GEF-7 REQUEST FOR CEO ENDORSEMENT / APPROVAL
CHILD PROJECT – MSP ONE-STEP

PROJECT TYPE: ONE-STEP MSP
TYPE OF TRUST FUND: SCCF

PART I: PROJECT INFORMATION

Project Title: Building climate resilience in supply chains for the mobilization of adaptation funding			
Country(ies):	Guatemala and Honduras	GEF Project ID:	10934
GEF Agency(ies):	CI	GEF Agency Project ID:	
Project Executing Entity(s):	Heifer International	Submission Date:	03/14/2022
GEF Focal Area (s):	Climate Change	Expected Implementation Start	July 2022
		Expected Completion Date	June 2024
Name of Parent Program	[if applicable]	Parent Program ID:	

Focal/Non-Focal Area Elements

Programming Directions	Focal Area Outcomes	Trust Fund	(in $)	
			GEF Project Financing	Confirmed Co-financing
CCA-2	Mainstream climate change adaptation and resilience for systematic impact	SCCF	917,431	8,831,011
	Total project costs		**917,431**	**8,831,011**

A. PROJECT DESCRIPTION SUMMARY

Project Objective: Develop and launch the Adaptation Equivalency Index (AEI) in Guatemala and Honduras to ensure decreased loss of habitat, improved ecological resiliency, sustainable living income for smallholder producers (men and women) and an increase in adaptation investment from the private sector through the use of a standardized, quantifiable approach

Objective Indicators:
Indicator A: Area of land managed for climate resilience
Target A: 2,054 hectares managed for climate resilience
Indicator B: Livelihoods and sources of income strengthened/introduced (agriculture, agro-processing, reduced supply chain)
Target B: 12, 125 producers have strengthened/new livelihoods and sources of income

Project Components/ Programs	Component Type	Project Outcomes	Project Outputs	Trust Fund	(in $)	
					GEF Project Financing	Confirmed Co-financing
Component 1						
Component 1: Pilot improved climate smart agriculture practices that increase resiliency throughout the value chains	**Technical Assistance**	**Outcome 1.1:** Improved climate smart production practices in ecologically vulnerable areas of Guatemala and Honduras ***Indicator 1.1****: Total # of hectares of production land under improved management* ***Target 1.1:*** *Total: 2,054 hectares* *Guatemala: 1,212 hectares* *Honduras: 842 hectares*	**Output 1.1.1:** Producers identified for participation in climate smart practices ***Indicator 1.1.1:*** *# of male and female producers identified* ***Target 1.1.1:*** *480 male and 120 female producers* **Output 1.1.2:** Technologies, tools, and skills needed to implement climate smart practices are obtained and utilized by producers	SCCF	501,343	4,558,506

			Indicator 1.1.2: *# of male and female producers with knowledge about new technologies, tools and skills for climate smart agriculture* ***Target 1.1.2:*** *360 male and 90 female producers* **Output 1.1.3:** Demonstration projects of climate smart interventions implemented in rural communities in both countries ***Indicator 1.1.3:*** *# of demonstration projects implemented in rural communities* ***Target 1.1.3****: 20 demonstration projects*			

		Outcome 1.2: Increased resiliency and ability of male and female small holder producers to adapt to climate change and shocks related to economic and environmental volatility ***Indicator 1.2.a.:*** *# of male and female producers that are better equipped to effectively adapt to climate change by using adapted farming practices* ***Target 1.2.a.:*** *12,125 producers (7,275 males, 4850 females)* ***Indicator 1.2.b.:*** *# of producers that have higher incomes as a result of their participation in the project (considering actual income compared to the baseline)* ***Target 1.2.b.:*** *6,042 producers(3,626 men and 2,416 women)*	**Output 1.2.1** Information on climate change adaptation disseminated in both countries across target areas ***Indicator 1.2.1:*** *# of communities that have received information about climate change and adaptation strategies* ***Target 1.2.1:*** *14 communities* **Output 1.2.2:** Strengthened capacity of producers in rural communities to implement climate smart measures ***Indicator 1.2.2:*** *# number of male and female producers trained on climate adaptation practices such as climate smart agriculture, drip irrigation, solar dryers, etc.* ***Target 1.2.2:*** *Total: 1,075 producers* *Guatemala: 475 producers* *Honduras: 600 producers*			
Component 2						
Component 2: Develop an Adaptation	**Technical Assistance**	**Outcome 2.1:** There is one functional Adaptation	**Output 2.1.1:** Climate smart production practices	SCCF	126,215	1,585,000

Equivalency Index by identifying, cataloguing, and quantifying measures of climate smart production practices		Equivalency Index that is flexible, scalable, and capable of catalyzing increased investment in adaptation and resiliency measures across value chains ***Indicator 2.1:*** *# of indices developed with potential to catalyze investment in adaptation and resiliency measures across value chains* ***Target 2.1:*** *1 index is ready for piloting by companies*	identified for inclusion in the AEI ***Indicator 2.1.1:*** *# of climate smart production practices identified for inclusion in the AEI* ***Target 2.1.1:*** *4 distinct categories of climate smart production practices identified* **Output 2.1.2:** The AEI is created ***Indicator 2.1.2:*** *# of indices developed to catalyze investment in adaptation and resiliency measures across value chains* ***Target 2.1.2:*** *1 Index developed*			
Component 3						

Component 3: Pilot AEI – integrate AEI into three premium value chains	**Technical Assistance**	**Outcome 3.1:** The AEI is adopted as a valuable tool by companies to achieve key adaptation outcomes aligned with GEF adaptation strategy ***Indicator 3.1:*** *# of companies signing agreements with Heifer to launch pilot projects to use the AEI* ***Target 3.1:*** *6 companies signing agreements*	**Output 3.1.1:** AEI companies define KPIs and measure progress on their targets and metrics ***Indicator 3.1.1:*** *# of companies that report metrics on AEI use* ***Target 3.1.1:*** *6 companies measuring progress on AEI pilots*	SCCF	158,614	1,360,000
		Outcome 3.2: Increased knowledge of linkages between climate change adaptation and the target value chains ***Indicator 3.2:*** *% of key industry leaders and members of the general public surveyed during the project showing increased knowledge about the linkages between climate change adaptation and the target value chains* ***Target 3.2:*** *75% of survey respondents*	**Output 3.2.1:** Companies develop communication plans about the AEI and its relevance targeting consumers, key industry leaders, and public sector authorities ***Indicator 3.2.1****: # of communications plans on the AEI developed by companies to target key industry leaders and the general public* ***Target 3.2.1:*** *6 communications plans*			
			Subtotal	SCCF	786,172	7,503,506
			M&E	SCCF	48,234	524,742
			Project Management Cost (PMC)	SCCF	83,025	802,763

Total project costs		**917,431**	**8,831,011**

For multi-trust fund projects, provide the total amount of PMC in Table B, and indicate the split of PMC among the different trust funds here: (N/A

CONFIRMED SOURCES OF CO-FINANCING FOR THE PROJECT BY NAME AND BY TYPE

Heifer International has mobilized **$1,869,268** in co-financing from non-GEF funding for activities in Honduras and Guatemala that will directly contribute to this project.

Heifer International is providing **investment mobilized support - $119,420** of funding contributing to this project that that is time-bound and has a specific scope of work.

This also includes **in-kind support - $1,749,848** from BID-LAB in Honduras for activities that are increasing the resilience of specialty coffee and cocoa producers in Honduras. Additionally, this includes support for several projects in Guatemala with smallholder spice farmers to help them achieve sustainable living incomes and contribute to the protection of tropical forests. The work in Guatemala is being supported by several donors including OroVerde – please see Annex K for co-financing support letters.

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount ($)
GEF Agency	Conservation International Foundation	In-kind	Recurrent Expenditure	161,743
Donor Agency	Heifer International	Grant	Investment Mobilized	119,420
Donor Agency	Heifer International	In-Kind	Recurrent Expenditure	1,749,848
Civil Society Organization	ICADE (Institute for Cooperation and Self Development) – Honduras	In-Kind	Recurrent Expenditure	300,000
Civil Society Organization	ICADE (Institute for Cooperation and Self Development) – Honduras	Loan	Investment Mobilized	200,000
Civil Society Organization	CATIE – Honduras	In-Kind	Recurrent Expenditure	400,000
Civil Society Organization	CATIE – Honduras	Loan	Investment Mobilized	600,000
Civil Society Organization	FUNDER – Honduras	In-Kind	Recurrent Expenditure	1,000,000
Private Sector	Banrural – Honduras	Other	Recurrent Expenditure	2,000,000
Civil Society Organization	Fundacion Defensores de la Naturaleza – Guatemala	In-Kind	Recurrent Expenditure	500,000
Civil Society Organization	Federacion Nacional de Cooperativas de ahorro y credito R.L. – Guatemala	In-Kind	Recurrent Expenditure	500,000

Private Sector	Nueva Kerala, S.A. – Guatemala	In-Kind	Recurrent Expenditure	450,000
Civil Society Organization	Oro Verde – Tropical Forest Foundation – Guatemala	In-Kind	Recurrent Expenditure	350,000
Recipient Country Government	Municipalidades de Alta Verapaz: Chahal, Cobán, Raxruhá, Fray Bartolomé de Las Casas y Chisec – Guatemala	In-Kind	Recurrent Expenditure	$500,000
Total Co-financing				**8,831,011**

TRUST FUND RESOURCES REQUESTED BY AGENCY(IES), COUNTRY(IES), FOCAL AREA AND THE PROGRAMMING OF FUNDS

GEF Agency	Trust Fund	Country Name/Global	Focal Area	Programming of Funds	(in $)		
					GEF Project Financing (a)	Agency Fee (b)	Total (c)=a+b
CI	SCCF	Honduras Guatemala	CC	(select as applicable)	917,431	82,569	1,000,000
Total GEF Resources					917,431	82,569	1,000,000

E.1. PROJECT PREPARATION GRANT (PPG)

N/A

E.2. DOES THE PROJECT INCLUDE A "NON-GRANT" INSTRUMENT?

NO

F. PROJECT'S TARGET CONTRIBUTIONS TO GEF 7 CORE INDICATORS

Project Core Indicators		Expected at CEO Endorsement
1	**Terrestrial protected areas** created or under improved management for conservation and sustainable use (Hectares)	
2	**Marine protected areas** created or under improved management for conservation and sustainable use (Hectares)	
3	Area of **land restored (**Hectares)	
4	Area of **landscapes under improved practices** (excluding protected areas) (Hectares)	
5	Area of **marine habitat under improved practices** (excluding protected areas) (Hectares)	
	Total area under improved management (Hectares)	

6	**Greenhouse Gas Emissions Mitigated** (metric tons of CO2e)	
7	**Number of shared water ecosystems** (fresh or marine) under new or improved cooperative management	
8	Globally over-exploited **marine fisheries** moved to more sustainable levels (metric tons)	
9	**Reduction**, disposal/destruction, phase out, **elimination** and avoidance of **chemicals of global concern** and their waste in the environment and in processes, materials and products (metric tons of toxic chemicals reduced)	
10	Reduction, avoidance of emissions of **POPs to air** from point and non-point sources (grams of toxic equivalent gTEQ)	
11	Number of **direct beneficiaries disaggregated by gender** as co-benefit of GEF investment	2,425 (1,625 male, 800 female)

Provide additional explanation on targets, other methodologies used, and other focal area specifics (i.e., Aichi targets in BD) including justification where core indicator targets are not provided. N/A

PROJECT TAXONOMY

Level 1	Level 2	Level 3	Level 4
Influencing models	Transform policy and regulatory environments		
	Strengthen institutional capacity and decision-making		
	Convene multi-stakeholder alliances		
	Demonstrate innovative approaches		
Stakeholders	Indigenous Peoples		
	Private Sector	Large corporations	
		SMEs	
		Individuals/Entrepreneurs	
	Beneficiaries		
	Local Communities		
	Civil Society	Community Based Organization	
	Type of Engagement	Information Dissemination	
		Partnership	
		Consultation	
		Participation	
	Communications	Awareness Raising	
		Education	
		Behavior Change	
Capacity, Knowledge and Research	Enabling Activities		
	Capacity Development		
	Knowledge Generation and Exchange		
	Learning	Adaptive Management	
	Innovation		
	Knowledge and Learning	Innovation	
		Capacity Development	
		Learning	
	Stakeholder Engagement Plan		
Gender Equality	Gender Mainstreaming	Beneficiaries	
		Sex-disaggregated indicators	
		Gender-sensitive indicators	
	Gender results areas	Participation and leadership	
		Access to benefits and services	
		Capacity development	
		Knowledge generation	
Focal Areas/Theme	Integrated Programs	Commodity Supply Chains	Sustainable Commodities Production
			Smallholder Farmers
			Adaptive Management
		Food Systems, Land Use and Restoration	Sustainable Food Systems
			Sustainable Commodity Production
			Food Value Chains

	Biodiversity	Protected Areas and Landscapes	Productive Landscapes
		Mainstreaming	Agriculture & agrobiodiversity
			Certification (International Standards)
	Climate Change	Climate Change Adaptation	Mainstreaming Adaptation
			Private Sector
			Innovation
			Livelihoods

Part 2: Project Justification

1a. Project description

1. The global environmental problems (or climate change adaptation problems if this is an adaptation project), root causes and barriers that need to be addressed

Regional Overview

Both Guatemala and Honduras fall within Latin America's Dry Corridor, a region on the Pacific Coast which extends from Southern Mexico through El Salvador, Guatemala, Honduras, Nicaragua and Costa Rica. This area is prone to prolonged periods of drought, followed by intense rain events and flooding. This erratic weather affects crop cycles and contributes to food insecurity.[1] Extreme weather patterns in the region are forecasted to increase with climate change, leading to further food insecurity and rising rates of migration.[2] One of the main reasons for these countries' high vulnerability is their location. Both countries lie on a thin strip of land between the Atlantic and Pacific Oceans. Guatemala lies mainly on the Pacific Ocean where Honduras lies mainly on the Atlantic Ocean. Neither country has a buffer from the harsh weather events that the tropical oceans cause[3].

