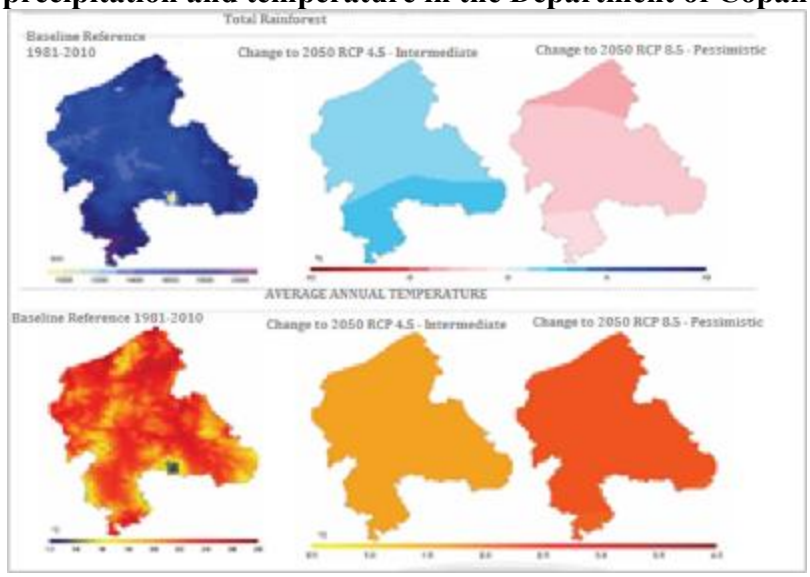
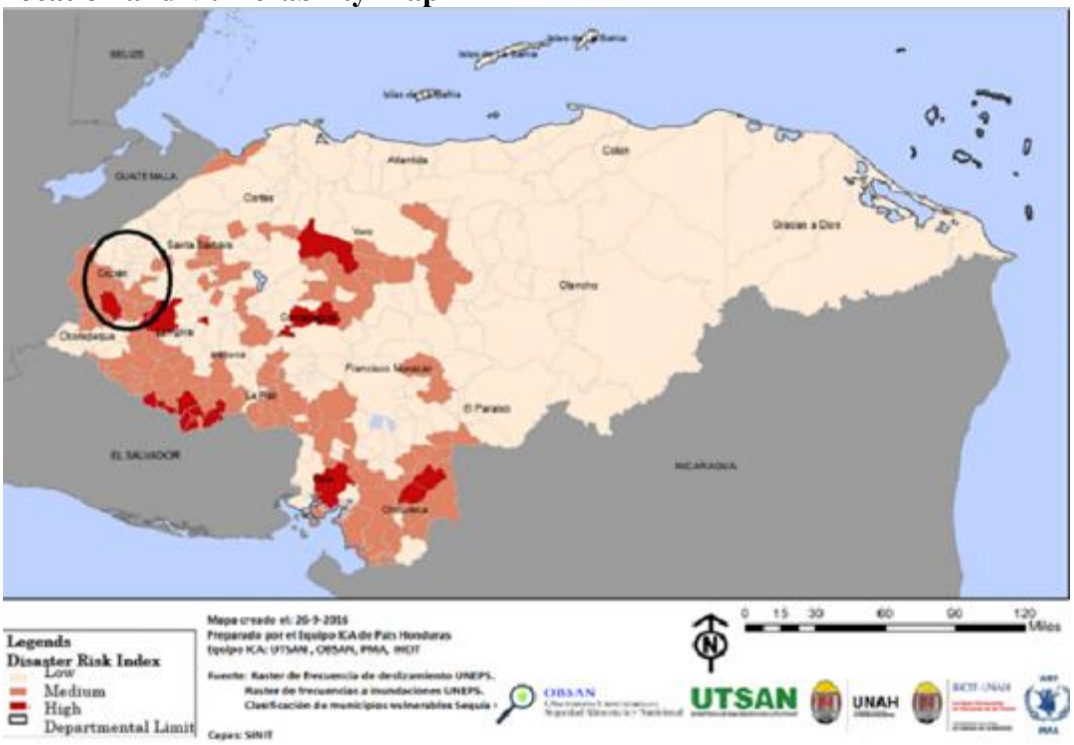
Figure No. 3: Projections of precipitation and temperature in the Department of Copán to 2050



Source: Government of Honduras, MiAmbiente. Documento Desarrollo de los Escenarios Climáticos de Honduras y Modulo Académico de Capacitación (2018; pp:60).

30. The Department of Copán in Honduras stands out as a region particularly vulnerable to the adverse effects of climate change, with projections of rainfall reductions of up to 30% and temperature increases of between 0.9°C and 2.8°C by 2050, according to the IPCC's 6th Report. These extreme climate changes are exacerbating food insecurity and malnutrition, with prolonged droughts and flash floods affecting agricultural activities and the livelihoods of local communities.

Figure No. 4 Location and Vulnerability Map



Source: Universidad Autónoma de Honduras, 2016 (Autonomous University of Honduras)

31. Honduras, and particularly the Department of Copán, has faced a series of severe hydrometeorological events in recent years, including prolonged droughts and heavy rains resulting in devastating floods. Hurricanes ETA and Iota, both category 4 hurricanes that occurred in 2020, dramatically impacted communities in Copán,

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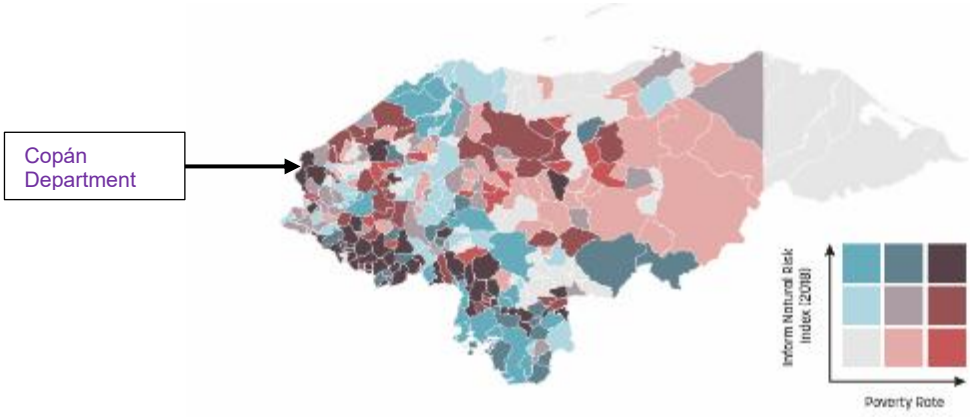
exacerbating existing conditions of vulnerability and highlighting the urgent need to implement climate change adaptation strategies. Copán's vulnerability to climate change is due to factors such as its biophysical and topographical characteristics, combined with high levels of poverty. According to Government of Honduras data from 2021, in this region, a significant proportion of the population lives below the poverty line and relies heavily on agriculture. These conditions further complicate the management of climate impacts and the reduction of socio-economic vulnerabilities in the area.

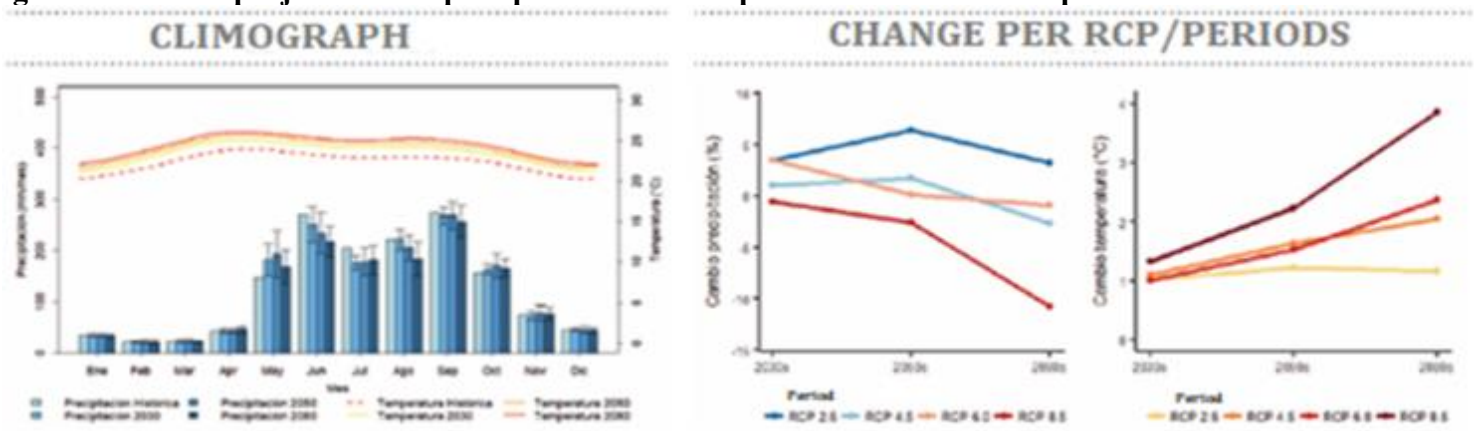
Figure No. 5: Vulnerability and poverty map articulated with the Natural Disaster Index (2019)



Source: World Bank Group. Climate Development Report Honduras, 2023

Climate predictions warn of recurrent El Niño and La Nina episodes in the coming years in Honduras. The oscillation is expected to intensify with climate change, potentially bringing more extreme drought and flood. In addition to an increased likelihood of increased rainfall & flooding, more intense La Nina events also tend to increase hurricane activity, thereby increasing Honduras's vulnerability to storms & cyclones. This is of particular concern for Copán. This phenomenon can drastically alter precipitation and temperature patterns, causing periods of intense drought followed by torrential rains. These changes can have devastating effects on agriculture, water security and disaster management in Copán. The 2015/16 El Nino caused 60% maize & 80% bean harvest losses in the Dry Corridor areas of Honduras, severely affecting the food security of 644,000 people. Preparedness and implementation of proactive adaptation and mitigation strategies are essential to manage and minimize these impacts across the four municipalities and nationally.

Figure 6: Climate projections for precipitation and temperature for 2050 in Copán



Source: Government of Honduras, MiAmbiente. Documento Desarrollo de los Escenarios Climáticos de Honduras y Modulo Académico de Capacitación (2018; pp:61).

34. In Copán, various projects have been developed, such as reforestation and the construction of flood barriers,

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with the aim of strengthening resilience to climate change and mitigating its adverse impacts. These initiatives seek to restore and protect vulnerable ecosystems, as well as to ensure the sustainability of agricultural practices in the face of climate variability. Reforestation contributes to carbon sequestration and water regulation, essential to prevent erosion and landslides. On the other hand, the construction of flood barriers protects communities from the devastating effects of flash floods, while climate-resilient agricultural systems are designed to withstand climatic extremes, ensuring food security.

35. Although Copán contributes a tiny fraction of global greenhouse gas emissions, it faces disproportionately severe impacts from climate change. Alterations in temperature and precipitation patterns are increasing the frequency and magnitude of disasters, such as intense hurricanes, catastrophic floods and prolonged droughts. These extreme events, together with the progressive deterioration of ecosystems, significant soil degradation and the increasing scarcity and contamination of water sources, are threatening the viability of the sustainable use of natural resources in Copán.

36. In the Copán region of Honduras, access to credit is limited, with only 7% of the population having access to credit, while 93% have no access (MiAmbiente, 2023). Additionally, a study for WFID (2022) states that women pay more for financial services in Honduras, consistently paying 5.8 % more each year for business loans than men (almost one-sixth in relative terms) and 2.6% more for microcredit. They claim that women usually lack traditional collateral requested by banks and credit scoring models often integrate factors that disadvantage women, such as education and income levels. Although several studies (Reporte de Brecha de Genero en Honduras, 2020) show that women demonstrate better repayment behavior across all loan categories, high borrowing costs or inability to access them represent an important deterrent for women. Gaps in access to credit to finance climate change adaptation practices, based on lack of knowledge, lack of collateral and other factors are experienced by women across all four municipalities in this project. The scarcity of detailed and accessible climate information in Copán further exacerbates these challenges by limiting the ability to develop effective adaptation and response strategies. This lack of reliable and specific data prevents planners and decision-makers from fully understanding the magnitude of local impacts and designing appropriate interventions to mitigate the adverse effects of climate change on vulnerable populations and their livelihoods.

37. In this critical scenario, the need for robust international cooperation and sustained support becomes more evident. Improving climate data collection, analysis and dissemination through international collaboration could transform Copán's capacity to respond to climate change. Global efforts should include strengthening technical and scientific capacity in the region by providing appropriate technology, training and financial resources. This would not only help improve the accuracy of climate forecasts and risk assessment but also facilitate the implementation of more effective policies and programmes. It is also crucial that this international cooperation is not only limited to technical and financial assistance but also promotes the exchange of good practices and successful experiences between regions facing comparable climate challenges.

38. Gender and youth considerations: The "Resilience and Ancestry" project takes place in the Trifinio area, which faces significant challenges due to climate change. This project aligns with the criteria of the Adaptation Fund's Innovation Window, prioritizing gender equality and the inclusion of youth as essential components for effective and sustainable climate adaptation. Honduras has shown progress in gender equality, ranking 53rd out of 146 countries in the Global Gender Gap Index 2023, with a parity index of 0.73. This improvement reflects notable progress since 2022, when the country ranked 82nd with a parity index of 0.705. This index, introduced by the World Economic Forum in 2006, measures progress towards gender equality in four dimensions: economic opportunity, education, health and leadership.

39. Gender Inequalities in Maya Chorti Communities: Despite these advances, gender relations in peasant communities in western Honduras, especially among the Maya Chorti ethnic population, remain unequal. These inequalities are deeply rooted in cultural norms and limit women's decision-making power over the use of

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household resources. In these communities, gender relations are particularly asymmetrical. Male supremacy, a cultural, social and political construct, perpetuates these historical inequalities.

40. The consultation carried out in the prioritized municipalities (Copán Ruinas, Santa Rita, El Paraíso and San Antonio) revealed that 70.83% of the people surveyed consider that women and girls do not have much of a role in community decision-making. Furthermore, 64.15% believe that women's or girls' opinions are not given much importance in the management of resources such as water and land. These figures show a clear invisibility of women's work, underestimating their participation in crucial sectors such as the conservation of indigenous cultures and the preservation of nature. Rural women spend three times as much time on unpaid domestic and care work compared to men, limiting their participation in community processes (UN Women). This disproportionate burden of unpaid work is a significant barrier to their empowerment and active participation in the community.

41. Impact of Climate Change on Women and Girls: Climate change exacerbates these inequalities, disproportionately affecting women and girls. 56.82% of respondents from the consultation conducted believe that women and girls are more affected by climate change compared to men. Women bear a disproportionate responsibility for ensuring food, water and care for their families, facing greater risks in situations of drought or excess rainfall. Women are often responsible for securing water for their families, both for drinking and cleaning, which involves walking long distances when water sources dry up. In addition, when crops are lost due to extreme weather conditions, women must find solutions to feed their families, creating considerable stress. Extreme poverty has been exacerbated by the negative impacts of climate change in the project area. As a result, many men—traditionally considered heads of household—have been forced to migrate in search of better opportunities, leaving their families behind. This situation has had a significant impact on women, who must take on both the agricultural work previously done by their husbands and their existing domestic responsibilities. This dual burden has substantially increased women's workload and vulnerability, particularly in rural households, highlighting the gender-specific impact of climate change and migration in the Trifinio region.

42. In situations of excessive rainfall, flooding in vulnerable communities puts the well-being of families at risk, and it is women who seek protective measures, especially for their children. These additional responsibilities further limit their ability to participate in community activities and decision-making. Gender-based violence is another extreme manifestation of inequality. 89.02% of respondents from the consultation process perceive that women and girls face problems of violence in their community, which undermines their physical and mental health and their ability to be productive members of the community. Ending gender-based violence is crucial for inclusive and sustainable rural development, as it is a significant barrier to women's empowerment and gender equality.

43. Gender approach in the project: Faced with this problem, the "Resilience and Ancestry" project adopts a comprehensive gender approach, assessing the implications of each planned action on women and men. The CASM-ACCH-Christian Aid consortium is committed to promoting gender equality through an integral dimension in the identification, design, implementation, monitoring and evaluation of the project. The project was designed in consultation with women members of the Community and Municipal Networks to understand their expectations and priorities. These consultations revealed key areas for intervention: i. *Leadership of women in Decision Making:* The project seeks to increase women's and girls' leadership in community decision making. Specific activities will be implemented to strengthen their leadership skills and ensure that their voices are heard and valuedin joint decision making spaces *ii. Economic and Social Empowerment:* Equitable access to resources and economic opportunities for women, men and youth will be promoted. This will include training in entrepreneurial skills and access to finance for women-led projects which will eventually contribute to improved decision-making over productive/economic resources for women and iii. *Preventing and Addressing Gender-Based Violence and New Masculinities:* The project will ensure a safe environment for women and girls by applying a Do No Harm principle throughout the project. This will include the implementation of awareness-

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raising programmes, where the reduction of violence is based on strengthening the role of new masculinities. To encourage women's participation in training, childcare will be provided during the project. Training sessions for women and men will center around the causes and consequences of GBV and sessions will be dedicated to prevention mechanisms that both women and men can take to reduce the incidence of GBV and promote transformative masculinities. The project aims to strengthen linkages with local GBV platforms and organizations to ensure women.

44. The project will also address gender inequality through the promotion of equal opportunities in capacity-building and strengthening economic opportunities through Livelihoods, and the implementation of policies that encourage equal participation in all project activities. It will also embed women's ancestral knowledge with modern techniques when developing projects to be funded by the dedicated women's Seed Fund.

45. Youth and Climate Adaptation: Youth is also a priority group in this project. The active participation of youth in the implementation of sustainable practices and innovative technologies is crucial for long-term climate resilience. The project includes specific outputs for: *i. Training and Education:* Training programmes on climate adaptation and natural resource management targeted at youth. This will enable them to acquire the necessary skills to face the challenges of climate change and contribute to the sustainable development of their communities; ii. *Active Community Participation: Encourage* youth participation in community decision-making and in the implementation of sustainable practices. This will include the creation of spaces where young people can express their views and participate in the planning and implementation of project activities; and *iii. Entrepreneurship and Leadership:* Support youth entrepreneurship initiatives that contribute to climate adaptation and sustainability. This will include access to funding and mentoring for young entrepreneurs.

46. Comprehensive approach in all priority municipalities: It is important to note that these gender and youth considerations apply uniformly across all prioritized municipalities - Copán Ruinas, Santa Rita, El Paraíso and San Antonio. Given that all municipalities share similar demographic characteristics, specifically being all part of the Maya Chorti population, no distinction is made between them in terms of gender and youth conditions. Interventions and strategies are designed to address needs and challenges in a comprehensive manner across the region, ensuring a cohesive and equitable approach.

47. The project aims to address gender inequalities and foster youth participation in climate adaptation in the Trifinio Zone. By aligning its actions with the Adaptation Fund's Innovation Window criteria, the project aims to generate lasting and scalable impact, contributing to inclusive and sustainable rural development. Key figures and data reflect the reality of the Maya Chorti communities and underline the need for a comprehensive and inclusive approach in the fight against climate change. The effective implementation of this project will make gender inequalities visible and address them, empowering women and youth to build more resilient and sustainable communities.

48. Characterization of the target population, Maya Chorti and Mestizo, in the municipalities of Copán Ruinas, Santa Rita, San Antonio and El Paraiso: The characterization of the population prioritized for the project is presented below, with emphasis on its main rules:

- **General Context and Location:** The Maya Chorti population in Honduras are mainly concentrated in the municipalities of Copán Ruinas and Santa Rita, with a tangential presence in San Antonio and El Paraiso in the department of Copán. These municipalities are in the western part of the country and are the only ones where the Maya Chortí reside, in addition to some areas in the department of Ocotepeque. The inhabitants of these regions are direct descendants of the ancient Maya who inhabited the Copán Valley since approximately 1400 BC. This geographical location and their cultural heritage make the preservation of their identity and adaptation to climate change in this region of utmost importance.
- **Demographics and Language:** The National Indigenous Maya Chortí Council of Honduras

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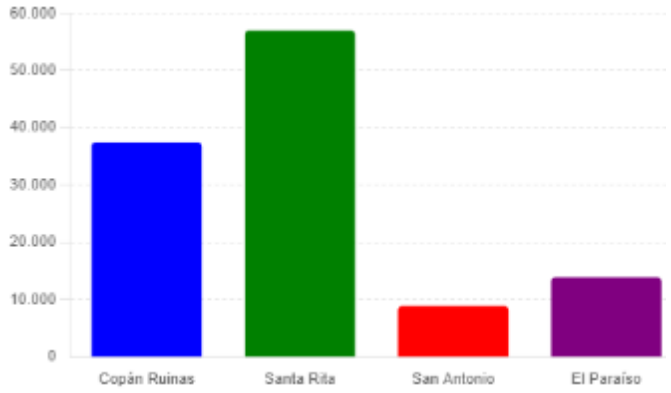
(COMINCHH) estimates the Maya Chortí population to be between 18,000 and 20,000, although the 2001 National Population and Housing Census reported 34,453 inhabitants. Most Chortí today use Spanish as their language of communication, with very few Chortí speakers remaining, most of whom are older adults from Guatemala. Language and cultural preservation are essential to maintain the identity of this group and promote their inclusion in Honduran society.

Graph No.8: Population distribution in the four prioritized municipalities



Source: Elaboration Resilience and Ancestry Project, 2024

- **Economy and Livelihood:** The economy of the Maya Chortí is mainly based on subsistence agriculture (68%) and handicraft trade (20%). The most important crops are maize and beans, which are essential foods in their diet. Sugar cane is also of great economic importance, with many families allocating up to half of their land to its cultivation. Livestock is less important, with meat consumption being secondary and focused on poultry such as chickens and turkeys. Extreme poverty is a constant due to the lack of educational and employment opportunities. The World Bank states that 48.6% of women are in vulnerable employment compared to 29.4% of men in Honduras indicating a higher risk of poverty among women due to less stable, unpaid and lower-paying jobs. These economic characteristics highlight the need to support sustainable development and livelihood diversification to reduce poverty and improve resilience to economic and environmental shocks.

Graph No.9: Distribution of population by economic activity in the four prioritized municipalities

(Purple: Agriculture; Blue: Commerce; Green: Handicrafts; Yellow: Others)
Source: Elaboration Resilience and Ancestry Project, 2024

- **Youth Population and Education:** The population of the municipalities is mostly young, with 65% of

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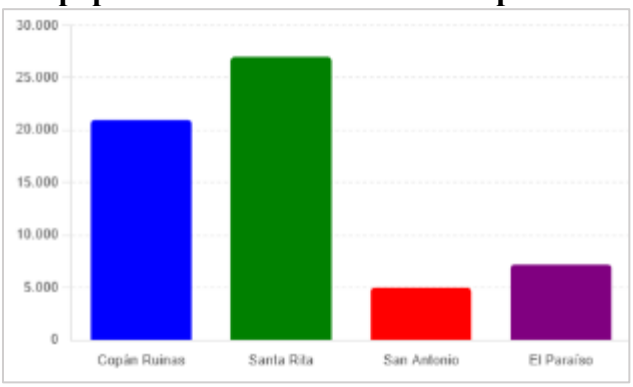
the population being under 23 years old. Education is limited and often insufficient to address the needs of a population facing economic and environmental challenges. Improving education and providing technical training in climate change adaptation is essential to strengthen the resilience of these communities. Investment in education is crucial for long-term development, ensuring that future generations are better equipped to face the challenges of climate change.

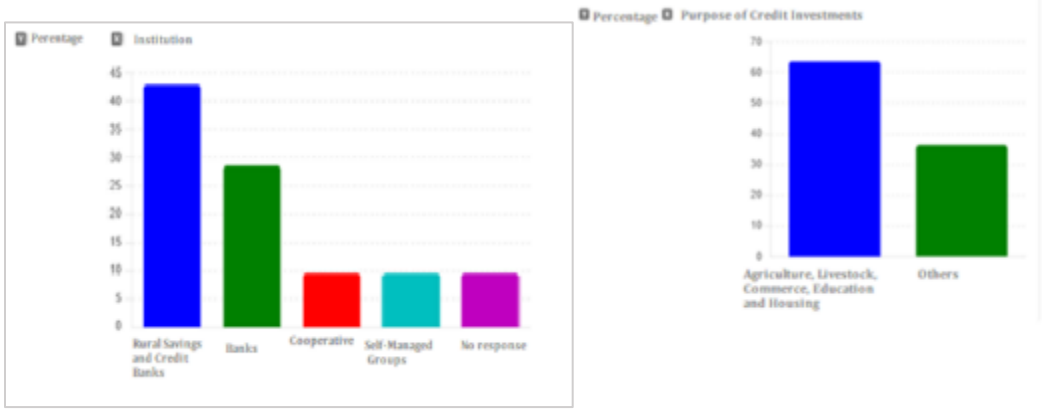
Graph No. 10: Distribution of population under 23 in the four prioritized municipalities



Source: Elaboration Resilience and Ancestry Project, 2024

- **Access to Credit/Finance:** For the Maya Chorti access to credit is extremely limited, with less than 7% of the population having access to credit due to lack of information, collateral, and other factors. Of the few who have access, 42.86% receive credit from the Rural Savings and Credit Bank, 28.57% from Banks, 9.52% from Cooperatives, another 9.52% from Self-management Groups and the remaining 9.52% do not answer about the institution that provides them with credit. In addition, 63.64% of the people interviewed indicated that the most difficult credit investment destinations to access are related to agriculture, livestock, commerce, education and housing. As these are related to income-generating activities, it is crucial to work with government institutions, municipalities, the private sector and NGOs to facilitate access to financial services for vulnerable and food-insecure people, enabling them to better manage climate risks and invest in new livelihood practices.

Figure 11: Access to credit/financing Maya Chortí



Source: Elaboration Resilience and Ancestry Project, 2024 (Consultation Process)

- **Impact of Climate Change:** Climate change has significantly affected Maya Chortí communities. Ninety-five percent of respondents to the consultation (see Annex 2: Consultation Document) report that extreme weather events are more frequent, occurring every 1 to 2 years, and 75.76% state that their means of agricultural and livestock production are severely affected. This highlights the need to implement adaptation strategies to improve the resilience of these communities. The vulnerability to extreme weather events underscores the urgency of developing adaptation and mitigation plans that address these hazards

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and strengthen community resilience.

- **Infrastructure and Basic Services:** Access to water is a critical challenge for the Maya Chortí. Some 82.20% of the population depends on community water projects, and 54.92% of these systems are vulnerable to the effects of climate change, such as droughts and floods. In addition, 63.26% of respondents report that their health is affected by climate change, highlighting the need to improve health services and access to clean water. Adequate infrastructure and basic services are fundamental to improving the quality of life and resilience of communities to climate change impacts.
- **Resilience and Ancestry:** The project seeks to strengthen the adaptive capacity of Maya Chortí communities through the integration of ancestral and modern practices. This includes the promotion of resilient family models, the improvement of climate services and the management of climate knowledge. In addition, it focuses on innovative financial mechanisms to support climate change adaptation, ensuring gender inclusion and the preservation of cultural heritage. The combination of ancestral and modern knowledge is key to developing adaptation strategies that are culturally relevant and sustainable.
- **Characterization of the summary of the characterization of the municipalities**: The following table shows the summary of the characterization of the municipalities where the Maya Chortí population is located, highlighting relevant aspects to better understand their situation and needs:

Table No. 1: Summary of the characterization of the population of the municipalities

ASPECT	COPAN RUINS	SANTA RITA	SAN ANTONIO	EL PARAISO
Total population	37,490	57,000	8,886	13,870
Population under 23 years of age	21,000	27,000	4,968	7,194
Villages and hamlets	101	115	22	55
Average persons/household	5	5.7	4.21	5
Use of firewood for cooking	83.92%	97%	91.21%	79.95%
Children and young people of school age	13,7	27,000 (under 23 years)	4,968 (under 23 years)	51.87% (under 23 years)
Working-Age population	22,165	19,443	6.664	10.585
Economically active	62.1%	63%	44.93%	83.24%
Unemployment	5.88	55.1%	55.69%	20.21%
Income less than one thousand Lempiras	12.94%	14.5%	14.81%	18.29%
Families producing food	58.14%	36.9%	57.5%	38.9%
Basic grains production	Yes	Yes	Yes	Yes
Coffee production	Yes	Yes	Yes	Yes
Illiteracy	29.5%	66%	11.67%	66.66%
Malnutrition	29.13%	28.4%	15.3%	30%
Access to basic services	89.57% access to water, 68.81% excreta disposal, 66.69% electrical energy	95% access to water, 84% excreta disposal, 95% electrical energy	82.84% access to water, 82.94% excreta disposal, 89.7% electrical power	98.5% access to water, 80.2% excreta disposal, 91.1% electrical energy

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ASPECT	COPAN RUINS	SANTA RITA	SAN ANTONIO	EL PARAISO
Economic activities	Agriculture, professional services	Basic grains, coffee, vegetable production	Agriculture, livestock, commerce, professional activities	Agriculture, trade, livestock, micro-enterprises, dairy farming, poultry farming, pig trading

Source: Prepared by the *Resilience and Ancestry Project based on* the documents *World Bank Group. Climate Development Report Honduras, 2024 and the Municipal Development Plans*

B. PROJECT OBJECTIVES

49. Problem to be addressed through this intervention: The "Resilience and Ancestrality" project is designed to address crucial challenges impacting the Maya Chorti communities in the Trifinio region, comprising the municipalities of Copán Ruinas, Santa Rita, El Paraíso, and San Antonio. These areas are particularly vulnerable to the effects of climate change, which manifest through extreme climatic variations, predominantly affecting agricultural activities and exacerbating environmental degradation. The proposed intervention seeks to strengthen climate resilience and improve the adaptive capacity of communities through an integrated and sustainable approach, providing access to financing mechanisms through microfinance institutions and community funds.

50. The core of the project's strategy is the implementation of a comprehensive model that seeks to generate capacities for access to financing, recognizing the needs and particularities of the prioritized families in terms of the opportunities and challenges they face in adapting to climate change. These families are part of community environments that must have enabling conditions for the success of the intervention, as well as knowledge of climate monitoring, recognizing the ancestral practices of the region (Maya Chorti). The Resilient Families Model, which was previously implemented by the consortium, will be the methodology chosen to materialize the objectives and expected results. This model will be adapted to the specific conditions of each of the municipalities through participatory workshops, ensuring that the interventions are relevant and effective. It is expected that this implementation will not only improve agricultural practices and behavioral changes in terms of access to financing mechanisms (fear of debt) but also strengthen the social and cultural fabric, integrating ancestral knowledge crucial for the sustainability of the interventions.

51. The project also seeks informed decision-making and climate risk management through participatory research that will strengthen climate monitoring infrastructures and capacities in communities. The installation of climate monitoring stations following World Meteorological Organization (WMO) protocols will provide essential data that will enable communities to plan and respond more effectively to adverse weather conditions, as well as generate lessons learned and good practices that can be replicated in contexts of high climate vulnerability globally. This effort will not only provide communities with the tools necessary for better adaptation practices but will also empower them to manage their resources more effectively in the face of climate variability.

52. In addition, the project places a strong emphasis on knowledge management on climate change adaptation. Through the systematization and dissemination of experiences and lessons learned, digital tools will be developed to facilitate the exchange of information between communities, authorities, and other key actors. This collaborative approach is designed to improve adaptation policies and practices at local and regional levels, strengthening the capacity of communities to advocate for their needs and rights.

53. The project's intervention methodology is inclusive and participatory, highlighting the inclusion of all sections of the community, especially women and youth, in all phases of the project. This methodology ensures that interventions are equitable and tailored to gender- and age-specific needs, enhancing the relevance and

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effectiveness of project activities. Specific strategies to mitigate negative impacts include protection of local ecosystems and continuous monitoring of environmental impact.

54. Thus, the project will provide lasting and significant benefits that will directly improve the lives of Maya Chorti families in the Trifinio region. Adopting an approach that respects and utilizes both ancestral and contemporary knowledge, the project is designed to establish a solid foundation for ongoing climate and natural resource management, promoting effective and sustainable climate adaptation in the region. With a strong commitment to the Adaptation Fund principles, this project not only addresses immediate adaptation needs but also works to ensure the long-term resilience of these communities to climate change.

55. **Project:** In response to the challenges imposed by climate change in the Trifinio region, the "Resilience and Ancestry" project seeks to strengthen the capacities of communities and families in the Trifinio Fraternidad Biosphere Reserve. These areas, notably vulnerable to the adverse effects of climate change, face extreme climatic variations that impact agricultural activities and exacerbate environmental degradation. The project is designed to scale integrated and sustainable adaptive solutions that align with national and international climate change adaptation strategies, focusing on community capacity building and effective management of the natural and cultural environment.

56. **Overall Project Objective: To pilot, promote, and institutionalize innovative financing instruments to scale up climate adaptation for vulnerable families in the Trifinio Fraternidad Biosphere Reserve, through the transfer of the Climate Resilient Families Model that integrates ancestral practices, improves climate services, promotes climate knowledge management, and systematizes learning, with a focus on ancestral knowledge and gender inclusion.**

57**. SO1. Establish a financing mechanism for innovation actions in adaptation and building resilience to climate change.** To achieve this, an innovation fund for adaptation practices with vulnerable populations will be designed and implemented. This fund will include financing models such as community funds and microfinance loans tailored to the needs of the small rural farming families and will focus on selecting and financing adaptation projects in areas such as agriculture, energy, monitoring, and tourism. Cognizant of the gender disparities in the Trifinio zone, the project will assure women's participation by dedicating specific funds to women-led initiatives under these financing models. Overall, the project will adopt an intersectional lens and support 600 small rural farming families in four municipalities. In addition, the eligible loans will enable small rural farming families to implement adaptation practices and create innovative agricultural products, with an expectation of a high success rate and return on investment through continuous technical assistance. The project will also invest in community climate change infrastructure, with a strong focus on the infrastructural needs of indigenous women, working with the four municipalities and promoting public-private partnerships to ensure the long-term sustainability of this infrastructure post-project.

58. SO2. Systematically strengthen the project's knowledge management and its scaling up in local and international policies. This will be achieved by funding community and municipal research projects focused on climate monitoring using ancestral practices and bio-indicators, generating and systematizing relevant knowledge from the communities. Technical assistance will be provided for the development of the research, ensuring the quality and relevance of the data collected through technical support and adequate infrastructure. In addition, the experiences and results of the project will be documented and disseminated at national and international events, promoting best practices and lessons learned in climate change adaptation policies at national, local, and international levels. Moreover, as part of Christian Aid's commitment to decolonization, the project will encourage acceptance, promotion, and harmonization of different ways of knowing and interpreting impact which do not rely on "traditionally academic" structures..

59. These specific objectives are designed to ensure that local and indigenous communities, especially women

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and vulnerable populations, can develop, adopt, and implement sustainable practices and innovative technologies that improve their resilience to climate change. This comprehensive and collaborative approach will extend the impact of the previous work of the project partners and strengthen institutional cooperation in the Trifinio region.

60. Theory of Change: In the context of global climate change, the Trifinio Zone faces significant challenges that require innovative and sustainable solutions. This project aims to pilot, systematize learning, and institutionalize financing instruments to scale up climate adaptation through the transfer of a resilient families model that integrates ancestral practices, enhances climate services, and promotes climate knowledge management. At the same time, it fosters innovative financing mechanisms with a focus on ancestral knowledge and gender equality. The theory of change presented below aligns with the structure and criteria of the innovation projects approved by the Adaptation Fund, ensuring that local communities, especially women and vulnerable populations, can develop, adopt, and implement sustainable practices and innovative technologies that improve their resilience to climate change.

61. IF innovative and accessible financing mechanisms are made available to local communities for climate adaptation practices, **BY** providing technical assistance, loans, grants, and improving community infrastructure in collaboration with municipalities and public-private partnerships, while funding community-based research projects for ancestral-based climate monitoring and documenting and disseminating project results and experiences, **THEN** local communities, especially women and vulnerable indigenous populations, will be able to better anticipate climate risks (both shocks and stresses), develop, adopt, and implement sustainable practices and innovative technologies that improve their resilience to climate change.

62. And **IF** communities strengthen sustainable and resilient agricultural practices **BY** implementing a climate resilient families model that integrates ancestral practices, enhances climate monitoring, and promotes community research and knowledge management, **THEN** local communities will be able to not only better adapt to climate change but also preserve and value their cultural and ancestral heritage, ensuring that solutions are culturally relevant, inclusive, and effective in the long term.

63. And finally, **IF** local communities are able to document and evidence a scalable and sustainable adaptation model that can be replicated in other contexts and regions, **BY** receiving technical support and research capacity to generate and systematize relevant knowledge from the communities, and **THEN** they will be empowered to disseminate their knowledge at national and international events, promoting best practices and lessons learned in climate change adaptation, **IN ORDER TO** positively influence public policy formulation at regional, national and international levels.

The project will include 'Unidentified sub-projects' (USPs), in terms of projects financed through the grants/loans and also the climate change infrastructure works. These are an essential part of Theory of Change, enabling development and ownership of the sustainable adaptation model. The process of identifying needs, analysing options and developing these projects by communities - in line with local plans - is a fundamental element and a beneficial and innovative component of the project. It is therefore not possible to identify these projects in advance, and essential that USPs are included. The process for identifying and managing the USPs, including risk mitigation, is outlined throughout the project plan.

64. Assumptions and Expected Results: Based on the above assumptions, the project expects to achieve the following results, which will be monitored through specific indicators and periodically reviewed to ensure alignment with the overall project objectives:

1. **Development of innovative and accessible financing mechanisms:** Financing mechanisms such as community funds and microfinance institutions will be established and operated to facilitate access to financial resources needed for climate adaptation. The success of this outcome will be measured through the number of projects financed, the return on investments, and the financial sustainability of the

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mechanisms implemented.

2. **Technical assistance and continuous support:** Technical assistance will be provided to ensure the success and sustainability of the funded projects. This will include training and ongoing support, evaluated through the level of satisfaction and success of the beneficiaries in the implementation of their projects.
3. **Increased capacity of communities to respond to climate change impacts:** Communities are expected to develop greater resilience to climate variations through the effective use of adaptive technologies and sustainable practices. This will be measured through capacity assessments before and after project implementation and reflected in the adoption of ancestral and modern practices integrated into the resilient household model.
4. **Strengthening sustainable and resilient agricultural practices:** The project will promote farming techniques that not only better withstand changing climatic conditions but also promote biodiversity and soil health. Success will be evaluated by monitoring the farming practices adopted and their impact on productivity and sustainability. In addition, the creation and development of innovative agricultural products financed through the innovation fund will be monitored.
5. **Improved climate knowledge and information management at local and regional levels**: Through the systematization of data, the project aims to improve the capacity of local communities and authorities to make informed decisions. Indicators will be established to measure the improved accessibility and use of climate information, including the effectiveness of ancestral-based climate monitoring projects funded by the project.
6. **Development of more robust and inclusive climate change adaptation policies:** Through collaboration with government entities and community participation, the project will seek to influence the formulation of policies that reflect local needs and conditions. Progress will be assessed through analysis of the policies implemented and their effectiveness in improving community resilience. Particular attention will be paid to the inclusion of best practices and lessons learned from the project in development and adaptation policies and plans at national, local, and international levels.
7. **Improvements in community infrastructure for climate change adaptation:** Financial support will be provided, and public-private partnerships will be fostered to improve community infrastructure, which is crucial for the successful implementation of adaptation projects. This will be measured by the number and quality of improved infrastructure and its impact on the capacity of communities to adapt to climate change.
8. **Improving women's economic independence** through access to credit and grants for adaptation practices informed by women's ancestral knowledge and through the Climate Monitoring Network where women will receive training and be involved in climate monitoring.

65. **Presence of the Consortium in the Territories**: The project will be developed in the **Trifinio Biosphere Reserve**, encompassing the municipalities of **Copán Ruinas, Santa Rita, El Paraíso and San Antonio**. These areas, inhabited by the Maya Chortí community, face critical challenges due to extreme climatic variations that impact agricultural practices, livelihoods and exacerbate environmental degradation. The implementation of the project builds on the consortium's extensive territorial experience and established relationships with local communities and municipal authorities.

66. **Participation of Local Organizations:** The consortium in charge of project implementation includes **Comisión de Acción Social Menonita (CASM)**, **Christian Aid (CA)**, **Asociación Centroamericana Centro Humboldt (ACCH)** and **Microfinanciera Rural de Honduras (PILARH-OPDF).** Each of these organizations brings unique expertise and resources, ensuring a comprehensive and collaborative approach. The **active participation of local organizations** is ensured throughout the project, from the design phase, planning through to implementation and monitoring. **CASM** works directly with local organizational structures such as Water Boards, Consultative Councils, Rural Savings and Credit Bank and Producer Associations, strengthening community participation and ensuring that local communities are an integral part of the decision-making process. **ACCH** will bring its expertise in climate monitoring and participatory research and **CA** brings its expertise in

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climate justice and community resilience, promoting equitable and effective locally-led solutions drawing on the eight principles for locally led adaptation ensuring local communities are empowered to lead sustainable and effective adaptation to climate change at the local level which CA and its partners helped develop (Principles for locally led adaptation | International Institute for Environment and Development Principles for locally led adaptation | International Institute for Environment and Development). In addition, **PILARH-OPDF**, a Honduran microfinance institution, will provide microloans for rural communities to implement sustainable agricultural practices and innovative technologies, thus improving their climate resilience. Their inclusion will ensure access to financial resources needed for project adaptations. needed for project adaptations.