According to the Germanwatch Climate Risk Index (2015), Guatemala is one of the countries most affected by climate change. Events such as extreme droughts usually result in poor harvests or heavy rains in landslides, with both affecting the rural population particularly strongly. Additionally, deforestation and habitat destruction has been a major issue, compounding the issues and instabilities brought on by climate change.

Honduras is also prone to natural disasters and is vulnerable to climate change. Sixty percent of Honduras' GDP is agricultural, with coffee corn and beans being the main crops. A decrease in agricultural production due to climate change would have a huge economic impact on the country, especially in rural regions where the poor depend on agriculture[4]. Though it has had strong economic growth rates relative to the region (as measured pre pandemic), Honduras is one of the poorest countries in the Western hemisphere with almost half of the country living on less than USD $5.50/day (as of 2019), and has the largest level of income inequality of any country in Latin America[5]. The agricultural sector employs around 39%, though the sector has seen nearly a one-third reduction in revenue over the past two decades; as of 2014, 65% of rural households lived in poverty. Honduras also has rising levels of food insecurity, linked in large part to the impacts of climate change.

[1] FAO Regional Office for Latin America and the Caribbean
[2] Climate Reality Project, "How the Climate Crisis is Driving Central American Migration"
[3] Waddick Karissa, Effects of Climate Change on Agriculture in Guatemala and Honduras. 2017.
[4] Llyod, Ceri. Honduras: Climate change and why we are here!
[5] IFAD Honduras profile

Over the last decade the country has suffered from repeated droughts that have increased food insecurity, particularly for subsistence farmers in the Dry Corridor, where some areas have experienced annual crop loss greater than 70% of the initial harvest (and heavy damaged up to 50% of the second harvest)[6]. In 1998, Hurricane Mitch devastated the country with unprecedented flooding, and more recently the country suffered from the back-to-back hurricanes Eta and Iota in 2020 which had a devastating humanitarian impact and severely affected infrastructure and food security. The effects of the pandemic are contributing to what was already a desperate situation for many living in Honduras.

Description of the Ecoregions

For maps of the project areas, please see 1b. Project Map and Geo-Coordinates and Annex C: Project Map(s) and Coordinates.

Overview of Project Areas

Country	Name of Project Area	Area (in ha)	Land Uses	Target Crops
Guatemala	Cobán	33,073 ha	5% Livestock 40% Agriculture 45% Forestry 10%% Urban	Cardamom Allspice Cinnamon Turmeric Black pepper Broadleaf Forest species of high economic value
Guatemala	Chisec	18,938 ha	10% Livestock 40% Agriculture 40% Forestry 10% Urban	Cardamom Allspice Cinnamon Turmeric Black pepper Clove Annatto Broadleaf Forest species of high economic value
Guatemala	Raxruhá	21,000 ha	15% Livestock 30% Agriculture 35% Forestry 15% Urban 5% Oil palm	Cardamom Allspice Cinnamon Turmeric Black pepper Clove Annatto Broadleaf Forest species of high economic value

[6] World Food Program USA

Guatemala	Fray Bartolomé de Las Casas	17,000 ha	15% Livestock 30% Agriculture 35% Forestry 10% Urban 10% Oil palm	Cardamom Allspice Cinnamon Turmeric Black pepper Clove Annatto Broadleaf Forest species of high economic value
Guatemala	Chahal	23,000 ha	10% Livestock 35% Agriculture 40% Forestry 10% Urban 5% Oil palm	Cardamom Allspice Cinnamon Turmeric Black pepper Clove Annatto Broadleaf Forest species of high economic value
Guatemala	La Tinta	19,000 ha	05% Livestock 40% Agriculture 45% Forestry 10% Urban	Cocoa Honey Broadleaf Forest species of high economic value Black pepper Clove Cinnamon Allspice Cardamom
Guatemala	Sierra de Las Minas, San Antonio	200 ha	40% Agriculture 45% Forestry 5% Urban	Cocoa Honey Broadleaf Forest species of high economic value
Guatemala	Sierra de Las Minas, San Vicente I	221 ha	40% Agriculture 45% Forestry 5% Urban	Cocoa Honey Broadleaf Forest species of high economic value

Guatemala	Panzós	21,000 ha	05% Livestock 30% Agriculture 45% Forestry 10% Urban 10% Oil palm	Cocoa Honey Broadleaf Forest species of high economic value Black pepper Clove Cinnamon Allspice Cardamom
Guatemala	Bocas del Polochic, Selempim	100 ha	35% Agriculture 60% Forestry 5% Urban	Cocoa Honey Broadleaf Forest species of high economic value
Honduras	Dulce Nombre de Culmí	305,460 ha	55% Forestry 35% Grazing 0.26% Coffee 0.10% Cocoa 9.64% Other	Coffee Cocoa
Honduras	Gualaco	211,853 ha	60% Forestry 30% Grazing 0.21% Coffee 9.79% Other	Coffee Cocoa
Honduras	Santa María del Real	26,129 ha	55% Forestry 35% Grazing 0.54% Coffee 9.46% Other	Coffee Cocoa
Honduras	Catacamas	725,619 ha	50% Forestry 40% Grazing 0.07% Coffee 0.10% Cocoa 9.83% Other	Coffee Cocoa

In Guatemala, the project will take place in the Transversal Strip of the North and Polochic Basin in the department of Alta Verapaz, within the municipalities of Coban, Chisec, Raxruha, Fray Bartolome de las Casas, San Fernando Chahal, La Tinta, and Panzos, and in the municipality of El Estor located in the department of Izabal. There are three protected areas in this territory: Reserva Biosfera Sierra de las Minas, Refugio de Vida Silvestre Bocas del Polochic, and Área protegida de Laguna Lachua.

Guatemala ranks 4th in the world on the United Nation's World Risk Report (2014), situated in an area highly susceptible to earthquakes, hurricanes and volcanic eruptions, as well as floods, droughts and landslides. The department of Alta Verapaz is an area facing particularly high risks of climate and weather-related disasters. Families in the Polochic watershed continue to be at risk from (a) severe storms causing crop losses, flooding, and severe landslides, and (b) low yields of cash crops such as cardamom,

due to insects and disease. While new crops planted in agroforestry systems (AFS) have great potential as a new source of income generation for farmers, this has not been widely promoted and people lack the training required to get high yields. Potential exists for families to diversify farm production and not only to stabilize their income levels, but to increase them. As for rural people who rely on farming for food and income, seasonal changes and natural disasters strongly increase the risk of hunger and malnutrition.

The population living around the protected areas is of indigenous Queqchi origin. These farming families farm an average of 4-6 ha and on average, a family living in this area has an annual income of $2,232 per year. According to Heifer International, it is estimated that an income of $4,688 per year is needed for these families to cover their basic needs (defined by Heifer as a 'Living Income Benchmark'). These families are facing an income gap of $2,456 per year. This income gap is projected to be closed as a result of farmers using best practice agroforestry systems on an average of only one ha . Agroforestry systems are an important tool for climate change adaptation in agriculture. Agroforestry produces adaptation benefits for local climate, including reducing the impact of five types of extreme weather events evaluated by the study (drought, heatwaves, cold waves, heavy rain and floods), improving soil and water availability, attracting pollinators and improving biodiversity.

Alta Verapaz has the highest poverty rates in Guatemala, with 83% living in poverty and 54% living in extreme poverty. The communities of the Northern Transversal Strip (FTN) face high levels of social and economic exclusion. Families have an average of six children, with an income of about $2/day, and face pressure from the spread of agribusiness (mainly African palm), extensive livestock use areas, agrarian conflicts, and insecurity due to illicit activities. People struggle to find adequate income to support their families, suffer low literacy rates, poor housing conditions and have limited access to all kinds of basic needs and services). Most alarmingly, children in Alta Verapaz suffer very high rates of malnutrition (ranging from 42-70 % in some areas) and half of children under 5 suffer from stunting.

Communities have been growing cardamom for the last 106 years in the Alta Verapaz department (it was introduced to the country in 1914), and allspice for the last 25 years. There are entire communities that base their economy on these crops. Unfortunately, production is characterized by inadequate crop management and limited technical capacity, resulting in low yields, combined with the effects of climate change and insects such as Thrips. Most spices are sold dehydrated; it is estimated that there are more than 4,500 drying facilities for cardamom and for black pepper and allspice located throughout the Northern Transversal Strip. According to a 2014 report, these drying facilities, which use fuelwood as their primary source of energy, were estimated to contribute to 3,192 ha of deforestation annually (a number which Heifer field teams now estimate to be closer to 4,000 ha of deforestation annually) .

Producers of cardamom and spices have little access to markets that buy processed products directly (with higher value added) and with high levels of intermediation, reducing their profit margins. Furthermore, the current sources of production of these products are monoculture plots and intensive predation/extraction of forest products. On the intermediary side, there is rampant use of inefficient technology, which is more than 50 years old. These intermediaries, by selling in a dehydrated form to the exporter, concentrate on receiving the highest profit margins of spices and cardamom (30%).

In Honduras, the project will take place in the department of Olancho, in four municipalities: Dulce Nombre de Culmí, Gualaco, Santa María del Real, and Catacamas. These areas are rich in natural resources encompassing nine protected areas and six major rivers including: the Guayape River that together with the Guayambre forms the Patuca River, the Sico or Grande River, the Mangulile or Mirajoco, the Mame and Jimine or Limón, the last two being tributaries of the Aguán. In addition, the region also includes four basins: Cuenca del Aguan, Sico, Patuca and Coco Segovia.

In Honduras, more than 90% of the population depends on agriculture. In the areas proposed for attention by the project, producers are dedicated to small and medium-sized agriculture, especially basic grains (corn and beans) and on small and medium-sized dual-purpose extensive livestock farming. A low percentage (less than 5%) is dedicated to producing coffee, cacao, fruits, and vegetables. According to the Chocolat4All project (in the planned intervention zone in Olancho), the average living income is approximately $234.24 per month.

In Olancho, the project will aim to work with producers from the coffee and cocoa value chains. Due to the vulnerability of the crops to rains and drought, as well as the lack of resiliency in community members, investment funds for adaptation to climate change are essential in the region. Producers living in the department of Olancho earn on average $187 per month, and suffer from a gap of $213 per month to reach a living income. While some of the farmers and producers have diversified their crops such as with fruit trees, corn, and livestock, community members are still not able to obtain a living wage.

In Honduras, 95% of coffee producers are smallholder famers, primarily using agroforestry systems, primarily without any advanced technology. In the processing of the coffee, most drying is done at the intermediary or exporter level, and is commercialized via local level intermediaries, or through wholesale intermediaries. Likewise, 95% of cacao producers are smallholder farmers which are organized in associations. Production usually consists of agroforestry techniques with low to medium levels of technology. The majority of processing is done by associations, with natural drying mostly used, though some mechanical drying is being introduced. Associations are able to undertake direct marketing with exporters. In coffee, most of the product is marketed through intermediaries, who pay prices based on the New York Stock Exchange; these intermediaries then commercialize it with exporting companies such as the Compañía Hondureña del Café CO HONDUCAFÉ.

The main buyer of Honduran cacao is Chocolats Halba (from Switzerland) which pays a price of up to $4,000 per metric ton of quality A cocoa, with certification seals (Organic and Fair Trade). This company pays estimated prices of $1,500.00 per metric ton of regular cocoa. Approximately 30% of cocoa is traded in formal markets, while the difference is traded in the informal market, with intermediaries who buy cocoa directly from producers.

Adaptation Problems

Loss of functional ecosystem resiliency in both agricultural and biodiversity systems. As habitats decline and ecosystems lose their functional resiliency, the inability of habitats to recover to pre-disturbance levels is amplified. This has implications for adaptation processes in both productive and non-productive landscapes. For example, loss of pollinator species impacts farming practices and productivity. Loss of endemic species exposes productive land to increased threat from invasive species, pests, and disease. In Central America's Dry Corridor and in the project areas, the forecasted effects of climate change include an overall decrease in and less consistent precipitation, higher average temperatures, and greater frequency and intensity of extreme weather events[7]. These impacts, combined with the effects of sustained habitat degradation, will lead to a lack of ecosystem services in productive and non productive landscapes after disturbances. Less stable or degraded ecosystems will not be able to provide adequate protection from land or mudslides during heavy rain events, and soil quality will worsen, further threatening agricultural harvests that are already under pressure from a changing climate.

Habitat degradation. Deforestation and habitat degradation also threaten climate change adaptation. In the Northern Transversal Strip of Guatemala, the use of fuelwood in the drying process for spices leads to an estimated 4,000 ha of deforestation annually. This, along with other drivers of deforestation such as

[7] Depsky and Ponds, 2020.

clearing land for subsistence farming and fuelwood (especially in Honduras, where fuelwood accounts for 65% of the country's energy), are not only degrading ecosystems, but are also worsening the effects of climate change for local inhabitants. For instance, after hurricane Mitch struck Honduras in 1998 it was observed via aerial surveys that mudslides were worse in areas that had been deforested. More recently, the back-to-back hurricanes of Eta and Iota in 2020 destroyed the livelihoods of many smallholder producers, contributing to the migration of hundreds of thousands both internally and externally[8]. In the department of Izabal, the municipality of El Estor has seen some of the highest rates of deforestation of any of the project areas (in Guatemala or Honduras), with an estimated 46.6k ha of tree cover loss from 2001-2020, representing an estimated 25.3Mt CO_2e in emissions.[9] There is also an ongoing threat to Lake Izabal and its associated ecosystems from unsustainable monoculture agriculture practices, which degrade land and introduce pollutants such as chemical products into the ecosystem.[10] These threatened ecosystems, such as mangroves and coral reefs, are the source of many valuable ecosystem services such as water filtration and fisheries.

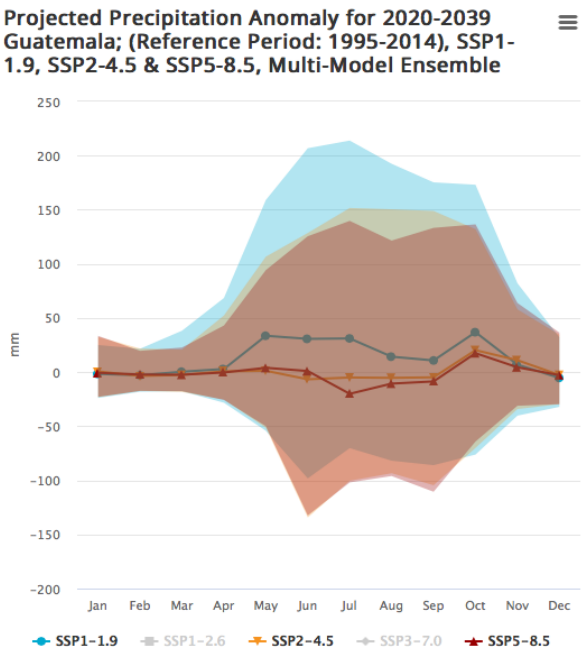
Extreme weather including rise in temperatures, heavy/unpredictable rain resulting in landslides, drought, increased severity and frequency of storms. The combination of habitat degradation and lack of resiliency makes residents of these regions vulnerable to the effects of extreme weather linked to climate change. Significant weather events such as extended droughts and hurricanes will become more frequent in the Dry Corridor as climate change progresses. Climate change has decreased the amount of available agricultural land in both Honduras and Guatemala. Large storms like Hurricane Mitch flood neighborhoods by the shores, destroy homes, and ruin crops[11].

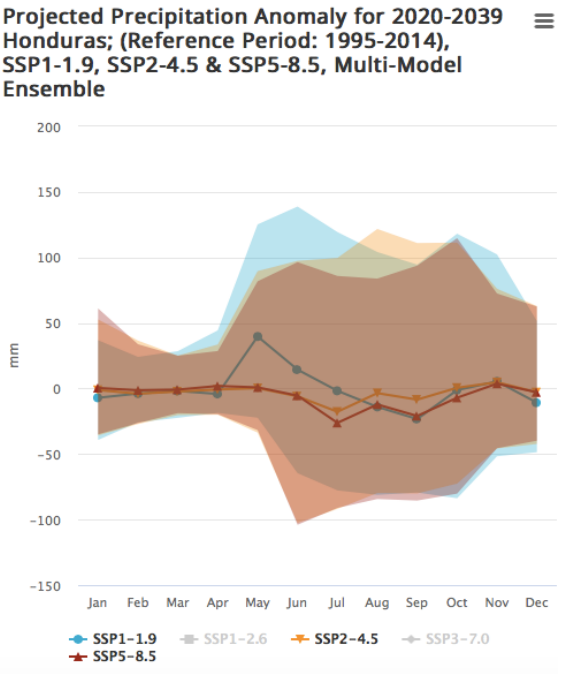
Guatemala and Honduras are both exposed to multiple climate hazards and hazards do not occur independently and may trigger multiple secondary hazards (e.g., an increase in precipitation can lead to landslides in deforested areas).

Based on data from the World Bank's Climate Change Knowledge Portal, both Honduras and Guatemala will both have adverse effects from climate hazards. From the analysis of the data for precipitation and temperature under the Shared Socioeconomic Pathway (SSPs) 2-4.5 and 5-8.5[12,] both countries will suffer a decline in precipitation with a projected increase in mean temperature.

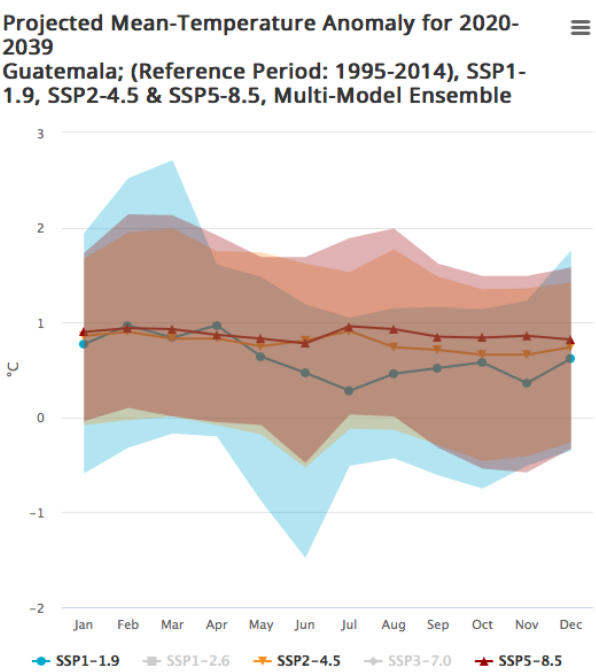
Anomalous precipitation:

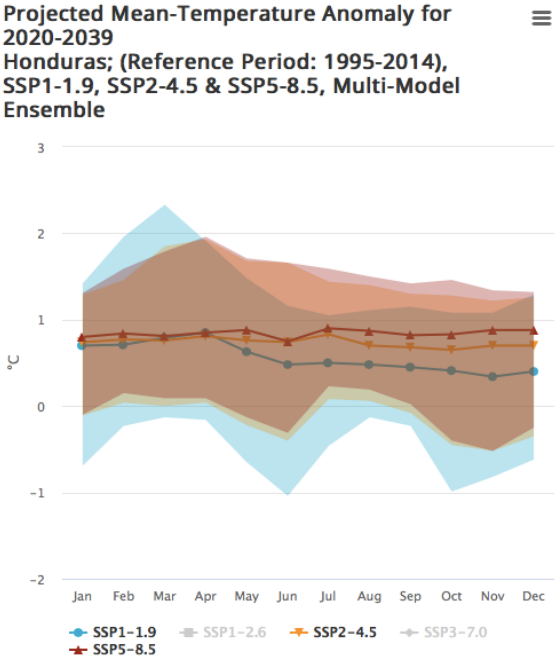
[8] UNHCR (https://www.unhcr.org/en-us/news/stories/2021/11/61844eef4/honduras-climate-change-factor-sparking-displacement.html)
[9] Global Forest Watch estimates for departments of Izabal.
[10] Earth Journalism Network (https://earthjournalism.net/stories/drugs-mining-monoculture-threaten-guatemalas-mangrove-ecosystems)
[11] Waddick
[12] SSP2-4.5: This is a "middle of the road" scenario. CO2 emissions hover around current levels before starting to fall mid-century, but do not reach net-zero by 2100. Socioeconomic factors follow their historic trends, with no notable shifts. Progress toward sustainability is slow, with development and income growing unevenly. In this scenario, temperatures rise 2.7C by the end of the century.SSP5-8.5: This is a future to avoid at all costs. Current CO2 emissions levels roughly double by 2050. The global economy grows quickly, but this growth is fueled by exploiting fossil fuels and energy-intensive lifestyles. By 2100, the average global temperature is a scorching 4.4C higher.





Increased temperature:





According to a USAID study (2014), a 10 to 20 percent reduction in precipitation and an increase in temperature by between 1.0 and 2.5°C will have profound impacts on water resources in Honduras. This change will interact with and exacerbate other human-induced pressures affecting water quantity and quality. Possible effects of climate projections — including an increase in temperature by between 1.0

and 2.5 °C as well as a 10 to 20 percent reduction in precipitation, on water resources include: reduced surface water availability for direct use by communities and urban areas, agriculture, and economic processes; and decreased groundwater recharge rates, which could substantially affect dry season flows.

Climate change projections for Guatemala[13] point to a 2.5 – 4 degree Celsius increase in temperature by 2050, with an increase incidence and intensity of extreme rainfall events, droughts and floods; and more frequent and prolonged heat waves and droughts. The climate impacts will be felt in the Agriculture sector – crop loss/failure, shifting production zones, increased food prices and foot imports, Ecosystem loss - loss of critical ecosystems, coastal defense and carbon sinks, expansion of arid areas, Water Resources – water shortages, reduced quantity and quality of water supplies.

Climate Change projections for Honduras[14] predict a 1-2.5 degree Celsius increase in temperatures by 2050, increased frequency of extreme rainfall and flood events, reduction in rainfall with more intense, prolonged droughts. In terms of climate impacts, in the Agriculture sector – crop loss/failure, soil erosion, increased pests and rising food prices and food imports, Ecosystems and Fisheries – loss of forest cover, mangroves, coral reefs and fisheries and associated ecosystem services and livelihoods, and Water Resources – shortages, degraded water quality and increased flood and landslide risk.

Without resiliency and adaptive measures in place, smallholder producers are more likely to have their livelihoods jeopardized; this might come in the form of repeated crop harvest failure due to extended drought conditions, or due to physical damage from storms and flooding (e.g., with eroded hillsides more prevalent to mudslides).

Honduras is prone to natural disasters. The entire country has been affected by hurricanes such as Fifi, Mitch and in 2020 by hurricanes ETA and IOTA that left floods, landslides, roads in poor condition, and municipalities incommunicado, among other effects. Just as the effects of climate change (e.g., flooding) are made worse by deforestation caused by issues like unsustainable subsistence or commodity agriculture, the effects of climate change will only serve to aggrandize these pressures (e.g., by increasing poverty and limiting the ability to harvest certain varieties or harvests of crops), in an unsustainable cycle.

As with Honduras, Guatemala is also prone to hurricanes (Guatemala was also hit by Eta and Iota, causing widespread flooding and damage, with emergency levels of food insecurity tripling in the country after the hurricanes[15]). According to the World Bank, "Guatemala ranks ninth in the world for level of risk of risk to the effects of climate change," with rural populations more vulnerable to these effects.[16] Degraded ecological areas exacerbate the effects of flooding due to extreme rain events, along with extended periods of lack of precipitation, both of which are forecast to increase with the effects of climate change.

In Honduras, additional environmental threats in Olancho include deforestation from illegal logging stemming from subsistence farming, clearing for cattle pastures, collection of fuelwood (65% of the country's energy comes from fuelwood), mining activities, timber harvesting, and forest fires. From 2002 to 2020, Olancho lost 208,000 ha of humid primary forest, making up 55% of its total tree cover loss in the same time period. Total area of humid primary forest in Olancho decreased by 30% in this time period. By some estimates, as much as 85% of timber production in the country is illegal. The illicit timber trade feeds corruption that involves politicians, bureaucrats, timber companies, mayors, police, and

[13] USAID Climate Change Risk Profile, Guatemala, 2017
[14] USAID Climate Change Risk Profile, Honduras, 2017
[15] Devex / UN Office for Coordination of Humanitarian Affairs
[16] World Bank, Climate Change Knowledge Portal, Guatemala

other officials. The effects of deforestation are evident during tropical storms and hurricanes that periodically batter the country.

Guatemala also faces widespread deforestation and lack of soil conservation, making rural families more vulnerable to disasters. Between 1990 and 2015, Guatemala lost 17% of its forest (100,000+ ha between 2010 and 2016). While commercial illegal logging, clear-cutting, large-scale agriculture and open cast mining are all part of the issue, poverty compounds the problem. Poor families cut down trees to farm steep hills and use wood for cooking and heating. All of this causes erosion, loss of soil quality, severe biodiversity losses, and leaves large swaths of land bare and exposed. As a result, the landscape has been altered to such a degree that landslides are more common, and flooding is more severe than ever.

Root Causes

There are a number of root causes underpinning the adaptation problems highlighted above including local poverty and food insecurity, inefficient and unsustainable production practices by farmers that lack access to climate-smart alternatives, and a lack of perceived value (and therefore investment) by outside investors for climate-smart benefits – particularly from the private sector.

Inefficient, unsustainable production practices with limited access to climate-smart alternatives. Current agricultural methods and production practices in the project regions are not sustainable, and in many cases are inefficient. For instance, while production of cocoa in Honduras reached 1-1.5 MT in 2015, over 930 MT of cocoa beans did not meet standards required by the fermented cacao industry, representing an astounding 84% failure rate.[17] Crops such as coffee require a specific sequencing of seasons and weather patterns, both of which are becoming less predictable with climate change. Climate change is likely to bring increased temperatures, which exacerbates additional threats to crops such as La Roya, a fungus which infects coffee plants and thrives in warmer temperatures. Warmer temperatures are also leading to increased need for water for both subsistence and commodity crops.