67. **Experience of Implementing Entities**: **CASM:** With a track record spanning four decades, CASM has developed a robust approach to climate change and humanitarian action, working in 14 departments of Honduras. Its experience includes sustainable productive development, promoting the adoption of climate-smart practices and technologies, and natural resource management, achieving significant improvements in biodiversity. CASM also strengthens community participation through its collaboration with local organizational structures, ensuring that communities are an integral part of the decision-making process. **ACCH:** Founded in 2019 and based in Guatemala, it is the continuation of 32 years of accumulated experience and evolution of the Humboldt Centre in Nicaragua. Its contribution focuses on climate monitoring, using appropriate technologies to collect and analyze climate data that inform adaptive strategies. In addition, ACCH has worked extensively on environmental protection, developing methodologies and tools for climate change adaptation and mitigation of its impacts. **CA:** With extensive global experience in climate adaptation and social justice projects, it has successfully implemented programmes in the region in Nicaragua, Colombia, Guatemala and Honduras, in addition to its presence in Africa and Asia. Its approach includes promoting climate justice, ensuring that the solutions implemented are equitable and benefit the most vulnerable communities. It has also developed successful models of resilient families, integrating ancestral knowledge with modern practices to strengthen climate resilience and community empowerment. More recently CA and its partners implemented a similar project in Bangladesh where women's decision-making power was enhanced through the provision of microfinance loans. **PILARH-OPDF :** This Honduran microfinance institution plays a crucial role in access to finance for rural communities. It has worked extensively with vulnerable communities, providing microloans that enable families to invest in sustainable agricultural practices and innovative technologies. Its focus on financial inclusion ensures that vulnerable communities have access to the resources needed to implement climate adaptation solutions. **POC-SERNA:** The Secretariat of Natural Resources and Environment (SERNA), through its Project Coordination Office (PCO), acts as implementing partner of the project supported by various strategic partners. It will accompany the project and participate in the Strategic Steering Committee, whose main function is to provide strategic guidance and approve adaptation project proposals for funding, upon recommendation of the Programme's Technical Committee. Likewise, it will be responsible for accompanying the process of articulating municipal needs with community realities in the construction of community works, the articulation with multilevel government entities and the strengthening of Climate Change Adaptation Plans and Policies.

68. Innovation contributions to the development of the project proposal: The project stands out for its innovative approach in the integration of **ancestral practices with modern technologies** and the creation of **accessible financial mechanisms**. These elements are essential to ensure the sustainability and scalability of the proposed solutions. i. **Climate Resilient Families Model (CRFM):** Jointly developed by ACCH and Christian Aid, this model integrates ancestral knowledge with modern practices to create a holistic and robust approach to climate resilience. It not only addresses the technical aspects of climate adaptation but also promotes community empowerment and cultural preservation; ii. **Innovative Financial Mechanisms:** CASM, in collaboration with PILARH-OPDF (microfinance institution), has worked with rural savings banks and savings associations to finance community projects. This approach promotes financial inclusion and ensures that communities have the necessary resources to implement sustainable practices and innovative technologies; iii. **Climate Monitoring:** ACCH will lead the implementation of climate monitoring systems, using climate data to inform decisions and adaptive strategies. This will enable communities to effectively anticipate and respond to climate variations,

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strengthening their resilience; iv. **Civil society-institutional articulation:** SERNA will support the permanent articulation of the project's actions with the municipalities' commitment to the implementation of climate change adaptation; SERNA will be able to articulate with other government institutions that work with municipalities, such as the Secretary of Governance and Decentralization.

69. Direct Beneficiaries: The Project will directly benefit vulnerable communities including indigenous people, women, men and youth in the Trifinio Fraternidad Biosphere Reserve, covering four municipalities in the department of Copán, Honduras. The beneficiaries are divided into two main components:

Table 2 Direct and Indirect Beneficiaries per Outcome

	Component/ Product **No. of Direct Beneficiaries (small rural farming families)**	**Female (%)**	**Male (%)**	**Indigenous People (%)**	**Youth**	**Indirect beneficiaries (number of people)**
Outcome 1						
1.1 Innovation funds Loans/Grant	10,000	50	50	30		50,000
Loans and Rural Savings Bank	280	50	50	20	20	1400
Grant	320	50	50	30	40	1600
Seed Fund	100	100		30	60	
Training for families	1200	50	50	30	50	6000
1.2 Community Infrastructures	10,000	50	50	40	50	40,000 people or approx. 9000 (families in 4 municipalities)
Outcome 2						
2.1.1 Climate Monitoring (weather stations)	92	50	50	20	70	40,000 (approx. 9,000 families in 4 municipalities)
No. people reached with mass media	Approximately, 100,000 inhabitants could be reached by social media, Webinar - Knowledge management					

Source: Elaboration of Resilience and Ancestry project,2024

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Component 1: Establishment of an Adaptation and Resilience Financing Mechanism.

- **i.** People reached directly: a total of 700 loans and grants to be awarded to 1400 small rural farming families during the 4 years of the project of which 280 loans and 420 grants (320 grants and 100 women-only seed funds), aimed at strengthening their capacity to face the challenges of climate change.
- **ii.** People reached indirectly: The total indirect reach for the grants and loans component is approximately 50,000 people but more generally the total population of the 4 municipalities: 117,246 people, including all inhabitants of the selected areas, will benefit from improved community infrastructure.

Component 2: Strengthening Knowledge Management and Policy Scaling-up

- **i.** People reached directly: 1200 small rural farming families will directly benefit in 4 municipalities (Copán Ruinas, Santa Rita, San Antonio and El Paraiso) through the implementation of resilient practices.
- **ii.** People reached indirectly: Approximately 40,000 people or 9,000 families will be reached indirectly and more generally the total population of the 4 municipalities: : 117,246 people will benefit from improvements in community policies and practices. This structure will provide comprehensive and equitable coverage, strengthening the resilience of vulnerable communities in the Honduran Trifinio region.

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C. PROJECT COMPONENTS AND FINANCING

Project/Programme Components	Expected Concrete Outputs	Expected Outcomes	Amount (US$)
Component 1: Establish a funding mechanism for innovation in climate change adaptation and resilience building. (US$1,784,276.00)	**Sub-component 1.1:** Innovation fund for adaptation practices with vulnerable populations. (US$1,479,476.00)	**Output 1.1.1:** Design of financing mechanism for climate change adaptation practices.	USD$ 73,710.00
		Output 1.1.2: Eligible loans and grants distributed for the implementation of climate change adaptation practices (at least 700) and creation of innovative agricultural products.	USD$960,495.00
		Output 1.1.3: Technical assistance to reduce the risk of accessing the funding mechanism and ensure its return.	US$455,271.00
	Subcomponent 1.2 Financing Community Infrastructure for Climate Change Adaptation (USD $304,800.00)	**Output 1.2.1:** Financial Support to Improve Community Infrastructure in Articulation with Municipalities.	USD$300,000.00
		Output 1.2.2: Fostering Alliances with Multilateral and Bilateral Institutions for the Sustainability of Community Infrastructure	USD$4,800.00
Component 2: Systematic strengthening of the project's knowledge management and its scaling up in local and international policies. (USD $1,552,130.00)	**Sub-component 2.1:** Knowledge Management System for Climate Resilience. (USD$ 1,093,265.00)	**Output 2.1.1**: Community and Municipal Research for Ancestral Approach Climate Monitoring.	USD $626,980.00
		Output 2.1.2: Technical Assistance for Accompanying Research Development.	US $466,285.00
	Sub-component 2.2: Integrating Ancestral and Contemporary Knowledge for Climate Adaptation (USD $458,865.00)	**Output 2.2.1:** The Project's results and experiences are positioned as scalable opportunities, contributing to and strengthening national instruments and frameworks on climate change	US $363,635.00
		Output 2.2.2: Good practices and lessons learned from the project are incorporated into national, local and international climate change policies.	USD $95,230.00
6. Project/Programme Execution cost			USD$350,230.00
7. Total Project/Programme Cost			USD$3,686,636.00
8. Project/Programme Cycle Management Fee charged by the Implementing Entity (if applicable)			USD $313,364.00
Amount of Financing Requested			US $4,000,000.00

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D. PROJECTED CALENDAR

Milestones	Expected Dates
Start of Project/Programme Implementation	December 2025
Baseline	February 2026
Mid-term Review (if planned)	July 2027
Project/Programme Closing	December 2029
Final Evaluation	March 2029

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PART II: PROJECT/PROGRAMME JUSTIFICATION

A. PROJECT COMPONENTS

70. The "Resilience and Ancestry" project is strategically framed within the Adaptation Fund's Innovation Window, an initiative that promotes innovative and replicable approaches to climate change adaptation in developing countries. This window, managed by the Adaptation Fund, provides a unique platform for testing, evaluating and scaling up interventions that can be applied globally to increase climate resilience in diverse vulnerable communities.

71. The general objective of the four-year project is to "Pilot, promote and institutionalize innovative financing instruments to scale up climate adaptation of vulnerable families in the Trifinio Fraternidad Biosphere Reserve, through the transfer of the resilient families model which integrates ancestral practices, improves climate services, promotes climate knowledge management and systematizes learning, with a focus on ancestry and gender inclusion". To this end, an innovation fund will be established to support adaptation practices, offering tailored and inclusive financing models such as loans through community saving funds and microfinance institutions for eligible families. For families who do not qualify for loans from national banks or microfinance institutions due to lack of guarantees and inability to pay because of high interest rates, a grant approach will be provided. Firstly, grants will be given to families based on a selection criterion to enabling these families to adopt adaptation practices, develop financial literacy, build capacity to scale up their adaptation projects and transition to accessing loans post-project. Importantly, the families receiving the grants represent the most vulnerable and indigenous people who have no assets or income stability. Hence, the grants promote equity and inclusion while still advancing adaptation outcomes. Secondly, women-led initiatives aimed at developing economic initiatives aligned with adaptation to improve their family's conditions (strengthening resilience) will be promoted. Improving women's access to finance through grants (Seed Funds) allows for women's specific knowledge and practices to be merged with modern techniques leading to income generation, inclusion, scalability and sustainability beyond the project. Finally, by fostering collaboration with the four municipalities, the project will strengthen the community's climate adaptation and resilience by ensuring infrastructure projects are aligned with the Municipalities' Economic Development Plans. Overall, the project will support 1,200 families in four municipalities, focusing on agriculture, soil and water conservation, renewable energy, forest biodiversity, environmental monitoring, and sustainable tourism to promote their resilience to climate change through adaptation techniques. The durability of the project will be ensured by providing continuous technical assistance to increase the success rate of the small rural families' projects, promoting financial literacy, financing the development of adaptation projects which can be scaled up and continued collaboration with the Municipality and SERNA.

72. The project will also systematically strengthen knowledge management and its scaling up in local and international policies. This will be achieved by funding participatory research projects focused on community-based climate monitoring using scientific techniques working in synchronicity with ancestral practices and bio-indicators, generating and systematizing relevant knowledge from the communities such as the development of an early warning and weather forecasting mechanism in the targeted areas. Feminist agro-ecological practices will be adopted by specifically documenting indigenous women's knowledge of bio-diversity practices through co-created research and community-design indicators. Technical assistance will be provided for the development of the research, ensuring the quality and relevance of the data collected through technical support and adequate infrastructure. In addition, the experiences and results of the project will be documented and disseminated at national and international events, promoting best practices and lessons learned in climate change adaptation policies at national, local and international levels. Strategic alliances will also be sought with bilateral entities for continuous development in the four municipalities, particularly alliances that can facilitate expansion of the infrastructure projects in component 1 beyond the project's lifetime.

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73. Participating in the innovation window allows the project to access a wide range of international resources, knowledge and networks that strengthen the capacity to implement effective and replicable adaptive solutions. In addition, this international collaboration helps to assemble a body of knowledge that can be useful not only for the Trifinio region, but also for other communities worldwide facing similar challenges. Thus, the project not only addresses the immediate challenges of climate change but it also contributes to the long-term strengthening of community capacities to manage their natural resources more efficiently and sustainably, laying the foundation for a legacy of resilience and adaptability.

Component 1: Establish a funding mechanism for innovation actions in adaptation and building resilience to climate change.

74. This crucial component of the project seeks to radically transform the adaptive capacity of families in the face of the challenges imposed by climate change in the Trifinio region. Through the implementation of a tailored financing mechanism suited to the characteristics and capacities of the most vulnerable population, it builds on the Climate Resilient Families model (CRFM). This mechanism is strategically merged with appropriate technologies and climate-adapted sustainable agricultural practices (ASAC), integrating the valuable ancestral knowledge of the Maya Chorti indigenous communities.

75. The objective is to develop an agricultural system that is not only environmentally sustainable, but also resilient to climate fluctuations and deeply rooted in local cultural heritage. The component's strategy focuses on three main areas: upgrading agricultural practices to increase productivity and sustainability supported through climate finance, strengthening social and cultural networks to improve community cohesion and resilience, and continuous evaluation and adaptation of implemented techniques to ensure their effectiveness and relevance over time.

76. A financing mechanism will be designed to strengthen the community through access to loans from PILARH-OPDF, a microfinance institution. ATechnical Steering Committee (TSC) will be in charge of forming the Innovation Financial Mechanism Committee (IFMC). Committee (IFMC) will be responsible for developing the loan and grant regulations to ensure it remains equitable. The loans will finance sustainable agricultural practices adapted to climate (ASAC), renewable energy, environmental monitoring, sustainable tourism, among others. The CRFM diagnosis phase will assess families' access to loans and identify livelihood-strengthening inputs, defining the type of projects to be financed. It will map 18-20 specific ASAC practices to determine which of the small rural farming families will receive loans or grants. Families will enter a loan management process with the microfinance institution or savings bank, following a loan policy jointly developed by the project. Additionally, 30% of the loans will be earmarked exclusively for women in prioritized areas, supporting their initiatives in ASAC practices.

77. The project will be implemented in the Cerro Azul Park and the micro-watersheds of Copán Ruinas, benefiting an average of 1200 small rural farming families in the municipalities of Copán Ruinas, San Antonio, El Paraíso and Santa Rita with an integrated approach. Adaptation projects will be presented and selected, defining work plans and corresponding disbursements. Specific grants will be provided for the creation of innovative agricultural products that respond to climate change adaptation needs.

78. In addition, continuous technical assistance will be provided to beneficiary families, ensuring the effective development of the projects through training and monitoring according to the resilient families' methodology. Enabling community projects that favor return on investment in climate adaptation and territorial development with a focus on their sustainability and benefit for the communities will be prioritized and financed. To this end, a strategy will be developed to co-finance community projects in collaboration with existing projects in the region with public and private financing actors (World Bank, IDB, USAID, European Union, among others), as well as other territorial partners, strengthening the necessary infrastructure for adaptation to climate change.

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79. This comprehensive and strategic approach seeks not only to improve the living conditions of the families involved, but also to establish a replicable model of climate change adaptation that can serve as a reference at regional and global level. The ambition of this component is to generate transformative change in the Trifinio region, ensuring that each family thrives in a changing environment, using a model that balances innovation and tradition, science and local wisdom. In doing so, "Resilience and Ancestry" aims to leave a legacy of strengthened capacities, sustainable practices and a more united and resilient community in the face of future challenges.

Outcome 1.1 (sub-component) Innovation fund for adaptation practices with vulnerable populations.

80. The main objective of this outcome is to create a tailored financing mechanism which ensures financial inclusion and empowerment of women and youth, as well as their families. This flexible, inclusive, accessible mechanism adapted to local needs, will promote sustainable and resilient livelihood practices. It aims at increasing the adaptive capacity of vulnerable small rural farming families in the Trifinio region withstanding climate change, to achieve a significant transformation in their livelihoods and strengthening their social and cultural cohesion. By the end of the project, it is expected that small rural farming families will have adopted sustainable and resilient livelihoods methods, integrating appropriate technologies and ancestral knowledge of the Maya Chorti indigenous communities. Importantly, this mechanism will enable small rural farming families to adopt tailored adaptation practices, beginning implementation on a smaller scale and gradually scaling up to qualify for loans in the future.

81. A central feature of this outcome is access to financing mechanisms specifically designed for vulnerable populations that currently lack access to financial credit. An accessible and flexible financing mechanism will be established enabling families to implement innovative and sustainable adaptation projects. The ability to access to finances means families in the Trifinio zone can plan and manage their finances more effectively and may inspire behavioral changes such as savings investing in appropriate technologies and adopting climate-adapted agricultural practices, resulting in greater food security and economic stability. The project will also develop technologies (applications) with local financial institutions. These will be adapted to the context of illiteracy in the region, so that families and communities can learn and keep track of their credit, enhancing capacity on financial education for the future.

82. Financial support will not be limited to adaptation projects but will also extend to financing community infrastructure necessary for climate change adaptation. Improving local infrastructure, such as irrigation and water storage systems, rural roads and community centers, will be essential for the effective implementation of adaptation practices and for strengthening community resilience. Collaboration with municipalities and their consent for such projects will establish their commitment for future maintenance. Public-private partnerships will be promoted to ensure the long-term sustainability of these infrastructures beyond the project's lifetime.

83. In addition, the strengthening of the social and cultural fabric will be reflected in more cohesive and resilient communities, able to jointly face the challenges of climate change. Women, in particular, will play a prominent role in this transformation, empowered through a dedicated seed fund earmarked for supporting women-led initiatives and contributing towards improved gender equity and community resilience. This fund is specifically designed to empower women by providing them with the financial resources necessary to initiate and sustain their projects. By allocating 100% (USD 100,000) of the fund to women, the initiative recognizes the pivotal role women play in community development and climate adaptation, ensuring their contributions are acknowledged and amplified. Women in the Trifinio zone, an area characterized by socio-economic challenges and vulnerability to climate change, will be empowered to implement innovative solutions that address local needs and contribute to sustainable development. The seed fund will support a diverse range of activities, from agricultural projects to small businesses, all aimed at enhancing livelihoods and building resilient communities (see Table 3-2).

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Successful women-led projects will serve as role models for other women and girls in the community, inspiring them to pursue their own initiatives and leadership roles. This ripple effect will encourage more women to actively participate in community development and decision-making processes, fostering a more inclusive and resilient society.

84. This initiative aligns closely with national policies on gender equity. Honduras has made significant strides in promoting gender equality through various legal frameworks and institutional mechanisms. Key policies include the Second Gender Equality and Equity Plan of Honduras (2010-2022), which promotes inter-institutional programs focused on political and social participation, education, and economic rights for women. Honduras is also a signatory to international agreements such as the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) and the Beijing Declaration and Platform for Action, which mandate the adoption of measures to ensure women's full enjoyment of human rights and fundamental freedoms. The National Women's Institute, established in 1998, aims to ensure the fulfillment of the State's plan regarding women's conditions in health, education, housing, employment, and food security. Additionally, the National Plan to Combat Violence Against Women and Girls (2023–2033) addresses gender-based violence and promotes justice for Indigenous and Afro-Honduran women. The seed fund initiative complements these policies by directly empowering women through financial support for their projects, thereby enhancing their economic independence and leadership roles. This approach not only aligns with national efforts to promote gender equity but also strengthens the social and cultural fabric of the community, making it more cohesive and resilient in the face of climate change.

85. The success of this outcome will be evidenced by the creation of a replicable model of climate change adaptation, which will serve as a reference at regional and global levels. Innovative and sustainable practices adopted by small rural farming families, together with a participatory monitoring and evaluation system, will ensure the long-term relevance and effectiveness of the interventions. The transformation achieved in the Trifinio region will demonstrate that it is possible to balance innovation with tradition, science with local wisdom, to address environmental challenges, establishing a legacy of sustainable practices, strengthened capacities and more united and resilient communities.

Output 1.1.1: Design of financing mechanism for climate change adaptation practices.

86. Output 1.1.1 focuses on customizing an innovative financing mechanism for climate change adaptation practices in the Trifinio region. This flexible model will combine loans and grants via rural savings and microfinance institutions, to provide access to eligible credit to vulnerable populations, especially those who currently lack access due to factors such as lack of knowledge, fear of indebtedness or lack of credit guarantees. The mechanism will enable communities to access funds in an efficient and secure manner, facilitating the implementation of climate change adaptation projects. Key activities will include the research, analysis and design of a specific financing product favorable to the small rural farming families including vulnerable, indigenous and women addressing challenges regarding lending criteria, interest rates, loan duration etc. with local financial institutions, and training of communities on accessing and managing their finance, leading to improved financial literacy. High interest rates act as an impediment for the project's targeted beneficiaries, thus the project will negotiate with the microfinance institutions on the commercial rate applied in Honduras to develop a new scope and more inclusive the credit mechanism which will be sustained beyond the project's duration. The initial phase of the project will involve a comprehensive synthesis of national and PILARH policies, as well as the development of product proposals. A loan committee will work with PILARH at this stage to ensure the loans reflect the community's reality and challenges. Key aspects to be addressed are interest rates, client selection criteria, items to be financed, terms, minimum and maximum amounts, and grace periods. Although the methodology and process has already been established, the details of the loan mechanism need to be developed with the technical steering committee.

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87. The main objective is to facilitate access to credit for climate change adaptation practices through a flexible blended financing model that enables families to implement innovative and sustainable projects. This accessible credit mechanism will encourage behavioral changes, enabling families to plan and manage their finances more effectively. This will incentivize investment in appropriate technologies and climate-friendly practices, resulting in greater economic stability and new opportunities for those populations historically marginalized and trapped in a recurring cycle of poverty.

88. **Structure of the Financing Mechanism:**
The funding model proposed will be innovative, tailored and inclusive. Three types of funding will be available for the small rural farming families: (i) loans, (ii) grants and (iii) a seed fund for women. The **loan** is a sum of money small rural farming families will borrow from the lender, in this case PILARH OPDH and the Rural Savings Bank. The loan must be repaid over time, usually with interest. They can be secured if backed by collateral. The **grant** will be a non-repayable funding provided by a local organization. It will be provided upon submission of a proposal for adaptative projects and may have conditions on how the money is used. The **Seed fund** in this project will be ring-fenced for women-only initiatives. It will fund women's start-ups to help them develop their product and more importantly their ability to secure loans in future.

89. The financing mechanism will be managed by PILARH-OPDF, Rural Savings Banks and a local organization. Based on a mixed approach, the modelensures that those facing greater challenges in accessing finance due to a lack of credit profile, particularly women, will be able to access loans through the rural savings banks, supported by PILARH-OPDF's expertise. Those with a stronger loan profile will receive direct funding from PILARH-OPDF. However, families who cannot access loans from either source will be given grants through a local organization to develop projects and improve their loan eligibility in future. Below is a summary of the structure of the mechanism:

90. The innovative financial model will consist of two components: a loan line and a grant line. The loan line for small rural farming families has an allocation of USD 300,000. which will be administered by a microfinance institution (PILARH-OPDF) and Rural Savings Banks (RSB). PILARH-OPDF will provide to small rural farming families with a credit history, and the rural savings groups will give loans to small rural farming families who cannot access loans from formal financial institutions. The microfinance institution will transfer the funds to these RSBs so that they can implement their loans to their members. The interest rate will be set below market levels through a process of negotiation with the microfinance institution to ensure accessibility for the small rural farming families. (Please refer to Table 3-2).

91. The grant line has a specific line for women and for vulnerable people (Maya Chorti families). A total of USD 420,000 will be allocated as follows:

Grants for Women: USD 100,000 will serve as seed funding for women, with the potential to evolve into a women-exclusive rural savings group at the end of the project, thereby introducing the women to credit management and financial planning and timely repayments.

Grants for Families: USD 320,000 will be provided as direct subsidies to small rural farming families, aimed at strengthening climate adaptation practices (Please refer to Table 3-1).

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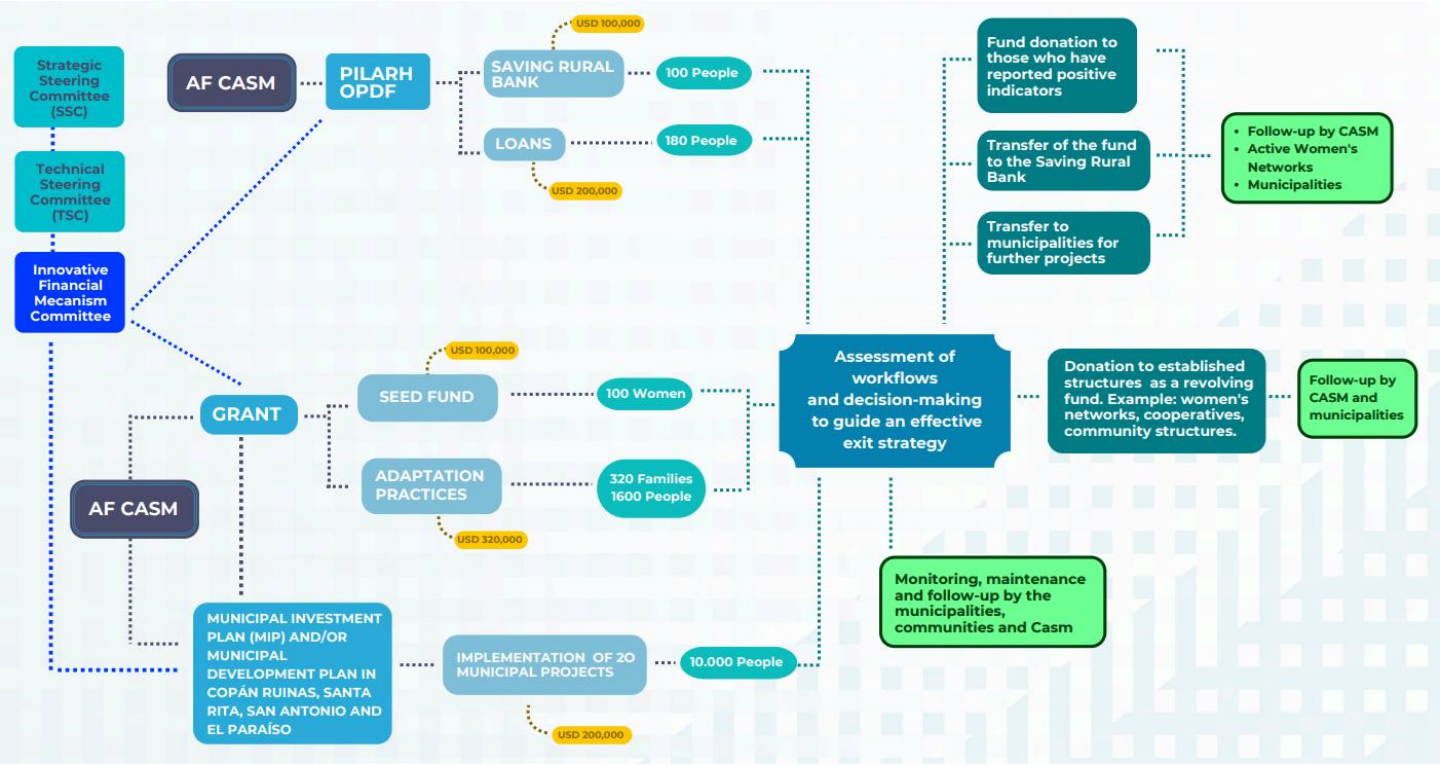
Table No. 2-1: Structure Financing-distribution mechanism

Type of financing	Percentage of funding	Beneficiaries	Implementation
Loans	40%	Small rural farming families with adequate credit profile	PILARH-OPDF
		Small rural farming families who have difficulties in accessing credit from formal institutions	Rural Savings banks
Grants	60%	Small rural farming families who cannot access any credit Women	Local organization

Source: Elaboration Resilience and Ancestry Project, 2024.

Below is an illustration of how the flow of funds under the mechanism:



Source: Elaboration Resilience and Ancestry Project, 2024.

92. **Projects to be financed:** The project will conduct a baseline including a market study to identify the most suitable projects for climate change adaptation as well as the beneficiaries of the flexible blended financing model. Below is a table with examples of types of innovative projects with an ancestral and gender focus that can be developed in the Honduran Trifinio region, integrating the valuable ancestral knowledge of the Maya Chorti indigenous communities.

The tables below describe the types of projects to be financed under the innovative tailored funding mechanism. Table 3-1 refers to projects that can be funded under the grants line and Table 3-2 refers to those projects which can be financed under the credit scheme.

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Table No. 3-1: Possible projects to be financed by GRANTS

Type of project	Description	Beneficiaries of the impact of the Adaptation Project
Agroecology	Implementation of CSA practices, such as agroecology, crop rotation and the use of organic fertilizers. Incorporation of ancestral Mayan Chortí techniques such as the use of terraces for erosion control and crop diversification. The diversification of livelihoods will be prioritized with the forest element, whether it is energy, fruit or timber.	Rural Farming Families (including men, women and young people)
Biodiversity	Conservation and sustainable use of local biodiversity through the protection of natural areas and the promotion of biodiversity-friendly agricultural practices, using ancestral conservation knowledge, such as the planting of native species and the protection of biological corridors. Initiatives aimed at the conservation of ecologically important species (pollinators, seed dispersers, pest population controllers, or in the food chain) may be supported.	
Water Care/ Watersheds	Conservation of water sources and watersheds, applying ancestral water management techniques such as the construction of infiltration ditches, management of natural regeneration, reforestation and delimitation and protection to restrict access to the source of catchment.	
Forestry/Forest – Thinking about Protected Areas in the area	Reforestation and sustainable forest management to improve carbon sequestration and protect biodiversity, incorporating ancestral management practices of the Maya Chortí Forest, such as the use of multipurpose tree species and selective pruning.	
Seed Fund	Proposals made by women for activities to adapt their livelihoods at the family and community level. These proposals could include Strategic Banks of Basic Grains, Production of organic fertilizers, Beekeeping (Meliponias and African Bees), Agro-transformation, others. It includes certifications and registrations to commercialize, as well as the promotion of local/community markets. Support may be included for women's community alliances/organizations for the provision of technical services for the implementation of the items described above.	Women from the four municipalities, mainly rural.

Source: Elaboration Resilience and Ancestry Project, 2024.

Table No. 3-2: Possible projects to be financed LOAN from PILARH-OPDF / RURAL SAVINGS

Type of project	Description	Beneficiaries of the impact of the Adaptation Project
Agricultural	Production systems for producing food such as corn, beans, coffee, cocoa, bananas, fruit trees and others. The seed or purchase of nursery seedlings for planting will be financed. In crops such as basic grains and vegetables, seeds for quarterly production. It includes infrastructures such as warehouses, improvements for certification, water harvests for summer, coffee mills, solar dryers, ferrocement tanks, fish farming, agricultural equipment such as plows and minimum tillage in animal traction, others.	Rural Farming Families (including men, women and young people)
Tourism	Development of sustainable tourism that includes ecotourism and community tourism, taking advantage of the natural and cultural	

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Type of project	Description	Beneficiaries of the impact of the Adaptation Project
	resources of the region, respecting and promoting the Mayan Chortí cultural heritage. It includes the processes of labeling and development of trails, viewpoints and wildlife observation points. Investments such as registration processes, certifications and disclosure, all this through market research and investments.	
Renewable energy	Installation of solar and wind energy systems to provide clean energy and reduce dependence on fossil fuels, integrating traditional techniques such as the use of biogas produced from organic waste. It includes the establishment of solar dryers for grains and coffee, pumping of water with photovoltaic energy, ovens for doughnut and bread microenterprises, among others.	
Water Care	Implementation of efficient irrigation and water storage systems such as tanks, pumping plants and conduction system (drip irrigation). In traditional sugarcane production areas, improve risk processes by conduction, avoiding loss due to leaks, sugar mill systems and ovens.	
Apiculture	Development of apiaries and processes for the use of different by-products such as propolis, pollen, wax, etc. and equipment such as hives, handling equipment, centrifuges, base plates, etc. It can be considered production by species of Meliponas and African bees.	
Waste management	Development of waste management and recycling systems to reduce pollution and improve environmental health, applying ancestral knowledge on recycling and reuse, such as composting organic waste and making handicrafts from recycled materials.	

Source: Resilience and Ancestry Development Project, 2024.

93. Application of the Climate Resilient Families Model (CRFM): The "Climate Resilient Families Model" (CRFM) is a methodological proposal designed to optimize conceptual and methodological elements related to Livelihoods, Social Risk Management and Agroecology, with the objective of providing personalized accompaniment to the needs identified in the beneficiary families. The CRFM combines ancestral knowledge, experiences, climate information and technical information to mitigate potential losses and damages to their livelihoods. Based on the climate services that the project will provide, small rural farming families will be able to efficiently plan their livelihood activities. The process will start with updating the socio-environmental context of the prioritized area to adjust the CRFM tools.

94. The main technologies prioritized for the agri-food sector will be the following:

Drought-tolerant varieties: consists of the development and use of seeds and varieties resistant to projected climate changes, especially for basic grains such as corn, beans and sorghum, as well as sesame and vegetables. The project will promote the use of drought-tolerant seeds of species such as beans, maize and some vegetables. These will be promoted under the CSA measures approach in component 1 and subcomponent 1.1.

Efficient irrigation systems: consists of the rational use of water resources for agricultural irrigation, in order to increase productivity and reduce water waste. It has a climate change mitigation component, when the systems that are promoted work with solar energy systems. Some of the most common are drip irrigation and underground capillary irrigation. The project will promote, finance and subsidize the implementation of drip and capillary irrigation systems because they are the most efficient in the use of water resources. These will be promoted under the CSA measures approach in component 1 and subcomponent 1.1.

Community Drought Monitoring: It consists of the monitoring of 4 factors related to drought:

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meteorological (climate forecasts and measurements of meteorological stations), hydrological (gauging and measurement of flows of water sources), agricultural (soil moisture, crop yields, pests and grain reserves) and socioeconomic (fluctuations in prices of basic grains, food and nutritional deficiencies, poverty, etc.). The project will promote the implementation of climate monitoring systems of the first three (3) factors of the prioritized technology. drip and capillary irrigation system because they are the most efficient in the use of water resources. These will be promoted under the line of community and municipal research for climate monitoring with an ancestral approach in component 2 and subcomponent 2.1.

95. The technologies prioritized for the water resources sector are:

Formation and strengthening of the National Meteorological Network: This initiative has begun to be promoted in recent years from the public sector and with the Adaptation Fund, although there are still several gaps in the communication system between the institutions that generate information, the strengthening of institutions and those who record the data and generate the information is lacking. ensuring the protection of existing stations, standardizing and standardizing data; in addition to expanding the coverage of the network, joining to it the information of private companies, NGOs and other institutions that have stations. The project will promote the implementation of climate monitoring systems in the area of intervention, which will strengthen the Meteorological Network. This action will be promoted under the lines of a) community and b) municipal research for climate monitoring with an ancestral approach in component 2 and subcomponent 2.1.

96. Synergistic technologies between adaptation and mitigation will also be embedded in the project as follows:

Agroforestry: natural resource management system that integrates, within the same land, trees with agricultural crops (agroforestry) and even with pastures and livestock (silvopastoral). The project will promote, finance and subsidize the implementation of agroforestry systems in coffee and livestock. These will be promoted under the CSA measures approach in component 1 and subcomponent 1.1

Soil conservation systems: Soil conservation practices include conservation tillage, which consists of methods where planting is done in soils covered by residues from the previous harvest. This practice conserves soil moisture and decreases soil loss due to erosion. Within conservationist tillage we find strip tillage, ridge tillage, minimum tillage, and zero tillage. The project will promote, finance, and subsidize the implementation of soil and water conservation practices. These will be promoted under the CSA measures approach in component 1 and subcomponent 1.1.

97. The CRFM will start with a diagnosis phase targeting 700 small rural farming families to define the type of project that could be submitted to receive financing via the financing mechanism (see Table No.3-1 and 3-2: Possible projects to be financed).

98. During the Diagnoses Phases, the seven tools of the CFRM (Climate Field Risk Management) process which have been designed to help analyze and manage risks effectively, will be used. These tools represent the seven tools under the Diagnosis Phase of the "Four Phases" referred to in Table 4-1. Crucially, the diagnosis will be carried out using the tools (below) which best relate to the projects that the small rural farming families present. This application consists of four phases (see Table 4-1 below), developed from the experience of the consortium in the *Nicaragua Climate Project* for coffee producers (organic and traditional) between 2020 and 2022. These tools will assess the following: (i) Climate Vulnerability Analysis: Assessing the susceptibility of areas to climate-related risks; (ii) Soil Analysis: Evaluating soil conditions to understand its impact on crop production; (iii) Pest and Disease Diagnosis: Identifying and managing pests and diseases that affect crops; (iv) Farm Plans: Developing strategic plans for farm management; (v) Farm Maps: Creating detailed maps of farms for better planning and monitoring; (vi) Harvest Estimates: Predicting crop yields to plan for harvest and sales and (vii) Operational Plans: Establishing detailed plans for farm operations and activities. The most important tool of the

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Diagnostic Phase which will be used in this project is the PERSEL or context analysis.

99. Following this diagnosis, the small rural farming families will then be referred to the Microfinance Institution PILARH-OPDF who will be responsible for carrying out the necessary assessment (mainly regarding creditworthiness) of each of the small rural farming families. This will be followed by the planning phase, where the model's tools will be adapted to create the project and a customized implementation plan. The next phase will be the implementation phase, in which an investment plan per family will be developed with continuous technical assistance and training for 24 months. The most important tools in the Planning and Implementation phases are Capacity Building Plan, Farm Plan, Gender and Resilience Plan and SWOT analysis.
Finally, the process will conclude with the feedback and assessment phase, in which the level of resilience will be evaluated in a sample of 30% of the small rural farming families, adjusting the model according to the results and providing feedback. The most important tool in the Feedback phase is the evaluation of the farm-family plan.

Table No. 4-1: Four Phases of the CRFM

Phase	Description	Timeline
Diagnosis	First phase: Provides information on the status or characteristics of livelihoods. It serves to identify the possible causes of problems or situations that require improvement. It also identifies possible elements that can contribute to improving or solving environmental problems. The diagnosis is important because it is the basis of the possible alternatives or solutions that the family defines to solve or improve the current conditions.	200 Small rural farming families per semester
Planning	Second phase: Here the alternatives or solutions to the problems identified and analyzed in the current situation are defined (Diagnosis). Planning contributes to the management and quality of the actions to be carried out, its success depends on the understanding of what we intend to achieve, of the clear and simple way in which we intend to do it (who does what, when, how and where, what resources I need, etc.). In this process, Good Practices in Livelihoods and their migration to CSA practices are defined, defining their implementation.	200 Small rural farming families per semester
Implementation and Monitoring	Third phase: It corresponds to the implementation of what is planned. It consists of directing, coordinating and controlling the activities that the executing organization is going to carry out with its target groups, as well as what the family has planned for its subsistence. Monitoring is the process of observing how we do things and how we are making use of the available resources and the immediate results we obtain, and if this allows us to move forward in achieving the objectives we have set ourselves, it gives us the opportunity to evaluate whether or not it is necessary to make changes to ensure the success of our planning strategy.	24 months per family
Feedback and validation	Fourth phase: It serves to generate learning for improvement, based on the assessment of the results we are obtaining. It has an evaluative character, which leads to a decision-making process about maintaining, modifying or not carrying out certain actions. The emphasis is on measuring the level of Resilience obtained, taking as a starting point the situation found in the diagnosis, so that we can comparatively analyze the progress made by the family. At this stage, the family's resilience is measured, and it is recommended to measure between 20-30% depending on the size of the target group. With these tools, the initial state of resilience of families can be determined as a reference.	End of the project

Source: Elaboration Resilience and Ancestry Project, 2024.

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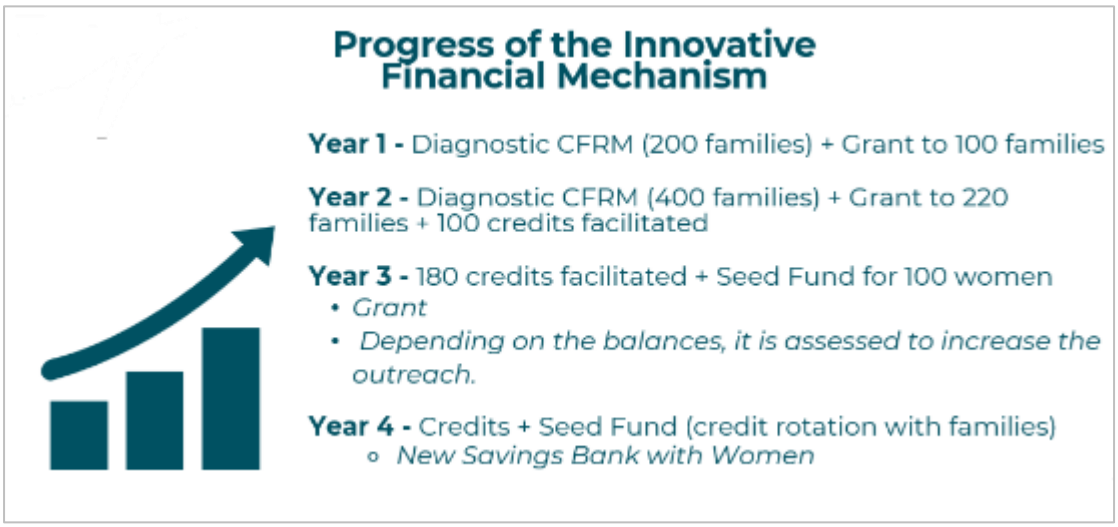
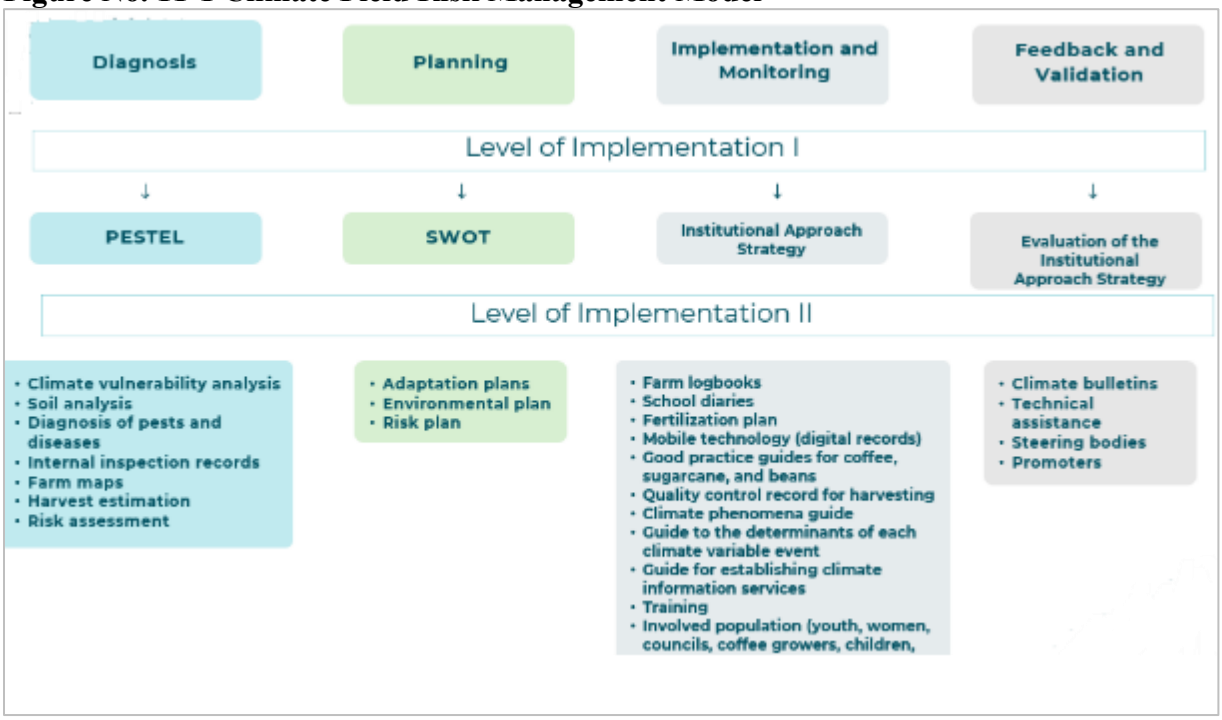
Table 4-2 Process of Credit and Grant Allocation



Source: Elaboration Resilience and Ancestry Project, 2024.

The Figure below illustrates the four phases of the CFRM and the tools under each of its phases. The tools relevant to the projects presented by small rural farming families will be used.

Figure No. 11-1 Climate Field Risk Management Model



Source: The experience of UCA SOPPEXCCA R, L in the implementation of the Climate Resilient Family Model, March 2023

100. Training and Accompaniment: Access to financing will be accompanied by permanent technical support. Families will receive training in basic administration and accounting, with a gender, ethnic and differential approach. The implementation of adaptation projects will also include ongoing technical assistance to ensure that practices are effective and sustainable.

101. Expected impact: By the end of the project, the 700 small rural farming families are expected to have adopted sustainable and climate-resilient farming methods, integrating appropriate technologies and ancestral

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knowledge. Additionally, by supporting community infrastructure with municipalities, the projects aim to improve the living conditions of these vulnerable families, strengthen community resilience and be durable beyond the project's lifetime. Women, empowered through a dedicated seed fund, will contribute significantly to gender equity and community resilience. The success of this outcome will be evidenced by the creation of a replicable model of climate change adaptation that will serve as a reference at regional and global levels. Innovative and sustainable practices adopted by families, together with a participatory monitoring and evaluation system, will ensure the long-term relevance and effectiveness of the interventions. The transformation achieved in the Trifinio region will demonstrate that it is possible to balance innovation with tradition, science with local wisdom, to address environmental challenges, establishing a legacy of sustainable practices, strengthened capacities and more united and resilient communities.

Output 1.1.2: Eligible loans and grants provided for the implementation of climate change adaptation practices (at least 700) and creation of innovative agricultural products.

102. This output will focus on the provision of eligible loans (at least 700 loans where small rural farming families can apply for 1 or more loans to help communities to access financing mechanisms, decreasing their resistance and lack of knowledge) to implement adaptation practices and develop innovative agricultural products, with the objective of increasing the adaptive capacity of vulnerable families in the Trifinio region. Beneficiaries will be selected based on clear and transparent criteria, informed by the microfinance institution's selection criteria, as presented in Table 5 below. Key activities will include the establishment of selection criteria and application processes, the allocation of grants and the continuous monitoring of funded projects to ensure the appropriate use of funds. This component is critical to support small rural farming families in implementing projects that not only mitigate the effects of climate change but also promote agricultural innovation.

Table 5 (below), which outlines beneficiary selection criteria, ensures that the families and communities supported by the project are those most vulnerable to climate change and most likely to benefit from integrated adaptation solutions, especially women and indigenous groups, thereby reinforcing the project's focus on gender inclusion and ancestral knowledge.

Table No. 5: Beneficiary selection criteria

Criteria	Description
Climate relevance	Families and communities located in areas vulnerable to the effects of climate change within the Trifinio region in the four prioritized municipalities. Communities that have recently suffered adverse weather events such as El Niño, La Niña, hurricanes and floods. Families who understand the effects of climate change on their environment and who have a clear idea of how the grant will support improving their adaptive capacity will be considered. The potential for improving the adaptive capacity (reduction of vulnerability and increase of the family's capacity) will be assessed. The entire initiative must have at least a 75% contribution to the improvement of adaptive capacity and a maximum of 25% contribution to GHG mitigation.
Previous capabilities and application potential	Families who have participated in previous consortium projects or who are familiar with the consortium's processes and practices*. Assessment of local capacities to implement and manage projects, including the existence of functional community organizations. This is mentioned in the Climate Resilient Families Model (CRFM). Likewise, two municipalities are included where there is no influence of the consortium, but which has a Municipal Development Plan that guides the process of prioritization of the most vulnerable communities. The reference to families previously engaged with consortium projects is not intended to facilitate early-

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Criteria	Description
	stage implementation through communities already familiar with the processes and consortium members. This familiarity supports more efficient mobilization and helps ensure initial effectiveness and accountability. Importantly however, all families will be assessed by the same selection criteria, including any who were involved in previous projects, prioritizing first-time beneficiaries—particularly those from marginalized and climate-vulnerable groups. Specific outreach, selection criteria, and support measures will ensure that participation opportunities are transparent, inclusive, and non-discriminatory. Lessons learned from prior engagement will also inform the onboarding and empowerment of new participants.
Social inclusion	Prioritization of women and youth, ensuring that at least 50% of the beneficiaries belong to these groups and that 40% of the communities include Maya Chortí indigenous populations. Families in poverty or extreme poverty, using local socioeconomic indicators for identification.
Innovation and sustainability (Grants Component)	Families interested in participating in establishing CSA in their livelihoods and who have available labor and area. That there is an interest in participating in the training processes with the planned topics
Innovation and sustainability (Loan Component)	Families that present innovative and sustainable ideas/projects, with a clear potential for scalability and replicability. Initiatives that seek to combine appropriate technologies with ancestral knowledge for greater climate resilience.
Access to Loan	In the first year, the regulations to access the innovative financial mechanism for loans will be examined. The project will work on these criteria, to understand whether there are families who have a credit history, who have support to respond to credit repayments and who can incorporate improvements to generate profits.

Source: Elaboration Resilience and Ancestry Project, 2024.

103. It is important to note that reference to families previously engaged with consortium projects is not intended to imply preferential treatment but rather to facilitate early-stage implementation through communities already familiar with the consortium's processes. This familiarity supports more efficient mobilization and helps ensure initial effectiveness and accountability. However, the same selection criteria will be applied to all families who are selected in this project. In addition, and consistent with the Adaptation Fund's commitment to equity and inclusivity, the project design includes clear mechanisms to reach and prioritize first-time beneficiaries—particularly those from marginalized and climate-vulnerable groups. Specific outreach, selection criteria, and support measures will ensure that participation opportunities are transparent, inclusive, and non-discriminatory. Lessons learned from prior engagement will also inform the onboarding and empowerment of new participants.

104. To ensure the proper implementation of Output 1.1.2, an Eligible Loans and Grants Manual will be developed which will define the type of projects to be financed, the reporting requirements, and the type of technical and financial accompaniment that will be provided to beneficiary families. This manual will be an essential guide, detailing the specific criteria for project selection, the formats and timelines for financial and technical reporting, and the ongoing support that will be provided to families. The loan and grant manual will guide the beneficiary selection process as described below. It is important to note that the Project Strategic Committee, comprising representatives from SERNA, CASM, CA, ACCH and PILARH-OPDF will oversee and approve the projects to receive the eligible loan.

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Table No. 6: Beneficiary Selection Process

Phases assage	Description
Receipt of Proposals	Receipt of proposals and supporting documents from prioritized families complying with the criteria defined in the Loans/Rural Savings Bank regulations developed by the IFMC.
Technical Assessment	Evaluation of the proposals by a technical committee according to the results defined in the framework of the CRFM diagnosis.
Field Visits	Carrying out field visits to validate the information provided and assess feasibility in situ.
Final Selection	Final selection of beneficiaries based on technical assessment and field visits, ensuring fairness and transparency in the process.
Signing of Agreements	Signing of grant and loan agreements with the selected beneficiaries, detailing the responsibilities and terms of use of the funds.

Source: Elaboration Resilience and Ancestry Project, 2024.

105. The community awareness and education process are an integral part of the output. Awareness-raising activities will be carried out through community dialogue spaces, social media campaigns, voice-to-voice communication methods and local radio programmes. Inclusive language will be adopted to ensure the Maya-Chortis' engagement in the process. These activities are designed to inform families about funding opportunities and to promote effective participation in the programme.

106. The project will provide 700 loans or grants in total to small rural farming families access to finance in a phased manner, allowing for a process of capacity-building and behavioral change particularly regarding access to credit. It is expected that the same family may receive multiple loans over the course of the project, in the case where the husband receives a loan and his wife receives another one for separate projects. This staggered approach is essential for awareness raising and enabling families to better understand and manage access to credit.

107. The disbursement of funds will always be accompanied by a credit technician to ensure timely payment and provide ongoing support through three-monthly visits. This credit technician will work in close collaboration with the microfinance institution PILARH-OPDF, the rural savings banks and the local organization administering the grants. These rural savings are vital for providing accessible financing options to rural families who do not have access to traditional financial institutions. It is hence key that the project will develop an application with PILARH-OPDF, and rural savings banks. This application will draw primarily on popular culture and visuals for ease of use where literacy is low. The aim of the application is to enable individuals to, not only, manage their loan but also learn in a participatory way essential topics about financial education and good loan management.

108.The microfinance institution PILARH-OPDF, in collaboration with the loan technicians, will develop a specific support plan for the rural savings bank. This plan will include the planning and execution of the disbursement of resources to the Rural Savings Bank, training and support to improve the management and operation of the Rural Savings, and continuous monitoring to ensure the proper use of funds and the successful implementation of projects.

109. The expected impact of this output is significant. At the end of the project, the 700 small rural farming families are expected to have implemented climate change adaptation practices and developed innovative projects. The technical and financial support will guarantee the sustainability of these projects, promoting a positive behavioral change with regard to access to and management of credit. In addition they will represent an accessible and effective financing mechanism for rural communities.

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110. In summary, Output 1.1.2 will not only contribute to the necessary financial resources for climate change adaptation but will also strengthen local capacities and promote long-term community resilience. This output is a direct contribution to Outcome 1.1, as it fosters innovation, strengthens sustainable climate change practices and enhances the adaptive capacity of vulnerable small rural farming families in the Trifinio region.

Output 1.1.3: Technical assistance to reduce the risk of accessing the funding mechanism and ensure its return.

111. Output 1.1.3 is crucial to ensure that families can effectively access and manage available financial resources, minimizing risks and ensuring the sustainability of investments. Technical assistance is structured along three main tracks: technical accompaniment, training and capacity building, and strengthening gender and new masculinities. This ongoing assistance will focus on training in sustainable livelihoods practices, monitoring and evaluation of projects, and the incorporation of new masculinities training and a gender approach. This will ensure that communities have the necessary support to implement their projects effectively and sustainably, thus ensuring a return on investment.

112. Track 1: The technical accompaniment of the innovation project will be carried out by three technicians assigned to two municipalities each, who will make quarterly visits. These technicians will work together with the credit technician mentioned in Output 1.1.2 to ensure effective implementation of the innovation project. Their responsibilities will include the implementation of the CRFM model defined in Output 1.1.1, identifying projects that require financing through grants and credit, developing a grant and credit manual as well as providing training. In addition, they will provide technical expertise in ASAC practices, risk management and adaptation practices identified during the diagnostic process. These technicians will guide families through the four phases of the CRFM: diagnosis, planning, implementation and feedback, thus strengthening the resilience of families. In addition, Community Climate Change Adaptation Committees will be formed as interlocutors of the technical team for the construction of project strategies and the accompaniment of the work developed by the families, with the purpose of leaving installed capacity in the prioritized territories.

113. Track 2: To ensure effective participation, at least four training workshops will be conducted annually at the municipal level, aimed at 700 small rural farming families with an estimated 1200 people (2 people per family). The training programme will cover the following topics: climate change and adaptation, basic administration and accounting, family economy and the articulation of ancestral knowledge with modern adaptation practices. These training workshops will be delivered by national and international experts, taking advantage of the networks of project partners such as the Vulnerable Central America Forum, Climate Action Network Latin America (CANLA) and ACT Alliance. It is important to note that the topics may vary according to the results of the diagnosis, as the project is under construction and will be adapted as it goes along.

114. In the first year, the focus will be on the introduction to climate change, its local impacts and adaptation and mitigation strategies. In addition, the basics of management and accounting for rural households will be taught. In the second year, family finance management, savings and financial planning will be addressed, as well as agroecology techniques and climate-adapted sustainable practices. In the third year, the focus will be on developing innovative and sustainable projects, integrating Maya Chorti ancestral knowledge into modern Livelihoods.

Tables 7 and 8 (below) describe the training curricula that strengthen the capacity of beneficiaries in climate adaptation, sustainable livelihoods, and gender and social equity. These training workshops enable effective implementation of the supported projects and promote climate knowledge management and systematized learning, as called for in the project objective.

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Table No. 7: Tentative 3-Year Curriculum

Year	Thematic	Description
1	Adaptation to Climate Change	Introduction to climate change, local impacts, adaptation strategies and risk management.
	Basic Administration and Accounting	Fundamentals of management and accounting for small rural farming families.
2	Household Economy	Family financial management, savings and financial planning.
	ASAC Internships	Agroecology techniques and sustainable practices adapted to the climate.
3	Agricultural Innovation	Development of innovative and sustainable agricultural products.
	Ancestral Knowledge	Integration of Maya Chorti ancestral practices in modern agriculture and territorial planning.

Source: Elaboration Resilience and Ancestry Project, 2024.

115. Track 3: Given the Maya-Chorti cosmovision, where gender roles are very well defined and decisions are generally made by men, the project will develop specific trainings on gender and new masculinities. The training will be delivered by the trained and experienced male facilitators twice a year for three years. They will be designed and scheduled to favor women's and men's participation. Acknowledging the sensitivities during new masculinities training and in line with Do No Harm principles, separate training sessions will be conducted for women and men. The curriculum will include an introduction to the concepts of gender, rights, equality and equity in the first year. It will also address the redefinition of male roles and their impact on the community and the family.

116. In the second year, training will focus on promoting women's participation in family and community decision-making, as well as developing effective communication and conflict resolution skills. New masculinities training will however continue as it is so important in the context the project operates in. Importantly, support for childcare, appropriate referrals and safeguarding measures will be ensured during all training and phases of the project. In the third year, the focus will be on promoting women's leadership in community and agricultural initiatives, and on strategies for women's economic and social empowerment both through the dedicated fund for women and through training to facilitate the process for women's future access to loans. The gender plan will be monitored on an ongoing basis to guarantee women's access to finances through a tailored financial mechanism for women.

Table No. 8: Proposed Curriculum on Gender and New Masculinities

Year	Thematic	Description
1	Introduction to Gender	Basic concepts of gender, equality and equity. Appropriate referrals, mapping of local GBV organizations and appropriate safeguarding measures.
	New Masculinities	Redefining male roles and their impact on the community and the family.
2	Inclusive Decision Making	Promotion of women's participation in family and community decision-making.
	Assertive Communication	Development of effective communication and conflict resolution skills.
3	Women's Leadership	Promoting women's leadership in community and agricultural initiatives.
	Women's Empowerment	Strategies for women's economic and social empowerment.

Source: Elaboration Resilience and Ancestry Project, 2024.

117. The expected impact of this output is significant. Families will acquire greater capacity to effectively implement climate change adaptation practices. With technical accompaniment and financial support, timely repayment of loans will be anticipated, thereby promoting economic stability. Training on gender and new masculinities will foster greater gender equity, increase women's participation and improve their decision-making

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within the family, and promote community resilience. The implementation of ASAC practices and the development of innovative agricultural products will improve resilience and food security.

118. This output will contribute significantly to Outcome 1.1 by providing comprehensive technical assistance thus contributing to the success and sustainability of the funded projects. By implementing robust technical accompaniment, small rural farming families will be able to effectively manage resources, minimize risks and improve their resilience to climate change. Ongoing training and capacity building will increase families' knowledge and skills, while strengthening gender and new masculinities will promote more equitable and effective participation in decision-making, ensuring inclusive and sustainable development.

119. Output 1.1.3 is therefore a critical part of achieving the objectives of the Innovation Fund, ensuring that climate change adaptation practices are successfully and sustainably implemented, and aimed at strengthening the capacity of vulnerable communities to cope with climate challenges.

Outcome 1.2 (Subcomponent): Financing Community Infrastructure for Climate Change Adaptation.

120. Outcome 1.2 focuses on providing funding for essential community infrastructure to facilitate climate change adaptation in the Trifinio region. This sub-component addresses critical vulnerabilities identified during the community consultation, such as destroyed bridges, inaccessible roads, damaged schools and lack of community aqueducts. The main expected transformation is the creation of resilient infrastructure that not only improves the quality of life of communities but also facilitates the implementation and sustainability of climate change adaptation projects.

121. The financing of these community infrastructures is essential to enable and complement the projects financed under Outcome 1.1, ensuring the return on investment in the financing mechanism and promoting sustainable territorial development. These infrastructures will not only respond to the immediate needs of communities but will also be integrated into a long-term sustainable development framework.

Output 1.2.1: Financial Support to Improve Community Infrastructure in Articulation with Municipalities.

122. Output 1.2.1 focuses on providing targeted financial support for the improvement of critical community infrastructure, in collaboration with municipalities. The objective is to ensure that essential infrastructure is enabling for projects funded under Output 1.1, and that it contributes to sustainable territorial development. To this effect, USD 200,000 will be directed to municipal governments as grants for community-benefiting infrastructure projects based on adaptation practices and ancestral knowledge (Please see Table 9).

123. To ensure an appropriate selection of infrastructure is financed, an Investment/Grant Manual will be developed. This manual will establish clear criteria and processes for the selection of at least 20 Municipal projects in the life of the project (for an approximate value of between USD 7,000 and USD 10,000), prioritizing those resulting from the diagnosis of the small rural farming families and consultations with the community and municipalities. The projects will preferably be linked to the municipal development and/or adaptation plans, thus guaranteeing their relevance and sustainability. This exercise will be supported by POC-SERNA, as they will confirm whether the project is in line with territorial needs and commitments.

124. Priority infrastructures include construction or improving aqueducts, from catchment to community intake, photovoltaic energy systems for irrigation or water distribution, collective grain storage and support for agro-ecotourism initiatives based on ASAC activities. During the first year, the criteria for the selection of these works will be defined, evaluating the collective use and community counterparts to ensure their maintenance. It is

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important to note that the infrastructure projects to be prioritized would be informed by a consultative process carried out at the inception phase of the project. Activities under Output 1.2.1 will benefit 10,000 people directly (approx. 40,000 indirectly in 4 municipalities).

125. Table 9 (below) presents infrastructure investments that are tailored to support the selected projects and trained communities. These include facilities for water harvesting, storage, and other resilience-building infrastructure that are crucial for scaling up the Resilient Family Model and integrating traditional climate-resilient practices.

Table No. 9: Priority Infrastructures

Type of infrastructure	Description
Community Aqueducts	Installation of community aqueducts to improve the accessibility, quantity and quality of drinking water.
Bridges	Reconstruction and reinforcement of bridges to guarantee access and connectivity for rural communities.
Way	Repair and maintenance of rural roads to facilitate the transport of agricultural products and the safety of the inhabitants.
Schools	Renovation and adaptation of school infrastructures to improve safety and functionality. In schools, drinking water and energy systems can be improved.
Photovoltaic Energy	Photovoltaic energy systems for irrigation and water distribution, promoting the use of clean and sustainable energies. Collective irrigation or irrigation districts can be encouraged.
Collective Grain Storage	Seed banks and grain silos, which guarantee long-term food security.
Biodiversity	Projects for the conservation and protection of biodiversity, including protected areas.
Agro-ecotourism	Support for sustainable tourism initiatives based on CSA practices, boosting the local economy.

Source: Elaboration Resilience and Ancestry Project, 2024.

126. In the first year, the criteria for the selection of these projects will be defined, weighing collective use and community counterparts to ensure their maintenance and sustainability. The participation of the municipalities in the prioritization of these works is crucial. This fund will promote the municipal plans regarding infrastructure improvement and could also act as co-financing of adaptative projects that the municipalities have prioritized for these communities, also considering proposals that involve more than one community. In case of external climatic events or early warnings, the reorientation of investments to address urgent needs will be evaluated with the municipalities. In some municipalities, the priority could be the strategic storage of basic grains as a food security measure. It is to be noted that the term co-financing here implies financing the infrastructure projects planned by the municipalities, ensuring the project is fully embedded in the local and national plans and avoids any duplication. Importantly, by co-financing the municipal projects, the project ensures continuity of the infrastructure projects beyond this project's lifetime with a sustained commitment from the municipalities.

127. Actions prioritized in municipal development and/or adaptation plans will be leveraged, especially those linked to adaptation and innovation. Possible actions include projects for conservation and protection of protected areas, integration of wildlife and climate monitoring technologies, mapping and monitoring of areas vulnerable to forest fires and expansion of the agricultural-livestock frontier, automated weather stations and generation of climate bulletins, and sustainable energy.

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Table No. 10. Likely Municipal Development Actions

Action	Description
Conservation of Protected Areas	Projects focused on the protection and conservation of natural areas and biodiversity. Considering fire protection systems, signage and contemplation infrastructure such as viewpoints and towers.
Wildlife and Climate Monitoring	Implementation of appropriate technologies for the monitoring of wildlife and climatic conditions.
Mapping of Vulnerable Areas	Mapping and monitoring of areas susceptible to forest fires and agricultural and livestock expansion.
Weather Stations	Installation of automated weather stations to improve prediction and response to weather events.
Sustainable energy	Promotion of the use of clean and renewable energies in rural communities.

Source: Elaboration Resilience and Ancestry Project, 2024

128. The creation of these enabling conditions is crucial for project success. Community infrastructure improves the resilience and adaptive capacity of communities, enabling more effective implementation of climate change adaptation projects funded under Outcome 1.1. These works will respect the cosmovision of the Maya Chorti, including elements of their culture in the construction of these works. The active participation of municipalities and communities will ensure that the infrastructure is maintained and sustainable in the long term, creating a safer and more resilient environment for future generations. Activities under Output 1.2.1 will benefit 10,000 people directly (approx. 9,000 small rural farming families indirectly or 40,000 people in 4 municipalities).

129. Articulation with the Secretariat of Natural Resources and Environment (SERNA) and the development and/or adaptation plans of the four Trifinio municipalities is fundamental. A project officer will be in charge of ensuring that all interventions are aligned with local territorial commitments and complement or integrate with SERNA's and the municipalities' plans. This articulation ensures that infrastructure investments not only respond to immediate needs but are also integrated into a long-term sustainable development framework, ensuring sustainability beyond the project's lifetime.

130. Output 1.2.1 therefore seeks to transform the communities of the Trifinio by improving key infrastructure to facilitate adaptation to climate change. This intervention, aligned with local development and/or adaptation plans and PCO-SERNA strategies, will not only address the immediate needs of the communities, but will also build a solid foundation for sustainable and resilient territorial development.

Output 1.2.2: Alliances are fostered with Municipalities, Bilateral and possibly Multilateral Institutions for the Sustainability of Community Infrastructure

131. Product 1.2.2 falls under **Outcome 1.2**, which focuses on financing community infrastructure for climate change adaptation. This product aims to promote alliances with municipalities and bilateral institutions such as the Trinational Committee of the Trifinio Plan and the communities to ensure the long-term sustainability of community infrastructure. The creation and maintenance of these alliances are essential for the implementation of community works, maximizing the impact of investments, and guaranteeing that the infrastructure developed are both sustainable and resilient to climate challenges with accompaniment and commitment from SERNA.

132. The primary objective is to establish a solid strategy for jointly overseeing community infrastructure projects by forming strong partnerships between the municipality, SERNA and the communities. Future opportunities in funding community projects will be sought through alliances with institutions such as the IDB, CABEI, the government of Honduras, and other territorial allies. These alliances will not only seek additional financial resources for any actions in the proposed project, but will instead facilitate the transfer of knowledge,

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technologies, and best practices to strengthen the resilience of community infrastructure. The strategy will be based on the articulation of efforts with various stakeholders, both public and private. Periodic coordination and monitoring meetings will be held to ensure effective collaboration and alignment of objectives. The participation of these actors will be crucial to accessing additional future funds and ensuring the success of community expansion projects after the project is completed. PCO-SERNA will support these spaces for alliance generation, ensuring the project aligns with and contributes to national and local governmental strategies. Additional funding through alliances will allow the rural farming families and the communities to scale up their projects.

133. Key Strategies and Actions: The first strategy involves identifying projects and strategic allies through a comprehensive mapping of key projects and actors in the Trifinio region, including bilateral and international cooperation projects and government initiatives. This mapping will help identify possible collaboration opportunities and potential funding sources for scaling up the current project to other regions or larger beneficiary reach in the region or globally. Adaptation proposals could be developed should funding opportunities be available to support projects scale-up after the project ends.

134. To ensure effective collaboration, periodic meetings with strategic allies will be organized to discuss progress, resolve challenges, and adjust strategies as necessary. These meetings will serve as platforms for collaborative decision-making and ongoing evaluation of alliances. Additionally, training and knowledge transfer programs will be implemented in collaboration with strategic allies, aimed at strengthening local capacities in infrastructure management, maintenance, and sustainable practices.

135. A participatory monitoring and evaluation system will be established, involving all stakeholders, to measure the impact of the infrastructure and alliances, ensuring transparency and accountability. Articulation with multilateral and bilateral projects will play a key role in future funding strategy. In the Trifinio region, connections will be established with cooperation projects that share the goals of sustainable development and climate change adaptation.

Examples of Projects and Alliances:

- **Bilateral Projects**: Collaboration on initiatives promoting climate resilience and sustainable development, such as rural infrastructure programs and water resource management.
- **Government Initiatives**: Integration with plans and programs of the Honduran government focused on climate change adaptation, infrastructure improvement, and rural development.

136. Expected Benefits and Results: The implementation of Product 1.2.2 will generate multiple benefits, including enhanced financial sustainability, improved infrastructure quality, strengthened local capacities, and increased community resilience. Financial sustainability is expected through collaboration with strategic allies, providing additional funding sources and reducing the likelihood of projects ceasing after the intervention project ends. The transfer of technology and knowledge from strategic allies will improve the quality and resilience of community infrastructure. Training and knowledge transfer programs will increase local capacities to manage and maintain infrastructure effectively and sustainably. These achievements will be further supported by actions outlined in Component 2, which includes participatory research for a better understanding of climate change and its direct effects on livelihoods, promotion and support of municipal authorities' environmental management efforts, and knowledge management to disseminate the project's achievements and lessons learned locally, nationally, and internationally, completing the project's comprehensive strategy.

COMPONENT 2: Systematic strengthening of the project's knowledge management and it's scaling up in local and international policies.

137. The specific objective of the component is to strengthen the capacity of communities in the Trifinio region to manage and adapt to climate variability and extremes through the improvement and development of climate

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monitoring infrastructure. This component is integral and seeks to include climate analysis with an ancestral approach as a participatory research exercise, the adaptation of the municipalities' development plans and the systematization of the project's learning and achievements. In addition, these practices will be disseminated in participatory spaces at national and international level to promote their adoption. The active participation of officials and communities is fundamental in this process. This component aims to empower communities, especially small rural farming families, by providing them with advanced tools and knowledge that will enable them to anticipate and respond effectively to climate challenges.

138. To achieve this objective, several key strategies will be implemented. First, community-based climate monitoring stations will be installed and upgraded, equipped with technology and operated by trained observers within the prioritized small rural farming families, combined with automated stations installed in municipalities. This will enable the collection of accurate local climate data, which will be integrated into accessible climate information systems. These systems will facilitate access to relevant and timely information, helping small rural farming families to make informed decisions regarding their livelihoods. The diagram below indicates how local knowledge and climate information can be combined into a practical climate information resource.

139. In addition, capacity-building and training on meteorological issues will be promoted, including the use of bio-indicators according to the Maya-Chorti vision. Training will cover the use of monitoring technologies and the interpretation of climate data, strengthening the capacity of communities to manage climate risks. To support these activities, technical assistance will be provided, and appropriate infrastructure will be developed, including the creation of a data analysis unit that will process and disseminate the information collected through social networks and traditional media such as radio.

140. Documentation of project experiences (e.g. catalog), success stories and lessons learned will be fundamental to disseminate results in national and international spaces, positioning best practices and promoting knowledge

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sharing. Lessons learned and good practices will be integrated into local and national Development and Adaptation Plans, fostering inter-institutional articulation to ensure that development policies and plans reflect and support the project's innovations and successful practices. In addition, a competition will be organized to identify and capitalize on the best practices with the greatest impact, incentivizing innovation and the adoption of effective climate change adaptation practices.

141. By the end of the project, it is expected that communities will have significantly improved their capacities to manage and adapt to climate change impacts using accurate and relevant climate data. These developed capacities will contribute to the reduction of the vulnerability of the communities, improving their economic and environmental sustainability. The results and lessons learned from the project will be systematized and projected for scaling up, allowing replication of these good practices in other regions and contexts, ensuring a lasting and sustainable impact.

142. Component 2 also includes the use of bio-indicators according to the Maya-Chorti vision, strengthening knowledge management and culturally appropriate adaptation to climate change. Documentation and dissemination of results will position the Trifinio communities as leaders in climate innovation and community resilience, ensuring that project interventions are scalable and replicable.

Outcome 2.1: Knowledge Management System for Climate Resilience

143. The main objective of this outcome is to strengthen the climate resilience of communities in the Trifinio region by improving and expanding climate monitoring infrastructure and increasing local capacities to effectively use such infrastructure for planning response to climate variations. To this end, a network of climate monitoring stations will be established in accordance with WMO protocols, equipped with appropriate technology and strategically distributed, which will provide vital data in real time. This data will be essential for developing adaptive strategies to mitigate the negative impacts of climate change on agricultural activities and local livelihoods. In addition, ancestral knowledge, especially women's traditional/generational knowledge of agro-ecology will be integrated with appropriate technological solutions, promoting culturally relevant and technologically appropriate adaptation practices. This will create a robust knowledge management system, strengthening the capacity of communities to manage and adapt to climate variabilities.

144. In addition, intensive training programmes will be implemented for communities, especially farmers, youth and women, to operate, maintain and make use of the data collected by these stations. This participatory research/community engagement approach not only promotes the sustainability of the monitoring network, but also ensures that communities are better equipped to respond to immediate and long-term climate challenges. The expected outcome of these interventions is a local community that is not only informed and enabled to make data-driven decisions, but also empowered to proactively and effectively adapt to climate challenges, ensuring the sustainability and resilience of their livelihoods in the face of climate adversity.

Output 2.1.1: Community and Municipal Research for Ancestral Approach Climate Monitoring.

145. Communities will conduct climate monitoring research using ancestral methodologies and modern technologies in line with WMO protocols. A network of local Community Climate Observation Network (CCON) monitoring stations will be established, and communities will be trained in climate data collection and analysis. This will enable communities to plan adaptation measures based on accurate and relevant data. Research will include the use of ancestral practices, such as bio-indicators, and the development of community-based knowledge management. The installation and maintenance of community climate monitoring stations and the training of observer families for data collection, operation and maintenance of the stations are key aspects. In the first year of the project, climate monitoring stations will be installed or improved in the communities served, generating information from each locality so that they can plan adaptation measures according to their own

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realities and needs; contrasted with the data from the automated stations installed in the municipalities. This will guarantee information on climate variables trends in the target communities, promoting adaptation practices in the face of climate risks as well as multi-hazard early warning of climate shocks, including drought, flood, cyclone & heatwave and appropriate anticipatory action.

146. Since 2015, CASM, CA and ACCH have developed community-based climate monitoring methodology. In the Trifinio zone, CASM serves 17 community climate stations and an equal number of observer families. This group of people forms part of The Community Climate Observation Network (ROCC), which is a network of organizations and producers in Honduras. However, it is proposed to expand the ROCC of the Trifinio by 46 thermohydrometric- stations and 4 automated stations operating in the municipalities under the supervision of the Environmental Unit (UMA) of each municipality.

147. The meteorological specialists will train the project technicians to diagnose the identified sites for the new stations and to have the technical knowledge to follow up as observers. As part of the project's technical team training, 2-day workshops will be held, with the participation of 7 people (women and men), on climate observation methods and techniques and the development of tools for climate monitoring.

Table No. 11: Thermoplutometric Station Network Design

Item	Detail	Quantity
Station Diagnostics	On-site visit and maintenance of 17 stations	17
Installation of Stations	25 new thermohygrometric ~~thermoplutometric~~ stations and 4 automated stations	29
Training	1-day workshops for 46 women and 46 men	46
Materials	Climate and bio-indicator data logbooks, pens, markers, flip charts, ruler, small calculator, white sheets and backpack for two observers per station	92

Source: Elaboration Resilience and Ancestry Project, 2024.

148. The second step is the reconnaissance visit where the locations where the stations will be installed are identified. The communities where the stations will be installed will be selected during the baseline process, and the process of selecting the observer families will be carried out in conjunction with the diagnostic phase of the Resilient Families model. It is foreseen that there will be two main observers to take on the task of data recording. These activities will be carried out by the technicians together with the meteorology specialists, and this activity will take place between the second and third semester of the project.

149. The third step is the installation of the stations by the technicians and the small rural farming families and the training of the observing families, which will take place in the third semester of project implementation. Both the installation and the training of the observing families will be carried out on the same day using WMO protocols. Each year a kit of materials will be provided to the climate observers, consisting of climate and bio-indicator data recording notebooks, pens, markers, flip charts, ruler, small calculator, white sheets of paper and a backpack. They will also be given visibility material, including a T-shirt, cap, among others, so that they can be recognized as members of the ROCC in their communities.

150. The fourth step is the accompaniment and technical assistance for climate monitoring. Accompaniment will be provided to 92 community climate observers, distributed in different communities of the four prioritized municipalities, as part of the strengthening of the ROCC of Honduras. These people work on a voluntary basis in this Network; therefore, they contribute their time and willingness both to collect climate data and to disseminate the information in their respective communities.

151. An on-site technical assistance visit will be made each year to the 46 climate monitoring stations in the target

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communities. The objective is to identify the difficulties and good practices of the observers in the climate monitoring exercise, as well as the maintenance needs of the stations throughout the life of the project. These visits also help to improve the quality of the climate data collected, as observers receive on-site feedback on their work.

152. Contact and coordination will be maintained with these 92 climate observers, including young women and young men through a WhatsApp group organized by the project, interacting with each other to share information and learn from each other. These observers will provide further support to women and young people. In addition, they will be invited to the activities that arise within the framework of the national network. These activities will be permanent from the moment the stations are rehabilitated or installed.

153. To strengthen the knowledge and capacities of the climate observers in the intervention communities, two training workshops will be held each year, with the participation of one observer per station, technicians from the UMAs and two project technicians including women, men and young people. The meetings can be held in the town halls. During these sessions, training talks will be given on the following topics:

Table No. 12: Formative Curricula

Year	Workshop	Themes and Activities
1	First Workshop	**Importance of climate and water source data collection**
		Introduction to basic concepts of climatology
		Climate data collection methods
		Source water monitoring techniques
		Basic meteorology
		Fundamentals of meteorology
		Elements of climate and its measurement
		Use of meteorological equipment
	Second Workshop	**Analysis of monitoring data**
		Climate data analysis methods
		Software and tools for data analysis
		Interpretation of results
		Charting and comparative interpretation with historical standards
		Data visualization techniques
		Comparison of current data with historical data
		Interpretation of climate trends
2	First Workshop	**Bioindicators**
		Bio-indicator concepts
		Identification and use of bio-indicators in climate monitoring
		Examples of bio-indicators in the Maya-Chorti vision
		Monitoring of wells and their relation to climate behavior
		Well monitoring techniques
		Relationship between water levels in wells and climate
		Interpretation of well data
	Second Workshop	**Early Warning System Protocol**
		Development of early warning systems
		Protocols for responding to extreme weather events
		Communicating early warnings to the community
		Impact of climate on pests and crops
		Relationship between climate and agricultural pests
		Impact of climate on crops

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Year	Workshop	Themes and Activities
		Integrated pest management strategies under variable climatic conditions
3	First Workshop	**Dissemination of climate information in the community**
		Effective communication techniques
		Use of traditional and digital media
		Community awareness-raising strategies
		Integration and application of knowledge
		Practical workshops on the integrated use of learned tools and techniques
		Development of community-based climate monitoring projects
		Impact Assessment and feedback
	Second Workshop	**Evaluation and continuous improvement workshops**
		Assessment of acquired knowledge
		Identification of areas for improvement
		Action planning for improved climate management

Source: Elaboration Resilience and Ancestry Project, 2024.

154. After the training, observers are expected to improve their understanding and analysis of the climate information collected, relating it to their livelihoods. It is important to mention that the workshops include methods and techniques that comply with the standards set by the World Meteorological Organization (WMO). In addition, participants will receive information and knowledge related to the methodology of recording, controlling and sending data for its proper storage, processing and analysis by the organizations responsible for this task, ensuring a constant flow of information for the preparation of bulletins and corresponding reports.

155. Application development: Effective use of information for practical and problem-solving purposes in communities depends on the speed with which it is transmitted from the climate monitoring stations to the data processing and analysis centre. The information generated from the stations needs to be able to reach the Community Climate Analysis and Processing Unit in near real time. This requires the design of a user-friendly application for community observers, which allows them to send climate data to the database of the Community Climate Analysis and Processing Unit in an organized and fast way. The application must be accessible to users with technological difficulties and with low academic or illiteracy levels, as well as allowing data to be sent in places with little access to the internet. It is worth mentioning that the application will be intuitive, including images and figures recognized by the Maya-Chorti cosmovision, making possible a synchronicity between technology and ancestral knowledge.

156. In addition, a mobile application is needed to facilitate the availability of processed and analyzed climate information to different users and target groups of the project. This application will allow relevant information on climate behavior to reach a broad group of the target population in real time and in a practical way. To develop these applications, the services of application development specialists will be contracted to design mobile solutions for use on smartphones, tablets or other similar devices. The design of the application should start in the second semester of the project, and the applications should be tested and validated by the users and the technical team of the project. Once validated, they will be available to all observers collaborating in climate monitoring in Honduras, as well as to anyone interested in receiving climate information easily and quickly. These applications will facilitate the submission of recorded data to the Data Analysis Unit, thus improving the efficiency and usefulness of community-based climate monitoring.

Output 2.1.2: Technical Assistance for Accompanying Research Development.

157. Technical assistance will be provided to support the development of participatory climate research through the creation of a Climate Data Analysis Unit in the Honduran Trifinio region. This unit will have the capacity to generate climate forecasts and reports, essential for decision-making. Training and capacity building of

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technicians in climate data analysis will be fundamental, along with the development and implementation of a data analysis platform. This unit will be responsible for processing and analyzing the climate information collected, generating reports and early warnings vital for food security, climate risk mitigation and the protection of local livelihoods.

158. To this end, people's skills will be specialized through courses or internships at regional climate centres or institutions with recognized experience in climate modelling and long-term forecasting. Training will take place throughout the life of the project to ensure that the team is kept up to date with advances in climate information analysis and climate scenario modeling. In addition, a robust and efficient platform will be developed to function as a database, allowing the zation, storage and systematization of climate data collected at the community monitoring stations, thus facilitating the processing of this data into useful climate information. This tool will contribute to the technological development of the ROCC, streamlining the flow of data and information between the different members of the Network.

159. The Data Analysis Unit will also require the necessary technical equipment to adequately support the computer requirements of the modelling programmes, as well as regular computer equipment for technicians who are linked to the thematic, who oversee processing and analyzing information to expand climate services. Collaboration will be established with universities, COPECO and SENAO for data analysis. The acquisition of at least 2 desktop computers with their respective accessories, 2 laptops, a server, 3 smart screens, acclimatization system, voltage regulators, projector, blackboard and furniture are foreseen to equip the Data Analysis Unit.