In Guatemala, traditional and inefficient wood-fired dryers are causing the loss of 4,000 ha of forest each year. In the case of cardamom, the value chain involves the participation of more than 350,000 producers (90% of which are smallholders). The current market system keeps small farmers in a cycle of poverty, as they cannot add value to their products and access markets that value sustainable production and compliance with human rights. Current production conditions have a negative impact on the environment, on tropical forests and biodiversity, on soil erosion and loss of water sources and emit thousands of tons of CO2, with every harvest and drying of cardamom and other spices.

These practices and others (such as monocropping) lead to an increasingly untenable situation for smalholder producers and are exacerbated by their lack of access to climate-smart measures which could help mitigate these pressures. The lack of access to adaptation measures exacerbates poverty and food insecurity as climate-related pressures increase, which lead to further degradation, including of soils.

The governments of Guatemala and Honduras recognize the urgent need for adaptation measures, but also lack the resources and capacity to widely deploy these practices, particularly in rural regions such as Alta Verapaz, Izabal, and Olancho.

Local poverty and food insecurity. Poverty and food insecurity are significant drivers of habitat degradation in Alta Verapaz, Izabal, and Olancho. In Alta Verapaz, an average family has an annual income of $2,232 per year while an estimated income that would cover basic needs is benchmarked at $4,688 per year, leaving a gap of $2,456[18]. Financial and food insecurity can lead to increased resource extraction, which only exacerbates the cycle of deforestation and unsustainable practices. Poverty and

[17] Heifer International, Honduras branch office
[18] Heifer International, 'Living Income Benchmark' data

food insecurity pressures also contribute to families not having the time or resources to implement resiliency measures.

Lack of perceived value and investment, by private sector for climate smart benefits. Historically, adaptation investments lag in comparison to mitigation in part because of the lack of private sector participation. Supply Chain Management (SCM) has concentrated on calculating carbon footprint and ways to reduce greenhouse gas (GHG) emissions. Existing investments in adaptation from the private sector tend to protect private property through climate proofing assets or risk management such as through insurance schemes. Additionally, almost 70% of funds committed to developing countries for climate action are tied to loans and credit, and generally occur unilaterally and outside of national adaptation strategies.

Guatemala's national climate change strategy estimates that there is a 71% funding gap between plans for climate and adaptation measures and the ability to implement these measures. The government expects these remaining funds to be largely sourced from the private sector and other development actors[19]. However, there is a clear lack of perceived value and willingness by investors and the private sector to invest in climate smart agricultural practices.

Current adaptation programming lacks a unified systematic approach, a coherent strategy, nationally determined contributions (NDCs), alignment with national strategies, formal standards, or the ability to track investment in adaptation. There are not currently well-defined metrics that the private sector can use to quantify the impact or return on investment (ROI) of adaptation, on consumers or on the stabilizing effect of adaptation measures on supply chains. Incentivizing the uptake of adaptation measures in supply chains will incur upfront, additional costs by private sector enterprises. Without a clear means of demonstrating potential ROI, private sector investment is unlikely to happen without outside intervention.

Barriers to Address

There are several barriers in place that contribute to the adaptation problems, including:

- ***Lack of resiliency among smallholder producers.*** There is a general lack of resiliency currently among the smallholder farmers and producers in the region, in terms of the sustainability of their livelihoods and general living conditions. The effects of climate change are already destabilizing harvests crops grown both for subsistence and livelihoods, to the extent that they are already driving both internal and external migration[20]. Beyond their impact on subsistence farming, these climate changes are also directly relevant to the value chains associated with the proposed project, since commodity crops such as cardamom and coffee require relatively consistent moisture patterns for optimal growth. Without a means to adapt to new climate norms, smallholder producers in the project regions will likely not be able to sustain a stable income – especially given that the average income for families in the area is currently well below Heifer's living income benchmark.

[19] OECD, "Lessons on Engaging with the Private Sector to Strengthen Climate Resilience in Guatemala"
[20] The Guardian (https://www.theguardian.com/world/2021/nov/01/guatemala-storms-drought-climate-migrants)

- Limited funding/access to information for men and women producers regarding sustainable practices, including extension services. There is not currently a formalized system for smallholder producers to access information on adaptive measures. Smallholder producers often will need additional funding to implement these practices, but there is not currently adequate funding or mechanisms for extension services to facilitate adaptive practices. There is a lack of government funding for implementing national adaptation strategies, especially among rural populations, and the private sector does not have a systematized framework for catalyzing or quantifying investment in adaptation measures.

- ***Limited capacity/knowledge regarding climate smart production practices.*** Though the governments of Guatemala and Honduras have adaptation plans in place, they lack resources to implement them. Hand in hand with this issue is the lack of capacity-building measures for climate smart adaptation practices, as the government does not have the resources to implement capacity-building with producers for adapation measures, exacerbating the lack of capacity and knowledge regarding climate smart production practices, and meanwhile private sector companies do not have a systematized framework for promoting or implementing adaptation measures for their supply chains.

- ***Limited incentives for investment, especially by the private sector for climate smart benefits.*** Though there are plenty of reasons that the private sector could benefit from investment in adaptation, ranging from stabilization of supply chains to enhanced reputation, there is not currently a developed methodology that quantifies private sector investment. Funding adaptation measures in supply chains will incur an upfront cost to private sector enterprises, and without a method for demonstrating possible return on investment (ROI), private sector actors do not necessarily have an adequate way to quantify the positive effect of their investment in promoting adaptation measures.

- ***Lack of standardized measurement and data for climate smart measures for customers.*** Consumers are not currently incentivized to make purchases which promote climate-smart adaptation. Adaptation interventions propose a complex set of interventions which are not easily conveyed in marketing and messaging to end users. This is largely since there is not a defined set of metrics or standardized measurements which can be translated to help customers understand the full impact of their purchases with respect to adaptation.

- ***Cultural norms inhibiting uptake of adaptation practices and participation in value chains.*** Cultural norms may also serve as a potential barrier to the uptake of climate-smart adaptation practices. While both men and women smallholder producers currently lack access to climate smart techniques and capacity-building measures, traditionally women are largely excluded from decision-making processes, as well as from participating fully in value chains. The department of Olancho, like the rest of Honduras, has a predominantly machismo culture that prevents women from entering the value chain. Education, machismo, and traditional gender roles function as barriers for women to participate in economic activities outside the home. In Heifer's work within the coffee and cocoa value chains in Olancho, 25% of participants are women. These women are integrated at different points in the value chain, mostly in the harvest and transformation of cocoa and coffee derivatives.

2) The baseline scenario and any associated baseline projects

In the proposed project areas in Guatemala and Honduras (14 total: 10 in Guatemala and 4 in Honduras), smallholder producers lack knowledge and capacity to implement sustainable climate-smart agricultural techniques. This is due in large part to a lack of funding and investment in adaptation measures. In both countries, there is a distinct funding gap between adaptation aims and implementation. This is especially true at the regional level, where there is a distinct lack of specific planning for adaptation measures in rural areas. Without a cohesive framework to spur private-sector investment, it is unlikely that there will be sufficient funding to invest in necessary adaptation measures in the near-term. A significant uptake in the climate-smart adaptation measures is needed to change the environmental and socioeconomic trajectory of the region. As such, unless the funding gap is supplemented from other sources, the business-as-usual scenario will likely be perpetuated.

Current agricultural methods and processes within the value chain for target crops in the project areas are leading to sustained deforestation. These pressures, combined with ongoing clearing for subsistence farming, use of fuelwood, and unsustainable agriculture (e.g., setting wildfires to clear land for cattle), are projected to incur continued loss and degradation of habitat and soils, and the loss of associated biodiversity and ecosystem services, all of which will continue to hamper adaptation and resilience in the project areas.

In Guatemala, in limited circumstances and with support from Heifer International and private sector partners including McCormick, Carcao Forest, Koppert Biological Systems, JM Thomasson, and De la Selva, farmers are beginning to use climate-smart crop management practices such as spacing, tissue management for trees, shade management, fertilization, use of agroforestry systems, harvest management and post-harvest drying, and use of forestry incentives from the Government of Guatemala. However, in Alta Verapaz gross deforestation is estimated at 48,084 ha equivalent to a rate of 1.2%, mainly due to poor cultivation practices (such as monoculture in full sun, use of pesticides, limited nutrition practices of plantations, among others) and environmental management (mainly inefficient drying processes), generating deforestation of some 4,000 ha per year (283,000 tons of CO2).

Around 350,000 producers participate in the production of cardamom, and they are mostly smallholders (90%). Of these, approximately 75% are indigenous and 10% are women, the majority living in poverty (at least 60%) and are highly vulnerable to the effects of climate change. This sector contributes an average of $350 million to GDP, however, despite these benefits, the current production and processing system produces a highly negative environmental impact, so its conversion to a sustainable system is an opportunity to generate positive environmental benefits, including climate change mitigation and adaptation benefits.

Farmers are also one of the most economically and socially vulnerable populations. The rural agricultural sector in Guatemala is not only characterized by its informality, low productivity, limited associativity and limited access to markets that result in low economic income, but it is also characterized by poverty. These structural characteristics coincide with difficulties of access and legality of land ownership, and consequently with a lack of real assets that act as collateral to guarantee access to loans from the formal financial system.

From the financial point of view, fluctuations in the prices of basic products both in local and international markets, inflation, currency devaluations, and insecurity and instability in terms of access to markets, limit the ability of producers to have certainty about their incomes, and real capacity to pay. Consequently, expected repayment by financial institutions tends to be uncertain.

In Olancho in Honduras, business-as-usual equates to continued deforestation from illegal logging stemming from subsistence farming, clearing for cattle pasture, collection of fuelwood (65% of the country's energy comes from fuelwood), mining, timber harvesting, and forest fires. By some estimates, as much as 85% of timber production in the country is illegal. The illicit timber trade feeds endemic corruption and there is a severe lack of financing mechanisms for promoting agroforestry systems that promote income generation while forests are restored. Investment is needed from the private sector and the Government of Guatemala in order to promote these systems with small producers. Without deliberate intervention and increased funding for and implementation of climate-smart adaptive measures, environmental degradation in Honduras and in Olancho in particular will likely continue on its current trajectory.

In Honduras, the vulnerability of the agricultural sector to climate change is considered medium-level, and the project area is at the same level of risk. By 2030, a loss of up to 5% of the area suitable for agriculture, an increase in temperature of 1.4 degrees Celcius, with intensification of dry periods and reduction of of the water regime is estimated. In the case of coffee, it is estimated that 86% of the municipalities where this crop is managed will lose areas suitable for this crop. Losses of up to 25% of the areas suitable for growing coffee are estimated. However, the areas that lose suitability for crops such as coffee do occasionally become areas suitable for crops such as cocoa, with use of agroforestry systems and supplemental irrigation.[21]

Despite these facts, it is important to note that in limited circumstances, and with intervention from organizations such as Heifer International, a small number of coffee and cocoa producers in Honduras are implementing practices to adapt to climate change such as: agroforestry, organic fertilizer, and solar dryers. There are unmet needs for the development, promotion and widespread use of practices such as: use of new drought tolerant crops, more efficient water use, use of nutrition plans based on soil analysis, new technology for more efficient processing and drying of crops, greater diversification of production systems, and expanding the coverage of climate variable measurement systems for decision-making.

Although companies, producer associations and development projects have invested in the establishment of technologies that improve the efficiency of processing and drying processes, coverage is quite limited. There is chronic under-investment related to creating measurement systems for climate variables and in the use of systems for the efficient use and exploitation of water. There are needs for new financing mechanisms that incentivize greater uptake by farmers for adaptation technologies, climate-oriented insurance systems, testing and establishment of new crop varieties, and diversified production systems.

While there is promotion of adaptation measures in project areas in both countries, this is not yet done in a way that promotes consistent and quantifiable external investment in climate-smart measures.

In Honduras, cocoa producers, through the associations to which they belong, market their quality and conventional product with the Swiss company Chocolats Halba, who pays a price of up to $4,000 per metric ton of quality A cocoa with certification seals (Organic and Fair Trade). This company pays estimated prices of $1,500.00 per metric ton of regular cocoa. Approximately 30% of cocoa is traded in formal markets, while the difference is traded in the informal market, with intermediaries who buy cocoa directly from producers. In coffee, most of the product is marketed through intermediaries, who pay prices based on the New York Stock Exchange; these intermediaries then commercialize it with exporting companies such as the Compañía Hondureña del Café CO HONDUCAFÉ. Producers, with technical advice from institutions such as Heifer International, the Institute for Cooperation and Self-development ICADE, and the Honduran Coffee Institute IHCAFE, implement some climate-smart production practices and limited critical investments have been made in processing structures such as solar dryers.

[21] CIGAR – "Research Program on Climate Change, Agriculture and Food Security" (2015)

In Guatemala, Heifer International has a long-term commitment to the promotion of agroforestry systems and the development of the cardamom value chain and the diversification of income sources for small producers and their adaptation to climate change and the promotion of climate smart agriculture. Work will continue in close coordination with MARN and the National Institute of Forests – INAB, to promote access to the forestry incentive, in favor of cardamom and other culinary spice producers. However, there is not currently sufficient funding or resources available to implement adaptation and investment in climate-smart practices in a wider scale in the project areas.