160. **Reports, climate bulletins and early warnings:** Each year, specific information products will be produced for the Trifinio intervention zones, based on the data generated by the target observers, also considering available regional/international climate information. In this regard, the following will be produced:

- **Quarterly weather outlook reports** during the rainy season (7 in total). This information allows producers to be informed about possible weather incidences prior to the start of the agricultural period, facilitating timely decision making for their crops. The reports will be distributed through the different platforms and/or applications in electronic version to the target producers.
- **Special bulletins per rainy sub-period** (6 in total). These bulletins will compile climate monitoring data from the target communities on rainfall behavior, comparing observer data against historical norms to identify climate variations. These bulletins allow for the systematization of climate behavior in the intervention zones, showing how rainfall and temperature influenced each zone, and include articles of interest on the interrelationship between climate and production according to their livelihoods. In this way, climate observers gradually strengthen their analysis by relating climate to their daily activities.
- **Climate alerts in the event of** climatic phenomena that warrant it. One of the purposes of climate monitoring is to serve as an Early Warning System for extreme weather and climate events that could affect the targeted territories. Therefore, the technical team constantly monitors atmospheric weather and international climatological information, identifying the development of adverse climatic events some time in advance. These are timely warnings given to the population in general, when the possible formation of some climatic phenomenon (hurricanes, drought or others) that could directly affect their lives or livelihoods is detected. This allows them to prepare themselves to reduce losses and damage due to these phenomena.

161. All climate information services described here will be developed with the aim of generating useful information for decision-making regarding productive activities in the communities, to reduce crop losses and damages and/or increase productive yields. In addition to targeting the project's target groups, the reports and bulletins produced will be shared on the project's community climate observers' WhatsApp groups and social networks in order to reach more people. They will also be shared with partner networks and other stakeholders involved in the project.

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162. Collaboration with national entities such as PCO-SERNA (as project partner) and COPECO in Honduras will ensure that the information generated is recognized and used at the national level, thus strengthening the national and sub-national climate monitoring system and giving sustainability to this community-based initiative. With these interventions, the project seeks not only to strengthen the capacity of communities to manage and adapt to climate change impacts, but also to position them as leaders in climate innovation and community resilience, ensuring that project interventions are scalable and replicable.

Outcome 2.2: Integration of Ancestral and Contemporary Knowledge for Climate Adaptation

163. The main objective of this outcome is to strengthen the capacity of communities to cope with and adapt to climate change through the effective and sustainable integration of ancestral and contemporary knowledge. This innovative component is based on the systematization and dissemination of knowledge acquired during the project, empowering communities, researchers, planners and policy makers. It seeks to provide resources and adaptation strategies that foster transdisciplinary and multicultural collaboration. This approach includes the creation of knowledge networks for the continuous exchange of information and experiences, the development of tools and methodologies for impact assessment and monitoring, and the implementation of adaptive practices that combine ancestral knowledge with modern technology. This ensures that solutions are culturally relevant, technically advanced and sustainable, promoting social cohesion and strengthening cultural identity while increasing the resilience of communities to climate change.

164. The strategy underlying this outcome is to create robust knowledge management systems that not only respond to immediate adaptation needs, but also prepare communities for future environmental challenges. In this way, the capacity of communities to cope with and adapt to climate change will be strengthened through the effective and sustainable integration of ancestral and contemporary knowledge. By combining ancestral knowledge with appropriate technological solutions, the project promotes culturally relevant and technologically effective adaptation practices, ensuring their long-term relevance. This innovative component is based on the systematization and dissemination of knowledge acquired during the project, empowering communities, researchers, planners and policy makers. Adaptation resources and strategies will be provided to foster transdisciplinary and multicultural collaboration. This will include training on climate change and adaptation for public officials (municipality technicians) and the updating of adaptation and/or municipal plans, integrating good practices and lessons learned into Municipal Development Plans and/or Municipal Adaptation Plans. This will help ensure that the solutions implemented are sustainable and effective, promoting social cohesion and strengthening cultural identity, while increasing the resilience of communities to climate change.

165. This outcome is distinguished by its focus on producing high-quality multimedia content designed to engage young audiences and broaden public understanding of climate change adaptation. The creation of this content seeks not only to inform, but also to inspire action and active participation in climate resilience management. Ultimately, it aims to be a replicable model of how knowledge management can be a powerful tool for socio-environmental change, demonstrating that the combination of accessible and engaging information can motivate younger generations to get involved in protecting the environment.

166. By the end of the project, it is expected that this output will have generated a significant body of locally applicable and globally replicable knowledge on climate change adaptation policy and practice. This will demonstrate how the innovative combination of digital tools and collaborative approaches can improve the capacity of communities to manage their resources sustainably in a changing climate.

Output 2.2.1: Positioning of Project Results and Experiences as an Opportunity to Strengthen National and International Climate Change Adaptation Processes.

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167. The project will document and analyze case studies focusing on access to local financing mechanisms, the resilient families model, ASAC with an ancestral approach and climate monitoring. During the life of the project, these methodologies will be systematized, and annual publications of case studies will be generated from the third year onwards. The information generated will be translated into reports, articles and lessons learned guides, which will be disseminated for educational and awareness-raising purposes. These activities will keep the community informed about the progress of the project and its achievements, positioning the results and experiences of the project as an opportunity to strengthen national and international processes in climate change adaptation.

168. The project will prioritize the development and dissemination of comprehensive reports, scholarly articles, and guides on lessons learned. Additionally, it will organize events to share this information nationally, regionally and in key global spaces. The data generated from various project activities will be utilized for capacity-building purposes, awareness-raising, and knowledge exchange. Digital events will be conducted to present the project's progress, and regular reports will be published in an accessible format to keep the community informed. Furthermore, thematic guides will be produced on the project's key topics, promoting their application in regional and Latin American contexts.

169. The production of high-quality multimedia content, such as testimonials, success stories and learning videos, will broaden public understanding of climate change adaptation. This content, designed to be accessible and engaging, will be disseminated on social media and digital platforms, engaging new generations and encouraging greater participation in climate resilience management.

170. The importance of being present in strategic meetings for the dissemination of the proposed model will be highlighted through participation in national and international forums and events, such as the Vulnerable Central America Honduras Forum, the ACT Alliance Forum, the Honduran Alliance on Climate Change, the LAC Climate Week, CBA and the COPs on Climate Change and Biodiversity (UNCBD) as well as relevant provisions of the Sendai Framework for Disaster Risk Reduction & the UN Early Warnings for All (EW4A) initiative managed by the WMO.

Table 13: Positioning activities

Activity	Description
Documentation of project experiences	Production of 15 testimonials, 15 success stories, videos, webinars or learning podcasts from the third year of the project onwards.
Case study analysis	Documentation and systematization of applied methodologies such as the resilient families model, ASAC with ancestral approach and climate monitoring.
Publication of reports and articles	Creation of regular reports and articles to publicize the progress and learning from the project.
Organization of events	Holding virtual events to disseminate the project results at national and international level.
Best practice competition	Identification and capitalization of best practices with the greatest impact, encouraging innovation and the adoption of effective climate change adaptation practices.
Participation in national forums and meetings	Participation in multi-stakeholder spaces that discuss environmental management and climate change, such as the Central America Vulnerable Forum Honduras, the ACT Alliance Forum, and the Honduran Alliance for Climate Change.
Positioning of the project in international arenas	Participation in international events such as the Vulnerable Central America LAC Forum, LAC Climate Week and COP Climate Change to share and scale up the project's successful practices.

Source: Elaboration Resilience and Ancestry Project, 2024.

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Output 2.2.2: Good practices and lessons learned from the project are incorporated into national, local and international climate change policies.

171. The objective of this output is to integrate the good practices and lessons learned from the project into climate change policies at national, local and international levels, contributing to effective and sustainable adaptation. To achieve this, various strategies will be developed to strengthen the capacities of municipal officials and technicians in the management of adaptation to climate change. Work will be coordinated with municipalities, actively involving them in the projects of small rural farming families . In addition, the existence of municipal ordinances related to climate and adaptation issues will be facilitated, and municipal campaigns on the control of burning and forest fires, care of rivers and solid and liquid waste management will be supported, depending on municipal priorities. Innovative financing mechanisms, such as the use of microfinance and rural banks, will also be promoted to support these initiatives. These activities will advocate that climate change policies at national, local and international levels incorporate sustainable and effective practices learned during the project. POC-SERNA will support the project's good practice discussion exercise within climate change adaptation plans.

172. Work with municipalities will be coordinated to promote the active inclusion of small rural farming families and communities in the process. Municipal ordinances related to climate and adaptation issues will be reviewed and strengthened, facilitating access to this information for communities and promoting municipal campaigns on the control of burning, forest fires, care of rivers and the reduction and management of solid and liquid waste.

173. To support these actions, a comprehensive plan will be developed that will include intensive training of municipal technicians (SERNA and Mayor's offices) and project staff in adaptation management. This training will cover the integration of the local financing model and CRFM, and the updating of municipal development plans. The CRFM, with its focus on ancestral practices and the use of bio-indicators, will be a crucial component in these trainings, highlighting its capacity to promote culturally relevant and effective adaptation.

174. Funds will be earmarked for the technicians' as well as project participants' transport and mobilization to 16 workshops and training sessions, ensuring that all stakeholders can actively participate. The necessary capacity-building and logistical materials for the training will be provided, facilitating participants' access to the necessary resources to make the most of the trainings. In addition, technical support will be provided for the construction or updating of municipal development plans, integrating adaptation practices learned during the project.

175. The promotion of the exchange of experiences between municipalities will be another key component of this product. Annual itinerant sessions will be organized that will allow the exchange of knowledge and successful practices among the different communities and municipalities, fostering inter-institutional articulation and promoting the replicability of good practices in other regions.

Table 14: Institutionalized activities

Activity	Description
Capacity building of municipal officials and technicians	Implementation of training programmes for municipal and project technicians focused on climate change adaptation management. This includes the integration of the CRFM and the updating of municipal development and/or adaptation plans. The training will cover topics such as the use of ancestral practices, the use of bio-indicators and the interpretation of climate data for informed decision making.

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Municipal Development/ Adaptation Plans	Technical support for the construction or updating of municipal development plans with a focus on climate change adaptation. This includes the integration of good practices and learning from the project, ensuring that local policies reflect and support innovations in resilience and sustainability. The project's knowledge management outputs will be considered to ensure that plans are inclusive and representative of local needs.
Exchange of experiences between municipalities	Organization of 2 annual sessions for the exchange of experiences between municipalities. These sessions will focus on the discussion of successful practices, innovation in climate change adaptation, and inter-institutional articulation. Participants will include municipal officials, community leaders, project technicians and representatives of partner organizations. These meetings will foster collaboration and mutual learning, allowing for the replication of effective strategies in different contexts.
Articulation with Municipal Campaigns on environmental issues	Technical support for municipal campaigns on control of burning and forest fires, caring of rivers, and reduction/management of solid and liquid waste. These campaigns will be integrated into climate change adaptation strategies which are key for the Trifinio zone, ensuring a coordinated and effective response to environmental challenges. Collaboration with municipalities will strengthen the capacity of communities to implement long-term adaptation actions.

Source: Elaboration Resilience and Ancestry Project, 2024.

176. The work with municipalities will be coordinated, and as far as possible, the involvement of these bodies with the work that the project carries out with the small rural farming families. The existence of municipal ordinances related to climate and adaptation issues will be shared with the communities, as well as the link with municipal campaigns on control of burning and forest fires, care of water sources and the reduction and management of solid and liquid waste.

177. By actively integrating and disseminating adaptation knowledge and experiences, this component seeks to establish a legacy that transcends the geographical areas of the project, influencing policies and practices at various levels and contributing to a broader, coordinated effort to address climate change effectively and sustainably.

B. ECONOMIC, SOCIAL AND ENVIRONMENTAL BENEFITS

178. The project *"Resilience and Ancestry: Community-based Adaptation in the Honduran Trifinio Biosphere"* is designed to provide significant economic, social and environmental benefits, with a particular focus on the most vulnerable communities and groups within these communities, including gender considerations. The project aligns with the Environmental and Social and Gender Policies of the Adaptation Fund to avoid or mitigate negative impacts.

179. **Economic Benefits:** The economic benefits of the intervention are as follows:

i. **Access to Microfinance and Savings**: The establishment and strengthening of local microfinance institutions and community savings groups will provide access to credit and savings services tailored to the needs of vulnerable rural farming families . This will enable investments in climate-resilient agricultural practices and income diversification, which in turn will reduce the economic vulnerability of these small rural farming families. Microfinance institutions will facilitate access to small loans that can be used to implement adaptation practices in their livelihoods, thereby boosting the local economy and generating employment.

ii. **Climate Resilient Families Model Livelihoods:** The CRFM is a proposal that encourages family ownership, allowing them to appropriate knowledge, information and methodological tools to design livelihood strategies, based on the capitalization of their productive activities. The implementation of the

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CRFM will support small rural farming families in adopting ASAC techniques to become climate-smart, such as efficient water use, crop rotation and integrated pest management, among others. This will not only improve their livelihood yields and food security but also reduce reliance on unsustainable agricultural practices. Small rural farming families will receive training and access to technologies that will enable them to better adapt to changing climatic conditions, ensuring sustainable and resilient agricultural production.

iii. **Market Access and Value Addition**: Facilitate better market access for agricultural products and promote value addition through training in post-harvest handling and processing. This will increase the market value of agricultural products and strengthen local economies. The project will foster capacity building in administration and accounting for better livelihood management, enabling more efficient market entry. In addition, it will generate innovative agricultural products that are attractive to the market, enhancing and differentiating the local market.

iv. **Financial Innovation**: Introduce innovative financial mechanisms such as credit products that take into consideration the conditions of vulnerable small rural farming families to provide them with a financial safety net. These financial mechanisms will help these families to be able to cope with adverse weather events, avoiding the failure of their livelihoods, remaining in the poverty cycle due to unexpected losses. In addition, opportunities will be explored to finance renewable energy projects, energy efficiency and local community works that benefit local communities.

180. Social benefits: The social benefits of the project are presented below.

i. **Women and Youth Empowerment (Gender)**: The project seeks to ensure that 50% of the beneficiaries are represented by women and youth, including Maya Chortí Indigenous populations. To achieve this, training programmes and leadership opportunities will be implemented to promote gender equity and social inclusion, empowering these groups to actively participate in community decision-making. Skills development workshops will be developed to strengthen the leadership and entrepreneurial capacities of women and youth. These workshops will not only promote their economic independence but also facilitate their inclusion in the economic and social chain of the region.

The aim is to train women and youth in areas such as natural resource management, sustainable agricultural techniques and climate change adaptation, which is crucial for community development and climate resilience. The project includes specific activities to increase the role of women and youth in community decision-making. This will be achieved by creating inclusive spaces where their voices are heard and valued such as focus groups and women-only training sessions. Active participation in the management of community resources, such as water and land, will be a priority, ensuring that women's needs for access to potable water in a way that reduces the drudgery of fetching drinking water (for example) is reduced and youth have a meaningful role in these processes. Gender-based violence awareness and prevention programmes will be implemented by the Gender and Safeguarding officer promoting new masculinities that strengthen the role of women in the community. These programmes will address the cultural roots of violence and seek to create a safe environment for women and girls. In addition, support will be provided to help them learn about psychological and legal support routes for survivors of gender-based violence, thus strengthening their capacity to participate fully in community life.

The project will promote equitable access to resources and economic opportunities for women and youth. This will include training in entrepreneurial skills and access to finance for projects led by women and youth. It will seek to develop economic initiatives that are sustainable and adaptive to climate change, integrating both ancestral and modern knowledge. Workshops and skills development programmes will be implemented that will strengthen the leadership and entrepreneurial capacities of women and youth. These activities will be designed to promote economic independence and inclusion in the economic and

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social chain. Women and youth's entrepreneurship programmes will receive support in the form of funding and mentoring, encouraging the creation of sustainable businesses that contribute to the climate and economic resilience of communities. The project will facilitate access to financing mechanisms adapted to local needs.

This will enable women and youth to implement necessary measures to protect and recover their crops, improve agricultural infrastructure and adopt resilient technologies. Access to credit and finance is expected not only to mitigate vulnerability to extreme weather events, but also to promote economic development and poverty reduction in the region. To ensure the success of the gender approach, a monitoring and evaluation system will be implemented to assess the impact of project activities on gender equity and youth inclusion. This system will allow strategies to be adjusted as necessary, ensuring that women and youth benefit equitably from the project and that their needs and perspectives are continuously integrated into project activities. It is envisaged that access to finance and entrepreneurship activities will lead to economic security among women, but will also eventually lead to women exercising greater control over their own lives, in terms of decision making and economic independence-and a ripple effect of that can be that women who are in abusive/GBV situations will be able to exercise a degree of control over their own lives, seek legal intervention and envision an alternative existence.

ii. **Community Capacity Building**: Build technical capacity in local organizations and municipal authorities for climate monitoring and adaptation planning. This will enable communities to make informed decisions and advocate for their needs in local and national policy forums. Ongoing training and technical assistance programmes will be developed that will strengthen local capacities in climate change adaptation, risk management and territorial planning.

iii. **Preservation of Ancestral knowledge**: Integrate indigenous knowledge with scientific data to develop effective climate adaptation strategies while respecting and preserving the cultural heritage of the Maya Chorti communities. This holistic approach will combine ancestral practices with modern technology to create sustainable and culturally appropriate solutions. Exchanges of knowledge and experiences between indigenous and scientific communities will be promoted to enrich adaptation strategies and strengthen cultural identity. Women's ancestral/traditional/inter-generational knowledge will be drawn upon to ensure the CRFM is inclusive and has a gender focus.

iv. **Active Community Participation**: Promote active community participation in project planning and implementation, ensuring that the voices of all vulnerable groups are heard and considered in decision-making. Community Climate Change Adaptation Committees with at least 40% women will be established, where representatives from all sectors of the community can collaborate in the implementation and monitoring of project activities. These committees will ensure transparency and accountability, fostering a sense of ownership and commitment among participants.

181. Environmental benefits: The environmental benefits of the intervention are:

- **Climate Monitoring and Data Use**: The installation of community climate monitoring stations, adhering to the technical recommendations of the World Meteorological Organization (WMO), will provide real-time data on weather patterns, allowing communities to anticipate and respond effectively to climate risks. At the same time, bio-indicators will be documented to recognize Maya-Chorti ancestral knowledge, linking it with technical knowledge for greater accuracy of weather phenomena (rainfall, droughts, hurricanes, etc.). This will support sustainable agricultural practices and reduce environmental degradation. The data collected will be used to develop predictive models and early warning systems that will improve response and planning capacity at local and regional levels.
- **Ecosystem Protection**: Promoting campaigns developed by municipalities on environmental issues to

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reduce negative anthropogenic effects and promote reforestation and sustainable land management practices to restore degraded ecosystems. These actions will contribute to the care of biodiversity, soil health and carbon sequestration capacity, contributing to climate change mitigation. Evidence indicates that adoption of agroecological farming methods increases on-farm biodiversity by 30% and connects landscapes so that protected area (forest reserves, national parks, watershed catchment & micro-catchment protection forests, etc.) biodiversity is also enhanced. This is important to restore food critical ecosystem services (soil microbiome, pollinating insects, etc.) that are fundamental to building resilience in agriculture and food production. Crucially, this will also strengthen Honduras's capacity to meet its National Biodiversity Strategy and Action Plan (NDSAP) objectives under the UNCBD.

- **Knowledge Management**: A robust knowledge management component will capture and share best practices and lessons learned from the project, facilitating the replication of successful strategies in other regions and contributing to broader climate resilience efforts. Knowledge sharing platforms and collaborative networks between communities, researchers and decision makers will be created, fostering continuous learning and innovation.

182. Mitigation of Negative Impacts: The project contemplated the following negative impacts.

- **Environmental Safeguards**: The project will encourage the implementation of good environmental practices, which are sustainable and environmentally friendly, to improve environmental conditions in the communities and territories. In the case of community works, the intervention will adhere to environmental regulations and standards to minimize adverse effects on natural habitats and biodiversity. Support will be provided to municipal entities or SERNA to carry out environmental impact assessments to identify and mitigate possible negative effects, and environmental management plans will be implemented to ensure the sustainability of project interventions.
- **Social Safeguards**: Consult extensively with local communities, especially vulnerable groups, to ensure that their needs and concerns are addressed. Free, Prior and Informed Consent (FPIC) will be obtained for all project activities affecting indigenous lands and resources. Grievance and conflict resolution mechanisms will be established to address any issues that arise during project implementation.
- **Gender Equality**: Promote gender equality by ensuring equitable participation, leadership and benefits for both women and men. Gender-sensitive approaches will be integrated into all project components and specific measures will be taken to address gender disparities and empower women. Gender indicators will be developed to monitor and evaluate the impact of the project on gender equity and social inclusion.
- **Ongoing Monitoring and Evaluation**: Implement a robust monitoring and evaluation system to track project impact and adjust strategies as necessary to maximize benefits and minimize negative impacts. All project participants will be tracked in a database tracking which activities they have benefitted from or engaged with to avoid double counting. Evaluations will be conducted and detailed reports will be produced to provide feedback on project progress and recommendations for continuous improvements.

Social, economic and environmental benefits and their relation to the concrete actions of the project

Project/ Programme Components	Concrete expected results	Social Benefit	Economic Benefit	Benefit Environmental/ Adaptation to climate change
Component 1: Establish a funding mechanism for innovation in climate change	**Sub-component 1.1:** Innovation fund for adaptation practices with vulnerable populations.	+ Empowerment of Women and Youth (Gender) for better economic autonomy, social position and families.	+ Subject to credit, savings and technical assistance. + credit record or credit history to access other credits such as housing,	+ Protection of fragile ecosystems such as the Trifinio protected area and water reserves. + Increase in forest cover by incorporating

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Project/ Programme Components	Concrete expected results	Social Benefit	Economic Benefit	Benefit Environmental/ Adaptation to climate change
adaptation and resilience building.		+ Improved living conditions/quality of life such as comfort, food and health. + Poverty reduction and improved food security. + Access to basic services such as health, drinking water, energy etc. + Capacity building such as training, business management, agricultural techniques, financial education, all strengthening the skills of families.	property purchase, vehicles and others. Establishes a basis for accessing larger credits, fostering economic growth, +Access to markets and aggregation in the value chain. + Job creation for other members of the community - activation of the community economy. + Economic diversification, reducing dependence on a single activity.	reforested areas in at least 300 diversified properties/agroforestry systems. + Increased vegetation cover as green manure. + Reduced vulnerability of households to climate change (80%) more resilient to market fluctuations or climatic events - ÇRFM due to income diversification + investment in sustainable technologies, low external inputs. More environmentally friendly, efficient practices and agroecology approach.
	Subcomponent 1.2 Financing Community Infrastructure for Climate Change Adaptation	+ Community capacity building + Active community participation + Improved living conditions of community members by improving their access to basic services and markets. + Protection of lives and livelihoods such as early warning works, drainage systems, property protection, floods, droughts. + Public health especially in drinking water and sanitation systems. + Reducing forced migration by protecting communities and people's lives. +Community cohesion including planning and construction of adaptive infrastructure involving community	+ Investments in adaptation infrastructure should not be considered an expense but a strategic investment as disaster loss reduction, prevents or mitigates damage from climate events, prevention is more cost-effective than rebuilding or mitigating after a disaster. + It creates temporary jobs at the community level and in many cases, it creates specialised resources in civil works such as supervisors, welders, electricians, machinery transporters, among others. Generates demand for materials and services and fosters innovation in technology and sustainable practices. For example, slope stabilisation with grasses, protection of water sources with forest	+ Conservation of the ecosystems in the TRIFINIO zone - where there is the presence of Edenic species of the tropical rainforest and Maya Forest. +Improved water and soil quality, due to improved sustainable drainage, irrigation, adaptive practices, etc. +Sustainable management of water resources, especially in the aquifer loading systems, helps to better manage this resource. + Restoration of natural landscapes, especially because they are low impact infrastructure and include elements such as reforestation, biological corridors and recovery of degraded areas - this can reduce the carbon

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Project/ Programme Components	Concrete expected results	Social Benefit	Economic Benefit	Benefit Environmental/ Adaptation to climate change
		participation. +Equitable access to essential services such as energy, transport, communications. Reduced risk of being isolated in adverse weather events.	species and natural barriers. +Promotes new technologies, consultancy services and innovative products in sectors such as green engineering, renewable energy and water management. + Development of new entrepreneurship such as tourism, manufacturing and access to inclusive markets.	footprint of Honduras.
Component 2: Systematic strengthening of the project's knowledge management and its scaling up in local and international policies	**Sub-component 2.1:** Knowledge Management System for Climate Resilience.	+ Community capacity building + Active community participation + More informed and empowered communities with knowledge of climate risks, adaptation and mitigation strategies. + Decision-making on risk reduction in their livelihoods. + Social cohesion through knowledge sharing/exchange. + Networking and integrated and equitable solutions + Improved health and well-being by improving knowledge management on climate change impacts on health, and preventive measures, as well as safeguarding lives through warnings of rising rivers due to climate observers. + Reduced forced migration by increasing the resilience of communities which	+ Loss and damage reduction (L&D): by having knowledge and timely information, it is possible to implement preventive measures that minimise damage to infrastructure, crops and livelihoods, reducing direct and indirect economic losses. +Increased productivity and sustainability: by adopting new climate change adaptive and resilient practices, productivity can be improved and the long-term sustainability of livelihoods ensured. +New economic opportunities that generate jobs and business opportunities in sectors such as renewable energy, weather measuring equipment, sustainable agriculture, ancestral approach, risk management, among others. +Reduced dependence on external aid by strengthening local	+ Ecosystem and biodiversity conservation through knowledge management of climate monitoring and nature-based solutions for adaptation, such as ASAC practices. + Sustainable use of natural resources in the Trifinio area, with the dissemination of knowledge on sustainable water, soil and forest management practices, which reduces environmental degradation and promotes long-term conservation. This results in improved water and air quality. +Promotion of circular economy, with the exchange of knowledge on agro-ecological approach, community climate monitoring, reduction and recycling, etc.

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Project/ Programme Components	Concrete expected results	Social Benefit	Economic Benefit	Benefit Environmental/ Adaptation to climate change
		contributes to social and cultural stability. + Equity and climate justice by ensuring information and solutions reach the most vulnerable, marginalised groups such as the Chortis and Lenca peoples, promoting a fairer and more equitable response to climate change. + Foster social innovation by sharing successful experiences and lessons learned. + Networking as ROCC with the COPECO-NOAA link in the generation of early warnings, forecasts and projections on phenomena such as ENSO El Niño, Niña and others.	capacity to address climate challenges. More resilient communities	
	Sub-component 2.2: Integrating Ancestral and Contemporary Knowledge for Climate Adaptation	+ Community capacity building + Preservation of ancestral knowledge + Strengthening community resilience by involving proven local adaptation strategies such as early warning systems based on observation and phenological elements, crop diversification, sustainable management strengthens the capacity of communities to cope with the impacts of climate change.+ Cultural recognition and empowerment - valuing the ancestral knowledge	+ Development of resilient local economies based on the application of knowledge of adaptation practices, climate monitoring and ancestral knowledge. + Innovation and new business opportunities that combine traditional knowledge with modern technology can develop innovative solutions and unique products and services. For example, ecotourism, agro-ecotourism and local culture. +Food security and sovereignty - by promoting crop diversity in agroforestry systems	+ Biodiversity conservation in the Trifinio area, incorporating ancestral knowledge and climate monitoring. + Climate change mitigation through ancestral practices such as ECA, agroecology, forest conservation. + Contextualised climate information will generate a valuable database for Honduras.

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Project/ Programme Components	Concrete expected results	Social Benefit	Economic Benefit	Benefit Environmental/ Adaptation to climate change
		of the Chortis community contributes to the preservation of cultural diversity, strengthening the identity of indigenous and local peoples and empowering communities in decision-making. + Promotion of climate justice + Social cohesion and intercultural dialogue considering important regional spaces such as the Vulnerable Central America Forum. + Improving health and well-being	with native species, valuing climate variability. + Long-term cost reduction, considering the adoption of adaptation solutions based on nature and local knowledge, which are often more cost-effective in the long term, as they take advantage of ecosystem services and natural adaptive capacity, this is a tangible benefit for the trifinio area with the CHORTI communities.	

C. COST-EFFECTIVENESS

183. The "Resilience and Ancestry" project focuses on implementing innovative climate adaptation strategies and mechanisms that are both effective and economical. The following details how this project ensures optimal use of resources to maximize benefits for vulnerable communities in the Trifinio region.

i. **Investment in Loan Mechanisms:** The project will make a significant investment in an eligible loan mechanism and application of financial education targeted at the most vulnerable and impoverished members of the population. This approach will improve economic access conditions, thus facilitating the reduction of the poverty gap in these communities. By providing access to finance through community banks and microfinance institutions, small rural farming families will be able to invest in sustainable agricultural practices, adaptation technologies and local enterprises that strengthen their climate resilience. This mechanism will also contribute to the creation of a savings and credit culture, which is crucial for long-term economic sustainability.

Table No. 15: Cost-effectiveness of Loan Mechanisms

Activity	Cost (USD)	Economic Benefits
Establishment of loan mechanisms	US$1,479,476.00	Poverty reduction, improved access to finance, creation of a culture of savings and loans

Source: Elaboration Resilience and Ancestry Project, 2024.

ii. **Household Strategies for Livelihood Management:** The development of household strategies for livelihood management through the resilient families model will identify where investment will be most effective in strengthening livelihoods and improving the productive capacities of small rural farming

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families. This model will be implemented through participatory workshops, ensuring that interventions are relevant and effective. In addition, ongoing training will be provided in sustainable agricultural techniques, resource management and climate change adaptation.

Table No. 16: Cost-Efficiency CRFM

Activity	Cost (USD)	Economic Benefits
Implementing the Climate Resilient Families Model	US$1,479,476.00	Increased household productivity and resilience, improved food security, reduced dependence on external support

Source: Elaboration Resilience and Ancestry Project, 2024.

iii. **Climate Monitoring and Capacity Building:** Overcoming the stagnant poverty conditions of the target communities is their dependence on climatic conditions in agriculture. With the generation and management of climate information from the community and the Data Management Unit, informed decision making will be enabled that will reduce the negative impact of climate change on their crops and livelihoods. In addition, capacity building in climate information analysis and financial resource management will create an enabling environment for positive social and economic transformation.

Table No. 17: Cost-Efficiency of Climate Monitoring

Activity	Cost (USD)	Economic Benefits
Capacity building and climate monitoring	US$626,980.00	Reduced agricultural losses, improved resource management, increased production efficiency.

Source: Elaboration Resilience and Ancestry Project, 2024.

iv. **Participation in National and International Spaces:** Participation in national and international spaces will allow the positive results and lessons learned from the experience to be scaled up in other regions, increasing the impact of the project and promoting the replication of best practices. These activities will foster knowledge sharing and strengthen collaborative networks, allowing the beneficiary communities to access new resources and opportunities.

Table No. 18: Cost-Efficiency Participation

Activity	Cost (USD)	Economic Benefits
Participation in forums and conferences	US$458,865.00	Dissemination of knowledge, creation of support networks, access to new funding opportunities

Source: Elaboration Resilience and Ancestry Project, 2024.

v. **Support to Municipalities and Community Works:** Support to municipalities in the construction of adaptation plans and awareness campaigns, as well as the construction of prioritized community works, will strengthen municipal environmental management and improve the environmental conditions of communities and protected areas in the Trifinio region. This includes the implementation of green infrastructure, water management systems and reforestation projects.

Table No. 19: Cost-Efficiency Support to Municipalities and Community Works

Activity	Cost (USD)	Economic Benefits
Support to municipalities and community works	US$452,450.00	Improved infrastructure, reduced vulnerability to climate change, creation of local jobs

Source: Elaboration Resilience and Ancestry Project, 2024.

vi. **Education and Awareness Raising:** Education and awareness raising on climate change, resource management and gender equity issues are essential components of the project. Education programmes

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and awareness campaigns will be developed to promote the adoption of sustainable practices and the equitable participation of women and youth in all project activities. These programmes will contribute to cultural and behavioral change that will support community resilience.

Table No. 20: Cost-efficiency of training programmes and awareness-raising campaigns

Activity	Cost (USD)	Economic Benefits
Training programmes and awareness-raising campaigns	US$1,016,556.00	Increased awareness and adaptive capacities, improved gender equity, strengthened social fabric

Source: Elaboration Resilience and Ancestry Project, 2024.

vii. **Technological infrastructure:** The implementation of technological infrastructure for climate monitoring and data management is crucial to the success of the project. Weather stations and early warning systems will be established to enable communities to respond in a timely manner to adverse weather conditions. This infrastructure will also facilitate data collection and analysis to improve the planning and implementation of adaptation activities.

Table No. 21: Cost-Efficiency Technological infrastructure for climate monitoring

Activity	Cost (USD)	*Economic* Benefits
Technological infrastructure for climate monitoring	US$626,980.00	Improved risk management, reduction of losses due to climatic disasters, optimization of agricultural resources

Source: Elaboration Resilience and Ancestry Project, 2024.

viii. **Strengthening Community Networks:** The strengthening of community networks and the creation of local partnerships will allow for better coordination and collaboration between the different actors involved in the project. These networks will facilitate the sharing of knowledge and resources and promote the long-term sustainability of the initiatives.

Table 22: Cost-effectiveness of strengthening community networks

Activity	Cost (USD)	Economic Benefits
Strengthening community networks	$ 120.800.00	Improved co-ordination and collaboration, access to new resources, increased sustainability of initiatives

Source: Elaboration Resilience and Ancestry Project, 2024.

ix. **Public Policy Development:** The project will also work in collaboration with local and national authorities to develop and promote public policies that support climate change adaptation and community resilience. These policies will ensure that the benefits of the project extend beyond its duration, creating an institutional framework that supports long-term adaptation initiatives.

Table No. 23: Cost-Efficiency Public Policy Development/Plans

Activity	Cost (USD)	Economic Benefits
Development of public policies/plans	$458,865.00	Creation of a favorable institutional framework, increased sustainability of initiatives, improved climate governance

Source: Elaboration Resilience and Ancestry Project, 2024.

x. **Strengthening the Social Fabric:** The project also seeks to strengthen the social fabric through activities that promote community cohesion and intergenerational collaboration. Workshops and community events will be held to foster the exchange of experiences and the building of solidarity ties, thus contributing to greater social resilience.

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Table No. 24 Cost-Efficiency of Strengthening the Social Fabric

Activity	Cost (USD)	Economic Benefits
Community workshops and events	US$ 1,034,266.00	Improved social cohesion, increased intergenerational collaboration, strengthened community resilience

Source: Elaboration Resilience and Ancestry Project, 2024.

xi. **Innovation in Agricultural Practices:** Innovative agricultural practices that integrate ancestral knowledge with modern technologies will be implemented and promoted. These practices will not only improve the productivity and sustainability of agricultural activities but also preserve the cultural heritage of the communities.

Table No. 25: Cost-Efficiency Implementation of innovative agricultural practices

Activity	Cost (USD)	Economic Benefits
Implementation of innovative agricultural practices	US$ 1,599,760.00	Increased agricultural productivity, improved sustainability, preservation of cultural heritage

Source: Elaboration Resilience and Ancestry Project, 2024.

xii. **Entrepreneurship Programmes:** The project will include entrepreneurship programmes that train youth and women in the creation and management of sustainable businesses. These programmes will provide training in entrepreneurial skills and access to finance, fostering job creation and local economic development.

Table No. 26: Cost-Efficiency Entrepreneurship Programmes

Activity	Cost (USD)	Economic Benefits
Entrepreneurship programmes	$ 960.495.00	Job creation, local economic development, empowerment of youth and women

Source: Elaboration Resilience and Ancestry Project, 2024.

xiii. Profitability of the project

Subcomponent 1.1. Innovation Fund for Adaptation Practices with Vulnerable Populations.

The financing mechanism for innovation in adaptation practices will be cost-effective through a combination of approaches including careful project selection, efficient risk management, access to sources of financing (currently non-existent). The payment mechanisms that will be adjusted to the capacities of the beneficiaries visualized e.g. terms, rate, customer selection criteria, risk and items to be financed. The mechanism considers the following strategies for profitability:

- **Strategic selection**: includes projects with scalability potential, with a high probability of success and with measurable impact.
- **Efficient risk management**: includes diversifying the portfolio of loans to which local communities have access, a detailed analysis of the risk for each financing and the application of mechanisms to mitigate these risks.
- **Flexible payment mechanisms**: includes loans with terms and interest rates adapted to the local context, in some cases partial or total grants and financing with a participatory approach.

<u>Quantification of the economic benefits of this subcomponent:</u>

Medium- and long-term cost reduction: Investment in adaptation practices, such as efficient irrigation systems, drought-tolerant crops, water harvesting systems, will reduce operating costs.

Increased productivity: Financing adaptation practices will improve agricultural productivity and consequently

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profitability. Implementing resilient agricultural practices will ensure harvests despite climate variability conditions, which directly benefits farmers and favors the food supply chain.
Improved economic resilience: Investment in adaptation will help families and their communities become more resilient to the impacts of climate change, in this case droughts, floods or storms. This reduces the costs associated with disaster losses and ensures the continuity of economic activities.
Generation of employment and/or self-employment: The implementation of adaptation practices will generate new jobs and/or self-employment in sectors such as renewable energy, sustainable agriculture, water management and ecotourism.

Subcomponent 1.2 Financing Community Infrastructure for Climate Change Adaptation
The Community Infrastructure Mechanism considers the following strategies for cost-effectiveness:

- **Diversification of financing**: This will include seeking leverage with public and private funds and the community contribution in kind for infrastructure development. The search for external leverage funds will not be a requirement for implementation, it would not be a condition for implementation if such complementary funds were to exist. Ideally, as the mechanism is established, external funds should be sought for greater impact at the community level larger projects
- **Choosing green and resilient infrastructure**: The project will invest in infrastructure that is durable and has the ability to withstand extreme weather events such as floods, droughts and storms. This includes drainage systems, retaining walls, bridges and bridge boxes, nature-based solutions such as ecosystem restoration, reforestation and the creation of urban green spaces.
- **Education and training**: The project will promote public investment in education and training programs for communities to understand the risks of climate variability, implement adaptation measures, and maintain infrastructure effectively.
- **Community participation and local governance**: consulting local communities from identification and planning to implementation of projects, ensuring that their needs and priorities are considered.
- **Monitor progress**: Establish clear indicators to measure the progress of projects and assess their impact on climate change adaptation.

<u>Quantification of the economic benefits of this subcomponent:</u>
Investment in community infrastructure for climate change adaptation will generate significant economic benefits, including reducing economic losses from disasters, increasing agricultural productivity, boosting tourism, and creating jobs. In addition, adapted infrastructure will improve access to basic services, increasing the quality of life and resilience of communities in the face of extreme weather events.

Subcomponent 2.1: Knowledge Management System for Climate Resilience.
The project will focus on generating knowledge in resilience and adaptation by leveraging local scientific and ancestral knowledge to reduce risks and create opportunities. Knowledge management will focus on participatory climate services for early warning, ideas for income and livelihood diversification, intelligence in investment in resilient infrastructure, implementation of nature-based solutions, promotion of innovation and technology, properly strengthening human capital and integrating climate risk management into municipal planning.

<u>Quantification of the economic benefits of this subcomponent:</u>
Not knowing how to adapt also has an economic cost. In this sense, the project will generate knowledge that will directly translate into economic benefits due to a reduction of losses from disasters. This includes benefits from the result of properly managing climate risks, improvement of agricultural productivity and optimization of the use of Natural Resources, reduction of costs in Infrastructure by making resilient designs.

Subcomponent 2.2: Integration of ancestral and contemporary knowledge for climate adaptation.
The cost-effectiveness of the integration of ancestral and contemporary knowledge for adaptation promoted by

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the project will be manifested in the improvement of food security, sustainable resource management, resilience to extreme weather events and cultural revitalization. The integration of ancestral and contemporary knowledge in climate adaptation from the project will offer economic benefits that include the reduction of costs in agricultural production and water management, the creation of new economic opportunities and the strengthening of community resilience to the impacts of climate change.

xiv. **Evaluation and Monitoring:** A robust evaluation and monitoring system will be established to measure the impact of the project and adjust strategies according to the results obtained. This system will ensure transparency and accountability, ensuring that resources are used effectively.