Baseline on adaptation indices

There are nascent efforts at certification and accreditation of adaptation benefits, such as the Adaptation Benefit Mechanism (ABM) and the Vulnerability Reduction Credit. The ABM[22] builds upon experience with the Clean Development Mechanism under the Kyoto Protocol's carbon market. The ABM de-risks and incentivizes investments by facilitating payments for delivery of Adaptation Benefits. ABM certifies the social, economic and environmental benefits of adaptation activities. The value of adaptation action captured in these certificates, including the incremental costs of generating the benefits, will be promoted to potential investors or lenders. The Vulnerability Reduction Credit[23] offers a method for helping to quantify adaptation results across an array of different sectors, while also ensuring that some fundamental, qualitative principles and standards are met including avoidance of harm, consultation with impacted communities, sustainability, and transparency.

While these two efforts are operational, without the GEF investment, there is still a need for a mechanism that looks at the whole of the supply chain, particularly production and processing. In addition, current mechanisms do not necessarily quantify adaptation actions to allow both companies and farmers to make trade-offs based on their circumstances. Particularly for farmers, there is a need for a mechanism that is able to support better market prices and enhanced resiliency and access to finance and tradeable credit schemes. Without GEF financing for the development and creation of an adaptation index, there would be no cohesive advocacy work to reduce the rate of deforestation in the project areas.

Table 2. Existing Programs and Projects Linked to the Project

Project Name	Project Duration	Donor(s)	Brief description of how it is linked to this GEF project
Heifer Impact Capital Business Development Support Program	Started in 2020; for more information please visit here.	SEAF / Heifer International	Heifer International and impact investment management group Small Enterprise Assistance Funds (SEAF) are working through a partnership to increase investments in local food and farming businesses in the United States, Africa, Asia, Central and Latin America. The partnership is enabling Heifer International's impact investing division – Heifer Impact Capital – and SEAF to build on SEAF's global network and experience raising over $1.2 billion in impact investments over

[22] http://abmechanism.org/about-abm/
[23] https://www.thehighergroundfoundation.org/vrcs

			the last 31 years. The groups are leveraging SEAF's global fund management activities to catalyze private investment in rural communities around the world.
BioFORESA I, II	Phase 1: 2012-2015 Phase 2: 2015-2018	Heifer (Guatemala)	2,400+ families, 20 communities. Targets increased water supply, improved agroecological production, and sustainable reforestation and adaptation strategies.
BOSQUES-Productive Partnerships for Conservation	Phase 1: 2015-2020 Phase 2: 2021-2023	Heifer (Guatemala)	2,000 smallholder farmer families working in strategic value chains in protected areas, linking products to local and international markets. Recovers & protects +180,000 hectares of forests.
Green Business Belt	Phase1: 2020-2024 Phase 2: 2025-2029 (anticipated)	Heifer (Guatemala)	11,200+ families A market-system model focused on high-demand spice value chains and livelihoods, agroforestry systems, climate smart agriculture, that supports production and connections to markets.
BID-LAB projects in Honduras	Chocolat4All: Nov 2019 - Sept 2022 Coffee Chain: December 2020 – June 2023	BID-LAB	These are two projects funded by BID-LAB that are contributing to increasing the resilience of specialty coffee and cocoa producers in Honduras
LEVERAGING SUCCESS and Chocolat4All	Chocolat4All: Nov 2019 - Sept 2022	Heifer (Honduras)	Has a presence in the intervention area and promotes climate-smart production practices in the livestock chain
BIADES/CHOCOLATES (Chocolat4All) project	Chocolat4All: Nov 2019 - Sept 2022	Heifer (Honduras)	Promotes climate-smart production practices in the livestock chain in the cocoa chain in the area.
Cardaforestry Project	October 2020-September 2023	Partnership McCormick and Heifer International	Promotion of agroforestry system, and support to 500 families farmers involved in value chain of cardamom and allspice. Innovation in drying technology for cardamom and other spices.
Carcao Forest	October 2020-December 2025	Partnership 12Tree Finance / Germany and	Agroforestry systems promotion for production of cardamom and cocoa, including technical

		Heifer International	assistance for 500 families, and improved market access.
ICADE (Honduras)	Permanent program	ICADE (Honduras)	ICADE also supporting the coffee and cocoa chains in the Honduras project area, with technical assistance, training, access to certification, and some small investments.
National University of Agriculture (UNAG)	Permanent program	National University of Agriculture (UNAG)	Conducts training and technical assistance actions for coffee and cocoa producers in the area.
Secretariat of Agriculture and Livestock (SAG)	Permanent program	Secretariat of Agriculture and Livestock (SAG)	Facilitates the Olancho MESCAOLA Regional Cocoa Table, which is a space for planning and coordination of direct and indirect actors linked to the cocoa chain. Coordinated with the Programa Nacional de Desarrollo Agroalimentario (PRONAGRO).

3) The proposed alternative scenario, with a brief description of the expected outcomes and components of the project:

An alternative to the baseline scenario is to spur the implementation of adaptation measures to climate change in the project areas by incentivizing private investment in adaptation measures by piloting, developing, and deploying an Adaptation Equivalency Index (AEI) in Guatemala and Honduras, along with a toolkit for adoption and implementation of the index. The Adaptation Equivalency Index is a framework that will allow for the quantification of impact of investments in adaptation measures for supply chains. The AEI will build on nascent efforts to develop a new asset class (adaptation credits) that monetizes adaptation benefits such as reduced vulnerability to the effects of climate change, and improved resiliency for the environment and for men and women living in smallholder farming communities. The AEI will provide a framework in which the private sector can quantify its investment in adaptation measures to climate change within corresponding supply chains (including both smallholder producers and other value-added steps of the process), providing a quantifiable unit of investment that corresponds to adaptation benefits incurred by the supported adapatation measures.

The AEI will be developed initially by piloting adaptation measures in target communities within the project areas, tailored through consultation with smallholder producers and communities and with experts in adaptation. The impact of these measures will be monitored and evaluated, assessing the adaptation and financial impact for the different types of adaptation measures. These results will be collated and developed into a framework for analyzing the impact of different adaptation measures – the ‘Adaptation Equivalency Index’. This index will come with a toolkit developed for introduction by private sector enterprises; the AEI will also be developed with ESG/CSR metrics in mind, so that businesses will be able to integrate the AEI metrics more fluidly into their business practices and models.

The AEI will make it easier to summarize the complexities of adaptation interventions as they take multi-dimensional realities and synthesize them into a format that is more readily applied in decision making. This process makes it easier to interpret than a battery of separate indicators and allows for assessment over time. This process makes it possible to reduce the visible size of indicators without dropping the

underlying information base. Consequently, it is possible to include more information within a bandwidth or information communication constraint. The AEI will also help communicate with the general public or specific, non-technical stakeholders and promote accountability throughout value chains. Finally, the AEI will allow the comparison of complex systems more efficiently.

Working with partners the AEI will be developed through several reiterative steps including:

- *Development of a theoretical framework.* A theoretical framework will be developed to provide the basis for the selection and combination of single indicators into a meaningful composite indicator under a fitness-for-purpose principle.

- *Data selection.* Indicators will be selected based on their analytical soundness, measurability, country coverage, relevance to the phenomenon being measured and relationship to each other. The use of proxy variables will be considered when data are scarce.

- *Manage imputation of missing data.* Working with partners we will determine approaches for imputing missing values. Extreme values will also be examined to avoid unintended benchmarks.

- *Conduct multivariate analysis.* An exploratory analysis will be used to investigate the overall structure of the indicators, assess the suitability of the data set and explain the methodological choices, e.g., weighting, aggregation.

- *Normalisation of indicators*. Indicators will be normalised to render them comparable. Extreme values will be assessed so as not to influence subsequent steps in the process of building a composite indicator. Skewed data will be identified and accounted for.

- *Weighting and aggregation.* Indicators will be aggregated and weighted according to the underlying theoretical framework. Correlation and compensability issues among indicators will considered and either be corrected for or treated as features of the phenomenon that need to retain in the analysis.

Once fully developed, the AEI will serve as a framework for companies to invest in adaptation measures within their supply chains. This will help to ameliorate the funding gap present for implementation of adaptation measures to climate change, especially in rural areas with smallholder producers who are highly vulnerable to the effects of shifting climatic norms and extreme weather events.

As part of the proposed project the AEI will be integrated via premium value chains (cardamom, allspice, coffee, and cocoa), incentivizing the uptake of climate-smart agriculture practices. The AEI will be developed by working directly with 2,425 smallholder producers in the departments of Alta Verapaz and Izabal in Guatemala, and the department of Olancho in Honduras. Climate-smart agriculture and production practices will be researched, developed, and implemented within these communities, working within in the value chains of cardamom, allspice, and cocoa in Guatemala, and in the value chains for coffee and cocoa in Honduras. This will result in the uptake of climate-smart adaptation measures being implemented in these regions, leading to improved resiliency and lessened deforestation and other environmentally destructive practices within the scope of these value chains, while preserving and enhancing biodiversity in some previously degraded areas.

Likewise, these adaptation measures also aim to stabilize, and potentially increase, the income of smallholder producers participating in the project. This stabilization (and potential increase) of income, as well as a potential diversification of livelihoods, will help to alleviate poverty and decrease food

insecurity among smallholder producers, which will further reduce environmental pressures in the project areas. Monitoring living income is a standard procedure for Heifer and will be applied in this programming.

This highly innovative approach will aim to standardize investment and action across supply chains and commodities, thereby enabling a systematic portfolio approach to adaptation investments and dynamic responses to risk making for corporations (and potentially for farmers who are diversified). It will empower farmers and producers to make decisions based on individual circumstances, risk exposure (real or perceived), and access to a variety of assets. The AEI will also enable farmers and corporations to respond to a variety of shocks and stressors in different ways while ensuring the motivation to act remains intact.

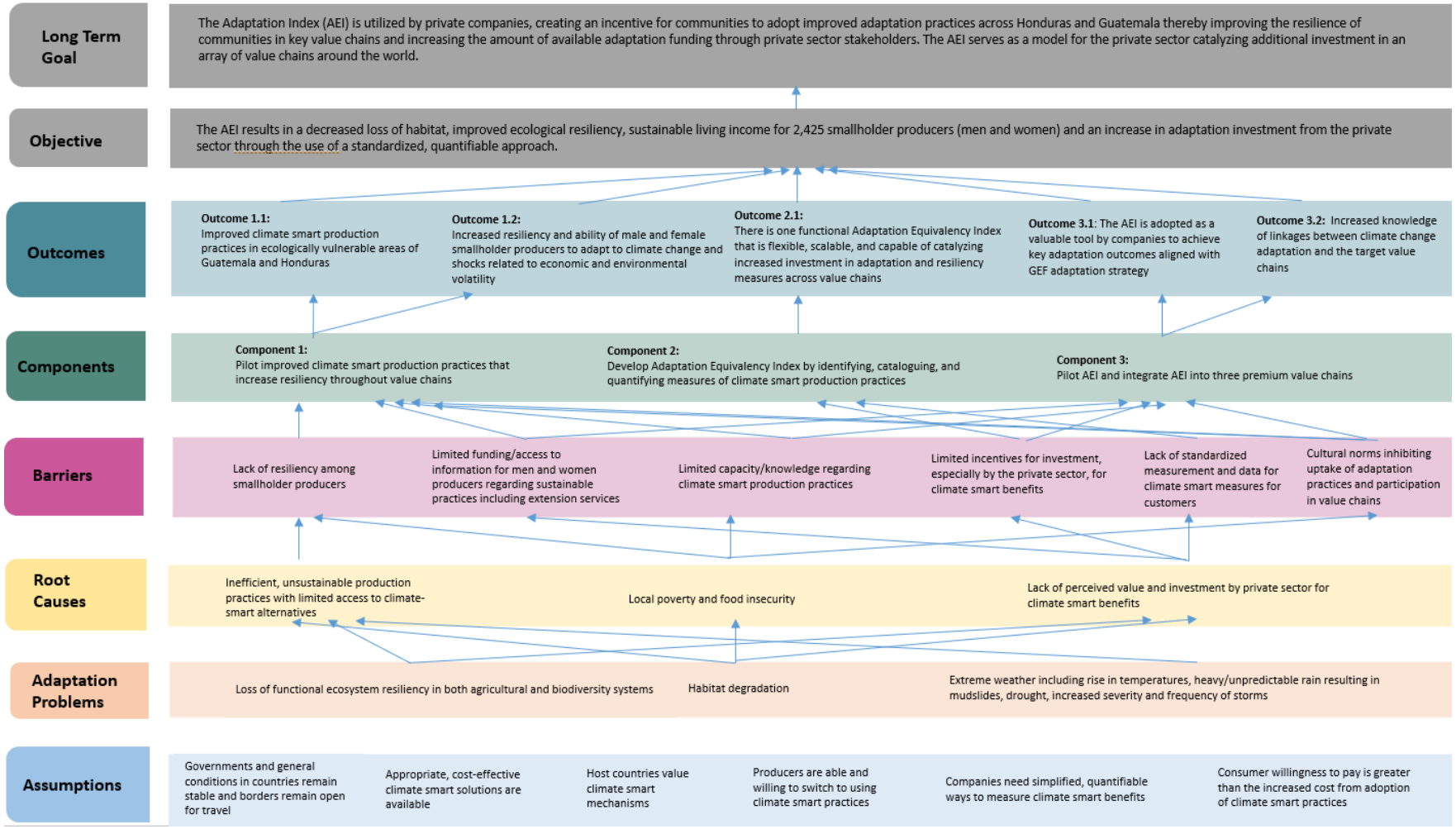
Ultimately, the theory of change is that the AEI will enable farmers, processors, and private sector actors to capture the value of adaptation action, including the incremental cost of generating benefits, and to promote investment. Beyond directly impacting project participants, the potential overall impact of this toolkit through the potential to scale is vast. The AEI has the potential to serve as a crucial building block to the broader certification of adaptation benefit credits, as well as standardization of programs across regions and across implementing partners.

This intervention is especially important in the post-pandemic era, as there is a need to ensure livelihood development in ecologically vulnerable areas beyond tourism, ensure food security, and stabilize international supply chains. This investment will also help to overcome the large funding gap currently presented in the BAU scenario for implementing adaptation measures in the agricultural sector.

The AEI will be developed with the aim of potentially inducing much wider and further reaching benefits. According to the project's theory of change, once adopted, the AEI will have the effect of increasing adaptation investments in supply chains including an array of financial instruments. Investments will be motivated because, in addition to improved resilience and stability in supply chain management, the private sector will have a quantifiable method for articulating return on investments and will be able to integrate the AEI into current and emergent ESG/CSR strategies. Currently, there exists a clear, articulate ROI mechanism for mitigation – the carbon credit. No such analog exists for adaptation. ESG strategies around adaptation are relegated to qualitative descriptors and lack simple, quantitative results. Composite indexes, such as the AEI, are useful tools in this circumstance.

The AEI will be designed to integrate with generic ESG/CSR metrics, which will facilitate its integration with companies' ESG strategies and business models – allowing for the addition of their impact on climate change adaptation onto already their preexisting ESG/CSR portfolio. In other words, companies will be able to easily report on investments and outcomes for adaptation in a similar manner to which they report on mitigation strategies. In addition to private sector benefits, this market-based solution will ultimately increase adaptation funding more broadly and in a manner that aligns with national strategies, increases resiliency in vulnerable populations, and increases the uptake of smart climate approaches for smallholder farmers and processors at scale.

Figure 1. Project Theory of Change



The proposed project is structured around three components, as described below, along with associated outcomes and outputs.

Objective: Develop and launch the Adaptation Equivalency Index (AEI) in Guatemala and Honduras to ensure decreased loss of habitat, improved ecological resiliency, sustainable living income for smallholder producers (men and women) and an increase in adaptation investment from the private sector through the use of a standardized, quantifiable approach.

Objective Indicators:

Indicator A: Area of land managed for climate resilience
Target A: 2,054 hectares managed for climate resilience

Indicator B: Livelihoods and sources of income strengthened/introduced (agriculture, agro-processing, reduced supply chain)
Target B: 12,125 producers have strengthened/new livelihoods and sources of income

COMPONENT 1. Pilot Improved climate smart agriculture practices that increase resiliency throughout the value chains

The first component will utilize social capital to introduce the idea of the AEI and its associated adaptation measures and funding mechanisms to smallholder producers and communities in the selected project areas, and to work with them to determine which adaptation measures will be best suited for each community's needs. The climate smart agriculture practices would be developed and deployed in consistent communication and consultation with local stakeholders. The funding, via the first component of the project, will at a minimum provide adaptation solutions and ensure uptake of climate smart agriculture production techniques with an estimated 2,425 smallholder farmers in two countries focused on the cardamom, allspice, cocoa, and coffee supply chains.

This initial two-year phase, in which target communities are introduced to the concept of the AEI and specified adaptation measures are tailored and piloted, will help determine which climate-smart adaptation measures will have the highest likelihood of positive impact (the formalized quantification of their efficacy being determined in the second component of the project). Heifer's PMU will work directly with local smallholder farmers/producers, with external consultation from relevant institutions, governments, and enterprises. The PMU will work to identify participant communities, assess their needs regarding adaptation, increase the capacity of the participating smallholder producers in these measures, and develop a plan for their implementation, and carry out demonstration projects. Capacity-building and monitoring will be conducted also by the Field Technicians.

Some possible measures to be piloted and implemented to increase the climate resiliency and adaptation capacity of smallholder farmers include adoption of climate smart practices and technologies such as transition to drip irrigation, solar powered technologies, diversified livelihood practices, weather and market condition reporting, livelihood creation for communities/individuals living in ecologically vulnerable areas, habitat restoration, time poverty alleviation strategies, micro-insurance administration, and targeted or restricted micro-finance mechanism, among others.

Small scale producers are forced to make a series of decisions, trade-offs, and adjustments on a regular basis. Approaches to sustainability change as variabilities in climate, markets, and other opportunities fluctuate. It is therefore necessary as part of Component 1 to evaluate the impact of different approaches

on resiliency and the ability of farmers to adapt to climate change. For example, farmers growing shade grown coffee face a series of obstacles and opportunities that differ from non-shade grown coffee.

Component 1 will introduce beneficiaries to the concept of the AEI and specified adaptation measures will be tailored and piloted to determine which climate-smart adaptation measures will have the highest likelihood of positive impact (the formalized quantification of their efficacy being determined in the second component of the project). Some possible measures include drip irrigation, solar powered technologies for drying spices, weather and market condition reporting, shade management, pruning, plantation density, pest and disease management, nutrition/fertilization, processing of crops, and research into genetic material topics.

Component 1 will lay the groundwork for development of the AEI under Component 2.

Understanding the complexities of these decisions is critical to building the composite index model so that the trade-offs can be properly considered and accounted for. The AEI will be developed by identifying, cataloguing, and quantifying measures of adaptable sustainable practices.

Outcome 1.1. Improved climate smart production practices in ecologically vulnerable areas of Guatemala and Honduras

Indicator 1.1: *Total # of hectares of production land under improved management*

Target 1.1:
Total: 2,054 hectares
Guatemala: 1212 hectares
Honduras: 842 hectares

For the AEI to be developed, appropriate climate smart practices must be first implemented and monitored in target communities in the project areas. A toolkit of these practices will be tailored for specific communities' needs and pertain to particular value crops. As part of this process, climate smart production practices will be implemented in the ecologically vulnerable areas that the target communities inhabit.

Output 1.1.1. Producers identified for participation in climate smart practices

Indicator 1.1.1: *# of male and female producers identified*
Target 1.1.1: *480 male and 120 female producers (600 total)*

This output will be accomplished by developing toolkits for climate-smart adaptation practices tailored for participant communities, and then piloting them with these communities. This will be done by first identifying smallholder producers for participation in trialing the climate-smart practices, via consultation and informing possible participants about the aims of the project, obtaining formal letters of support from communities, and conducting a baseline study of their current agricultural practices (as well as socioeconomic aspects and gender dynamics). Note that the targeted number of hectares under improved management and/or implementing climate smart agriculture is only for the areas associated with the piloting of adaptation measures to monitor impact and use the results to develop the AEI framework (which can eventually lead to a much more significant impact in terms of area under improved management / CSA practices).

Output 1.1.2. Technologies, tools, and skills needed to implement climate smart practices are obtained and utilized by producers

Indicator 1.1.2: *# of male and female producers with knowledge about new technologies, tools and skills for climate smart agriculture*
Target 1.1.2: *360 male and 90 female producers (450 total)*

The next step is to introduce technologies, tools, and skills needed to implement climate smart practices, and ensure they are obtained and utilized by producers. This will be done by first holding virtual workshops with relevant experts, enterprises, and institutions in both Guatemala and Honduras to identify climate smart technologies, tools and best practices related to the selected value chains. This will be combined with obtaining existing tools and knowledge regarding adaptation already being used by communities in the project area, to develop a more robust and tailored toolkit. From this information, adaptation toolkits will be developed, and a plan to implement them will be formed over the course of a series of workshops resulting in the creation of an overall adaptation plan for communities.

Under this component, examples of technologies, tools, and skills that could encompass the pilots include:

- **Technologies** – e.g., shade management, pruning, plantation density, pest and disease management, nutrition/fertilization, irrigation, processing of crops, genetic material research, solar-powered drying technology, etc.
- **Tools** – e.g., Farmer field schools, exchange visits for knowledge sharing, use of drones to measure progress and impacts in Honduras (drones will be purchased through other Heifer projects)
- **Skills** – e.g., Improved land management/improved production

Output 1.1.3. Demonstration projects of climate smart interventions implemented in rural communities in both countries

Indicator 1.1.3: *# of demonstration projects implemented in rural communities*
Target 1.1.3*: 20 demonstration projects*

Finally, demonstration projects of climate smart interventions will be implemented in rural communities in both countries and throughout target areas. This will involve identifying 20 target communities and their needs regarding adaptation, and then implement the demonstration adaptation measures, with follow-up, technical support, market access support, and monitoring provided during the process to ensure smooth delivery of the demonstrations.

Outcome 1.2 Increased resiliency of livelihoods and ability of male and female small holder producers to adapt to climate change and shocks related to economic and environmental volatility

Indicator 1.2.a.: *# of male and female producers that are better equipped to effectively adapt to climate change by using adapted farming practices*
Target 1.2.a.: *12,125 producers (7,275 males, 4850 females)*

Indicator 1.2.b.: *# of producers that have higher incomes as a result of their participation in the project (considering actual income compared to the baseline)*
Target 1.2.b.: 6,042 producers (3,626 men and 2,416 women)

As a result of implementing climate smart practices in agriculture production and processing, the livelihoods of smallholder producers will be ameliorated and made more resilient to the effects of climate change. Likewise, diversification of livelihoods will also allow for increased living incomes and better resiliency against economic and environmental volatility.

Output 1.2.1. Information on climate change adaptation disseminated in both countries across target areas

Indicator 1.2.1: *# of communities that have received information about climate change and adaptation strategies*
Target 1.2.1: *14 communities*

This will be done both by developing a report that captures case studies, best practices and recommendations arising from the demonstration projects (e.g., adaptation benefits, carbon sequestration, etc.), and by creating a single webpage for the project to host communications materials for the dissemination of information on adaptation practices with communities and other relevant stakeholders.

Output 1.2.2: Strengthened capacity of producers in rural communities to implement climate smart measures

Indicator 1.2.2: *# number of male and female producers trained on climate adaptation practices such as climate smart agriculture, drip irrigation, solar dryers, etc.*
Target 1.2.2:
Total: 1,075 producers (600 male and 475 female)
Guatemala: 475 producers
Honduras: 600 producers

Using this information, the capacity of producers in rural communities to implement climate smart measures will be strengthened. This will be done by organizing and delivering virtual workshops or intercommunity exchange events per country about climate smart agriculture and how to measure its benefits, as well as developing a monitoring system (with participation by communities) to monitor the impacts of these adaptation measures. We will complete baseline of resiliency at start of project (within six months of start of project per timeline).

COMPONENT 2. Develop Adaptation Equivalency Index by identifying, cataloguing, and quantifying measures of climate smart production practices

The second component is to develop the Adaptation Equivalency Index (AEI) by identifying, cataloguing, and quantifying measures of adaptable sustainable practices. The AEI is a composite index with a methodology that allows for consideration of a core set of indicators. This core body of indicators can be amended to accommodate different aspects of different value chains. For example, gender would be considered a core indicator that is mandatory across all value chains. Energy efficient drying systems would be an example of adaptation localized to a specific value chain (cardamom).

To advance the AEI toolkit and the adaptation index, Heifer and its partners will identify, test, rank, and score adaptation solutions in the toolkit. Though it will initially be utilized for the project regions and associated value chains in Guatemala and Honduras, the AEI will be able to be modified for and deployed in a variety of contexts once properly developed. The aim of creating the AEI is to have it be utilized by private sector to quantify their impact in adaptation investment, thus catalyzing increased engagement and investment in adaptation and resiliency measures across value chains developed.

Outcome 2.1: There is one functional Adaptation Equivalency Index that is flexible, scalable, and capable of catalyzing increased investment in adaptation and resiliency measures across value chains

Indicator 2.1: *# of indices developed with potential to catalyze investment in adaptation and resiliency measures across value chains*
Target 2.1: *1 index is ready for piloting by companies*

The AEI, while designed based on pilots pertaining to the initial value chains (cardamom, allspice, coffee, and cacao), will also be flexible so as to incorporate additional potential value chains. This flexibility will widen the potential scope and scalability of use across various potential value chains, geographies, leading eventually to increased investment in adaptation by the private sector.

Output 2.1.1. Climate smart production practices identified for inclusion in the AEI

Indicator 2.1.1: *# of climate smart production practices identified for inclusion in the AEI*
Target 2.1.1: *4 distinct categories of climate smart production practices identified*

Output 2.1.2. AEI is created

Indicator 2.1.2: *# of indices developed to catalyze investment in adaptation and resiliency measures across value chains*
Target 2.1.2: *1 Index developed*

This outcome will be accomplished alongside the activities for piloting and implementing the adaptation measures in the target communities, in Component 1. The purpose is to establish and launch the AEI. This will be done by engaging with the governments of Guatemala and Honduras via in-person and virtual meetings to identify key adaptation metrics, and to analyze and integrate these metrics into the AEI framework and analysis. A Project Steering Committee and governance structure will also be established for the AEI including stakeholders from government, the private sector, communities, and producers, as well as operational guidelines and measurement tools for the AEI, and guidelines will be provided for government. A cost-effective customized software system will be developed to translate/quantify adaptation metrics into the AEI. The AEI will then be validated with stakeholders via virtual meetings/webinars with stakeholders from government, the private sector, communities, and producers.