184. A number of studies on resilience building have demonstrated the cost effectiveness of such programmes. The Economics of Early Response and Resilience study (DFID, 2013) found a range of $2.3 – 13.2 for every $1 spent, based on research results from Ethiopia, Kenya, Bangladesh, Mozambique and Niger, concluding that *"the cost of building resilience is more than the cost of early response, but when the wider benefits of resilience are accounted for, the argument for building resilience is significant, and far less expensive than humanitarian response. The cost of resilience would have to approach $200 per capita per year for 10 years (almost 50% higher than assumed in this paper) before the modelled costs of resilience begin to approach the cost of humanitarian response."*

185. Christian Aid's work in Malawi through the Enhancing Community Resilience Project (ECRP, 2011 – 17) was externally evaluated as generating between $2 and $3 in resilience for every $1 spent, despite *"repeated climate shocks affecting its beneficiaries and weak economic growth limiting job creation or improvements in Government services"*, including a major El Nino-related drought in 2015. The project covered 11 districts and 117,000 households with 5 main components, all based on locally led adaptation planning processes. From 2007, Christian Aid partner Rice Watch Action Network (R1) supported locally led Climate Resiliency Field Schools in partnership with 33 local municipalities and PAGASA, the national hydrometeorology agency. This combined farmer group-led resilience planning, on-farm research to adopt agroecological farming methods and agrometeorology support. Research in 2016 showed an increase in access to relevant climate forecast to 80-99%, on-farm research yields of locally-improved rice varieties of 8-11 MT/ha as compared to an average of 4 MT/ha for conventional hybrid rice and reduced seed and fertilizer costs of 55% and 50% respectively – also reduced wastage of inputs of 80-100% through better timing of fertilizer/compost application, better irrigation management reducing costs by 20-50% and reduced pest control costs due to forecast-based anticipation and observation. Similar assessments of locally led adaptation combined with support for increased access to climate forecasts and agrometeorological assessments in Kenya, Nicaragua and India found broadly similar ranges of cost reductions (10-50%) and yield increases (10-30%) achieved through more effective use of inputs (incl. water, labor), increased use of agroecological methods, both combined with local knowledge and expertise (often shared between farmer groups).

186. Christian Aid research in Nicaragua in 2016 sought to understand how communities that had received support for locally led adaptation since 2012 maintained resilience to the severe El Nino drought experienced in 2015 as compared to those outside the project areas who received early warning and forecast support only. While 60% of the comparison group saw no reduction, 48% of project participants felt they had managed to mitigate substantial drought damage to crops and livestock, with a further 30% able to achieve significant or some reduction. Maize yield for direct participants was 72% higher. In some areas, 70% did not plant with the primera season, saving inputs on a crop that would have failed (as it did for the 30% who did plant) but having these ready when late postrera rains did eventually arrive. Community involvement in collecting data through rain gauges and providing this information resource for the development of forecasts and drought resilience advice in Nicaragua contributed to its effectiveness through increased understanding of forecasts, ownership of the forecast development process and motivation to apply early warning and forecast information. Post-drought recovery was faster due to being better prepared for the 2016 season and increased use and understanding of forecasts. This network of locally

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managed climate stations subsequently expanded to over 300 in Nicaragua and is being replicated in Honduras.

187. Review of our climate resilience work in Honduras across three interventions in 2024, including assessing these against the 8 principles of locally led adaptation, revealed a range of impacts that depended on a locally led adaptation approach. These included a focus on post-harvest processing and storage that has reduced losses, increased food security and increased produce quality for staple crop, coffee, cashew and honey producers; innovation on solar irrigation systems to reduce drought vulnerability; capacity strengthening of producer groups that has expanded membership (for example, from 15 to 600 cashew producers) and strengthened economic sustainability, while enabling producers to adopt more climate resilient and environmentally enhancing production systems; gender transformative support that has ensured that women producers are participating equally and taking leadership positions in all areas; and increased access to early warning and agrometeorological information through both enhanced linkage to forecast providers and an expanding network of locally managed climate stations. Partners also translate this experience into increased community participation at all levels in policy making processes, such as the development of Municipality Adaptation Plans that feed into both the National Adaptation Plan and the NDC development processes.

Table No. 27: Cost-Efficiency Evaluation and Monitoring System

Activity	Cost (USD)	Economic Benefits
Evaluation and monitoring system	$ 141.676.00,	Measuring project impact, adjusting strategies, transparency and accountability

Source: Elaboration Resilience and Ancestry Project, 2024.

D. STRATEGIC ALIGNMENT (national and sub-national development plans)

188. The intervention is comprehensively aligned with Honduras' national and subnational sustainable development strategies, as well as with international and regional commitments on climate change and resilience. The following describes how this project articulates with the main relevant policies and plans:

189. Honduras' Nationally Determined Contributions (NDCs): In 2021, Honduras submitted its first update of its Nationally Determined Contributions (NDCs), increasing its ambitions in mitigation, adaptation and social inclusion. The NDC update sets clear targets to reduce greenhouse gas emissions by 16% from baseline levels by 2030. In addition, it commits to restore 1.3 million hectares of forests and reduce fuelwood consumption by 39%.

190. The project will directly contribute to these objectives by promoting resilient agricultural practices and forest conservation. These activities will not only reduce carbon emissions but will also increase the adaptive capacity of vulnerable rural communities, aligning with Honduras' commitments to combine adaptation and mitigation actions to protect the most vulnerable communities. In addition, the inclusion of women, youth and indigenous and Afro-descendant communities in decision-making and implementation of solutions ensures that the perspectives and needs of the most vulnerable groups are considered, strengthening social cohesion and promoting equity.

191. The NDC update also incorporates a human rights approach, innovation and technology transfer as central to finding win-win environmental, ecological and climate solutions. The "Resilience and Ancestry" project is designed to integrate these dimensions, ensuring that adaptation actions are inclusive and equitable, and that they use modern technologies combined with ancestral knowledge to maximize the effectiveness and sustainability of interventions.

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192. **National Adaptation Plan (NAP):** In 2018, the Government of Honduras approved the National Adaptation Plan (NAP) as part of its Climate Agenda (Executive Decree PCM-002-2018). This plan identifies priority sectors for climate adaptation, including water resources management, biodiversity and ecosystem services, and agro-food sovereignty. The "Resilience and Ancestry" project directly addresses these priority areas by strengthening water resource management systems and promoting sustainable agricultural practices that improve food security and resilience of rural communities.

193. The NAPA also highlights the importance of strengthening institutional capacity for climate risk management and the need to develop resilient infrastructure. The project supports these objectives by training local actors and building green infrastructure, such as efficient irrigation systems and natural flood barriers, which not only protect communities from extreme weather events, but also improve agricultural productivity and environmental sustainability.

194. National Climate Change Strategy (NCCS): The project is aligned with the NCCS, specifically with action lines No. 1, No. 3, and No. 6:

i. **Line of Action No. 1**: Building and strengthening institutional and human capacities for planning, implementing, monitoring and improving national and local efforts to address climate change.
ii. **Line of action No. 3**: Strengthening spaces for intersectoral and territorial consultation and participation, improving the effectiveness of the participation of relevant actors for the adaptation and mitigation of climate change.
iii. **Line of Action No. 6**: International cooperation and financial mechanisms, taking advantage of opportunities to mobilize and obtain technical and financial resources for the implementation and monitoring of the ENCC and its Action Plan.

194. Regional Strategies: 1. Regional Strategy to Address Climate Change and Mechanism for a Resilient Central America: Climate change is a significant concern in Central America, and the governments of the region have created instruments such as the Regional Strategy to Address Climate Change (ERCC) and the Mechanism for a Resilient Central America, developed by the Central American Commission for Environment and Development (CCAD). This strategy, adopted in 2010, promotes the exchange of experiences and regional coordination for risk management and climate resilience.

195. The project aligns with this regional strategy by improving the understanding of extreme weather events and risk management through the implementation of early warning systems and the strengthening of hydrometeorological services and meteorological observation networks. These actions will enable communities to make informed decisions and reduce the negative impact of climate change on their livelihoods. The incorporation of ancestral and local knowledge in risk management and the implementation of nature-based solutions also strengthens the resilience capacity of rural communities, in line with regional priorities.

196. The Regional Strategy highlights the need to improve understanding of extreme weather events and strengthen climate resilience through the design and implementation of early warning systems and the promotion of food security. The project focuses on these areas by creating community-based climate monitoring networks and training farmers in adaptive agricultural techniques, which increases the capacity of communities to anticipate and respond to adverse climate events, protecting their livelihoods and ensuring continuity of food production.

197. International Commitments: 1. 2030 Agenda and Sustainable Development Goals (SDGs): Honduras has demonstrated its commitment to the 2030 Agenda and the SDGs, particularly in the goals related to climate action (SDG 13), the life of terrestrial ecosystems (SDG 15), and reducing inequalities (SDG 10). The project contributes to these goals by implementing nature-based solutions, promoting social and gender inclusion, and strengthening the resilience of vulnerable communities.

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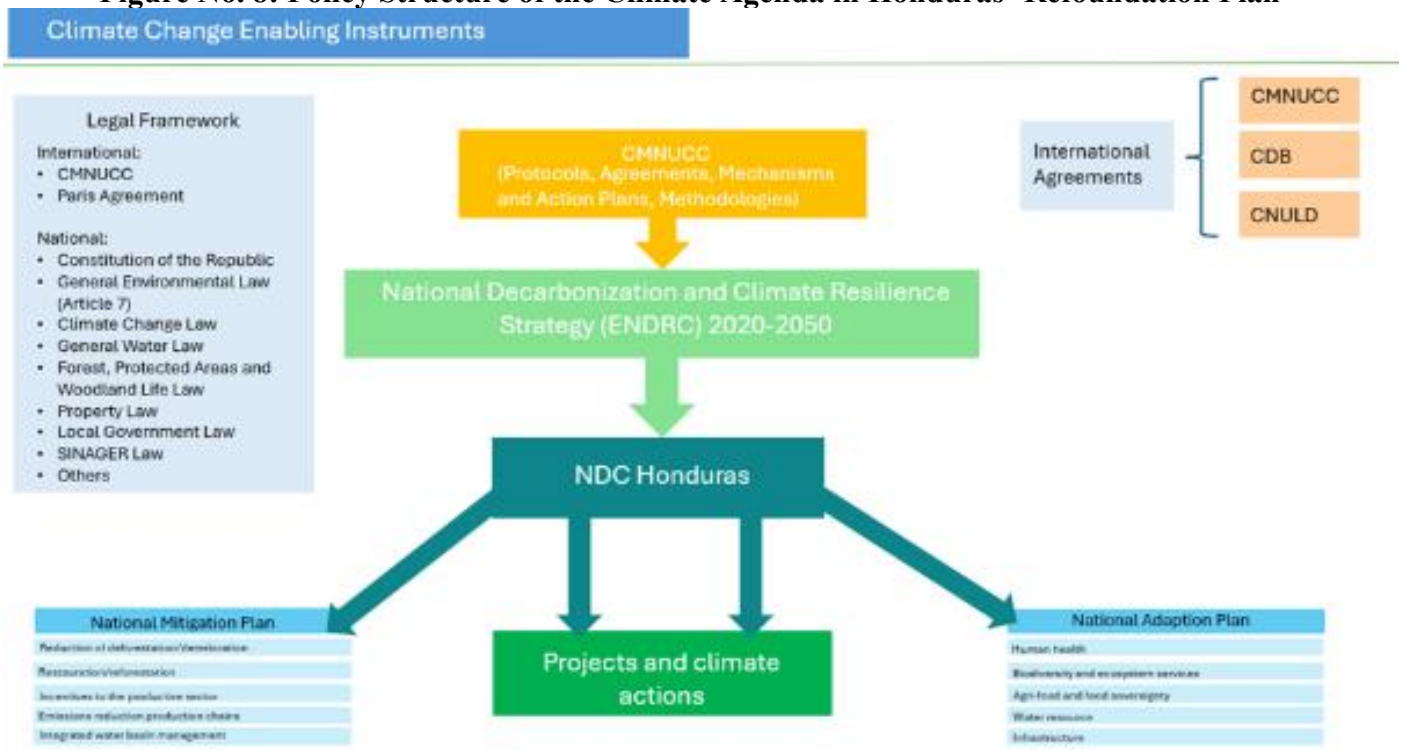
198. The project specifically aligns with SDG 13 by implementing climate change mitigation and adaptation strategies that reduce the vulnerability of rural communities and improve their resilience to disasters. It also supports SDG 15 by promoting sustainable land management practices and biodiversity conservation, ensuring that forest and agricultural ecosystems can continue to provide essential services and maintain their ecological function.

199. United Nations Framework Convention on Climate Change (UNFCCC): Honduras is committed to the UNFCCC, which provides the global framework for addressing climate change by reducing greenhouse gas emissions and adapting to its effects. The project aligns with the objectives of the UNFCCC, supporting Honduras' national goals to mitigate climate change and increase the resilience of vulnerable communities. Project activities, such as forest conservation and the implementation of sustainable agricultural practices and livelihoods, contribute to global efforts to combat climate change, reaffirming Honduras' commitment to the UNFCCC.

Figure No. 8: Policy Structure of the Climate Agenda in Honduras- Refoundation Plan



Source: SERNA- Honduras's Government

200. In this way, the project is strategically aligned with Honduras' national, regional and international policies and plans for sustainable development and climate change adaptation. Through its activities, the project not only addresses national and regional priorities, but also contributes significantly to Honduras' international commitments by providing an integrated and holistic model for climate resilience and sustainable development. The implementation of resilient agricultural practices, forest conservation, and the inclusion of vulnerable groups in decision-making ensure that the project maximizes its positive impact and strengthens the resilience of communities in the face of climate change.

201. Furthermore, the project aligns with the Technology Needs Assessment and the Technology Action Plan for climate change adaptation. Honduras carried out through the National Directorate of Climate Change in 2015, its analysis of technological needs for adaptation and prioritization by sectors that make up the National Plan for Adaptation to Climate Change.

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202. PRIORITIZED TECHNOLOGIES FOR THE AGRI-FOOD SECTOR ARE THE FOLLOWING:

1. **Drought-tolerant varieties:** consists of the development and use of seeds and varieties resistant to projected climate changes, especially for basic grains such as corn, beans and sorghum, as well as sesame and vegetables.

The project will promote the use of drought-tolerant seeds of species such as beans, maize and some vegetables. These will be promoted under the CSA measures approach in component 1 and subcomponent 1.1

2. **Efficient irrigation systems: consists of** the rational use of water resources for agricultural irrigation, in order to increase productivity and reduce water waste. It has a climate change mitigation component, when the systems that are promoted work with solar energy systems. Some of the most common are drip irrigation and underground capillary irrigation.

The project will promote, finance and subsidize the implementation of drip and capillary irrigation systems because they are the most efficient in the use of water resources. These will be promoted under the CSA measures approach in component 1 and subcomponent 1.1

3. **Community Drought Monitoring:** It consists of the monitoring of 4 factors related to drought: meteorological (climate forecasts and measurements of meteorological stations), hydrological (gauging and measurement of flows of water sources), agricultural (soil moisture, crop yields, pests and grain reserves) and socioeconomic (fluctuations in prices of basic grains, food and nutritional deficiencies, poverty, etc.).

The project will promote the implementation of climate monitoring systems of the first three (3) factors of the prioritized technology, drip and capillary irrigation systems because they are the most efficient in the use of water resources. These will be promoted under the line of community and municipal research for climate monitoring with an ancestral approach in component 2 and subcomponent 2.1.

203. The project will also promote the use of drought-tolerant seeds of species such as beans, maize and some vegetables. These will be promoted under the CSA measures approach in component 1 and subcomponent 1.1

1. **Efficient irrigation systems: consists of** the rational use of water resources for agricultural irrigation, in order to increase productivity and reduce water waste. It has a climate change mitigation component, when the systems that are promoted work with solar energy systems. Some of the most common are drip irrigation and underground capillary irrigation.

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204. The Resilience and Ancestrality approach to technology transfer, innovation and the use of ancestral and local knowledge ensures that interventions are culturally appropriate and sustainable in the long term. In addition, the promotion of gender equity and social inclusion ensures that project benefits are equitably distributed, strengthening social cohesion and empowering communities to effectively address the challenges of climate change.

E. TECHNICAL STANDARDS (ENVIRONMENTAL AND SOCIAL POLICY)

205. Compliance with National Technical Standards and the Adaptation Fund's Environmental and Social Policy: The project has been designed to manage environmental and social risks. Design principles have drawn on compliance with the relevant national technical and legislative requirements; the Adaptation fund Environmental and Social Policy guidance, and Christian Aid's environment policy and commitments and risk management policy.

206. Environmental Classification: According to Ministerial Agreement No. 705-2021 of the Secretariat of Natural Resources and Environment (SERNA), all projects must be classified according to their potential environmental impact. This agreement establishes the technical basis for determining the environmental risk category of activities, works or projects, guiding the authorities of the National System of Environmental Impact Assessment (SINEIA) in administrative procedures related to environmental permits and authorizations. The environmental classification ensures that each project is managed according to its level of impact, allowing for a more efficient and accurate management of environmental risks.

The project's own activities related to knowledge management for climate resilience (subcomponent 2.1), the design and dynamization of the CSA practices financing mechanism (subcomponent 1.1), infrastructure financing (subcomponent 1.2) and the integration of ancestral and contemporary knowledge for climate adaptation (component 2.2); they are classified as actions with a low environmental impact; in fact, it has a positive environmental impact. In the particular case of actions that include promoting community infrastructure (subcomponent 1.2), a non-negotiable criterion for financing the works, in fact, will be that they have a low environmental impact, which will be guaranteed by the SERNA delegations in the area of intervention of the project.

207. Environmental Impact Assessment: According to Decree No. 76-2006, low environmental impact projects do not require an Environmental Impact Assessment. Applicants must submit an environmental form to the relevant municipal authority to process permit applications, following established procedures. Projects with moderate environmental impacts (Category B) that may generate cumulative effects will be subject to an Environmental Assessment as a prerequisite for the relevant authorization. This process will be managed by SERNA's Territorial Delegations, ensuring that potential environmental impacts are identified and adequately mitigated prior to project implementation.

In the particular case of the community infrastructures that will be supported by the project (subcomponent 1.2), it will be the Territorial Delegations of SERNA, who will ensure that potential environmental impacts are identified and adequately mitigated before the implementation of the project.

208. Operational Construction License for Community Works: For the execution of community works, a construction license issued by the Construction Control Management of the municipalities will be required. This license will be granted, when necessary, once the project complies with all technical parameters set out in the Building Code (Decree 173-2010), municipal ordinances, and environmental licenses, in addition to having favorable certificates from the competent entities and proof of income from all related institutions. This procedure ensures that all technical and legal aspects are in order before starting any construction, thus minimizing the risks

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of interruptions or legal sanctions.

209. Concessions and Licenses for Water Management: According to Decree 181-2009, municipalities shall grant water use rights to satisfy family subsistence needs or for surface areas of less than 1 ha. with a consumption of less than 0.06 liters per second. No rights shall be granted when the balance between recharge and abstraction of surface water, groundwater or aquifers is affected. For renewable energy or irrigation projects larger than ten hectares, the Water Authority will grant rights of use through concession agreements, based on the Concession Law and applicable administrative laws. This ensures sustainable and equitable use of water resources, protecting both the environment and the rights of local communities.

For project activities that involve the use of water bodies for agricultural use or domestic consumption, the project will take into account the aforementioned standards, carrying out the permitting community consultations and making the technical evaluation on the water requirements (This includes particularly activities under subcomponents 1.1 and 1.2).

210. Compliance with General Regulations: The project will adhere to the relevant provisions contained in general laws such as the General Environmental Law (Decree 104/1993), the Forestry, Protected Areas and Wildlife Law (Decree No. 156-2007), and the National Contingencies Law (Decree 9-90-E). Municipal ordinances related to the establishment of commercial, industrial, agricultural and livestock activities will also be taken into account. These laws and ordinances provide a comprehensive regulatory framework that ensures that all project activities are carried out in a responsible and sustainable manner.

211. Financial Regulations: In Honduras, the activities of financial institutions, including microfinance institutions and credit unions are regulated by various laws and regulations that ensure their operation under principles of financial soundness and transparency. The **Law on Financial System Institutions (Law No. 82-2004)** regulates banks, savings and credit cooperatives and other financial intermediation entities, establishing the requirements for their incorporation, operation, supervision and control. Complementing these regulations, the **Microfinance Law (Decree No. 229-2010)** defines and regulates the functioning of microfinance institutions, detailing the operational requirements and criteria for their supervision by the National Banking and Insurance Commission (CNBS). The **Regulation of the Microfinance Law** expands on these aspects, covering provisioning, risk management and transparency practices.

For the execution of the financial component, **tripartite agreements** will be established between Christian Aid and two types of financial institutions with a territorial presence:

i. **PILARH OPDF**, a microfinance institution regulated by the **Financial System Law** and the **Law for the Strengthening and Development of the Microfinance Sector**. PILARH is subject to the **supervision and technical assistance of the National Commission of Banks and Insurance (CNBS).**
ii. **Rural Savings and Credit Banks**, legally constituted under the **Law on Cooperatives** and supervised by the **Honduran Institute of Cooperatives (IHDECOOP).** These savings banks have been operating in the target communities for several years and operate with internal control manuals that guarantee the transparency and traceability of their credit operations.

Compliance with these **national financial regulations** will directly influence the design and implementation of the credit component of the project, in the following ways:

- **Use of funds with a focus on sustainability**: The project will allocate USD 300,000.00 for the capitalization of credit funds, of which USD 200,000.00 will be managed by PILARH OPDF and USD 100,000.00 by the Rural Savings Banks. These funds will be **recorded as consignment funds**, not as donations or as the institutions' own assets, thus complying with the accounting standards required by CNBS and IHDECOOP.
- **Financial control and monitoring**: Both financial institutions will apply their **internal control manuals**

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to ensure the proper management of the fund, with specific follow-up on the placement and recovery of the portfolio. In addition, **dedicated loan officers** will be included to ensure compliance with the agreed technical and financial guidelines.

- **Cost subsidy to reduce interest rates**: In order to promote inclusive access to credit, the project will cover up to **20% of the operating costs** associated with the administration of the fund, which will allow it to offer **fair interest rates below the usual rates**, establishing a maximum ceiling of 12% per year. This grant is implemented based on the operational experience of previous projects and in coherence with the principles of financial inclusion and sustainability promoted by Christian Aid.
- **Transparency and accountability**: Christian Aid is governed by the **Honduran Non-Governmental Organizations Law** and has internal management manuals that guarantee traceability, efficiency, and control of the use of funds. A **programmatic officer specializing in credit** will also be appointed, who will coordinate the articulation between the financial and programmatic components of the project.

Together, these actions ensure that the financial component of the project **complies with national technical standards**, responds to the principles of **the Fund's Environmental and Social Policy**, and guarantees responsible, equitable, and sustainable access to credit in the target communities.

212. In addition, the **Law on Cooperatives/Cajas (Decree No. 65-87)** regulates cooperatives/savings and credit cooperatives, establishing the principles and conditions for their creation, administration and dissolution. The **Regulations for the Supervision of Savings and Credit Cooperatives**, issued by the CNBS, establish specific guidelines for the supervision and control of these cooperatives, ensuring their operation is in accordance with principles of financial soundness. Finally, the **Financial Transparency Regulation** imposes transparency obligations on all financial institutions, including microfinance institutions and credit unions, ensuring that customers have access to clear and accurate information on the financial products and services they use.

213. Compliance with the Adaptation Fund's Environmental and Social Policy:
As IE, Christian Aid has reviewed the alignment of its environmental policy and risk management approach with the requirements of the Adaptation Fund Environmental and Social Policy, and the capacity to apply these effectively throughout implementation.

Christian Aid has a Corporate Environmental Policy that sets out a commitment to:

- comply with local environmental legislation and international standards
- meet legal, stakeholder and supplier requirements,
- avoid adverse environmental impacts as far as is possible ('do no harm' principle) and mitigate, where possible and sustainable, those environmental impacts that cannot be reasonably avoided.

In order to ensure consistent application of the policy, Christian Aid has also developed "Environmental Policy & Guidelines for Programmes." This document sets out the approach to policy implementation across organizational thematic priorities (Climate Adaptation and Resilience; Governance and Rights; Gender Justice; and Peacebuilding).

214. Core to the policy is Environmental risk screening (ERS), which is consistent with the Adaptation Fund Environmental and Social Policy and *Environmental and Social Impact Assessment*. A full ERS exercise is undertaken for all Christian Aid development projects over £50,000 and 2 years in duration. The Christian Aid ERS process has 4 stages:

- Stage 1. Brainstorming to identify both positive and negative environmental impacts, including those that are explicitly planned within the proposal as well as potential unintended impacts.
- Stage 2. List potential negative risks as per stage 1 from the least significant to the most and score each according to a structured framework. For all with a total score below 27, detail the mitigation measures

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that the project will take in the final column. A broad range of potential negative impacts are assessed, including Water; Land; Human environment; Ecology and Biodiversity; and Air and Climatic factors.

- Stage 3. For all potential negative environmental impacts with a total score of 27 or over, list the project component and then break it down into its sub-components. List in detail the environmental impacts of each and the mitigation measures that will be put in place to ensure risks are minimized. The final column should indicate how the monitoring and evaluation system of the project will collect data to show that mitigation has occurred and the degree to which it has been effective.
- Stage 4. For all positive environmental impacts, list the relevant component or sub-component, the positive impacts anticipated and the assessment method to be used (as part of the M&E system) in order to verify that this positive impact has occurred.

215. This approach will be tailored and applied in the project through an inception phase process of:

1. **Environmental and Social Risk Identification and Management**: The project will develop a standard and accessible methodology for all local entities implementing the project to apply the Adaptation Fund's Environmental and Social Policy (ESP). This methodology will explain the process for carrying out the identification of environmental and social risks in accordance with the 15 principles of the ESP, the assessment of impacts, the identification of appropriate measures to avoid, minimize or manage these impacts, and the implementation of a plan to apply these measures. An initial assessment has already been carried out against the 15 principles. These are outlined in Table 29, paragraph 252. Critical elements running through project design include:
   - *Principle 1: Compliance with the Law.* As outlined previously, the project aligns with national legislative and technical requirements. Continued assessment will be taken to ensure compliance with any updated requirements.
   - *Principle 2: Access and Equity; Principle 3: Marginalized and Vulnerable Groups; Principle 4: Human Rights; Principle 5: Gender Equality and Women's Empowerment; Principle 7: Indigenous Peoples*. These principles are each fundamental to project design and the goals of the project, in seeking to engage with small rural farming families in the Trifinio Fraternidad Biosphere Reserve, through the transfer of the resilient families model that integrates ancestral practices, with a focus on ancestry and gender inclusion. It will be important to assess the extent to which the project mechanisms are reaching the most vulnerable and enabling them to identify appropriate interventions, avoiding risks connected with project participation, and preventing 'project capture'.
   - *Principle 9: Protection of Natural Habitats*. While the project aims to restore and conserve areas of forest and other natural habitats, it will be essential to assess any unintended consequences relating to activities.

The full *Environmental and Social Impact Assessment* will be undertaken during inception, so as to enable full participation of all stakeholders. It will be further applied at the level of funded initiatives identified throughout implementation, to ensure consistent application. This structure will ensure that all projects implemented under the programme are managed in an environmentally and socially responsible manner.

2. **Gender assessment**: Given the focus on women and vulnerable groups, it will be ensured that during the formulation of project proposals a thorough gender assessment is carried out and concrete actions are developed to ensure the effective inclusion of women and that they receive the benefits of the project. A simple methodology will be developed, including the process with new masculinities, so that communities can incorporate it into their daily lives, and specific training will be implemented to develop capacities at the local level. This approach not only promotes gender equality but also strengthens the capacity of communities to deal with climate change in an inclusive manner.

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3. **Monitoring and Evaluation**: Compliance with national technical standards, the ESP, and the Adaptation Fund's Gender Policy will be ensured through ongoing monitoring of the development of intervention activities, including compliance with enabling conditions for participation and gender and environmental trainings/awareness raising. This will ensure that all project actions are carried out in accordance with the highest standards of sustainability and social responsibility, and that any deviations are quickly identified and rectified.

F. DUPLICATION

216. Description of Project Duplication with Other Funding Sources: The project design builds on lessons learned from previous initiatives by consortium members and is ongoing in the Trifinio region, ensuring synergies and economies of scale. During the design phase, the team consulted with all relevant government institutions such as SERNA and Local Mayors (at community, district, provincial and central level) and local partners (NGOs, international institutions, etc.) to integrate lessons learned and maximize synergies with the proposed project, thus avoiding possible duplication.

217. We have a track record of lessons learned from similar mechanisms in Honduras or the region going back to 1997 in the region supporting:

- disaster risk reduction & locally-led community resilience building (Nicaragua, Colombia, El Salvador, Honduras, Guatemala) from 2006
- climate risk modelling and forecast provision, including agroecology + agrometeorology support and early warning systems (from early warning systems to long-term climate scenarios for basic grains/coffee/cocoa/honey flood, drought and cyclones) to support locally led adaptation (Nicaragua, Honduras since 2011), see Developing Climate Services in Nicaragua (March 2014); ADAPTA project review (Final 2020); Resilience to El Niño Research Summary (Final 2017); Disasters - 2019 - Building resilience to El Niño-related drought experiences in early warning and early action
- producer cooperative development (coffee, cocoa, honey, cashew, fish, basic grains storage & retailing) (from 1997 in Nicaragua, more recently in Honduras), including development of the CRFM approach, microfinance and agroecological development, see ADAPTA project review (Final 2020); CLIMA evaluation (Final External version, July 2023); CCASE Mid-Term Review 2024
- development of women-led enterprises (including microfinance provision & MFI development) in renewable energy (Honduras, Breaking the Barriers, 2018 – 21)
- climate and peace-building nexus issues, including cooperative development, agroecology and women-led peacebuilding (since 2022, Guatemala, Colombia)
- combining locally led adaptation with municipal adaptation planning & Southern-led advocacy (since 2022, CCASE Mid-Term Review 2024).

218. We are currently finalizing a cross-programme review of our 6 locally led climate resilience-building interventions (Honduras, Colombia) - to be completed in June 2025.

219. With reference to the projects identified in the region, no duplication with other funding sources was found. Although there are other initiatives that share the objectives of sustainable development and climate change adaptation, the innovations proposed in this intervention are unique. These include the integration of digital technologies for knowledge management and the provision of rural financial services through strategic partnerships.

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Table No. 27: Projects or Initiatives in the region.

Project	Implementing/financing entity	Complementary actions
MOTAGUA Project (2022-2025)	Secretariat of Natural Resources and Environment (SERNA)	Integrated management of the Motagua River Basin, with a particular focus on Copán Ruinas and Santa Rita. Watershed management actions complement the initiatives of the "Resilience and Ancestry" project by addressing environmental and water resource issues that directly affect local communities.
Protection of the Trifinio Fraternidad Transboundary Biosphere Reserve (2020-2027)	Trifinio Plan / KFW (German Development Bank)	Improving the management of protected areas, biodiversity conservation and sustainable use of natural resources in the RBTF. These actions complement the project's objective of promoting sustainable management practices and resource conservation in the region.
Education for Integral Development URL-KFW III (2019-2025)	Trifinio Plan / KFW (German Development Bank)	Community training and scholarships for higher education focused on improving land management. These activities enhance local capacities to implement and sustain the climate adaptation interventions of the "Resilience and Ancestry" project.
Climate Resilience and Advocacy in Latin America (2023-2025)	Commission for Mennonite Social Action (CASM) / Christian DAI	Climate monitoring and promotion of Sustainable Agriculture Adapted to Climate (SACA) practices. These activities complement the adaptation and resilience objectives of the project by providing critical climate data and promoting sustainable agricultural practices.
Strengthening Sustainable Livelihoods of Urban and Rural Families in Three Municipalities of Copán (PHASE II)	Commission for Mennonite Social Action (CASM) / United Hands	Climate monitoring and promotion of ASAC practices. By working in the same region and with similar objectives, synergies between projects will allow for better coordination and effectiveness in the implementation of sustainable practices.
Reducing Conflict through Indigenous Women and Youth in Honduras (2023-2026)	Christian Aid / USAID Honduras	This three-year, $1.3 million project focuses on strengthening the role of indigenous women and youth as peace builders in their communities through natural resource management, conflict resolution and early warning systems. Activities include the development of self-protection modules for human rights defenders, training in conflict resolution and strengthening the organizational capacity of indigenous councils. These actions complement the "Resilience and Ancestry" project by addressing social cohesion, governance and community resilience in the region.

Source: Elaboration Resilience and Ancestry Project, 2024.

220. During the project design phase, the team reviewed all relevant documentation of previous programmes and projects supported by international organizations, donors and NGOs in the Trifinio region. Meetings and interviews were also held with local authorities and development partners to ensure that the project does not duplicate activities with other funding sources.

221. During implementation, the project team will ensure non-duplication of activities and harmonization with national programmes and projects supported by related partners in the region. This coordination will be done through active participation in existing partnership groups and collaboration with development partners such as GIZ, Worldwide Fund for Nature (WWF), Bread for the World, USAID, World Bank and other relevant organizations. In this way, the project is designed to avoid duplication and maximize coordination and synergies with other initiatives in the region, ensuring a positive and sustainable impact.

G. LEARNING AND KNOWLEDGE MANAGEMENT

222. The knowledge management component of the project is designed to capture, systematize and disseminate lessons learned, both locally and internationally. This approach is essential for building adaptive capacity in communities and institutions, and for bridging adaptation research, investments on the ground, and the

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development of policy reforms and instruments for institutionalizing adaptation finance mechanisms.

223. Knowledge Management Strategies: The step-by-step process is presented below.

1. **Systematic Learning Capture**:
   - The project will systematically capture learning and make it available to all relevant users within and outside the project municipalities. Monitoring and evaluation activities will capture data and information generated through:
     - The application of the four phases of the CRFM.
     - Climate monitoring considering lessons learned on community participation and the incorporation of their ancestral knowledge for the construction of livelihood strategies, recognizing the needs of each family.
     - Follow-up or accompaniment of small rural farming families to measure socio-economic changes during the life of the project.
2. **Impact Assessment and Adaptive Planning**:
   a. Access to this data and information will be essential for the project implementation team and stakeholders to strengthen the effectiveness of the promoted adaptation financing mechanisms and provide recommendations to improve capacity, efficiency and impact on the prioritized population.
   b. The Monitoring and Evaluation (M&E) team will be responsible for implementing the M&E and Knowledge Management activities of the intervention. The project M&E system is integrated into the project management information system and is a key instrument for results-based and adaptive management.
3. **Policy and Institutional Change**:
   a. The project team will identify necessary changes in municipal development and adaptation plans and campaigns on prioritized environmental issues, through traditional social networks and new ICTs, to increase the reach of adaptation financing mechanisms and ensure the sustainability of ASAC interventions.
4. **Detailed Knowledge Management Plan**:
   a. A detailed knowledge management plan will be implemented which will consist of capturing, documenting and disseminating lessons learned from project activities at local and institutional levels. Communication materials summarizing the success stories will be produced and distributed through communication systems including radio, television, websites and social media.
5. **Capacity Building and Training**:
   a. The project will organize conferences, workshops, events, exchanges and learning routes to enable stakeholders and beneficiaries to exchange experiences and learn from each other. In addition, case studies will be developed to enable the identification and generation of lessons learned and their dissemination among local implementing entities and other entities at national and international level.

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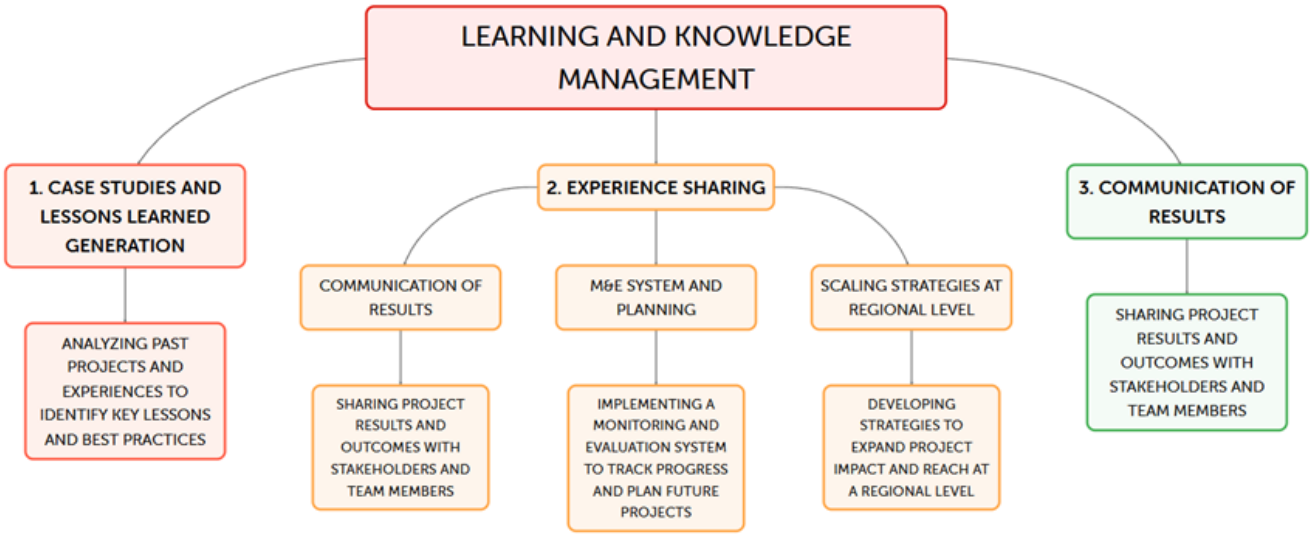
224: Knowledge Management Process: Below is a graphic illustrating the programme's knowledge management process:

Figure No. 9: Knowledge Management Process



Source: Elaboration Resilience and Ancestry Project, 2024

225. Knowledge and Learning Outputs: The implementation of this component will generate some of the following knowledge and learning outputs as well as specific outcomes:

1. **Exchange Event Reports**: Detailed reports, minutes or summaries documenting the content, discussions and outcomes of local, national and international exchange events.
2. **Case Studies on Implementing Adaptation Measures**: A series of detailed case studies, focusing on the implementation of adaptation measures, the role and experiences of women, youth and older people, the challenges faced and how they were overcome, as well as the identification and discussion of lessons learned.
3. **Adaptation Manuals**: Comprehensive guides detailing best practices, methodologies and step-by-step instructions on the implementation of specific adaptation measures, highlighting participation and access to project benefits by vulnerable groups such as women, youth, children, the elderly and people with disabilities.
4. **Communication materials**: Fact sheets, infographics, press releases, podcasts, interviews, narratives and articles published in local, national and international media, videos created detailing project processes, successes and challenges, and digital content for platforms such as YouTube, Facebook, Twitter and Instagram.
5. **Webinars**: Online seminars presenting findings, progress updates or technical knowledge, often with the participation of experts or practitioners in the field.
6. **Field Visit Reports**: Documented accounts of project site visits, capturing observations, stakeholder comments and ideas.
7. **Technical Reports**: Short documents focusing on specific technical aspects of the project, such as new technologies, methodologies or innovative solutions.

226. Expected Knowledge Management Results: The specific knowledge management results of the project will include:

- Policy briefs based on actual case studies and lessons learned to encourage replication or scaling up of successful approaches.
- Educational materials that allow for behavioral or knowledge changes in the target population, leading to greater local, national and international capacity.

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- Scaling up the experience through the exchange of national and international spaces.

H. CONSULTATIVE PROCESS

227. The consultation process for the project was comprehensive and participatory, designed to involve a wide range of stakeholders, especially vulnerable groups, indigenous communities (Consejo Nacional Indígena Chortí de Honduras (CONICHH) and Coordinadora Nacional Ancestral de Derechos Indígenas Maya Chortí de Honduras (CONADIMCHH)), and institutions such as municipalities, La SERNA, SAG, and ICF, among others. This process was essential to ensure that project actions responded to local needs and priorities, promoting sustainable and adaptive solutions to climate change.

228. **Overall Objective of the Consu1ltation Process**: The overall objective of the consultation process was to facilitate an inclusive and participatory dialogue among stakeholders in four municipalities in the department of Copán (Copán Ruinas, Santa Rita, El Paraíso and San Antonio) to identify sustainable and adaptive solutions to climate change. The project seeks to promote strong relationships and alliances with local and national organizations. The project has already started discussions with the municipalities at the local level and with COPECO-CENAO at the national level so that the project results can be incorporated into their development and/or adaptation plans. In addition, the project will draw upon the Consortium's extended network to facilitate integration and alliances. Moreover, the new Develop Plan for each Municipality must include an adaptation. The secretary will design and develop the adaptation plan. There is an agreement between the project and SERNA to ensure that the project uses the development plan which includes the adaptation plan. So, discussions are already in place.

229. **Methodology of the Consultation Process**: The consultation process was carried out in three main modalities:

- **Inter-municipal sessions:** The inter-municipal sessions were held on 26 and 29 April 2024, with the participation of 32 people (12 women and 20 men). Two inter-municipal focus groups were held, the first in San Antonio de Copán and the second in Copán Ruinas. The participants, coming from different sectors, included representatives of municipalities, producer associations, community leaders, as well as organizations such as the Secretary of Natural Resources, Environment and Mines (SERNA), the Institute of Forest Conservation (ICF), the Secretary of Agriculture and Livestock (SAG) and the Tri-national Commission (Plan Trifinio). These groups were divided into sub-groups by thematic area to review and provide feedback on the Consultation Instrument.
- **Community Sessions and Individual Interviews:** Between 2 and 14 May 2024, community sessions and individual interviews were held in 11 communities in the four municipalities involved. A total of 264 people participated in these sessions and discussed their perceptions of climate impacts in their communities. The main findings indicated that 95% of the respondents perceived that climate impacts were becoming more frequent, and 57.95% considered these impacts to be high. These sessions highlighted the need to strengthen local capacities in risk management and climate adaptation.
- **Interviews with public officials and organizations:** On 10 June 2024, interviews were conducted with public officials and representatives of local organizations in the four municipalities, collecting detailed information on current policies and practices in environmental management and climate adaptation. The entities interviewed in the consultation were: SERNA and the Institute of Forest Conservation, Protected Areas and Wildlife (ICF) and the Secretary of Agriculture and Livestock (SAG).