COMPONENT 3. Pilot AEI – integrate AEI into three premium value chains

The third component is to pilot the AEI by integrating the AEI into three premium value chains. This component will involve integrating the AEI into the business practices, organizational commitments, policies, and supply chains of both national and multi-national companies and corporations. Heifer will work with its corporate partners to drive demand for AEI scoring especially through incorporating adaptation programming and AEI metrics into ESG/CSR reporting that it standard policy for many companies such as public filings, annual reports, corporate social responsibility reports and policy setting such as corporate governance, corporate operating procedures (such as defining a minimum acceptable score, goal setting, established price points across an array of AEI scores, and balancing of targets across supply chains trading to achieve goals). Where possible, this will be done by integrating the AEI with private enterprises with existing CSR/ESG programming interested in investing in adaptation. This outcome will be accomplished by the PMU and with support from Heifer's private sector engagement department on engagement with multinational companies.

The target value chains are fully contained within Guatemala and Honduras. In Honduras, Heifer has 42 years of continuous on-the-ground presence, with eight years working in coffee and cocoa. In Guatemala, Heifer has 52 years of continuous on-the-ground presence, with ten years of experience working in cardamom and five years in allspice. These are economically significant value chains, and Heifer will leverage our established partnerships and in depth experience and knowledge to ensure applicability of AEI in different countries.

Outcome 3.1: The AEI is adopted as a valuable tool by companies to achieve key adaptation outcomes aligned with GEF adaptation strategy

Indicator 3.1: *# of companies signing agreements with Heifer to launch pilot projects to use the AEI*
Target 3.1: *6 companies signing agreements*

An essential feature of the project will be demonstrating the applicability of the AEI in real-life and business contexts. Demonstrating the successful uptake of the AEI framework by private sector project partners will elucidate a paradigm for other private sector enterprises to utilize the index. The AEI will incentivize funding in and the uptake of adaptation outcomes that align with the GEF adaptation strategy.

Output 3.1.1 AEI companies define KPIs and measure progress on their targets and metrics

Indicator 3.1.1: *# of companies that report metrics on AEI use*
Target 3.1.1: *6 companies measuring progress on AEI pilots*

An important measure of the understanding and commitment of the AEI companies will be when they are defining KPIs and measure progress on their targets and metrics. To reach this target, the project team will promote the AEI and ensure its use by the private sector, the project will demonstrate use of AEI by corporate partners and other stakeholders. Heifer will partner with certain private sector enterprises, and Heifer GPA team will provide orientation and guidance to these prospective companies on the AEI. A virtual workshop covering the use of the AEI, and how to integrate it with business practices and strategies, will be delivered with corporate partners in Honduras and Guatemala and relevant stakeholders (including Ministries of Environment and communities). As a result of this engagement, agreements will be signed with at least 2 corporate partners to work in the value chains for spices, coffee and/or cocoa, in order to launch pilot projects to use the AEI to improve adaptation practices.

Outcome 3.2 Increased knowledge of linkages between climate change adaptation and the target value chains

Indicator 3.2: *% of key industry leaders and members of the general public surveyed during the project showing increased knowledge about the linkages between climate change adaptation and the target value chains*
Target 3.2: *75% of survey respondents*

A crucial piece of the overall success of the AEI will be allowing consumers to understand the linkages between their purchases and adaptation investments (and implementation). By increasing consumer knowledge of this link and making an easily identifiable system for letting them know the impact of their purchase, consumers can help to support the funding and uptake of adaptation practices among smallholder producers in relevant value chains.

Output 3.2.1: Companies develop communication plans about AEI and its relevance targeting consumers, key industry leaders, and public sector authorities

Indicator 3.2.1*: # of communications plans on the AEI developed by companies to target key industry leaders and the general public*
Target 3.2.1: *6 communications plans*

Another essential piece of ensuring wider uptake of the AEI is for companies to develop formal communications plans targeting key industry and public sector stakeholders to extend engagement beyond the initial partners. This involves working closely with national environmental authorities and relevant stakeholders to target key industry leaders and the general public and creating an online tracking platform to consolidate key information and monitor the delivery of the AEI communications plans. The communications plans will encourage increased consumer awareness of the AEI and the impact of consumer behavior on climate change adaptation in relevant value chains.

4) Alignment with GEF focal area and/or impact program strategies

The AEI supports the overall LDCF/SCCF strategy to "strengthen resilience and reduce vulnerability to the adverse impacts of climate change in developing countries and support their efforts to enhance adaptive capacity."[24] The project aligns well with the first two Objectives of the GEF programming, and with the strategy of enhancing engagement from the private sector.

The project will support Objective 1 by reducing vulnerability and increasing resilience to adverse effects of climate change by incentivizing investment in adaptation practices, as well as through capacity-building in these practices and technologies used for climate-smart agriculture and production methods among smallholder producers. The AEI itself is also a highly innovative investment vehicle which has the potential to aid in reducing vulnerability in the project areas in Guatemala and Honduras, but also on a global scale, including being adaptable to incentivize investment for adaptive tools and technologies specific to certain LDCs.

The creation of the AEI will also support Objective 2, the mainstreaming of climate change adaptation and resilience, by creating a quantified methodology for investment. Specifically, the project aligns with the SCCF strategy of introducing and testing/adopting adaptation practices in new areas and enhancing the resiliency of supply chains for targeted commodities.[25]

Within the general GEF programming strategy, the AEI could also be utilized across sectors to integrate adaptation into other aims, such as addressing climate mitigation, sustainable land use, and preserving biodiversity while addressing the causes of degradation and vulnerability.[26] This project also aligns with strategy of supporting "regional and global initiatives to demonstrate and test early concepts with high adaptation potential on a global scale, before they are ready for national implementation."[27]

The AEI also integrates specifically with the LDCF/SCCF's aim of enhancing private sector engagement in adaptation, aligning with both pillars of this strategy by providing an innovative investment vehicle and potentially integrating adaptation into business models, and by partnering with private companies to spur "the development of climate resilient products and goods". The AEI would also help to "mobilize the private sector as an agent for adaptation by supporting the mainstreaming of climate change adaptation and resilience considerations into business models and risk management capabilities, including by enhancing business codes, standards and practices."[28]

[24] GEF Programming Directions, April 2021 version, pg. 4
[25] GEF Programming Directions, April 2021 version, pg. 27
[26] GEF Programming Directions, April 2021 version, pg. 20
[27] GEF Programming Directions, April 2021 version, pg. 21
[28] GEF Programming Strategy, pg. 130

The AEI is a scalable investment approach for catalyzing adaptation measures in value chains, which also aligns with the SCCF's approach of enhancing private sector engagement in facilitating and funding adaptive measures. Both in the project areas in Guatemala and Honduras, and in many other countries around the world, private sector investment in creating resilient value chains will be necessary to address funding gaps in adaptation strategies.

Although the project and AEI will be developed in Guatemala and Honduras, the AEI framework can be applied at a potentially global scale, including in LDCs. In addition to supporting the SCCF strategies, the AEI will potentially help to support Objective 3, fostering enabling conditions for effective and integrated climate change adaptation, via supporting the implementation of the NAPs/NAPAs of LDCs. The project also aligns with the GEF's programming strategy to enhance gender equity, as it will work throughout each component to further incorporate women throughout the targeted value chains, while responsively addressing the difficult gender norms in Guatemala and Honduras.

5) Incremental or additional cost reasoning and expected contributions from the baseline, LDCF/SCCF and co-financing

Without this incremental support from the GEF, adaptation practices in the project regions and value chains will continue to be sporadically implemented in a non-standardized manner, without standardized metrics and extra investment from sources such as private enterprise, contributing to the continuation of the adaptation gap. While individual companies and agencies (such as Heifer International) would likely continue to implement adaptation measures, there would not be a coherent, unified structure or methodology to this implementation. Private sector enterprises will find it more difficult to justify investment in adaptation measures in their supply chains, as there would not be a quantified method demonstrating return on investment. This will go together with associated effects, such as continued trends of deforestation and soil degradation, and a general lack of resiliency to the effects of changing climatic norms and extreme weather events.

Funding from the GEF is imperative for galvanizing private sector investment that will build resilience in three important value chains for Honduras and Guatemala. The GEF funding adds to the project baseline and will aid in the creation and piloting of the AEI, which will serve as an investment vehicle to further incentivize private sector funding in these measures. This will also incentivize further uptake of adaptation practices by smallholder producers in the project regions and value chains, as well as standardizing (and improving) their implementation and incentivizing their continuance. Globally, the creation and integration of the AEI into value chains and corporate CSR/ESG strategies has the potential to multiply these adaptative effects across value chains and geographies. The integration of adaptive impacts into product rating and marketing will also help to drive consumer behaviour that promotes adaptation within relevant value chains.

Co-financing

In addition to the financing from the GEF, co-financing provided in a ratio of more than **1:8.** The majority will be sourced from in-kind contributions, primarily from the governments of Guatemala and Honduras, which will assist in coordination among stakeholders and in aiding the communities with piloting adaptation efforts. Please see Annex K for more information.

GEF funding for this project will build on Heifer's current investments in the region and globally, including ongoing work with producers and processors in the same geographic areas to be covered by this project. Heifer is working with exploratory funding from the Dutch Fund for Climate and Development (DFCD) to scope the feasibility of building a private sector entity that would aggregate three supply chains into one trade company. Heifer is also investing $5 million in smart infrastructure in Guatemala

and has recently completed a global inventory with CIAT to catalogue climate smart technologies currently being deployed in project sites globally.

Heifer International has mobilized **USD 8,831,011**in co-financing from non-GEF funding for activities in Honduras and Guatemala that will directly contribute to this project. Heifer International is providing **cash support (investment mobilized)** that will cover gaps in project costs including for personnel, equipment, and office operations. Heifer's support also includes **in-kind financing** from active projects from donors such as BID-LAB for activities that are increasing the resilience of specialty coffee and cocoa producers in Honduras. Additionally, this includes support for several projects in Guatemala with smallholder spice farmers from donors such as Oro Verde to help them achieve sustainable living incomes and contribute to the protection of tropical forests.

Adaptation measures (such as agroforestry and reforestation) are promoted in Heifer programs in the project areas, and other adaptation measures are sporadically utilized in value-chain processes (such as using solar dryers for drying of spices) in the regions. This is also true of the governments of Guatemala and Honduras, as well certain private sector partners. However, there is not yet a quantified methodology for tracking the impact of these practices, or of incentivizing further investment in adaptation measures by external sources such as the private sector.

6) Adaptation Benefits (LDCF/SCCF):

Beyond direct beneficiaries, the AEI could potentially lead to adaptation benefits on a much wider scale. As a framework, the AEI has the potential to serve as an investment vehicle for adaptation measures across geographies and value chains. The development of the AEI will align with the Adaptation Tracking Tool's core indicators in the following specific ways:

Core Indicator 1: 12,125 total direct beneficiaries (7,275 male, 4,850 female)
This indicator was calculated for Guatemala and Honduras and is based on the number of producers that Heifer works with in the selected project areas. It is estimated that there are five household members/beneficiaries per producer.

Progress on this indicator will be achieved by building the capacity of smallholder producers in Component 1 of the project, via community outreach and capacity-building workshops on implementation of climate smart agriculture practices. This will be done in consultation with target communities to assess needed CSA implementation methods. Progress on this indicator will be measured through a series of interviews, surveys, collection of data on implementation on climate smart agriculture techniques (as per indicators in results framework). Progress reporting will be done by collection of standardized information on the beneficiaries of sustainable production activities supported by the project.

Core Indicator 2: 2,054 ha of land managed for improved climate resilience
For both Guatemala and Honduras, the hectares of land managed is based on the number of hectares of land owned by the producers that Heifer works with in the selected project sites. This target will be achieved by building the capacity of smallholder producers in Component 1 of the project, through support of the actual implementation of climate smart practices on lands of target communities / smallholder farms. Progress on this indicator will be measured through a series of interviews, surveys, collection of data on implementation on climate smart agriculture techniques. Monitoring of land managed for improved climate resilience will also be done through site vists conducted by field teams to assess implementation of climate smart practices.

Core Indicator 3: 3 policies/plans that will help mainstream climate resilience

In both countries, Heifer will deliver activities working together with the respective ministries of environment, both of whom have shared letters of support for this project. Heifer will also work directly with municipal authorities in project areas to build their capacity on adaptation strategies.
The AEI will be developed in collaboration and used by governments, and it is expected that both the governments of Honduras and Guatemala will use the AEI to inform adaptation policies as they are currently being developed by each government. Progress on this indicator will be monitored through surveys with governments.

Core Indicator 4: 1,075 people trained (540 male, 535 female)
The target has been calculated based on Heifer's previous experience working with local communities in the project areas, the project duration, and the project budget.

Progress on this indicator will be achieved by building the capacity of smallholder producers in Component 1 of the project, via community outreach and capacity-building workshops on implementation of climate smart agriculture practices. This will be done in consultation with target communities to assess needed CSA implementation methods. Progress on this indicator will be measured through a series of interviews, surveys, collection of data on implementation on climate smart agriculture techniques (as per indicators in results framework). Progress reporting will be done by collection of standardized information on the beneficiaries of sustainable production activities supported by the project.