230. **Main Findings of the Consultation Process**.

i. Climate Change Impacts

- **Community:** Most community respondents indicated that climate impacts are becoming more frequent

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and severe. Ninety-five per cent stated that these impacts occur every one to two years, and 57.95% considered impacts in their community to be high. These findings underscore the urgent need to implement strategies to increase the resilience of communities to adverse weather events.

- **Public Officials:** 100% of the people interviewed in the municipalities stated that weather events have a frequency of occurrence of 1 to 2 years. 75% of respondents consider that there is currently a higher intensity, severity and frequency of weather events compared to previous years. This indicates a shared perception of the high frequency and severity of climate impacts, which has led the project to prioritize interventions that strengthen the response and adaptive capacity of local communities.

ii. Preventive and Reactive Actions

- **Community:** Only 14.77% of community respondents carry out preventive, reactive and post-affected actions. The most common preventive actions include cleaning gutters and culverts, while reactive actions are minimal. This lack of preparedness and response to climate events highlights the need for improved community training and awareness of climate risk management.
- **Civil servants:** 50% of the people approached in the municipalities mentioned that in their community reactive actions are taken (during), 25% take post-affected actions (after) and 25% say that all three types of actions are taken: preventive (before), reactive (during) and post-affected (after). The project has designed training programmes in risk management and climate adaptation to address this critical need.

iii. Infrastructure and Livelihoods

- **Community:** 68.94% of respondents reported significant impacts on community infrastructure due to climate change, and 75.76% indicated that climate change severely affects their means of agricultural and livestock production. These data highlight the vulnerability of local infrastructure and livelihoods.
- **Civil servants:** 25% of municipal civil servants consider bridge boxes and gabion construction as priority infrastructure works to contribute to climate resilience. Another 25% prioritize the construction of retaining walls, dredging of rivers and activation of the road network, and aqueduct systems. The improvement of community infrastructure is a key component of the project to ensure resilience and long-term sustainability.

iv. Gender and Vulnerability

- **Community:** 89.02% of respondents perceive that women and girls face problems of violence in their communities, and most feel that women do not have a strong voice in community decision-making. This perception underscores the need to address gender inequalities as an integral part of climate adaptation strategies.
- **Civil servants:** Specific data on gender and vulnerability of civil servants is not available in the document. However, the inclusion of strategies to increase women's participation and leadership in the project ensures that adaptation interventions are inclusive and equitable.

v. Access to Financial Services

- **Community:** 92.05% of respondents do not have access to financial services for savings and loans, which limits their resilience to climate emergencies. This finding highlights the importance of developing accessible financial mechanisms for vulnerable communities.
- **Civil servants:** 25% of civil servants consider that the effective financing mechanism to build climate resilience is through cooperatives and rural savings and credit cooperatives. Another 25% respond that it can be through multiple actors, including private banks and microfinance institutions. The project has designed components that promote financial products tailored to the needs of smallholder farmers, thereby improving their resilience to adverse climate events.

231. Contribution of Findings to Project Design: The findings of the consultation process have been crucial to

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the project design. The identification of high frequencies and severities of climate impacts has led to the prioritization of interventions that strengthen the response and adaptive capacity of local communities. The limited implementation of preventive and reactive actions has underlined the need for capacity building programmes in risk management and climate adaptation.

232. Recognition of the vulnerability of infrastructure and livelihoods has led to a focus on developing climate-resilient infrastructure projects and promoting sustainable agricultural practices. Identified gender inequalities have influenced the inclusion of specific strategies to increase women's participation and leadership in climate adaptation initiatives. Finally, the lack of access to financial services has led to the design of project components that promote financial products tailored to the needs of smallholder farmers, thus improving their resilience to adverse climate events.

233. The exhaustive and detailed consultation with communities and local and national institutions has allowed the project design to be aligned with local needs and priorities, ensuring that the proposed interventions are innovative, relevant, effective and sustainable in the specific context of the communities of the Honduran Trifinio.

I. JUSTIFICATION FOR FUNDING: Provide justification for funding requested, focusing on the full cost of adaptation reasoning

234. An essential aspect of the funding request is that the existing projects carried out in the proposed areas generally do not include vulnerable groups, not only women but also children, youth, and the indigenous population. The Project has CSA practices and EWS among its core activities, to enhance greater climate resilience and improve adaptability with climate-smart systems. The project also integrates diverse perspectives on innovation, drawing on the experiences and knowledge of communities vulnerable to climate change, research organizations (such as Universidad del Valle and Universidad Landívar in Guatemala and Universidad José Cecilio del Valle in Honduras and the RC4 Network) and other innovation partners. This holistic approach ensures that the project uses a wide range of ideas and knowledge to effectively address the challenges of climate change in the context of the Trifinio region.

Justification for selecting this mechanism: Based on over 25 years of experience working on participatory vulnerability & capacity assessment, cooperative development, climate risk forecasting & management and disaster risk reduction, it is clear that a locally led approach to adaptation is both the most cost-effective and the optimum strategy in strengthening the capacity of households, their communities and their producer groups in managing the shocks and stresses they are now experiencing as a result of climate change. A major deficit is the lack of appropriate and adaptation-oriented investment, which Christian Aid and partners addressed in both the ADAPTA project (in Nicaragua, designing microfinance tailored to supporting coffee farmers diversify to cacao production as a climate change enterprise management strategy) and Breaking the Barriers project (in Honduras, supporting the development of microfinance products for women-led renewable energy enterprises). Combining resilience strengthening through the Climate Resilient Family Model (also used successfully in a context of cooperative producer development in Nicaragua), increased knowledge of forecasting and understanding of local climate risk through locally led climate monitoring that enhances anticipatory capacity and increased access to investment for livelihood enterprise development and diversification addresses this. Demonstrating this approach at scale is also needed to support the Municipal Adaptation Plans, some of which CASM started in 2022 through the CREALA project, developed to support Honduras's National Adaptation Plan. This can then provide a mechanism for the prioritisation of locally led adaptation approaches not just in the municipalities directly involved in the programme, but also for replication more widely. The alternative is a top down, non-participatory and instrumental approach, treating the community as beneficiaries of technocratic solutions developed without their vital local knowledge of their environment, risk profile and livelihood priorities, which we know from repeated observation does not deliver either resilience or sustainability. (Please see the cost-effectiveness section in the proposal).

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Its innovative aspects and its potential for scaling in the financial sector: Specifically, the financial product that is designed and will be provided by PILAR-OPDF has the following innovative elements:

- The management of the credit process, from the granting, monitoring and recovery is done with a system that measures compliance indicators (FINANCIAL).
- A system of credit analysts participates to define the credit according to the applicant's financial capacity.
- The granting is accompanied by the opening of a personal applicant account and the possibility of opening an account for their children, which stimulates the habit of family savings.
- Possibility of accessing life-debtor insurance and micro insurance to cover payment for accident or death.

Applicability of the mechanism to family investments, community infrastructure and municipal works: The items and types of activities to be financed are detailed in tables 3.1 and 3.2. Investment items in climate change adaptation practices at the household level and community infrastructure will include, but are not limited to, the following:

- Labor Payment
- Purchase of construction supplies and materials
- Acquisition of preferably agroecological fertilizers
- Purchase or lease of minor equipment
- Seedlings and seeds
- Purchase of work tools
- Payment for drayage of materials

235. Communities: At the core of the intervention are local communities, particularly vulnerable groups such as indigenous peoples, women and youth. These beneficiaries are the main agents of change, whose experiences and ancestral knowledge are key to developing innovative climate change adaptation strategies. The project emphasizes the use of innovative financial mechanisms to improve access to credit, such as microfinance and community savings schemes. These financial products are designed to meet the specific needs of smallholder farmers and other community members, enabling them to invest in sustainable practices and technologies.

i. **Access to Eligible Credit under the Climate Resilient Families Model (CRFM):** One of the significant challenges identified is the lack of access to financial services. Traditional banking systems often require collateral, which many community members are unable to provide. This project addresses this problem by introducing collateral-free loans and other flexible financial products that are accessible to even the most vulnerable. This approach not only provides financial support, but also fosters economic inclusion and resilience. It is worth mentioning that the main innovation of the project is to articulate financial access with a particular recognition of the adaptive conditions of each family, leading to a process that can empower the capacities of each family, leading to the fulfilment of their financial obligations and the re-potentiation of their livelihoods in the perspective of adaptation.

ii. **ICT Tools and Community Participation:** The project integrates Information and Communication Technology (ICT) tools to improve community participation and decision-making. For example, climate monitoring stations will be installed, and the data collected will be made available through accessible platforms. This will enable communities to make informed and timely decisions based on real-time climate data. Training programmes will ensure that community members, especially women and youth, can effectively use these tools.

iii. **Synchronicity of participatory research:** Community observers in conjunction with the Data Analysis Unit play a crucial role in understanding the direct effects of climate change on communities, and in ensuring that small rural farming families make informed and timely livelihood management decisions based on scientific evidence but recognizing the tradition of Maya Chorti use of bio-indicators.

iv. **Innovative Financial Products:** The project leverages knowledge management to introduce innovative

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financial products, such as micro-credit schemes, designed to support ecological farming/livelihood practices and community-led conservation efforts. By aligning financial incentives with sustainable practices, the project encourages wider adoption of climate-resilient techniques.

236. Private Sector Entities: The involvement of private sector entities contributes to the integration of market-driven solutions into the project. These entities provide market access for products developed through sustainable practices, creating economic opportunities for community members. The project will engage the private sector through structured Public-Private-Producer Partnerships (4Ps) to strengthen climate resilience by improving access to climate-smart technologies, markets, and capital. These partnerships are strategically designed to support the long-term sustainability and scaling of project outcomes beyond the life of the Adaptation Fund-supported intervention. The small rural farming families will receive necessary training in methods of recovering loans and allocating Adaptation Fund grants to different financial products. The following describes the project's approach.

Method of recovery of loans: The recovery of the loans will be in charge of PILARH-OPDF and will be carried out through the following channels:
Administrative recovery: through business advisors and collection managers. The credit user will be able to make their payments from their home. Use of POS for instant receipt generation (user pays in cash)
Collection recovery: through different banks (PILARH's own correspondent agents and other private banks such as agents of Banco de Occidente, Banpais, Banco Atlántida, etc.)
Legal recovery: In case of overdue loans, PILARH makes use of its legal representatives, the user pays an additional cost.

Allocation of subsidies for individual families and seed fund for collective groups of women: This will be made in the first instance as an in kind grant, that is, supplying seeds, tools and minor equipment required, except in cases where the acquisition and delivery under this mechanism is complex, the subsidy will then be delivered in monetary form so that the small rural farming families can make the respective purchases. In the case of deliveries in kind and when the subsidies are for several small rural farming families in the same community or sector of communities, the search for collective acquisitions to achieve better prices for the products will be discussed. For this delivery modality, an investment plan will be previously built between the beneficiary and PILAR-OPDF.

Allocation of loans to individual families: This will be made as the first option in a monetary way, except in cases where the loans are for several beneficiaries in the same community or sector of communities and they agree, the credit will be delivered in kind and the search for collective acquisitions will be dealt with to achieve better prices for the products. For this delivery modality, an investment plan will be previously built between the beneficiary and PILAR-OPDF.

Allocation of subsidies for community infrastructure: Delivery will be made in kind, that is, the inputs, materials, tools and minor equipment that are required will be delivered. In the case of deliveries in kind and when the subsidies are for several beneficiaries in the same community or sector of communities, the search for collective acquisitions to achieve better prices for the products will be discussed. For this delivery modality, an investment plan will be previously built between the beneficiary and PILAR-OPF

Policies, procedures and risk assessments developed for the mechanism.

PILARH-OPF already has mechanisms, manuals and procedures to ensure the effectiveness of each of the stages of the loan. These mechanisms are approved by the CNBS and the PILARH Board of Directors. These will be applied throughout the process of allocation, use and collection of the credit. PILARH also operates a risk department which analyzes the risk of the credit to be granted. Confirmation of compliance with financial

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regulations by the relevant authorities will be sought. PILAR-OPDF is legally constituted, registered and regulated by the National Banking and Insurance Commission (CBNS).

237. Financial Institutions (PILARH-OPDF/Rural Savings bank): Collaboration with financial institutions is crucial for the implementation of the innovative financial products developed through the project. These institutions bring their expertise in financial services and established networks, facilitating the distribution of microcredit and other financial products to the target communities. The project provides technical assistance and capacity building to these institutions, ensuring that they can effectively manage and promote the new financial products. Importantly, it is an opportunity to change the concept of financial institutions as entities outside the social and economic development of the country, becoming allies rather than counterparts in these community exercises. Specifically, the financial mechanism to be designed and provided by PILAR-OPDF has the following innovative elements:

- The management of the loan process, from the granting, monitoring and recovery is done with a system that measures compliance indicators (FINANCIAL).
- A system of loan analysts participates in defining the credit according to the applicant's financial capacity.
- The granting is accompanied by the opening of a personal applicant account and the possibility of opening an account for their children, which stimulates the habit of family savings.
- Possibility of accessing life-debtor insurance and micro insurance to cover payment for accident or death.

Savings products integrated into the project's multi-layered approach The beneficiaries of the loan that comes from the project through PILARH -OPF will have the commitment to open a personal and optional savings account for their children. This in order to have a backup deposit to cover late payments and to stimulate the habit of saving at the family level. In the case of beneficiaries who are supported through rural savings and credit banks, they also have the commitment to make a monthly contribution as non-withdrawable savings.

Capacity building needs of financial intermediaries on climate adaptation finance The project considers families will provide training for the design of family farm plans that contemplate the goals and improvements in the short and medium term. Within these measures, they will be encouraged to prioritize the most urgent measures and will be the potential ones to finance. Likewise, before and during, the project from the PIALRH-OPDF experience will provide financial education for the proper management of financing. Education will be carried out through short face-to-face days, telephone educational capsules and the delivery of physical bulletins.

In the case of rural savings and credit banks, training will be provided on financial measures such as:

- Improve internal controls
- Financial education in general
- Greater knowledge of financial products
- Greater knowledge of the agricultural activity to be financed and its accompaniment
- Ability to analyze the adaptability of the practice to Climate Change
- Credit Management and Savings Training Package (Budgeting, Saving, Borrowing).

Research schedule, agreements with financial institutions and training activities.

Once the intervention has begun, the schedule of activities will be established that will include the following:

- PILARH will develop the research for on-site credit allocation through its marketing department.
- The agreement between CASM and PILARH-OPDF will be defined, which clearly indicates who carries out the training processes and complete monitoring of the assignment and monitoring of the credit.

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Methods of recovering loans and allocating FA grants to different financial products.

Method of recovery of credits.
Loans recovery will be PILARH-OPDF's responsibility and will be carried out through the following channels:

-Administrative recovery: through business advisors and collection managers. The loan user will be able to make their payments from their home. Use of POS for instant receipt generation (user pays in cash).

-Collection recovery: through different banks (PILARH's own correspondent agents and other private banks such as agents of Banco de Occidente, Banpais, Banco Atlántida, etc.)

-Legal recovery: In case of overdue credits, PILARH-OPDF makes use of its legal representatives, the user pays an additional cost.

Allocation of subsidies for individual families and seed fund for collective groups of women: This will be made as the first option as an in kind grant, that is, the seeds, supplies, tools and minor equipment which are required will be delivered, except in cases where the acquisition and delivery under this mechanism is complex. Then, the subsidy will be delivered in monetary form so that the beneficiary can make the respective purchases. In the case of deliveries in kind and when the subsidies are for several beneficiaries in the same community or sector of communities, the search for collective acquisitions to achieve better prices for the products will be discussed. For this delivery modality, an investment plan will be built between the beneficiary and PILAR-OPDF.

Allocation of loans to individual families: This will be made as the first option in a monetary form, except in cases where the loans are for several beneficiaries in the same community or sector of communities and they agree, the loan will be delivered in kind and the search for collective acquisitions will be dealt with to achieve better prices for the products. For this delivery modality, an investment plan will be built between the beneficiary and PILAR-OPDF.

Allocation of subsidies for community infrastructure: Delivery will be made in kind, that is, the inputs, materials, tools and minor equipment that are required will be delivered. In the case of deliveries in kind and when the subsidies are for several beneficiaries in the same community or sector of communities, the search for collective acquisitions to achieve better prices for the products will be discussed. For this delivery modality, an investment plan will be built between the beneficiary and PILAR-OPDF.

Importantly, the project team together with the financial officers will draw up the requirements through the investment plan and then proceed to the quotations and purchase process. Thus, materials, resources and equipment will be delivered as needed. This ensures that the investment is adequate for what has been requested by the small rural farming families.

Policies, procedures and risk assessments developed for the mechanism.
PILARH-OPDF already has mechanisms, manuals and procedures to ensure the effectiveness of each of the stages of the loan. These mechanisms are approved by the CNBS and the PILARH Board of Directors. These will be applied throughout the process of allocation, use and collection of the credit. PILARH also has a risk department that analyzes the risk of the credit to be granted.

Confirmation of compliance with financial regulations by the relevant authorities: PILAR-OPDF is legally constituted, registered and regulated by the National Banking and Insurance Commission (CBNS).

A diagram has been added to the proposal to illustrate the structure and operation of the mechanism. Please see Table 4-2 and Figure 7. Specifically, the financial product designed and provided by PILAR-OPDF features the

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following innovative elements:
- The credit process, from granting, monitoring, and recovery, is managed using a system that measures compliance indicators (financial).
- A system of credit analysts is involved to define the loan tailored to the applicant's financial capacity.
- The loan is accompanied by the opening of a personal account for the applicant and the possibility of opening an account for their children, which encourages family savings habits.
- Possibility of accessing debtor life insurance and microinsurance to cover payments in the event of an accident or death.
-It also enables the Purchase or rental of minor equipment,_Seedlings and seeds, tools or Payment for hauling materials.

238. Government agencies: Government agencies at various levels are essential partners for scaling up and institutionalizing the innovative models introduced by the project. These agencies facilitate the integration of project innovations into national policies and programmes, ensuring that successful approaches are replicated and sustained beyond the duration of the project. Collaboration with government agencies ensures that the project is aligned with national priorities and benefits from political support.

Community infrastructure will be identified and implemented as priorities in the Municipal Investment Plans (PIM) in Santa Rita, Copan Ruinas, San Antonio and El Paraíso; and the Municipal Adaptation Plan of Santa Rita. These instruments annually prioritise infrastructure works in the communities of each municipality. Most of them include a budget and municipal monitoring, as well as a maintenance mechanism that involves community members.

The 20 infrastructure works (5 for each municipality) will begin to be implemented after the prioritisation of the project in year 2. This will be managed through each municipality and would not require external conditional funds for its implementation. The municipality could assume its design, monitoring and future maintenance together with the community.

If complementary funds from external entities are identified in years 3 and 4, it would become an opportunity to build works of greater scope in future years, for example water and sanitation systems, roads involving ford and pedestrian bridges, slope stabilisation structures that include the vegetation component, among others. It is possible that a previous fund could be allocated for the design of these innovative works of greater scope.

It is important to note that the project, through CASM, will sign a cooperation agreement with each municipality. When financing an infrastructure project, it will be handled as a project, but it can also be financed in phases of a larger project, for example drinking water systems, protection of protected areas, ford bridges on a road of importance to the community, all of this developed in phases of 1 to 2 years. For each infrastructure project the direct and indirect beneficiaries and their age ranges (SAF) will be counted, as well as the identification/quantifying of the impacts on the beneficiary communities.

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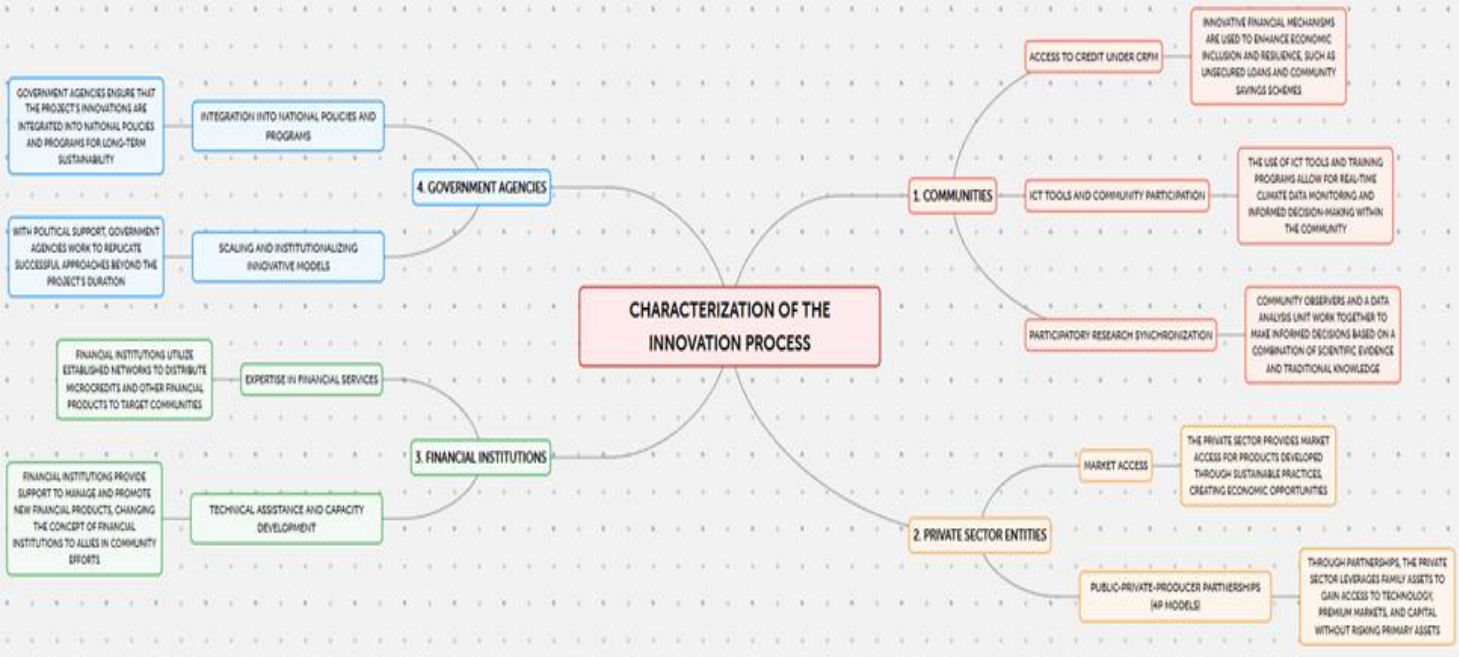
Figure No. 10: Characterization of the Innovative and collaborative Process



Source: Elaboration Resilience and Ancestry Project, 2024.

239. Justification for the requested funding (cost rationale): The project aims to develop scalable approaches to climate change adaptation and innovative natural resource management in the Trifinio Honduras Region. Through this project, it aims to conserve biodiversity, promote adaptation measures and improve livelihood options for local communities vulnerable to climate change. The funding requested from the Adaptation Fund is essential to scale up lessons learned and good practices through analysis and dissemination of these practices, resource planning, capacity building, implementation and policy advocacy.

Table No. 28: Current situation vs. value added

Current Situation	Value added (cost reasoning)
Component 1: Establishment of a funding mechanism for innovation in climate change adaptation and resilience-building actions	
Limited access to finance for sustainable and climate-resilient livelihood practices.	The project will provide an tailored innovation fund that will integrate microfinance institutions and rural banks to offer access to credit and grants to vulnerable populations. This fund will enable the implementation of sustainable climate-adapted agricultural practices (ASAC), renewable energy and environmental monitoring. With funding from the Adaptation Fund, specific financial products will be created for smallholder farmers and indigenous communities, facilitating investment in technologies and practices that improve their resilience to climate change.
Reliance on traditional farming practices with low yields and high climate vulnerability.	The project will promote the adoption of advanced and sustainable agricultural techniques, integrating ancestral knowledge of the indigenous Maya Chorti communities. Training in modern and sustainable agricultural techniques will increase productivity and crop resilience to climatic variations. In addition, agro-ecological and soil conservation practices that contribute to the long-term sustainability of natural resources will be introduced.

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Current Situation	Value added (cost reasoning)
Limited participation of women and youth in community decision-making.	30% of the credit will be earmarked exclusively for women, promoting their participation and leadership in climate change adaptation initiatives. The project will include specific training programmes for women and youth, strengthening their capacity to make informed decisions and lead adaptation projects. This not only promotes gender equality, but also ensures a greater diversity of perspectives in community management.
Community infrastructure vulnerable to climate events.	Climate-resilient community infrastructure will be financed, improving the resilience of communities to adverse weather events. The funding will enable the construction and rehabilitation of essential infrastructure, such as rainwater harvesting systems, water storage, and rural road improvements, which are crucial for climate change adaptation. These infrastructures will not only mitigate the impacts of extreme events, but also improve the living conditions and food security of communities.
Component 2: Systematic strengthening of the project's knowledge management and its scaling up into local and international policies	
Lack of accurate and relevant climate data for adaptive planning.	The project will establish a network of climate monitoring stations and train communities in climate data collection and analysis, integrating bio-indicators according to the Maya-Chorti vision. The creation of a monitoring network will enable the collection of real-time data on critical climate variables, facilitating a rapid and effective response to changing conditions. This information will be vital for adaptation planning at the community and regional levels.
Underutilized ancestral knowledge in climate change adaptation.	The integration of ancestral knowledge with advanced technologies will be promoted, creating a robust knowledge management system for climate adaptation. The combination of traditional and modern knowledge will enable the development of innovative and culturally appropriate solutions for natural resource management and climate change adaptation. This will also strengthen cultural identity and social cohesion within communities.
Local and national policies that need to fully reflect community adaptation needs and practices.	Project learning and best practices will be documented and disseminated at national and international events, promoting their inclusion in local and national climate change adaptation policies. The project will support the development of evidence-based policies that integrate the practices and needs of local communities. It will also encourage the participation of communities in policy formulation and implementation, ensuring that their voices are heard, and their interests are represented.

Source: Elaboration Resilience and Ancestry Project, 2024.

240. Scalability: *Resilience and Ancestry* not only addresses the immediate challenges of climate change, but also lays the foundation for a legacy of resilience and adaptability. Integrating ancestral knowledge with modern practices and strengthening community infrastructure ensures that interventions are sustainable in the long term. The active participation of communities in climate data collection and analysis, as well as in decision-making, ensures that solutions are locally appropriate and accepted. The focus on training and capacity building enables communities not only to adapt to current challenges, but also to be better prepared to cope with future climate impacts. Collaboration with local, national and international institutions ensures that successful practices are replicable and scalable, expanding the project's impact beyond the Trifinio region. In addition, the project will establish ongoing monitoring and evaluation mechanisms to measure the progress and impacts of interventions, allowing for timely adjustments and continuous improvement of adaptation strategies.

J. SUSTAINABILITY REVIEW

241. The sustainability of *Ancestrality and Resilience* has been carefully integrated into its design, ensuring long-term impacts in the institutional, social, environmental, technical and economic dimensions. In addition, a logic

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of innovation has been incorporated to ensure that the practices and models developed are replicable and scalable.

The project will firstly establish strategic and operational structures such as a Strategic Steering Committee (SSC) and a Technical Steering Committee (TSC). These structures will play an important role throughout the Project and plan for the next phase of the Project when the Adaptation Fund's funds come to an end.

Loans through PILARH[6] (US$200,000): It is an individual loan provided to people identified by the Innovative Financial Mechanism Committee of the project through an initial diagnosis (CRFM) prepared by the technical team of the project. The loan will have a lower interest rate (less than 20%) compared to the market rates, which will be established in the Eligible Loans and Grants Manual and in the Credits section with PILARH in the first 6 months of year 1 in conjunction with the Innovative Financial Mechanism Committee and PILARH in accordance with the laws of Honduras. At the end of year 3, once the loan portfolio is recovered, the initial amount allocated for the US$200,000 loans will have an increase due to the interest accrued.
As part of the exit strategy during the fourth year, the Innovative Financial Mechanisms Committee will submit a proposal to the Adaptation Fund to request approval for the transfer of the Adaptation Fund. Previously, a final evaluation will be carried out to determine the most sustainable option for its management once the project is completed. So far, two possible scenarios have been identified for its future administration: transfer it to the Rural Savings Banks or the Municipalities.
Approximately 180 families will be benefiting by processing their credit applications directly with PILARH.

Loan through Rural Saving Bank[7] (US$100,000): It is a loan given to a person who is[8] a member of the rural savings bank, subject to prior authorization from the Committee on Innovative Financial Mechanisms. This authorisation will be based on a diagnosis (CRFM) prepared by the project team.
The applicable interest rate will be defined jointly by the Innovative Financial Mechanisms Committee and the Board of Directors of Caja Rural, with the prior approval of the Adaptation Fund.
PILARH will sign a contract with selected rural savings banks, where the fund allocated for loans will be established.

At the end of the fourth year of the project, the profits generated by the fund will be reinvested to strengthen the initial capital assigned to Caja Rural, in order to expand its financing capacity. Likewise, the interest recovered through the social tax applied to the loans will be used both for the sustainability of the fund itself and for the realization of community works in the areas of intervention of the project.

During this last year, the Committee on Innovative Financial Mechanisms, in consultation with the Adaptation Fund and based on the evaluation of the performance of the Caja Rural in the management of the fund, may recommend that the initial capital, together with its increase, be formally converted into a grant (Grant). This measure is considered as part of the mechanism's long-term sustainability strategy.

Once the project is concluded, the Rural Savings Banks must continue to grant loans under the established conditions, with the accompaniment and technical monitoring of CASM, thus ensuring the permanence of the fund as an instrument of financial inclusion and local development.
Approximately 100 families will be benefiting from processing their credit applications through rural savings

[6] PILARH OPDF is a Private Financial Development Organization, specialized in the provision of financial services, obtaining its legal status as OPDF on October 22, 2008.
[7] Rural savings and credit banks are **community organizations** created by a group of people (a minimum of 20) who want to access financing without depending on traditional banking. Its objective is to facilitate loans between members and promote the culture of saving. Each Caja Comunal has operations limited to a rural community, with a credit portfolio not exceeding ONE MILLION LEMPIRAS (Lps. 1,000,000.00). These savings banks are supervised by the Regulatory Commission of the Private System of Rural Savings and Credit Banks, an entity administered by the Banking and Insurance Commission.
[8] Example: legally recognized peasant organization.

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banks.

Seed Fund – Grants (US$100,000):
This fund provides seed capital to promote productive enterprises, with a special focus on initiatives led by women's groups organized in community structures, such as cooperatives, rural savings banks, networks or other local organizational forms. Its main objective is to promote an entrepreneurial culture in women, as an affirmative action of the project that promotes the inclusion of people in situations of social and/or gender exclusion.

The implementation of this mechanism, as well as its operational strategy, will be developed in coordination with the Municipal Women's Offices (OMM) and with the support of local organizations with proven experience in the management of similar funds. To ensure its sustainability, the Committee on Innovative Financial Mechanisms will promote the signing of collaboration agreements with WMOs and other allied organizations, in order to ensure continuous technical and social support to the beneficiary groups.

In addition, the Committee, in coordination with the WMOs, will prepare a **Seed Capital Manual**, which will define the guidelines for efficient, transparent and sustainable management of the fund. This manual will include at least the following elements:

a) Objective of the fund
b) Profile of the beneficiaries
c) Prioritized territories
d) Phases of the development of the enterprises
e) Capital allocation process
f) Types of eligible ventures
g) Formation of the evaluation committee
h) Evaluation criteria
i) Disbursements and assignable amounts
j) Use, liquidation and closure of resources
k) Evaluation and monitoring of the mechanism

Prior to the granting of the fund, the project's technical staff will provide entrepreneurship training to the women's groups, supporting them in the design of their initiatives and the preparation of their business plans. Once the projects have been approved, an assignment contract will be signed with each group, which will regulate the commitments and responsibilities of both parties. This document will establish the conditions for the delivery of the resources and their correct use.

During the execution of the projects, technical assistance and training in financial education, business management and sustainability will continue to be provided, with the aim of strengthening the capacities of the beneficiary groups for autonomous, efficient and responsible management of their initiatives.

It should be noted that seed capital is a non-reimbursable fund subject to liquidation, so the beneficiary women's groups must submit periodic reports on financial and technical execution, in accordance with the provisions of their implementation plans. In no case may these resources be demanded as reimbursement, either in cash or in kind, since their purpose is to facilitate processes of learning, experimentation and action in the creation of sustainable businesses, considering the risks, barriers and challenges that this implies.
Approximately 100 women will be benefiting.

Post-project completion follow-up:
Once the project is completed, **CASM** will assume the follow-up role, given its presence and experience in the implementation of actions in the department of Copán. The **four municipalities involved** will assume monitoring responsibilities related to the maintenance of the infrastructures and the development of the adaptation works

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implemented in the communities.

In addition, the municipalities, in coordination with their **local women's networks**, will monitor the operation and sustainability of the **Seed Fund**, accompanying the women-only beneficiaries, strengthening their productive initiatives and ensuring the continuity of the impacts achieved by the project.

Component 2: Systematic strengthening of the project's knowledge management and its scaling up in local and international policies. The objective of this component is to strengthen the capacity of communities in the Trifinio region to manage and adapt to climate variability and extreme events, through the development and improvement of infrastructure for climate monitoring. The results obtained will be systematized and shared both at the local level (promoting their incorporation into the Development and Adaptation Plans of the municipalities) and at the regional level, through regional and international networks such as the Network of Community Climate Observers -ROCC- and the Vulnerable Central America Forum -FCAV-. In this way, it seeks to facilitate the replication of these experiences in other contexts, as well as to contribute to the adaptation or formulation of public policies related to climate change and the adaptation of communities. It is also proposed that the information collected by the monitoring stations be integrated into the national meteorological database, through the Data Analysis Unit, which will allow expanding national coverage in an area especially vulnerable to climate variability.

Outcome 2.1 Knowledge Management System for Climate Resilience: The maintenance of existing rainfall stations and the installation of new rainfall stations, both manual and automated, will contribute to strengthening the capacities of rural families (especially small farmers) to cope with climate variability. This strengthening will be achieved through training processes in meteorological aspects, complemented by the incorporation of ancestral knowledge, which will allow a comprehensive approach to community adaptation, together with the use of a mobile application that will facilitate access to the recorded data. During the execution of the project, the families responsible for operating the weather stations will receive training and support from the technical team assigned to this component. At the end of the project, this process will continue with the support of CASM, an organization with a presence in the territory, which will follow up on the actions initiated and integrate the families into the ROCC, in line with the accompaniment it already provides to other communities that manage similar stations. Installation of 25 new stations. Maintenance of 17 existing stations. Direct training for 92 people. The information generated by the community climate stations will be shared with the Data Analysis Unit, which will be implemented within the framework of the project. This unit will be in charge of processing, analysing and disseminating data to local and national bodies related to climate issues, as well as to the ROCC, with the aim of feeding the data to local and national bodies.

During the execution of the project, the families responsible for operating the weather stations will receive training and support from the technical team assigned to this component. At the end of the project, this process will continue with the support of CASM, an organization with a presence in the territory, which will follow up on the actions initiated and integrate the families into the ROCC, in line with the accompaniment it already provides to other communities that manage similar stations. Installation of 25 new stations. Maintenance of 17 existing stations. Direct training for 92 people. The information generated by the community climate stations will be shared with the Data Analysis Unit, which will be implemented within the framework of the project. This unit will be in charge of processing, analyzing, and disseminating data to local and national bodies related to climate issues, as well as to the ROCC, with the purpose of feeding climate bulletins shared among its members. In addition, the Unit will be responsible for supporting the development of participatory climate research and establishing collaborative links with academic institutions and government agencies. This will allow for a deeper analysis of the information generated and contribute to the strengthening of the national climate monitoring system, promoting its long-term sustainability. During the fourth year of the project, before its closure, the willingness of the administration of the TRIFINIO National and/or Regional Park will be evaluated, by SENAO or by COPECO to assume the management of the monitoring room, in order to ensure continuity in the reception,

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analysis and officialization of the data produced.

Outcome 2.2: Integration of Ancestral and Contemporary Knowledge for Climate Adaptation: Training on climate change and adaptation for public officials (municipalities, technicians) and the updating of adaptation plans and/or municipal plans have been contemplated, integrating good practices and lessons learned into the Municipal Development Plans and/or Municipal Adaptation Plans, in order to help ensure that the good practices implemented during the project are sustainable and replicable to other communities in the country. the region and that can also be shared globally. The annual publications, as well as the participation of consortium members in strategic meetings at the regional and international levels, will facilitate the dissemination of lessons learned during this project and their incorporation into other areas.

The involvement of personnel from the municipalities involved, as well as POC-SERNA in the processes of discussion and analysis of these good practices, will ensure that they are included in both local and national development plans, in order to achieve adaptation to climate change. This component will be responsible for systematizing and disseminating the knowledge generated throughout the project, with the aim of empowering communities, researchers, planners and public policy makers on climate change adaptation issues. To this end, the articulation between ancestral knowledge and the most appropriate technological solutions will be promoted. Training in climate change and adaptation is contemplated, aimed at public officials, including municipal technicians. These processes will integrate good practices and lessons learned, so that the officials involved can incorporate them into the Development Plans and/or Municipal Adaptation Plans. The objective is to guarantee the sustainability of the actions promoted during the project and facilitate their replicability in other communities in the country, the region and globally. The annual publications, together with the participation of the consortium members in strategic spaces at the regional and international levels, will allow a wide dissemination of the lessons learned and their eventual adoption in other contexts. The involvement of the staff of the participating municipalities, as well as POC-SERNA, in the processes of analysis and discussion of these good practices, will contribute to their inclusion in both local and national development plans, promoting effective and articulated adaptation to climate change.

242. Institutional sustainability: The project results will be institutionally sustainable through alignment with existing national and local policies and strategic plans, such as the National Climate Change Strategy of Honduras and the Master Plan for the Sustainable Development of the Trifinio Region. By integrating the project within these frameworks, political commitment and support for scaling up and institutionalization is ensured. In addition, it will collaborate with established local institutions, such as the Tri-national Trifinio Plan Commission and SERNA, which has a mandate for sustainable development in the region. The project seeks to integrate its strategies and innovative models into these institutions, thus ensuring their continuity and expansion beyond the duration of the project. The project implements an integrated approach, seeking to make private investments (credit) and public investments in community infrastructure for climate change adaptation. Collaboration is essential in this Project, firstly because they are interconnected and secondly because it ensures sustainability beyond the project's reach. The target groups are families in each of the four municipalities. If their adaptation projects which receive the financing are aligned with the Municipal Development or Adaptation Plans and SERNA, then the Municipality can participate in the maintenance of such projects. Similarly, the Municipality benefits from these projects as income generating activities/projects could contribute and boost the local economy or they may promote conservation of protected areas. For example, farms located in the recharge zone for drinking water sources may prioritize reforestation and natural regeneration actions for the sustainability of the community and municipal water systems. Another example could involve the diversification of coffee and basic grains banks which could generate income from incorporated species such as fruit trees, cocoa, etc. These will be encouraged by good roads and community infrastructure. Thus, it can be said that the interventions at the farm level contribute to the impact at the community level.

243. Social sustainability: The intervention emphasizes social empowerment through the full participation of

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local communities in the planning and implementation processes. This participatory approach ensures that project activities are tailored to the specific needs and priorities of the communities, enhancing their sense of ownership and commitment. Gender equity is promoted by actively involving women and youth in decision-making processes and capacity-building activities. By fostering community organizations and networks, such as savings and credit cooperatives and local monitoring networks, the project ensures that the social structures necessary for sustained impact are in place. These organizations will continue to function and support community resilience after the end of the project, thus ensuring long-term social sustainability.

244. Economic and Technical Sustainability: The project introduces and promotes climate-smart methodologies that improve productivity and resilience while reducing environmental impact. By providing technical assistance and capacity building, the project equips farmers with the knowledge and skills needed for sustainable land and water management. The introduction of innovative financial mechanisms, such as microcredit, ensures that small rural farming families and communities have access to the resources needed to invest in sustainable practices. These financial tools are designed to be self-sustainable, with mechanisms for reinvestment and scaling up. In addition, the project fosters public-private-producer partnerships, allowing local communities to leverage their assets and access markets, technology and capital without putting their core assets at risk.

245. Environmental Sustainability: The intervention focuses on enhancing biodiversity conservation and ecosystem services through sustainable land management and reforestation activities. By integrating ancestral knowledge with modern conservation practices, the project ensures that interventions are culturally appropriate and effective. These practices contribute to the overall resilience of ecosystems, ensuring their capacity to support local livelihoods and mitigate the impacts of climate change. The project also addresses climate risks by promoting practices that reduce vulnerability to extreme weather events, thereby improving the long-term environmental sustainability of the target areas.

246. Economic Benefits and Scalability: The project is expected to generate substantial economic benefits for local communities by improving agricultural productivity, diversifying income sources and improving market access. The innovative financial mechanisms introduced by the project will continue to support local economies by providing continued access to credit and investment opportunities. By demonstrating the viability and benefits of climate-smart practices, the project will attract additional funding and support to scale up successful models. This scalability is built into the project design, ensuring that impacts can be replicated and expanded to other regions and communities.

247. Innovation and Sustainability: The project integrates an innovative approach in all its components to ensure sustainability. Innovation is not only seen in agricultural and resource management practices, but also in the way these practices are financed and managed. For example:

- Innovative Financial Mechanisms: The introduction of microcredit and financial products specifically designed to support sustainable and resilient practices for vulnerable populations.
- Integration of Traditional and Modern Knowledge: The combination of ancestral knowledge with appropriate technologies to create effective and culturally relevant adaptive solutions.
- Use of Monitoring Technologies: The implementation of climate monitoring networks to reduce the negative impacts of extreme weather events.
- Uncertainty management**:** In the context of development and adaptation to climate change, uncertainty management involves strategies and processes that enable communities to anticipate, respond and adapt to unforeseen climate impacts. The synergy between active community participation and recognition of their ancestral and historical knowledge, together with the collection and management of climate information under a participatory action research approach and enabling multi-stakeholder dialogue, allows communities to better manage uncertainty.
- Active Community Participation: The inclusion of women and youth in decision-making and

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empowerment processes, ensuring broad social acceptance and sustainability. Likewise, the incorporation of approaches aimed at men, such as the new masculinities, will not only transform the role of women and young people, but also that of men who, in the current scenario, play a fundamental role in the economic and social development of their territories.

248. Project sustainability is ensured through a holistic approach that combines innovation, community participation, and alignment with local policies and institutions. This approach ensures that project results will endure and continue to benefit the Trifinio communities and ecosystems long after the end of the project. All actions are implemented in the agro-productive field, in an innovative way, and will be promoted under the CSA (Climate Smart Agriculture) approach. CSA is a holistic approach to managing landscapes (cropland, livestock, forests, and fisheries) to address the challenges of food security and climate change. In essence, the ICA seeks to increase agriculture's resilience to the impacts of climate change and reduce its carbon footprint. In a more detailed explanation, the objectives or pillars of the CSA are as follows:

a. **Increased agricultural productivity and income:**
CSA seeks to improve agricultural yields and incomes, contributing to food security and economic development.

b. **Adaptation and resilience:**
The CSA focuses on building resilience in agricultural systems to withstand the impacts of climate change, such as droughts, floods, and extreme temperatures.

c. **Reduction of GHG emissions:**
The CSA seeks to minimize the agricultural sector's contribution to GHG emissions, which are a major driver of climate change.

In order to identify, support or finance a CSA-focused agricultural practice and technology, the practice must incorporate at least two of the three pillar objectives. Once implemented, the project will provide support in order to measure the impact on these pillars, draw conclusions, and learn lessons.

PARTICIPATORY CLIMATE SERVICES

Participatory climate services are an innovative initiative in the area. There is little work in this area; however, the few existing experiences have shown very good results in terms of improving community resilience and at the level of family farms. It is expected that an established Climate Monitoring Network and a process of training climate observers for the collection, analysis and interpretation of climate data and the dissemination of information through agroclimatic bulletins will help farmers in decision-making in their agricultural systems, as well as public entities to properly manage risks.

In order to identify the appropriate sites and implement the Climate Monitoring Network, agroclimatic factors, adequate territorial distribution, and committed leadership to act as climate observers will be taken into account. The Network of new monitoring stations will be connected to previous experience in two of the four municipalities to be intervened, which will give greater consistency and sustainability to the process.

INNOVATION FOR ADAPTATION TO CLIMATE CHANGE IN LIVELIHOOD DIVERSIFICATION:

Innovations aimed at diversifying livelihoods must also have a focus on adaptation to climate change. For example, projects on the promotion of renewable energies should include an adaptation approach. A water pumping system with photovoltaic energy must be connected to improvements in agricultural production, and increased productivity in the case of a potential economic item. An ecotourism activity should contribute significantly to improving forest cover and conservation in water recharge areas. Livelihood diversification projects will be evaluated based on similar CSA criteria, even if the project is not strictly agricultural, analyzing their potential to improve resilience and adaptation, productivity, and GHG mitigation.

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INNOVATION FOR COMMUNITY ADAPTATION THROUGH IMPROVED INFRASTRUCTURE:
The community infrastructures that will be subsidized will be those that support community adaptation to climate change. These infrastructures focus on resilience and sustainability, seeking to protect communities from the effects of climate change and improve their ability to adapt. This includes planning, designing, and building infrastructure that is more resilient to extreme weather events, based on the area's main risks such as floods and droughts.

Key components that will be taken into account in infrastructure for community adaptation:

Gray infrastructure: Retaining walls, drainage systems, flood gates, which offer immediate protection against extreme weather events.

Green infrastructure: Parks, green areas, stormwater management systems, which help regulate the climate and reduce vulnerability to floods and droughts.

Water management infrastructure: Water storage systems, wastewater reuse, to ensure access to drinking water and avoid shortages in drought-prone areas.

Energy infrastructure: Renewable energies, energy storage systems, more efficient electricity grids, to reduce dependence on fossil fuels and improve the resilience of the energy system.

Social infrastructure: Health centers, schools, public buildings, which must be designed to resist the effects of climate change and protect the population.

Rural infrastructure: Drought-resistant crops, efficient irrigation, land management, to ensure agricultural production and food security.

CLIMATE CHANGE ADAPTATION LOANS OR GRANTS:
The financing of adaptation measures (practices and technologies), whether with a family or community approach, through loans or grant, is in itself an innovative action. There is little funding for adaptation itself. What makes this approach novel is that every practice, technology and infrastructure will be analyzed to ensure that it has a focus on adaptation to climate change and that it is not just another community development action.
The few existing models of agricultural financing are not properly oriented towards an approach of measures to adapt to climate change. They are usually loans for production per se, and some are recorded as consumer loans and not precisely to finance agricultural practices. In this sense, the mechanism is innovative because it will finance adaptation measures that will be previously evaluated so that they meet the criteria that define it as such; thus guaranteeing to have an important impact based on the objective of the project.

K. ENVIRONMENTAL AND SOCIAL IMPACT AND RISKS

249. Impact and Risk Assessment: To this programme, an Environmental and Social Management Framework (ESMF) will be prepared to guide local programme implementers in the process of identifying and managing potential environmental and social impacts and risks during the formulation and implementation process of climate change adaptation projects. The ESMF will also be the basis for the programme team to ensure that each approved project complies with the Adaptation Fund's Environmental and Social Policy and Gender Policy. Through the ESMF, each of the local project executing agencies will be able to identify and assess potential environmental and social risks in each of the projects, as well as implement and monitor the mitigation measures required in each case. The ESMF should define the process for the identification of environmental and social risks, the assessment of their potential impact, as well as the different measures to mitigate, reduce or eliminate their impact.

250. In addition to the ESMF, the programme will undertake the following activities to ensure compliance with the Adaptation Fund's Environmental and Social Policy (ESP) during the implementation of each project funded by the program:

- **Project appraisal:** The program will ensure that the project appraisal process complies with each, and

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every principle set out in the ESP.

- **Training of Small rural farming families /Communities and Municipalities in ESP and its Application in Projects:** Since community works will be carried out by municipalities, as well as the projects to be financed will be implemented by small rural farming families /communities, the intervention will train communities/small rural farming families and municipalities in the application of ESP principles and develop a methodology that will enable them to comply with the Adaptation Fund's ESP easily, quickly and uniformly during project formulation and implementation.
- **Project Monitoring and Evaluation:** The project will implement a Monitoring and Evaluation process to monitor and **evaluate the implementation of each project's activities and compliance with the Fund's environmental and social safeguards.**

251. In accordance with the Adaptation Fund's guidelines document for the implementation of programs and projects with their unidentified projects (USP), an additional level of due diligence will be carried out to ensure compliance of proposals with the Adaptation Fund's environmental and social policy and gender policy. This due diligence will be carried out by project gender staff to ensure regulatory compliance. An assessment of the list of environmental and social principles is presented in Table 29 below.

252. The intervention will approve project proposals categorized mainly as category C (low risk) and some projects will be category B (moderate risk). In the case of category B projects, an Environmental Impact Assessment will be required. Based on a preliminary review of the principles of the Adaptation Fund's environmental and social policy, it is concluded that this proposal can be determined as Category B.

Table No. 29: Assessment of the list of environmental and social principles

Checklist of environmental and social principles	No further assessment required for compliance	Potential impacts and risks - further assessment and management required for compliance
Compliance with the Law	X	There is no risk: the project complies with all applicable national and international laws and regulations, as well as national technical standards. The project will also be implemented and coordinated by institutional support such as La SERNA and local municipalities, which further ensures compliance with applicable national laws. The upcoming elections in November 2025 may create change in the project with new members in the municipalities, SERNA, CENAO/COPECO. However, the project is well aware, and this is being mitigated by building strong relationships and collaboration demonstrating the positive impact of adaptation work in Honduras and its implications regionally and globally.
Access and Equity	X	No risk: the project will ensure equitable access to project activities. It is designed to provide fair and equitable access to benefits in an inclusive manner, without impeding access to basic services and rights for anyone. The project's targeting strategy is designed not to exacerbate existing inequities, particularly with respect to marginalized or vulnerable groups.
Marginalised and Vulnerable Groups	X	CASM has a long history of working with marginalized and vulnerable groups and key participants from these groups were involved in project consults. The risk is low. Project target groups and ecosystems in some project areas, especially in rural and mountainous areas with the Trifinio Zone, may face problems resulting from increasing climate variability and hazards (i.e. temperature increase, drought, intense/prolonged rainfall, soil erosion and landslides). Gender-equitable integrated community forest management planning will address the above risks. Subsequently, innovative adaptation finance products that are driving forest restoration and sustainable use.
Human Rights	X	No risk: the project is designed to respect and adhere to the requirements of all relevant human rights conventions in compliance with the Environmental and Social Policy, and where applicable, promote international human rights.
Gender Equality and Women's Empowerment	Low risk	Low risk: the project is designed and intended to be implemented in such a way that both women and men participate fully. A gender and youth assessment were prepared and is included in Annex 2.

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Checklist of environmental and social principles	No further assessment required for compliance	Potential impacts and risks - further assessment and management required for compliance
Core Labor Rights	Moderate risk	Risks related to labor rights in the country, such as discriminatory practices, high gender inequality, overtime and poor working conditions. The project will promote contractual arrangements according to the contracting modalities defined in the Honduran Labor Code. This includes respecting a collective bargaining agreement with a workers' organization if such an agreement exists.
Indigenous Peoples	Moderate risk	Risk of social or economic impacts on indigenous groups, including threats to or loss of resources of historical or cultural significance. Project staff will recognize and build on the asset of cultural distinctiveness and consult with indigenous peoples to obtain their Free, Prior and Informed Consent (FPIC) at each stage of implementation. The project will strive to empower indigenous peoples, Maya Chorti, by ensuring their informed participation in all activities supported by the project. It will identify opportunities available to enable indigenous communities to value their products and engage in markets on more profitable terms. Finally, the project will support indigenous groups in strengthening the resilience of the ecosystems on which they depend for their livelihoods and in developing innovative adaptation measures. Unidentified projects (USP) under SC 1.1 involving indigenous people will also apply the adoption of FPIC and integrate the promotion and protection of cultural heritage.
Involuntary Resettlement	X	No risk: no involuntary resettlement is foreseen under the project.
Protection of Natural Habitats	Low risk	The project aims to restore and conserve areas of forest and other natural habitats. However, unintended adverse impacts may occur. Together with La Serna, the project will identify and report on natural habitats and monitor that project implementation does not encroach on or affect them in any way and propose mitigation measures if any risks are identified.
Conservation of Biological Diversity	Low risk	No adverse impacts on biodiversity are foreseen. The project seeks to promote conservation actions in the territory, as well as to support awareness-raising campaigns by municipal authorities.
Climate Change	High risk.	The analysis of anticipated climate risks foresees a rise in temperature, changes in rainfall patterns, drought, soil and riverbank erosion, and increasing risks of extreme weather events. Risks to investments in livelihood options would be substantial if adaptation measures are not taken. A situation room will be incorporated for projections and forecasts for early warnings as an adaptation measure. The 46 community stations will be active and will provide local information for the prevention of natural disasters. s.
Pollution Prevention and Resource Efficiency	Low risk	The project will be implemented in a manner that meets applicable international standards to maximize energy efficiency and minimize the use of material resources, waste production, and release of pollutants through the SEDP, among others. Impacts related to potential fertilizer and pesticide use under the subprojects will be further assessed during implementation and related mitigation plans will be developed. The project develops an agro-ecological approach, and low external input production.
Public Health	X	No risk: the project will have no negative impacts on public health.
Physical and Cultural Heritage	Moderate risk	Potential risk of threats to or loss of resources of historical or cultural significance. Project staff will recognize and build on the asset of cultural distinctiveness and consult with local communities to obtain their FPIC at each stage of implementation. The project will strive to empower local communities by ensuring their informed participation in all project-supported activities.
Lands and Soil Conservation	X	No risk: the project will promote soil conservation and avoid degradation or conversion of productive land or land that provides valuable ecosystem services.

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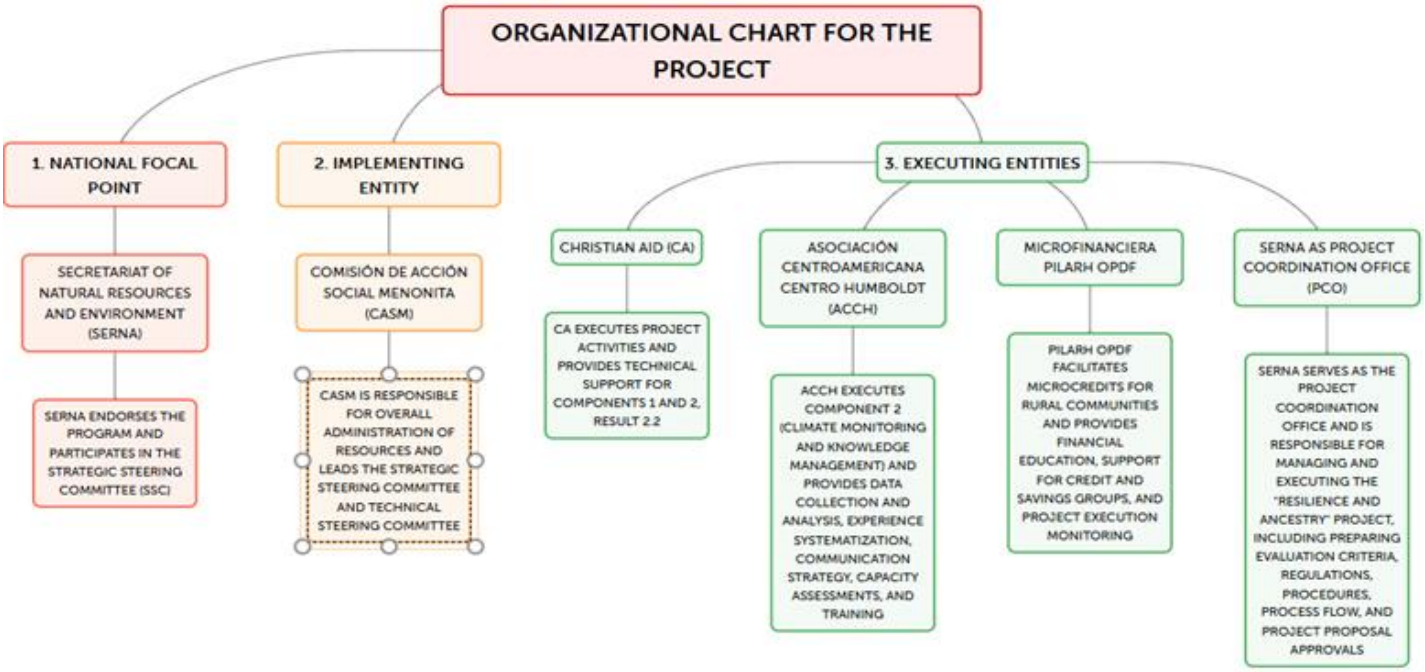
PART III: IMPLEMENTATION ARRANGEMENTS

A. PROJECT MANAGEMENT

Figure No. 11: Relationship between the entities involved in the implementation of the project



Source: Elaboration Resilience and Ancestry Project, 2024.

253. The project will have a robust and well-defined management structure to ensure effective and coordinated implementation. Implementation will focus on the municipalities of Copán Ruinas, Santa Rita, El Paraíso and San Antonio in the department of Copán. The entities involved and their specific roles in the implementation of the project are described below.

254. National Focal Point. Secretariat for Natural Resources and Environment (SERNA): SERNA is the focal point for several international agreements, including the United Nations Framework Convention on Climate Change, the Paris Agreement, the Kyoto Protocol, the Montreal Protocol on Substances that Deplete the Ozone Layer, the Stockholm Convention on Persistent Organic Pollutants, the Convention to Combat Desertification, the Convention on Biological Diversity and the Minamata Convention on Mercury. It is also the country's focal point for various donors such as the Global Environment Facility, the Adaptation Fund, the Green Climate Fund and the Forest Carbon Partnership Facility (FCPF). SERNA is the authority designated by the Government of Honduras to act as the focal point to the Adaptation Fund. It is therefore the endorsing entity of the Programme and during the implementation of the programme will participate in the Strategic Steering Committee whose main function is to provide strategic guidance for the implementation of the programme and to approve adaptation project proposals to be funded by the programme prior to the recommendation of the Technical Committee of the Programme.

255. Implementing Entity

i. **Commission for Mennonite Social Action (CASM):** CASM will act as the implementing entity for the project. It is a non-profit organization established in 1983 with the mission to strengthen the self-

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management capacities of small rural farming families and social organizations to address economic, social, environmental and political injustices. CASM will be responsible for the overall administration of the Adaptation Fund resources for the financing of the Project. It will transfer the resources received to the project executing entities, monitor the technical and financial execution of all Project components, and prepare the technical and financial reports to the Adaptation Fund on the implementation of the Project. In addition, it will lead the Strategic Steering Committee and the Technical Committee, which will be established to make decisions on the financing of projects submitted by local organizations, as well as the approval of work plans, budgets, terms of reference and methodological tools necessary for the implementation of the programme.

256. Implementing Entities:

i. Christian Aid (CA): CA will implement all activities within the project intervention logic. It will promote climate justice and ensure that the solutions implemented are equitable and benefit the most vulnerable communities. It will develop successful models of resilient small rural farming families, integrating ancestral knowledge with modern practices to strengthen climate resilience and community empowerment. CA activities will include:

- Leading the implementation of the RSFF.
- Lead technical accompaniment in Component 1 and Component 2, Outcome 2.2.
- Development and implementation of training plans for small rural farming families, communities and local institutions before and during project implementation.
- Preparation of capacity needs assessments of local institutions.
- Preparation of climate vulnerability analyses as part of the project proposal preparation process.

ii.Asociación Centroamericana Centro Humboldt (ACCH): ACCH will be responsible for implementing Component 2 related to climate monitoring and knowledge management. It will use appropriate technologies to collect and analyses climate data and develop methodologies and tools for adaptation to climate change and mitigation of its impacts. ACCH activities will include:

- Lead the implementation of Component 2 of the Project, especially on climate monitoring.
- Support the systematization of experiences and dissemination of lessons learned.
- Contribute to the communication strategy on the results of the project.
- Accompany the preparation of capacity diagnoses of local institutions.
- Support for the development of training related to component 2.

iii.PILARH-OPDF Microfinance: PILARH-OPDF will be responsible for facilitating microloans for rural communities to implement sustainable agricultural practices and innovative technologies, thereby improving their climate resilience. It will ensure access to financial resources needed for project adaptations. PILARH-OPDF activities will include:

- Lead and accompany the implementation and disbursement of loans.
- Financial education support.
- Support to credit and savings banks to build local capacity.
- Follow-up and monitoring of project implementation.

iv. **The Ministry of Natural Resources and Environment (SERNA) as the Project Coordination Office (PCO):** The Ministry of Natural Resources and Environment, through its Project Coordination Office (PCO), acts as the managing and executing entity of the "Resilience and Ancestrality" project, supported by various strategic partners. The PCO has achieved the approval of important projects, such as:

- Direct Access Programme for Coastal Climate Change Adaptation Finance

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- Integrated Environmental Management Project for the Motagua River Basin (ProRio+)
- Project on Environmentally Sound Management of Products and Wastes Containing POPs (POPs 4)
- Agroforestry Landscapes and Sustainable Forest Management Project (Conecta+)
- Integrated Climate Change Monitoring System (CBIT)
- Biodiversity Protection and Recovery of Degraded Ecosystems Project (RECOVER Honduras)

All SERNA's actions through the PCO are oriented towards meeting the country's strategic objectives, with a results-based management approach in collaboration with key actors such as government entities, international cooperation, private companies, indigenous and Afro-Honduran peoples, academia and civil society.

258. The PCO executed the *AdaptarC+ Project* and the *Direct Access Programme for Financing Adaptation to Coastal Climate Change* in Honduras, whose implementation scheme is like this proposal. SERNA, as one of the executing entities of the programme, will oversee key activities, such as:

- Preparation of evaluation criteria for project proposals.
- Design and approval of regulations, manuals, procedures and required formats.
- Preparation of the process flow for the identification, design, evaluation and approval of project proposals.
- Approval and implementation of project proposals.
- SERNA will have staff in the project that will allow articulating the expectations of the intervention with the institutional commitments on climate change.

259. By integrating the expertise and capacity of SERNA and the other consortium members, the project is well positioned to achieve its objectives and promote climate change adaptation in vulnerable communities in the Copán region.

260. Project Technical Unit: To manage the implementation of the project, a Project Technical Unit will be formed, composed of staff from the implementing and executing entities. This unit will include the following key roles:

- **Project Manager (PM):** Responsible for the overall coordination of the programme and the implementation of its activities. He/she will have experience in fund management and coordination of development projects.
- **Project Coordinator (PC):** Will provide technical support on climate finance and project proposal development to local entities, as well as follow up on the capacity building and knowledge management components. In addition, he/she will provide technical leadership to the project technicians, including the Credit Technician who will work in coordination with PILARH-OPDF.
- **Strategic Relations Technical Advisor (PCO-SERNA):** Will support inter-institutional coordination and strategic alignment of the project with national climate change adaptation policies.
- **Project Finance Officer (CA):** Will manage the financial aspects of the project, ensuring efficient and transparent management of resources.
- **Observatory specialists (ACCH)**: Responsible for the implementation of the climate monitoring component, adhering to WMO technical regulations, ensuring that the data collected is accurate and useful for the assessment of the impact of climate change in the Copán region.
- **Monitoring and Evaluation (CASM):** Will oversee the project's monitoring and evaluation processes including: Establishing the M&E Framework and methodologies for tracking progress and impact, Data collection and analysis: Gathering and evaluating project data, Reporting: Preparing regular reports for stakeholders, Capacity building: Training staff on M&E practices and Feedback: Using results to improve project strategies.
- **Gender and Safeguarding Manager (G&S Manager):** Will ensure that the project complies

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during its implementation with the Gender Strategy of the project, as well as with the safeguard policies of both CASM and the consortium members, reducing the chances of adverse events.
***PILARH-OPDF:** Delegate a technical representative of the financial product to be implemented in the development of the project.

261. Strategic Steering Committee (SSC): will be composed of a representative of the Mennonite Social Action Commission (CASM), a representative of the Secretariat of Natural Resources and Environment (SERNA), a representative of the Project Coordination Office (PCO-SERNA), a representative of Christian Aid (CA), a representative of the Asociación Centroamericana Centro Humboldt (ACCH), and a representative of PILARH-OPDF (Microfinance).The representative of CASM will act as coordinator and the representative of PCO-SERNA as secretary of the SSC, without voting rights. The SSC will meet regularly, virtually and/or in person, once every three months and extraordinarily, when necessary, at the request of CASM as coordinator. The mobilization costs of the representatives of the entities for the face-to-face meetings of the SSC will be covered by CASM. The main functions of the SSC will be the following:

- Provide strategic guidance for project implementation.
- Approve funding for adaptation project proposals at the request of the Technical Steering Committee (TSC) of the Project.
- Give its No Objection to the technical and financial reports of the Project prepared by CASM before sending them to the Adaptation Fund.
- Give its No Objection to any material change in the budget and/or scope of the project(s) prior to its submission by CASM for approval by the Adaptation Fund.
- Facilitate effective coordination between the main government authorities for the implementation of the project.

262. The SSC meeting agenda, together with supporting information for each agenda item, will be shared electronically with all committee members at least 5 working days prior to each meeting.

263. Technical Steering Committee (TSC): will be composed of a representative at the technical level from CASM, CA, ACCH, PILARH-OPDF-OPDF and PCO-SERNA. For the evaluation process of project proposals submitted by small rural farming families /communities/municipalities, the TSC will also be supported by the Adaptation Fund Project Coordinator. The CASM representative will act as coordinator and the CA representative will act as secretary of the TSC. The TSC will meet regularly, at least once a month and/or when necessary, on an extraordinary basis. The meetings will be face-to-face and/or virtual depending on the location of the participants. In the TSC, the technical staff considered relevant for the proper functioning of the project may participate on an ad hoc and/or permanent basis and at the request of the entities. The costs of the participation of the members of the TSC shall be covered by the budget allocated to each of the institutions in the framework of the implementation of the project.

264. The terms of reference for the hiring of consultants will be prepared by PCO-SERNA and approved by the TSC and PCO-SERNA, prior to their publication. In addition, the TSC will participate in the evaluation process of the candidates for these consultancies. It is worth mentioning that the consultants must include all mobilization and travel costs in their technical/economic proposal. The main functions of the TSC will be the following:

- Provide leadership and technical guidance for project implementation.
- Approve at the technical level the technical and financial reports of the Project prepared by the executing entities, prior to their submission for consideration by the SSC.
- Evaluate at the technical level any material changes to the budget and/or scope of the project and prepare a proposal for SSC approval before it is submitted by CASM for Adaptation Fund approval.
- Evaluate full project proposals submitted by families/communities/municipalities and submit an evaluation report with its technical recommendation for consideration or non-approval by the SSC of the project.

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- Give its No Objection to the technical and financial reports of the Project prepared by CASM before sending them to the Adaptation Fund.
- Ensure effective coordination between the national implementing entity and the project executing entities.

265. The TSC meeting agenda, together with supporting information for each agenda item, will be shared electronically with all committee members at least 5 working days prior to each meeting. Decision-making will be by consensus of all TSC members and if, after several attempts, consensus is not reached for a particular agenda item, CASM, in its capacity as TSC coordinator, will put the agenda item to a simple vote. The secretary of the TSC shall record each vote of each TSC member for each decision taken under the simple ballot process and such record shall be included in the minutes of that meeting.

B. FINANCIAL AND PROJECT RISK MANAGEMENT

266. Description of project risk and financial management measures: A few potential risks have been identified for the project along with their mitigation strategies. The following table provides a summary of these risks and the measures proposed to address them.

Table 30: Identified list of financial risk mitigation strategies.

Identified Risk	Type of Risk	Risk Assessment	Proposed Mitigation Measures	Residual Risk Assessment
Institutional weaknesses of the local entities or communities participating in the project.	Institutional	Medium	The project includes a component to develop and strengthen the capacities of local entities or communities participating in the project.	Low
Limited and low-quality projects	Institutional	Medium	The project plans an intensive socialization process and will provide technical and financial resources to support the identification and formulation of climate change adaptation projects.	Low
Political interference in project approval	Institutional	Low	The evaluation of project proposals will be carried out following a Grants Manual, which details the eligibility criteria, providing transparency and clarity of the process to the different audiences of interest. Subsequently, they will be approved by the Strategic Steering Committee, composed of different key representatives for the project, effectively reducing any possibility of political interference in the allocation of resources in the framework of the intervention.	Low
Limited presence of government institutions	Institutional	Low	Precisely, the project will allow several of these institutions to access resources to increase their presence and respond to the needs of the population in terms of their vulnerability to climate change.	Low

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Identified Risk	Type of Risk	Risk Assessment	Proposed Mitigation Measures	Residual Risk Assessment
Lack of interest in participating from local populations	Social	Low	The consultations have confirmed that the actions foreseen in the projects respond to needs expressed by the communities. During the formulation of the projects to be subsidized, consultation processes will be carried out to ensure the effective participation and empowerment of the communities.	Low
Limited participation of women and excluded groups	Social	Low	Project activities are designed to promote participation and thus access of women and other excluded groups to the benefits of the programme. The project will prioritize the approval of projects that include women and other excluded groups in the communities, such as the Maya Chorti, in the area of influence of the intervention.	Low
Presence of drug trafficking activities	Social	Medium	Project activities must not interfere at any time with illegal activities related to drug trafficking. CASM and the programme's implementing institutions have a great deal of experience and established systems that allow them to operate effectively in this environment.	Low
Expected climate benefits that do not materialize	Financial	Low	Interventions will be defined with communities to solve specific climate problems. In this sense, benefits will be defined from the beginning of the project.	Low

C. Environmental and Social Risk Management Measures

267. To ensure compliance with the Adaptation Fund's Environmental and Social Policy (ESP) and Gender Policy, the project will implement a series of strategic actions that will ensure consistent and effective application of these principles in all projects.

268. Methodology for the Implementation of the CPS and the Gender Policy: Resilience and Ancestry will develop a specific methodology that will enable local entities to efficiently and coherently implement the CPS and the Gender Policy of the Adaptation Fund. This methodology will be designed to be accessible and easy to implement, facilitating its integration during all phases of project formulation and implementation.

269. **Capacity Building of Local Entities and Communities**: Project activities will include a robust capacity building component. Dedicated workshops and training sessions will be offered on the application of the principles of the ESP and the Gender Policy, using the methodology developed. This will ensure that all local entities are well equipped to meet these standards from the outset.

270. **Adaptation Project Assessments** : During the evaluation process of the projects to be funded, *Resilience and Ancestrality* will ensure that all projects comply with the principles set out in the ESP and the Gender Policy. This evaluation process will be rigorous and thorough, ensuring that the actions to be funded demonstrate a clear and measurable commitment to these principles.

271. Monitoring and Evaluation: A continuous Monitoring and Evaluation system will be implemented to oversee the implementation of activities. This system will not only measure progress and results but will also ensure that compliance with the ESP and the Gender Policy is maintained throughout the life of the project.

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272. **Environmental and Social Management Plan (ESMP)**: A detailed Environmental and Social Management Plan (ESMP) will be included in Annex 3 of the project. This plan will provide clear guidelines for the implementation and monitoring of environmental and social risk management measures in all proposed Adaptation Fund actions.

273. Grievance Mechanism: CASM has established a structured Grievance Mechanism to facilitate an open channel for both internal and external parties to express complaints or provide feedback on CASM's operations. This system not only allows stakeholders to submit complaints, suggestions and recommendations, but also ensures that these are recorded, addressed and resolved in a methodical manner. Complaints can cover a range of issues, including environmental, social and gender-related impacts arising from CASM's institutional programmes and projects. To enhance transparency and encourage open dialogue with stakeholders, CASM has established multiple channels of communication:

1. **Suggestion Boxes in Offices**:
    - Each CASM office has a secure and accessible suggestion box.
    - Equipped with paper and pencil for user convenience.
    - The key to the mailbox remains with the respective office administration, while the key to the main office is with the executive management.
2. **Dedicated Complaints Email**:
    - Direct feedback can be sent to: quejas@casm.hn.
    - This email is accessible to our internal team as well as to the public.
    - Messages are regularly reviewed by executive management and the chairman of the board.
3. **Portal on the Website**:
    - Visit our website, https://casm.hn/contactanos, for a section dedicated to the submission of complaints.
4. **Direct Communication**:
    - Interested parties can send their contributions by post to Apartado Postal 2757, San Pedro Sula.
    - For immediate communication, please contact us at +504 9460-07-79.

274. The complaints process is confidential and CASM ensures that the identity of the complainant always remains protected. Regional managers, together with executive management and the chairman of the board, lead the oversight and management of this feedback system, with the Management and Advisory Team (MAT) intervening as necessary. The mechanism outlines the entire process, from receipt to resolution of concerns related to CASM operations. The project is committed to integrating this mechanism into each sub-project, ensuring that all stakeholders are well informed about its operation and application.

D. MONITORING AND EVALUATION

275. The monitoring and evaluation system for *Resilience and Ancestrality* will be based on the indicators and means of verification defined in the Results Framework of the programme and of each of the actions identified, designed, financed and implemented under the project. In this sense, monitoring and evaluation will be carried out at the levels of each proposed component. CA has developed resources to support with measuring impact the impact of resilience building initiatives such as Resilience Monitoring, Impact Assessments, Resilience Impact tools, including advice on theory-based, non-experimental or quasi experimental design.

276. At Activity Level. Implemented by the Project. The following activities will be carried out to ensure

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effective monitoring and evaluation:

1. **Indicator-based Monitoring and Evaluation System:** The project will be monitoring using a results framework approach, with indicators for outcomes and outputs allowing for tracking of progress over time, using a baseline and proposed targets. Where indicators are measuring numbers of people, data will be disaggregated by sex, ethnicity and age. Where disability data is available, this will also be disaggregated to monitor whether the project is including the most vulnerable people.
2. **Quarterly Reports:** Every quarter and at the end of each year, CASM will coordinate the preparation of a progress report on the technical and financial implementation of the programme. This report will be prepared based on input from each of the implementing entities and will include information on progress in achieving project objectives and results, results achieved during the period and cumulative results, lessons learned, implementation challenges and proposed adjustments if necessary, financial performance for the year, and the annual work plan and budget for the following year. The quarterly and annual reports will be sent for discussion and approval to the Programme's Strategic Steering Committee. Once the annual report is approved, CASM will send the annual report to the Adaptation Fund following the Fund's format.
3. **Financial Audit:** The programme will conduct an annual financial audit and a final audit to confirm that resources have been used to finance the proposed project activities, relevant accounting and financial rules have been followed and resources have been properly managed. These audits will be discussed by the Strategic Steering Committee and subsequently shared with the Adaptation Fund.
4. **Baseline:** At the outset of the implementation period, a baseline assessment will be conducted to establish the initial conditions and targets for the project. This assessment will encompass a comprehensive analysis of the current context, financial status of beneficiaries, as well as the initial satisfaction levels of the intended beneficiaries. The baseline assessment will be carried out by CASM for this purpose. The baseline report will detail the initial findings, including any existing gaps or challenges, and will serve as a reference point for measuring progress throughout the project. Additionally, the report will outline the initial objectives and targets, providing a clear roadmap for subsequent evaluations and adjustments to ensure the successful implementation of the project.
5. **Mid-term evaluation of the project:** At the mid-term of the planned implementation period, a mid-term evaluation will be carried out, which will include a review of the progress in the technical and financial implementation of the project, as well as a review of the level of satisfaction of the final beneficiaries with the results of the project. This evaluation will be carried out by an independent firm and/or consultant contracted by CASM for this purpose. The mid-term evaluation report will include the main findings and/or deviations in the project roadmap, a discussion of lessons learned and the improvement actions and/or adjustments that have been agreed to be implemented in the implementation of the project.
6. **Final Project Evaluation:** A final evaluation will be conducted to measure the achievement of project outputs and goals, assess beneficiaries' satisfaction with the results, and analyze the adoption and impact of adaptation measures on their lives. This report will identify lessons learned and recommendations for future climate change adaptation projects. CASM will contract a specialized consultancy firm for this evaluation, which will also draw lessons learned and provide recommendations for the design of future interventions in the region or similar at national and international levels.
7. **Monitoring and Evaluation Expenses:** The technical and financial monitoring and evaluation of the project will be conducted by CASM with collaboration from CA.
8. **Project Monitoring Visits:** Periodic monitoring visits will be made to the project site by the executing and implementing entities. These visits, whenever possible, may include the participation of members of the Strategic Steering Committee and/or the Adaptation Fund.

Table No. 31: Budget for Monitoring Activities

Within the Implementing Entity fees, the following specific lines are identified: monitoring and evaluation, with a total amount of $141,676.00

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Concept	Units	No. Units	Quantity	Cost per Unit (USD)	Total (USD)
Monitoring and evaluation costs, safeguards monitoring	Months year	12	3	$ 685,00	$ 24.660,00
ESMP monitoring and gender action plan training	Global	1	1	$ 8.628,00	$ 8.628,00
Per diem for visits to the monitoring project	Visits Months	47	4	$ 151,00	$ 28.388,00
Base line	Global	1	1	$ 30.000,00	$ 30.000,00
Mid-term evaluation	Global	1	1	$ 20.000,00	$ 20.000,00
Final evaluation	Global	1	1	$ 30.000,00	$ 30.000,00
Total, implementing entity fee					**$ 141.676,00**

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E. Results Framework

Table No. 32: Results Framework

Project Objective	Project Outcome/ Output	Indicator	Activities	Grant Amount (USD)	Baseline	Target	MoV	Frequency	Responsible party
General Objective: To reduce vulnerability and increase adaptive capacity to respond to the impacts of climate change in the Trifinio Fraternidad Biosphere Reserve, by ensuring innovative access to finance and appropriate, ancestrally informed livelihood responses and by influencing climate change policy at local, national and global levels		GOI 1a. Number and percentage of participating families who have improved their resilience to climate change through access to finance and livelihood adaptation; and who have benefited from improved community infrastructure, contributing to enhanced resilience to climate change.` (Disaggregated by male/female headed families; heads of families = direct reach, other family members = indirect reach)		4,000,000	0	At least 85% of vulnerable families (of which at least 30% female headed) report an improvement in their capacity to respond to climate change by the end of the project.	Baseline and endline surveys, review of financial institution records and beneficiary reports.	Start and end of implementation; regular monitoring	Project technical team and consultants.
		GOI 1b [Core indicator]: Number of beneficiaries [# of people, disaggregated by direct and indirect beneficiaries, by gender, and by vulnerable groups]			0	At least 10,000 indigenous people reached directly and 50,000 people reached indirectly, of which at least 50% women	Project records	Regular monitoring	Project technical team
		GOI 2: Percentage of women holding leadership positions or actively participating in decision making spaces within community, territorial, or organization structures supported by the project			To be confirmed during baseline	Women make up at least 30% of leadership positions within all community, territorial or organizational structures supported by the project	Baseline and endline surveys, project records	Start and end of implementation; regular monitoring	Project technical team and consultants.
Sub-component 1.1: Innovation Fund for adaptation practices for small rural families including vulnerable and indigenous populations	Outcome 1.1: Innovation Fund for Adaptation Practices with small rural farming families and vulnerable populations is established and accessible for 600 families and women.	OCI 1.1a: Percentage of target small rural farming families (disaggregated by male/female headed) who have accessed financing credit and/or grants for adaptive ancestral livelihoods practices	Design of Financing scheme for climate adaptation practices	1,784,276	0	At least 70% of participating small rural farming families (of which at least 30% female-headed) have accessed innovative financing (grants/loans) by the end of the project.	Baseline and endline surveys, review of financial institution records and beneficiary reports.	Start and end of implementation; regular monitoring	Project technical team and consultants.
		OCI 1.1b: Percentage of vulnerable/indigenous women who have benefited			0	At least 80% of 100 women have used seed funding to secure	Gender disaggregated baseline and endline data,	Start and end of implementation; regular monitoring	Project technical team and consultants.

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Project Objective	Project Outcome/ Output	Indicator	Activities	Grant Amount (USD)	Baseline	Target	MoV	Frequency	Responsible party
		from seed funding for climate adaptation.				livelihoods assets for climate adaptation	institutional records and beneficiary reports		
	Output 1.1.1: Innovative financial mechanisms to fund climate change adaptation practices developed and functional.	OPI 1.1.1: Evidence of innovative financial mechanisms developed and available	Diagnosis of Resilient Families (Focus Groups) and Market Research	73,710	0	Three different financial mechanisms are developed and functional - microfinance, grants and seed funding for women.	Review of mechanism design documentation, implementation reports and records of funds distributed.	Bi-annual monitoring	Project technical team
	Output 1.1.2: Loans/grants disbursed to small rural farming families for the implementation of climate change adaptation practices.	OPI 1.1.2a Number of loans/grants financed through the funding mechanism for climate change adaptation practices	Provision of eligible loans and grants to support climate change adaptation practices and innovative agricultural products	960,495	0	At least 600 eligible loans/or grants for climate change adaptation practices by the end of the project.	Review of records of loans granted, reports from microfinance institutions and rural banks, and implementation reports.	Quarterly monitoring	Project technical team
		OPI 1.1.2b Number of young people (disaggregated by age and sex) leading climate adaptation activities supported by the project			0	At least 30% of climate adaptation activities are led by young people	Review of loan/grant applications and implementation reports.	Quarterly monitoring	Project technical team
	Output 1.1.3: Technical assistance provided to support and guarantee sustainable access to innovative financing.	OPI 1.1.3a Number of people receiving technical assistance to reduce financial risk and ensure return of funding (disaggregated by gender, age, ethnicity)	Capacity building sessions on finance and loans and technical accompaniment to small rural farming families Conduct awareness programs on gender-based violence and training on new masculinities to promote gender equality:	455,271	0	At least 90% of the 600 beneficiary families (2 people per family) receive technical assistance to reduce financial risk and ensure the return of funding (credit or grants) at the end of the project.	Review of records of technical assistance provided, surveys of beneficiary families and follow-up reports.	Quarterly monitoring	Project technical team
		OPI 1.1.3b Percentage of community members (disaggregated by sex and age) who demonstrate increased awareness of gender-based violence and support non-violent, gender-equitable norms following participation in project-supported campaigns and trainings			0	At least 70% of training participants demonstrate increased awareness of GBV and support gender-equitable norms.	Post-training surveys	After each training	Project technical team

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Project Objective	Project Outcome/ Output	Indicator	Activities	Grant Amount (USD)	Baseline	Target	MoV	Frequency	Responsible party
Sub-component 1.2: Financing community infrastructure and services for climate change adaptation	Outcome 1.2: Community infrastructure and services for climate change adaptation designed and built in collaboration with municipalities	OCI 1.2a Evidence of community infrastructure and services completed or in place which will reduce vulnerability to climate change	Design and plan infrastructure projects that address identified vulnerabilities and enhance community resilience. Allocate financial resources to selected infrastructure projects	304,800 I	TBC during inception conver-sations with municipality leaders	All 4 municipalities have implemented at least 4 community infrastructure/services projects by the end of the project.	Baseline and endline surveys; climate resilience assessments, community surveys and field visits to verify the impact of the developed infrastructure.	Bi-annual monitoring	Project technical team.
		OCI 1.2b Percentage of community infrastructure projects that include the active participation of women in their planning and implementation.	Actively engage women in the decision-making processes during the planning stages of infrastructure projects through focus groups.		0	At least 50% of funded community infrastructure projects include the active participation of women in their planning and implement-tation by the end of the project.	Review of meeting minutes, surveys of community members, and analysis of women's roles in projects.	Bi-annual monitoring	Project technical team.
	Output 1.2.1: Financial support to improve community infrastructure in coordination with municipalities.	OPI 1.2.1 Number of community infrastructure strengthened or built to withstand conditions resulting from climate variability and change (by sector and scale)	Develop an Infrastructure Development Fund and Investment/Grant Manual to establish criteria and processes for selecting infrastructure projects.	300,000	TBC during inception conver-sations with municipality leaders	Improve at least 4 community infrastructure projects through financial support in partnership with municipalities by the end of the project.	Review of records of funded projects, progress reports from municipalities and field visits to verify improvements made.	Bi-annual monitoring	Project technical team .
	Output 1.2.2: Alliances with municipalities and bilateral institutions are formed for the sustainability of community infrastructure	OPI 1.2.2 Number of partnerships established for the sustainability of community infrastructure	Conduct mapping of key projects and actors in the Trifinio region. Implement knowledge transfer programs in collaboration with strategic allies to strengthen local capacities (Meetings of articulation and alliance spaces)	4,800	0	Establish at least 3 partnerships for the sustainability of community infrastructure by the end of the project.	Review of collaboration agreements, records of partnerships formed and reports of joint activities.	Quarterly monitoring	Project technical team.
Sub-component 2.1: Knowledge management system for climate resilience	Outcome 2.1: A climate adaptation knowledge management system provides data for community decision-making for climate resilience	OCI 2.1a Percentage of the target population (disaggregated by gender) applying appropriate adaptation responses and adapting to climate change through access to and use of the knowledge management system.	Community and Municipal Research for Ancestral Approach Climate Monitoring and Establishing climate monitoring stations.	1,093,265	TBC using baseline survey	At least 70% of participating families report active use of climate knowledge management system to respond and adapt to climate change by the end of the project.	Baseline and endline surveys; climate resilience assessments and interviews with community leaders	Start and end of implementation; bi-annual monitoring	Project technical team and consultants.
		OCI 2.1b Number of women climate observers who report a significant	Provide tailored technical assistance - Train women in operating the stations,		0	At least 30 women climate observers report a significant improvement	Baseline and endline surveys; climate resilience	Start and end of implementation; bi-annual monitoring	Project technical

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Project Objective	Project Outcome/ Output	Indicator	Activities	Grant Amount (USD)	Baseline	Target	MoV	Frequency	Responsible party
		improvement in their capacity to respond and adapt to climate change through access to and use of the Knowledge Management System	interpreting data, and using climate information systems			in their capacity to respond and adapt to climate change by the end of the project.	assessments and interviews with women climate observers		team and consultants.
	Output 2.1.1: Community and municipal research for ancestral approach climate monitoring.	OPI 2.1.1 Number of climate events identified in time through community and municipal research with ancestral approach to improve response	Conduct climate monitoring research using ancestral methodologies and modern technologies in line with WMO protocols	626,980	0	Identify at least 15 climate phenomena in time through community and municipal research with ancestral approach by the end of the project.	Review of research reports, climate monitoring records and interviews with community leaders/elders.	Start and end of implementation; bi-annual monitoring	Project technical team and consultants?
	Output 2.1.2: Community researchers supported to gather evidence on the effectiveness of ancestral knowledge to increase climate resilience.	OPI 2.1.2a Number of community researchers (disaggregated by gender, age, ethnicity) reporting a significant improvement in their climate monitoring capacities as a result of training and technical assistance received	Develop a robust and efficient platform to function as a database for organizing, storing, and systematizing climate data collected at community monitoring stations	466,285	0	At least 80% of community observers report a significant improvement in their climate monitoring capacities thanks to the trainings and technical assistance received by the end of the project.	Baseline and endline surveys; performance assessments on climate monitoring activities, and follow-up interviews with participants.	Start and end of implementation; bi-annual monitoring and assessments	Project technical team and consultants.
		OPI 2.1.2b Number of people (disaggregated by gender, age, ethnicity) who report they have access to weather and climate information services in the project's intervention communities, and make use of them			To be confirmed during baseline	At least 80% of community members (50% women, 30% youth) surveyed say they have access to weather and climate information services and use them	Baseline and endline surveys	Start and end of implementation	Project technical team and consultants.
Sub-component 2.2: Integrating ancestral and contemporary knowledge for climate adaptation	Outcome 2.2: Ancestral and contemporary knowledge on climate adaptation are integrated into local, national and international climate change policies and plans	OCI 2.2. Examples of ancestral and contemporary knowledge integrated into local, national and international climate change policies and plans	Establish knowledge networks to facilitate continuous exchange of information and experiences among communities, researchers, and policymakers (promote transdisciplinary and multicultural collaboration)	458,865	0	At least 2 examples of climate change adaptation policies or plans at national, local and international level that incorporate good practices and learning from the project.	Baseline and endline surveys; climate resilience assessments and interviews with community representatives	At start and end of implementation; Annual monitoring/reporting	Project technical team and consultants.
	Output 2.2.1: Project results and experiences are	OPI 2.2.1a: No. of events, publications and platforms where project results and	Systematize the methodologies used in the project to create a structured	363,635	0	Present and discuss project results and experiences in at least 15	Review of event records, list of publications and	Bi-annual monitoring	Project technical team .

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Project Objective	Project Outcome/ Output	Indicator	Activities	Grant Amount (USD)	Baseline	Target	MoV	Frequency	Responsible party
	presented at events, publications and platforms to strengthen national and international processes on climate change adaptation.	experiences are presented and discussed.	framework for understanding and replicating successful practices. Attendance/Presentation at national and international events			events, publications and platforms by the end of the project.	analysis of platforms where project results and experiences were shared.		
		OPI 2.2.1b: Percentage of women whose experience and role in integrating ancestral and contemporary knowledge for climate adaptation is documented and made visible in the project results.	Develop platforms to make women's experiences and roles visible.		0	At least 60% of the participating women have their experience and role documented and made visible in the project results by the end of the project.	Review of reports and outreach materials, interviews with women participants to assess their perception of visibility and recognition	Annual monitoring/reporting	Project technical team .
	Output 2.2.2: Good practices and lessons learned from the project are captured and shared with local, national and international decision-makers.	OPI 2.2.2. Number of policies/plans introduced or adjusted to address climate change risks (by sector)	Training of civil servants on climate change issues. Creating spaces for continuous engagement with Municipalities. Attending advocacy meetings with policymakers and stakeholders at various levels.	95,230	0	At least 2 climate change adaptation plans at local, national and international level have been targeted by project advocacy to incorporate good practices and learning from the project.	Review of adaptation plan documents, analysis of minutes of meetings and consultations with authorities responsible for climate planning.	At end of project	Project technical team and consultants.

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F. ALIGNMENT WITH ADAPTATION FUND RESULTS FRAMEWORK

Table No. 33: Alignment with the Results Matrix of the Fund

Project Objective/Outcome	Project Indicators	Fund Outcome	Fund Outcome Indicator	Grant Amount (USD)
General Objective: To reduce vulnerability and increase adaptive capacity to respond to the impacts of climate change in the Trifinio Fraternidad Biosphere Reserve, by ensuring innovative access to finance and appropriate, ancestrally informed livelihood responses and by influencing climate change policy at local, national and global levels	**GOI 1a.** Number and percentage of participating families (disaggregated by male/female headed families; heads of families = direct reach, other family members = indirect reach) who have improved their resilience to climate change through access to finance and livelihood adaptation; and who have benefited from improved community infrastructure, contributing to enhanced resilience to climate change.	Outcome 6: Diversified and strengthened livelihoods and sources of income for vulnerable people in target areas.	6.2. Percentage of targeted population with sustained climate-resilient alternative livelihoods	US$ 4,000,000
	GOI 1b: Core indicator: No. of Direct Beneficiaries (small rural farming families): 10,000 (50% Female; 50% Male; 30% Indigenous people 40%). Indirect beneficiaries 40,000.		Core indicator: Number of beneficiaries [# of people, disaggregated by direct and indirect beneficiaries, by gender, and by vulnerable groups]	
	GOI 2: Percentage of women holding leadership positions or actively participating in decision making spaces within community, territorial, or organization structures supported by the project	*No aligned AF Outcome/Output*	*No aligned AF Outcome/Output*	
Outcome 1.1: Innovation Fund for Adaptation Practices with small rural farming families and vulnerable populations is	OCI 1.1a: Percentage of target small rural farming families (disaggregated by male/female headed) who have accessed financing credit and/or grants	Outcome 6: Diversified and strengthened livelihoods and sources of income for vulnerable people in target areas.	6.1 Percentage of households and communities having more secure access to livelihood assets	US$1,784,276.00

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Project Objective/Outcome	Project Indicators	Fund Outcome	Fund Outcome Indicator	Grant Amount (USD)
established and accessible for 600 families and women.	for adaptive ancestral livelihoods practices		Also aligned with Core indicator: Number of beneficiaries of livelihood resources to manage climate risk [# of people, disaggregated by gender]	
	OCI 1.1b: Percentage of vulnerable/indigenous women who have benefited from seed funding for climate adaptation.	Outcome 6: Diversified and strengthened livelihoods and sources of income for vulnerable people in target areas.	6.1 Percentage of households and communities having more secure access to livelihood assets Also aligned with Core indicator: Number of beneficiaries of livelihood resources to manage climate risk [# of people, disaggregated by gender]	
Output 1.1.1: Innovative financial mechanisms to fund climate change adaptation practices developed and functional.	OPI 1.1.1: Evidence of innovative financial mechanisms developed and available	Outcome 8: Support the development and diffusion of innovative adaptation practices, tools and technologies	8. Innovative adaptation practices are rolled out, scaled up, encouraged and/or accelerated at regional, national and/or subnational level.	US$73,710.00
Output 1.1.2: Loans/grants disbursed to small rural farming families for the implementation of climate change adaptation practices.	OPI 1.1.2a Number of loans/grants financed through the funding mechanism for climate change adaptation practices	Output 8: Viable innovations are rolled out, scaled up, encouraged and/or accelerated.	8.1 Number of innovative adaptation practices, tools and technologies accelerated, scaled up and/or replicated	US$960,495.00
	OPI 1.1.2b Number of young people (disaggregated by age and sex) leading climate adaptation activities supported by the project	*No aligned AF Outcome/Output*	*No aligned AF Outcome/Output*	

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Project Objective/Outcome	Project Indicators	Fund Outcome	Fund Outcome Indicator	Grant Amount (USD)
Output 1.1.3: Technical assistance provided to support and guarantee sustainable access to innovative financing.	OPI 1.1.3a Number of people receiving technical assistance to reduce financial risk and ensure return of funding (disaggregated by gender, age, ethnicity)	*No aligned AF Outcome/Output*	*No aligned AF Outcome/Output*	US$455,271.00
	OPI 1.1.3b Percentage of community members (disaggregated by sex and age) who demonstrate increased awareness of gender-based violence and support non-violent, gender-equitable norms following participation in project-supported campaigns and trainings	*No aligned AF Outcome/Output*	*No aligned AF Outcome/Output*	
Outcome 1.2: Community infrastructure and services for climate change adaptation designed and built in collaboration with municipalities	OCI 1.2a Evidence of community infrastructure and services completed or in place which will reduce vulnerability to climate change	Outcome 4: Increased adaptive capacity within relevant development sector services.and infrastructure assets	4.1. Responsiveness of development sector services to evolving needs from changing and variable climate 4.2 Physical infrastructure improved to withstand climate change and variability-induced stress	USD$304,800
	OCI 1.2b Percentage of community infrastructure projects that include the active participation of women in their planning and implementation.	*No aligned AF Outcome/Output*	*No aligned AF Outcome/Output*	
Output 1.2.1: Financial support to improve community infrastructure in coordination with municipalities.	OPI 1.2.1 Number of community infrastructure strengthened or built to withstand conditions resulting from climate variability and change (by sector and scale)	Output 4: Vulnerable development sector infrastructure services and assets strengthened in response to climate change impacts, including	4.1.1. No. and type of development sector services modified to respond to new conditions resulting from climate variability and change (by sector and scale)	USD$300,000

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Project Objective/Outcome	Project Indicators	Fund Outcome	Fund Outcome Indicator	Grant Amount (USD)
		variability.	4.1.2 Number of physical assets strengthened or built to withstand conditions resulting from climate variability and change (by sector and scale) Also aligned with Core indicator: Physical assets improved or constructed to withstand climate variability and change [disaggregated by km of linear infrastructure and # of point infrastructure]	
Output 1.2.2: Alliances with municipalities and bilateral institutions are formed for the sustainability of community infrastructure	OPI 1.2.2 Number of partnerships established for the sustainability of community infrastructure	Output 3.2: Strengthened capacity of national and subnational stakeholders and entities to capture and disseminate knowledge and learning	3.2.1 No. of technical committees/associations formed to ensure transfer of knowledge	USD$4,800
Outcome 2.1: A climate adaptation knowledge management system provides data for community decision-making for climate resilience	OCI 2.1a Percentage of the target population (disaggregated by gender) applying appropriate adaptation responses and adapting to climate change through access to and use of the knowledge management system.	Outcome 3: Strengthened awareness and ownership of climate risk reduction and adaptation processes at the local level.	3.2 Percentage of the target population applying appropriate adaptation responses	USD$1.093.265,00
	OCI 2.1b Number of women climate observers who report a significant improvement in their capacity to respond and adapt to climate change through access to and use of the Knowledge Management System	Outcome 3: Strengthened awareness and ownership of climate risk reduction and adaptation processes at the local level.	3.2 Percentage of the target population applying appropriate adaptation responses	
Output 2.1.1: Community and municipal research for	OPI 2.1.1 Number of climate events identified in time through	Output 3.2: Strengthened capacity of national and sub-	3.2.2 Number of tools and guidelines developed	USD$626,980.00

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Project Objective/Outcome	Project Indicators	Fund Outcome	Fund Outcome Indicator	Grant Amount (USD)
ancestral approach climate monitoring.	community and municipal research with ancestral approach to improve response	national stakeholders and entities to capture and disseminate knowledge and learning.	(thematic, sectoral, institutional) and shared with relevant stakeholders	
Output 2.1.2: Community researchers supported to gather evidence on the effectiveness of ancestral knowledge to increase climate resilience.	OPI 2.1.2a Number of community researchers (disaggregated by gender, age, ethnicity) reporting a significant improvement in their climate monitoring capacities as a result of training and technical assistance received	Output 2.1: Strengthened capacity of national and sub-national centers and networks to respond rapidly to extreme weather events	2.1.1. No. of staff trained to respond to, and mitigate impacts of, climate-related events (by gender)	USD$466,285.00
	OPI 2.1.2b Number of people (disaggregated by gender, age, ethnicity) who report they have access to weather and climate information services in the project's intervention communities, and make use of them	Outcome 3: Strengthened awareness and ownership of adaptation and climate risk reduction processes at local level	3.1 Percentage of targeted population aware of predicted adverse impacts of climate change, and of appropriate responses 3.2 Percentage of targeted population applying appropriate adaptation responses	
Outcome 2.2: Ancestral and contemporary knowledge on climate adaptation are integrated into local, national and international climate change policies and plans	OCI 2.2. Examples of ancestral and contemporary knowledge integrated into local, national and international climate change policies and plans	Outcome 3: Strengthened awareness and ownership of adaptation and climate risk reduction processes at local level	3.2. Percentage of targeted population applying appropriate adaptation responses	USD$458,865.00
Output 2.2.1: Project results and experiences are presented at events, publications and platforms to strengthen national and international processes on climate change adaptation.	OPI 2.2.1a: No. of events, publications and platforms where project results and experiences are presented and discussed.	*No aligned AF Outcome/Output*	*No aligned AF Outcome/Output*	USD$363,635.00
	OPI 2.2.1b: Percentage of women whose experience and role in integrating ancestral and	*No aligned AF Outcome/Output*	*No aligned AF Outcome/Output*	

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Project Objective/Outcome	Project Indicators	Fund Outcome	Fund Outcome Indicator	Grant Amount (USD)
	contemporary knowledge for climate adaptation is documented and made visible in the project results.			
Output 2.2.2: Good practices and lessons learned from the project are captured and shared with local, national and international decision-makers.	OPI 2.2.2. Number of policies/plans introduced or adjusted to address climate change risks (by sector)	Output 7.1 Improved integration of climate-resilience strategies into country development plans	7.1. No. of policies introduced or adjusted to address climate change risks (by sector) Also aligned with Core indicator: Policies, strategies, and/or plans introduced or adjusted to integrate climate risk considerations [# of policies, strategic, and/or plans, disaggregated by scale]	USD$95,230.00

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[1] The AF used OECD/DAC terminology for its results framework. Project proponents may use different terminology, but the overall principle should still apply.

Source: Elaboration Resilience and Ancestry Project, 2024.

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G. PROJECT BUDGET

Table No. 34: Project Budget

Components/ Activities by components	Presupuesto total	Beneficiaries
Component 1: Establish a funding mechanism for innovation in climate change adaptation and resilience building.	**1,784,276.00**	1200 fam. 117,246 pers.
Outcome 1.1 (Sub-component): Innovation fund for adaptation practices with vulnerable populations.	1,479,476.00	1200 small rural farming families
Output 1.1.1: Design of financing mechanism for climate change adaptation practices:	**73,710.00**	
Market research	18,000.00	
Diagnosis of Resilient Families (Focus Groups)	-	
Food for participants	29,150.00	
Materials	11,200.00	
Play activity kit	12,800.00	
Childminder's contribution	2,560.00	
Output 1.1.2: Eligible loans granted for the implementation of climate change adaptation practices (at least 600) and creation of innovative agricultural products.	**960,495.00**	
Innovation Fund	720,000.00	
Innovation Fund administration (20%)	144,000.00	
Financial product promotion campaign	10,000.00	
Technical accompaniment of installation to loans (food, transport and technician's materials).	729.00	
Credit Technician	65,766.00	
Credit monitoring and financial education application	20,000.00	
Output 1.1.3: Technical assistance to reduce the risk of accessing the funding mechanism and ensure its return.	**445,271.00**	
Accompanying (3) technicians	-	
1 Technician + SERNA Advisor	133,541.00	
Power supply (Component 1)	16,000.00	
Transport (Component 1)	56,350.00	
Thematic trainings	-	
consultancy / Fees	1,619.00	
Food for participants	157,409.00	
Gender Empowerment	-	

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Components/ Activities by components	Presupuesto total	Beneficiaries
Consultancy / Fees	2,000.00	
Trainings	19,676.00	
Consultancy / Fees (Financial / Home Economics)	9,000.00	
Trainings	19,676.00	
Safeguarding Actions	30,000.00	
Outcome 1.2 (Sub-component): Community infrastructure for climate change adaptation financed.	**304,800.00**	111,246 people
Output 1.2.1: Financial support to improve community infrastructure in coordination with municipalities.	**300,000.00**	
Infrastructure Development Fund	300,000.00	
Output 1.2.2: Fostering Alliances with Multilateral and Bilateral Institutions for the Sustainability of Community Infrastructure	**4,800.00**	
Meetings of articulation and alliance spaces (Coordination and management team).	4,800.00	
Component 2: Systematic strengthening of the project's knowledge management and its scaling up in local and international policies.	**1,552,130.00**	1200 fam. 117,246 pers.
Outcome 2.1: Knowledge Management System for Climate Resilience	1,093,265.00	1200 small rural farming families
Output 2.1.1: Community and Municipal Research for Ancestral Approach Climate Monitoring.	**626,980.00**	
Automated weather stations	8,000.00	
Manual weather stations	12,500.00	
Maintenance of 29 new and 17 existing stations	4,600.00	
Station installation costs	5,800.00	
Observer materials and visibility kit for 4 years	26,320.00	
Community Climate Analysis and Processing Unit	-	
Climate APP Design (Innovative Application for Climate Data Collection)	35,000.00	
Online access costs / Servers and Others	20,000.00	
Training in climate modelling software for observatory specialists	12,000.00	
Operating cost	473,460.00	
Computer equipment for monitoring climate data	-	
Server	15,000.00	
Screens for Real-Time Climate Data Visualization	2,100.00	
Desktop computers (Climate Data Processing)	7,000.00	
Laptops	3,600.00	
Projectors	1,600.00	

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Components/ Activities by components	Presupuesto total	Beneficiaries
Output 2.1.2: Technical assistance to support the development of research.	**466,285.00**	
Feeding	31,219.00	
Technicians	359,836.00	
Power supply (Component 2)	16,000.00	
Transport (Component 2)	56,350.00	
Childminder's contribution	2,880.00	
Outcome 2.2: Integration of Ancestral and Contemporary Knowledge for Climate Adaptation	**458,865.00**	117,246 people
Output 2.2.1: To position Project Results and Experiences as an Opportunity to Strengthen National and International Processes on Climate Change Adaptation.	**363,635.00**	
Attendance at national events	12,000.00	
Attendance at international events	60,000.00	
Climate best practice competition	20,000.00	
General Project Visibility Fund	84,600.00	
Specialist Knowledge Manager	147,035.00	
Communication Advisor	40,000.00	
Output 2.2.2: Good practices and lessons learned from the project are incorporated into national, local and international climate change policies.	**95,230.00**	
Advocacy Meetings	16,000.00	
Training of civil servants on climate change issues	7,164.00	
Municipal Campaign on environmental issues (Annual for 3 years)	30,000.00	
Municipal Exchanges	8,000.00	
Project Closure Activity	-	
Food and transportation	20,066.00	
Venue rental	10,000.00	
Live Streaming	4,000.00	
Project implementation costs	**350,230.00**	
Programme Manager - CA	76,886.00	
Project Coordinator - CA	180,110.00	
Gender Programme Manager / Safeguarding - CA	80,634.00	
IT Equipment	12,600.00	
Total Project/Programme Execution Costs	**3,686,636.00**	
4. Project Cycle Management Fee charged by the Implementing Entity (if applicable) 8.5%	**313,364.00**	
TOTAL, GENERAL	**4,000,000.00**	

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The project implementation costs will allow for the maintenance of a core structure of three positions led by Christian Aid, which will serve as the central axis of the project's programmatic implementation. These costs also include the purchase of computer equipment for project staff—a total of seven computers: three for the core structure and four for the remaining positions.

Table No. 35A: Project implementation costs (Christian Aid)

Concept	Units	No. Units	Percentage covered	Cost per month with benefits (USD)	Total (USD)
Programme Manager - CA	Months	48	30%	$5,339.31	$76,886.00
Project Coordinator - CA	Months	48	100%	$3,752.29	$180,110.00
Gender Programme Manager / Safeguarding - CA	Months	48	30%	$5,599.58	$80,634.00
IT Equipment	Unit	7	100%	$1,800.00	$12,600.00
Total Project implementation costs					**$350,230.00**

The implementing entity fee (8.5%) of the total project cost will be used by CASM, the National Implementing Entity, to cover the costs of general management and financial support necessary to guide the project and report to the Adaptation Fund on the technical and financial execution of the project. A total of US$ 313,364.00 has been budgeted for this work. This budget includes funds to support the project and CA, ACCH, POC-SERNA and PILARH-OPDF, including site visits, organization of the strategic committee, and facilitation of audits and evaluations. Details of the budget can be found in the table.

organization
The budget includes the following categories:

1. **Project management costs:** provide strategic and technical support and participate in the project committee.
2. **Monitoring and evaluation costs, safeguards monitoring:** ensure integration of monitoring data for CA, ACCH, POC- SERNA and PILARH-OPDF for unified reporting of progress towards targets.
3. **Training on ESMP monitoring and gender action plan:** CASM will provide or contract specialists to provide training on the implementation and monitoring of the ESMP and GAP.
4. **Project launch and induction events:** plan, facilitate and implement induction events to launch the project and raise awareness of the project.
5. **Strategic Coordination Committee: CASM** will facilitate the strategic committee between project stakeholders.
6. **Per diem project site visits:** travel costs, stay in the project area and provision of food and necessities during project site visits. CASM needs to conduct these visits for supervision, monitoring, evaluation and strategic involvement in project activities.
7. **Gasoline to visit communities/project sites**.
8. **Final and annual audit:** CASM will provide financial audits for the project annually and at the end of the project.
9. **Baseline, Mid-term and final evaluation:** CASM will facilitate contracts with consultants to carry out an evaluation of the project.

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Table No. 35B: Project cycle management by fee through the Implementing Entity (CASM)

Concept	Units	No. Units	Quantity	Cost per Unit (USD)	Total (USD)
Technical assistance for project management	Months/percentage	48	0,3	$ 4.200,00	$ 60.480,00
Project management costs	Months/percentage	44	0.15	$ 4.200,00	$ 27.720,00
Monitoring and evaluation costs, safeguards monitoring	Months year	12	3	$ 685,00	$ 24.660,00
ESMP monitoring and gender action plan training	Global	1	1	$ 8.628,00	$ 8.628,00
Project launch and induction events	Global	1	1	$ 10.000,00	$ 10.000,00
Strategic Coordination Committee meetings	Meetings	4	3	$ 1.150,00	$ 13.800,00
Per diem for visits to the monitoring project	Visits Months	47	4	$ 151,00	$ 28.388,00
Fuel for visits to communities/project sites	Months/gallons	46	100	$ 4,28	$ 19.688,00
Final and annual audit	Years	4	1	$ 10.000,00	$ 40.000,00
Base line	Global	1	1	$ 30.000,00	$ 30.000,00
Mid-term evaluation	Global	1	1	$ 20.000,00	$ 20.000,00
Final evaluation	Global	1	1	$ 30.000,00	$ 30.000,00
Total, implementing entity fee					**$ 313.364,00**

Source: Elaboration Resilience and Ancestry Project, 2024.

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H. DISBURSEMENT SCHEDULE

Table No. 36: Project disbursement in USD

	Upon signature of Agreement	One Year after Project Start a)	Year 2b)	Year 3	Total
Scheduled date	dic-25	dic-26	dic-27	dic-28	
Project Funds	$723,018.00	$1,187,187.00	$1,190,234.00	$586,197.00	$3,686,636.00
Implementing Entity Fees	$61,457.00	$100,911.00	$101,170.00	$49,826.00	$313,364.00
Total	**$784,475.00**	**$1,288,098.00**	**$1,291,404.00**	**$636,023.00**	**$4,000,000.00**

Annual Disaggregation

Components/ Activities by components	Año 1	Año 2	Año 3	Año 4	TOTAL
Component 1: Establish a funding mechanism for innovation in climate change adaptation and resilience building.	$201,469.25	$737,888.25	$717,159.25	$127,759.25	$1,784,276.00
Outcome 1.1 (Sub-component): Innovation fund for adaptation practices with vulnerable populations.	$201,469.25	$585,488.25	$564,759.25	$127,759.25	$1,479,476.00
Output 1.1.1: Design of financing mechanism for climate change adaptation practices:	$73,710.00	$0.00	$0.00	$0.00	$73,710.00
Market research	$18,000.00	$0.00	$0.00	$0.00	$18,000.00
Diagnosis of Resilient Families (Focus Groups)	$0.00	$0.00	$0.00	$0.00	$0.00
Food for participants	$29,150.00	$0.00	$0.00	$0.00	$29,150.00
Materials	$11,200.00	$0.00	$0.00	$0.00	$11,200.00
Play activity kit	$12,800.00	$0.00	$0.00	$0.00	$12,800.00
Childminder's contribution	$2,560.00	$0.00	$0.00	$0.00	$2,560.00
Output 1.1.2: Eligible loans granted for the implementation of climate change adaptation practices (at least 600) and creation of innovative agricultural products.	$16,441.50	$474,170.50	$453,441.50	$16,441.50	$960,495.00
Innovation Fund	$0.00	$360,000.00	$360,000.00	$0.00	$720,000.00
Innovation Fund administration (20%)	$0.00	$72,000.00	$72,000.00	$0.00	$144,000.00
Financial product promotion campaign	$0.00	$5,000.00	$5,000.00	$0.00	$10,000.00
Technical accompaniment of installation to loans (food, transport and technician's materials).	$0.00	$729.00	$0.00	$0.00	$729.00
Credit Technician	$16,441.50	$16,441.50	$16,441.50	$16,441.50	$65,766.00
Credit monitoring and financial education application	$0.00	$20,000.00	$0.00	$0.00	$20,000.00
Output 1.1.3: Technical assistance to reduce the risk of accessing the funding mechanism and ensure its return.	$111,317.75	$111,317.75	$111,317.75	$111,317.75	$445,271.00
Accompanying (3) technicians	$0.00	$0.00	$0.00	$0.00	$0.00
1 Technician + SERNA Advisor	$33,385.25	$33,385.25	$33,385.25	$33,385.25	$133,541.00
Power supply (Component 1)	$4,000.00	$4,000.00	$4,000.00	$4,000.00	$16,000.00
Transport (Component 1)	$14,087.50	$14,087.50	$14,087.50	$14,087.50	$56,350.00
Thematic trainings	$0.00	$0.00	$0.00	$0.00	$0.00
consultancy / Fees	$404.75	$404.75	$404.75	$404.75	$1,619.00

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Components/ Activities by components	Año 1	Año 2	Año 3	Año 4	TOTAL
Food for participants	$39,352.25	$39,352.25	$39,352.25	$39,352.25	$157,409.00
Gender Empowerment	$0.00	$0.00	$0.00	$0.00	$0.00
Consultancy / Fees	$500.00	$500.00	$500.00	$500.00	$2,000.00
Trainings	$4,919.00	$4,919.00	$4,919.00	$4,919.00	$19,676.00
Consultancy / Fees (Financial / Home Economics)	$2,250.00	$2,250.00	$2,250.00	$2,250.00	$9,000.00
Trainings	$4,919.00	$4,919.00	$4,919.00	$4,919.00	$19,676.00
Safeguarding Actions	$7,500.00	$7,500.00	$7,500.00	$7,500.00	$30,000.00
Outcome 1.2 (Sub-component): Community infrastructure for climate change adaptation financed.	$0.00	$152,400.00	$152,400.00	$0.00	$304,800.00
Output 1.2.1: Financial support to improve community infrastructure in coordination with municipalities.	$0.00	$150,000.00	$150,000.00	$0.00	$300,000.00
Infrastructure Development Fund	$0.00	$150,000.00	$150,000.00	$0.00	$300,000.00
Output 1.2.2: Fostering Alliances with Multilateral and Bilateral Institutions for the Sustainability of Community Infrastructure	$0.00	$2,400.00	$2,400.00	$0.00	$4,800.00
Meetings of articulation and alliance spaces (Coordination and management team).	$0.00	$2,400.00	$2,400.00	$0.00	$4,800.00
Component 2: Systematic strengthening of the project's knowledge management and its scaling up in local and international policies.	$424,541.50	$364,890.83	$388,667.23	$374,030.43	$1,552,130.00
Outcome 2.1: Knowledge Management System for Climate Resilience	$354,006.35	$246,802.88	$246,802.88	$245,652.88	$1,093,265.00
Output 2.1.1: Community and Municipal Research for Ancestral Approach Climate Monitoring.	$240,845.00	$129,095.00	$129,095.00	$127,945.00	$626,980.00
Automated weather stations	$8,000.00	$0.00	$0.00	$0.00	$8,000.00
Manual weather stations	$12,500.00	$0.00	$0.00	$0.00	$12,500.00
Maintenance of 29 new and 17 existing stations	$2,300.00	$1,150.00	$1,150.00	$0.00	$4,600.00
Station installation costs	$5,800.00	$0.00	$0.00	$0.00	$5,800.00
Observer materials and visibility kit for 4 years	$6,580.00	$6,580.00	$6,580.00	$6,580.00	$26,320.00
Community Climate Analysis and Processing Unit	$0.00	$0.00	$0.00	$0.00	$0.00
Climate APP Design (Innovative Application for Climate Data Collection)	$35,000.00	$0.00	$0.00	$0.00	$35,000.00
Online access costs / Servers and Others	$20,000.00	$0.00	$0.00	$0.00	$20,000.00
Training in climate modelling software for observatory specialists	$3,000.00	$3,000.00	$3,000.00	$3,000.00	$12,000.00
Operating cost	$118,365.00	$118,365.00	$118,365.00	$118,365.00	$473,460.00
Computer equipment for monitoring climate data	$0.00	$0.00	$0.00	$0.00	$0.00
Server	$15,000.00	$0.00	$0.00	$0.00	$15,000.00
Screens for Real-Time Climate Data Visualization	$2,100.00	$0.00	$0.00	$0.00	$2,100.00
Desktop computers (Climate Data Processing)	$7,000.00	$0.00	$0.00	$0.00	$7,000.00
Laptops	$3,600.00	$0.00	$0.00	$0.00	$3,600.00
Projectors	$1,600.00	$0.00	$0.00	$0.00	$1,600.00
Output 2.1.2: Technical assistance to support the development of research.	$113,161.35	$117,707.88	$117,707.88	$117,707.88	$466,285.00
Feeding	$4,682.85	$8,845.38	$8,845.38	$8,845.38	$31,219.00
Technicians	$89,959.00	$89,959.00	$89,959.00	$89,959.00	$359,836.00
Power supply (Component 2)	$4,000.00	$4,000.00	$4,000.00	$4,000.00	$16,000.00
Transport (Component 2)	$14,087.50	$14,087.50	$14,087.50	$14,087.50	$56,350.00
Childminder's contribution	$432.00	$816.00	$816.00	$816.00	$2,880.00
Outcome 2.2: Integration of Ancestral and Contemporary Knowledge for Climate Adaptation	$70,535.15	$118,087.95	$141,864.35	$128,377.55	$458,865.00
Output 2.2.1: To position Project Results and Experiences as an Opportunity to Strengthen National and International Processes on Climate Change Adaptation.	$64,418.75	$99,738.75	$117,398.75	$82,078.75	$363,635.00
Attendance at national events	$1,200.00	$3,600.00	$4,800.00	$2,400.00	$12,000.00
Attendance at international events	$6,000.00	$18,000.00	$24,000.00	$12,000.00	$60,000.00
Climate best practice competition	$2,000.00	$6,000.00	$8,000.00	$4,000.00	$20,000.00

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Components/ Activities by components	Año 1	Año 2	Año 3	Año 4	TOTAL
General Project Visibility Fund	$8,460.00	$25,380.00	$33,840.00	$16,920.00	$84,600.00
Specialist Knowledge Manager	$36,758.75	$36,758.75	$36,758.75	$36,758.75	$147,035.00
Communication Advisor	$10,000.00	$10,000.00	$10,000.00	$10,000.00	$40,000.00
Output 2.2.2: Good practices and lessons learned from the project are incorporated into national, local and international climate change policies.	$6,116.40	$18,349.20	$24,465.60	$46,298.80	$95,230.00
Advocacy Meetings	$1,600.00	$4,800.00	$6,400.00	$3,200.00	$16,000.00
Training of civil servants on climate change issues	$716.40	$2,149.20	$2,865.60	$1,432.80	$7,164.00
Municipal Campaign on environmental issues (Annual for 3 years)	$3,000.00	$9,000.00	$12,000.00	$6,000.00	$30,000.00
Municipal Exchanges	$800.00	$2,400.00	$3,200.00	$1,600.00	$8,000.00
Project Closure Activity	$0.00	$0.00	$0.00	$0.00	$0.00
Food and transportation	$0.00	$0.00	$0.00	$20,066.00	$20,066.00
Venue rental	$0.00	$0.00	$0.00	$10,000.00	$10,000.00
Live Streaming	$0.00	$0.00	$0.00	$4,000.00	$4,000.00
Project implementation costs	$97,007.50	$84,407.50	$84,407.50	$84,407.50	$350,230.00
Programme Manager - CA	$19,221.50	$19,221.50	$19,221.50	$19,221.50	$76,886.00
Project Coordinator - CA	$45,027.50	$45,027.50	$45,027.50	$45,027.50	$180,110.00
Gender Programme Manager / Safeguarding - CA	$20,158.50	$20,158.50	$20,158.50	$20,158.50	$80,634.00
IT Equipment	$12,600.00	$0.00	$0.00	$0.00	$12,600.00
Total Project/Programme Execution Costs	$723,018.25	$1,187,186.58	$1,190,233.98	$586,197.18	$3,686,636.00
4. Project Cycle Management Fee charged by the Implementing Entity (if applicable) 8.5%	$61,456.54	$100,910.84	$101,169.87	$49,826.75	$313,364.00
TOTAL, GENERAL	**$784,474.79**	**$1,288,097.42**	**$1,291,403.85**	**$636,023.93**	**$4,000,000.00**

Table No. 37: Table of Disbursements and Milestone Fulfilment

Component/Sub-Component/Product	Year 1	Year 2	Third Year	Fourth Year
Component 1: Establish a funding mechanism for innovation actions in adaptation and building resilience to climate change.				
Outcome 1.1: Innovation Fund for Adaptation Practices with Vulnerable Populations				
Output 1.1.1: Design of financing mechanism for climate change adaptation practices.	Q1: Design of the funding mechanism	Q2: Initial implementation of the mechanism	Q1: Monitoring and evaluation of the mechanism	Q1: Adjustments and improvements to the mechanism
Disbursement %	100%	0%	0%	0%
Output 1.1.2: Eligible loans granted for the implementation of climate change adaptation practices.	Q2: Selection of beneficiaries and initial granting of credit	Q3: Implementation of adaptation projects	Q2: Mid-term project appraisal	Q2: Final evaluation and adjustments
Disbursement %	20%	40%	30%	10%

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Component/Sub-Component/Product	Year 1	Year 2	Third Year	Fourth Year
Output 1.1.3: Technical assistance to reduce the risk of accessing the financing mechanism and ensure its return.	Q3: Initial training in credit management and sustainable practices	Q1: Ongoing technical assistance	Q1: Follow-up and technical support	Q1: Technical evaluation and feedback
Disbursement %	25%	25%	25%	25%
Outcome 1.2: Financing Community Infrastructure for Climate Change Adaptation				
Output 1.2.1: Financial Support to Improve Community Infrastructure in Articulation with Municipalities.	Q4: Identification and selection of priority infrastructures	Q2: Implementation of infrastructure improvements	Q2: Infrastructure assessment and maintenance	Q3: Adjustments and scaling of infrastructures
Disbursement %	20%	40%	40%	0%
Output 1.2.2: Fostering Alliances with Multilateral and Bilateral Institutions for the Sustainability of Community Infrastructure	Q1: Establishing strategic partnerships	Q3: Development of joint projects	Q3: Partnership monitoring and evaluation	Q4: Strengthening and expanding partnerships
Disbursement %	20%	40%	40%	0%
Component 2: Systematic strengthening of the project's knowledge management and its scaling up into local and international policies				
Sub-component 2.1: Knowledge Management System for Climate Resilience				
Output 2.1.1: Community and Municipal Research for Ancestral Approach Climate Monitoring.	Q2: Installation of climate monitoring infrastructure to initiate research and trainings	Q1: Monitoring and data collection	Q3: Analysis and dissemination of results	Q3: Final evaluation and adjustments
Disbursement %	70%	10%	10%	10%
Output 2.1.2: Technical Assistance for Accompanying Research Development.	Q3: Initial observer training	Q2: Continuous technical assistance	Q2: Follow-up and technical support	Q4: Evaluation and systematization of learning
Disbursement %	25%	25%	25%	25%
Sub-component 2.2: Integrating Ancestral and Contemporary Knowledge for Climate Adaptation				
Output 2.2.1: To position Project Results and Experiences as an Opportunity to Strengthen National and International Processes on Climate Change Adaptation.	Q4: Initial documentation and dissemination of experiences	Q3: Publication of reports and case studies	Q4: Participation in national and international events	Q2: Final evaluation and dissemination
Disbursement %	10%	30%	40%	20%

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Component/Sub-Component/Product	Year 1	Year 2	Third Year	Fourth Year
Output 2.2.2: Good practices and lessons learned from the project are incorporated into national, local and international climate change policies.	Q1: Development of apprenticeship-based guidelines and policies	Q4: Initial policy implementation	Q1: Monitoring and policy adjustment	Q4: Policy evaluation and scaling up
Disbursement %	10%	30%	40%	20%

Source: Elaboration Resilience and Ancestry Project, 2024.

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

A. Record of endorsement on behalf of the government[2]

Government signature

(Enter Name, Position, Ministry)	Date*: (Month, day, year)*

B. Implementing Entity certification

CASM Certification

[6.] 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.

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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, commit to implementing the project/programme in compliance with the Environmental and Social Policy and the Gender 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.

Name & Signature Implementing Entity Coordinator	
Date: *(Month, Day, Year)*	Tel. and email:
Project Contact Person:	
Tel. And Email:	

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PART V: PROGRAM ANNEXES

1. Scanned PDF of the government approval letter.
2. Community consultation document for the project
3. Gender analysis and gender action plan.
4. Social and environmental management plan (monitoring, PQR).
5. Letters of support from communities.

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