The AEI will support Objective 1 of the GEF adaptation results framework, by distributing information and access to climate-smart measures and building project participants' capacity in these activities and in diversified livelihoods. The proposed project will also support Objective 2 of the GEF adaptation results framework by supporting Outcome 2.3 (Institutional and human capacities strengthened to identify and implement adaptation measures).

7) Innovation, sustainability and potential for scaling up

Innovation
This project aims to bridge the adaptation gap present in Central America – and potentially globally – by creating an innovative Adaptation Equivalency Index (AEI), which will integrate both a mechanism for implementing adaptation measures, as well as a ready-made, quantifiable toolkit for private sector investors to integrate into their business strategy, targets, metrics, and marketing/brand development. Though there is a significant need for private sector investment in climate change adaptation measures, there is not currently a way to quantify (and thus properly incentivize) this investment in the region. Though several new forms of adaptation accreditation schemes are simultaneously being developed, such as the Adaptation Benefit Mechanism (ABM) and Vulnerability Reduction Credits (VRC), none are yet being developed or implemented in Central America. The Vulnerability Reduction Credit (VRC) program is designed to offset the impacts of climate change, adjusted for the income levels of communities. This program is aligned with the AEI but is substantially different in that the AEI is a composite index approach as opposed to the VRC which is more linear and designed as an offset as opposed to a portfolio of actions which more accurately reflects on-the-ground realities and allows flexibility for both farmers and end users of the credit. Additionally, the AEI works across value chains rather than exclusively at the individual project level. VRC, as we understand it, is a singular accreditation that does not accommodate other similarly situated certifications. On the other hand, the AEI is compatible with and accounts for other accreditations and offers an umbrella hierarchy that does not discount or compete with other investments but rather builds on those efforts.

Certified Adaptation Benefits (CABs) created by the African Development Bank are a non-market commodity that is intended to represent progress toward resiliency. The credits are project specific and are not subject to trade. CABs are targeted at governments initially. Once the benefits are created and

traded, they are surrendered. This vision is in stark contrast to the AEI which is not project-based, is intended as a composite evaluation, and to run at least the length of the commodity production life cycle. The AEI is intended to underpin a new, tradeable, asset class.

The AEI also differs from existing certification and accreditations schemes in several important ways: 1. the AEI can be applied to both production and processing; 2. the quantification of adaptation action allows companies and farmers to make trade-offs based on their individual circumstance; and 3. farmers will have the ability to benefit not only through better market prices and enhanced resiliency but also through access to finance and tradeable credit schemes.

Communities in the project regions are significantly affected by climate change, but currently do not have a way to access the techniques for climate-smart practices, nor the funding needed to implement these measures. In both Guatemala[29] and Honduras[30] there is a nationally recognized need for adaptation, but both governments do not have the funding or capacity necessary to actualize uptake of adaptation measures at the necessary scale. The AEI is a highly innovative approach that drives this much-needed engagement from the private sector on adaptation measures by standardizing investment and action across supply chains and commodities, thereby enabling a systematic portfolio approach to adaptation investments and dynamic responses to risk making for corporations (and potentially for farmers who are diversified).

The AEI is also innovative in its ability to address the multiple facets and stakeholders involved in adaptation. It will be capable of incorporating a significant number of variables that together influence the overall value of an adaptive measure; these include metrics such as the effect of an adaptive practice on livelihood and income, losses avoided, enhancing gender equity throughout value chain, the types of ecosystems and ecosystem services affected, methodologies used, and emissions mitigated, etc. The adaptation activities of the AEI will be developed and piloted in conjunction with adaptation experts, local smallholder producers, and value chain representatives, and thus will have a higher likelihood of positively affecting adaptation issues at all levels of value chains, all while successfully addressing the root causes of environmental degradation. Moreover, the adaptation toolkit will be developed in a manner that supports and adheres to relevant governments' National Adaptation Plan (NAP) and National Adaptation Programs of Action (NAPA), thus helping to accomplish national adaptation priorities via partnership with the private sector (and other potential users of the AEI).

The AEI is also able to address adaptation activities at different levels of the selected value chains, and can be utilized by both smallholder farmers and value-added producers/processors. For instance, smallholder producers will be able to implement climate-smart agriculture techniques which positively benefit their production land and make their crops more resilient to the effects of climate change, and value-added producers will be able to utilize the AEI to implement sustainable and climate-smart methods of processing (such as using solar dryers in place of fuelwood). In this way, the AEI will give access to funding for implementing adaptation changes directly to participants at various levels of value chains. Smallholder producers, through access to investment opportunities including mechanisms such as Heifer International Capital, can also utilize supplementary funding by obtaining and selling or trading adaptation credits directly, further incentivizing an uptake of adaptation measures. This innovative approach empowers farmers and producers to make decisions based on individual circumstances, risk exposure (real or perceived), and access to a variety of assets. The proposed methodology also enables

[29] Hochachka, G. 2021 Integrating the four faces of climate change adaptation: Towards transformative change in Guatemalan coffee communities, World Development, Volume 140

[30] José Lino Pacheco, Susan Lopez, Adriana Hernandez, Lucía Escobar (). Adaptation and mitigation of climate-change effects on food and nutrition security in Honduras. Nutrition Exchange 13, March 2020. p26. www.ennonline.net/nex/13/honduras

smallholder farmers to respond to a variety of shocks and stressors in different ways while ensuring the motivation to act remains intact.

For the private sector, the creation of the AEI is a quantifiable method to incentivize, measure, and enact their adaptation investments. The implementation of the AEI itself will be developed and piloted in conjunction with private sector partners to ensure maximum fluidity and ease of uptake by the private sector. In addition to providing a metric for directly measuring the impact of their adaptation investment, a major innovation of the AEI is the inclusion of a toolkit for companies to incorporate this adaptation investment into their ESG/CSR (Environmental, Social and Governance / Corporate Social Responsibility) strategies and policy setting (e.g., via defining a minimum acceptable score, goal setting, established price points across an array of AEI scores, and balancing of targets across supply chains trading to achieve goals). This will be combined with a support for communication strategies for marketing their products that showcases the adaptation benefits associated with a certain product, providing a means for end-user consumers to gauge the social and environmental impact of their purchase, and thus incentivize the purchase of sustainable products.

With rapidly increasing market demand for climate and socially conscious goods, companies will be able to capitalize on and generate a quantifiable ROI based on these investments. All of this will in turn incentivize further adaptation investments in the region, helping to close the adaptation funding and capacity gap, as well as enabling the governments' implementation of their national climate strategies and NAP/NAPAs.

Institutional Sustainability

This project is developing the AEI with the goal of a variety of stakeholders – including private and public enterprise, governments, NGOs, and importantly by smallholder farmers and producers – eventually utilizing it in broad and generic fashion. Rather than a one-off action, the development of the AEI is meant as a building block for adaptation benefit credits to be more broadly recognized and utilized. Once the AEI is developed and piloted, and lessons learned from these processes have been incorporated, it will be ready for broader deployment. Additionally, there is considerable overlap between stakeholders in the private sector, already existing alliances and associations, and robust number of information exchange systems to utilize in scaling the mechanism.

Heifer is committed to working with partners to determine the optimal method for making the AEI, its methodology, and its best use case information available. Financially, the AEI is designed to be self-perpetuating, as it involves an incentive for continual (and eventually increasing) investment from the private sector, as well as investment in the resultant 'adaptation credits' from the private sector and additional institutions.

In addition to sustaining the AEI, Heifer has extensive experience in creating lasting, sustainable entitities that benefit local communities. Heifer itself has operated in Guatemala for over 60 years and in the regions of this project for over 40 years.

Potential for Scaling

Beyond directly impacting project participants in this first phase, the overall impact of this toolkit through the potential to scale is significant. Ultimately, the theory of change is that the AEI will enable farmers, processors, and private sector actors to capture the value of adaptation action, including the incremental cost of generating benefits, and to promote investment. The AEI will serve as a crucial building block to the broader certification of adaptation benefit credits as well as standardization of programs across regions and across implementing partners. In this process Heifer anticipates working with an array of partners including government and civil society – such as UNFCCC, FAO, CIAT, NGOs, governments, and private sector partners.

The initial development and implementation of the AEI in this project will be designed around four premium value chains (cardamom, coffee, cocoa, and allspice), and will be tailored for the adaptation needs of the smallholder farmers and producers in the project areas. However, the AEI toolkit will be modifiable so as to potentially support a variety of supply chains and adaptive measures, and the AEI toolkit, lessons learned, and corporate reporting benefits generated as a result of this project will be scalable and replicated across geographies and supply chains including textiles, agriculture, and livestock. According to the project's theory of change, once adopted, the AEI will have the effect of increasing adaptation investments in supply chains including through an array of financial instruments.

There is potential for significant scalability within the initial selected value chains. For example:

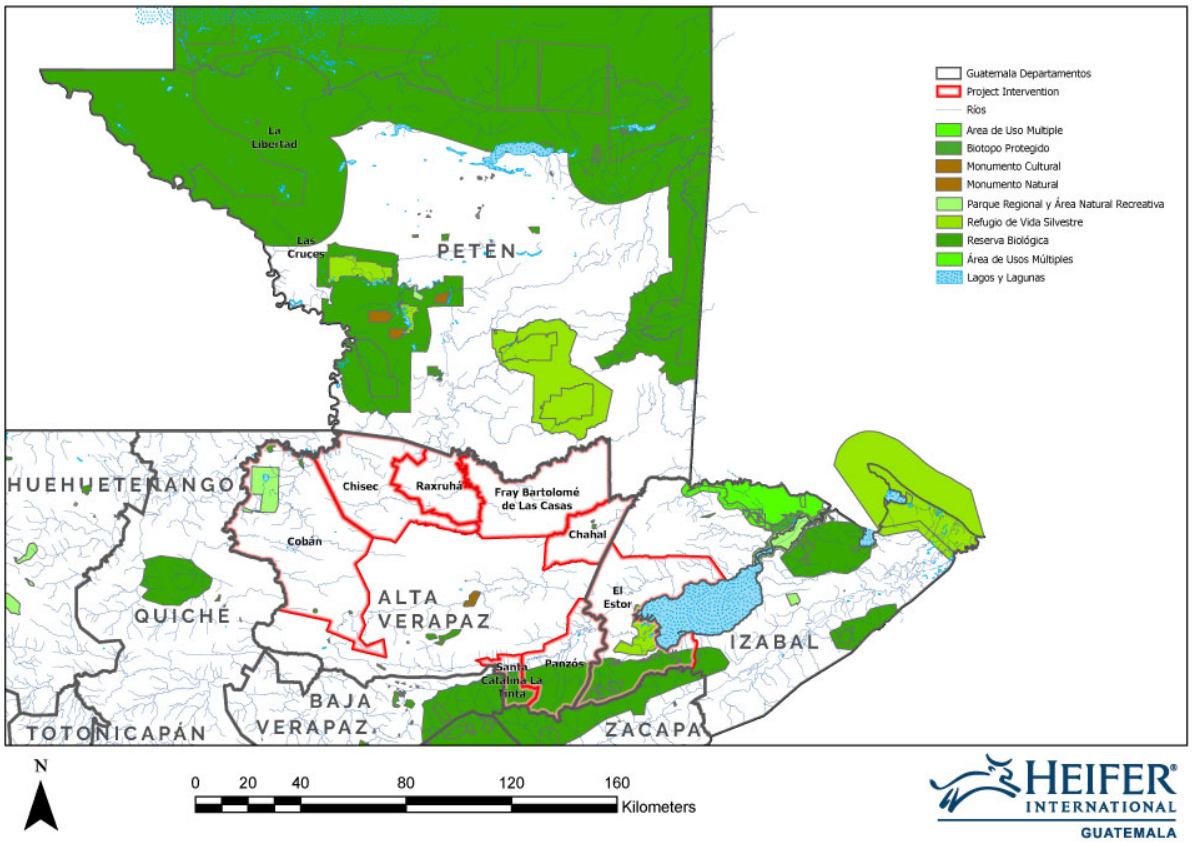
- There are around 25 million farmers growing coffee on 11 million ha of land in more than 60 countries globally, most of them classified as smallholders.[31] Though Guatemala is the world's top exporter of cardamom, Indonesia is the world's top producer, and India produces an amount roughly equivalent to that of Guatemala (~38,000 metric tons in 2019).
- While cocoa is an important commodity crop in Honduras, most of the cocoa is grown elsewhere – the majority in African nations such as Ivory Coast (38.95% of global production), Ghana (14.5%), and Nigeria (6%) – along with other nations such as Indonesia (14%) and Ecuador (5%)[32]
- Though allspice an important commodity crop in the project areas of Guatemala, the majority is grown elsewhere, primarily in Jamaica.

Given these crops require similar ecosystems and climatic conditions for production regardless of geography, and face many of the same climactic, environmental, and financial risks and as such they can utilize a similar methodology developed in this initial project to be potentially scaled across their value chains globally.

1b. Project Map and Geo-Coordinates
(Please also reference Annex C: Project Map(s) and Coordinates)

[31] Waller et al., 2007 – (smallholder classified as operating on 50 ha of land or less)
[32] Tridge global data, 2019

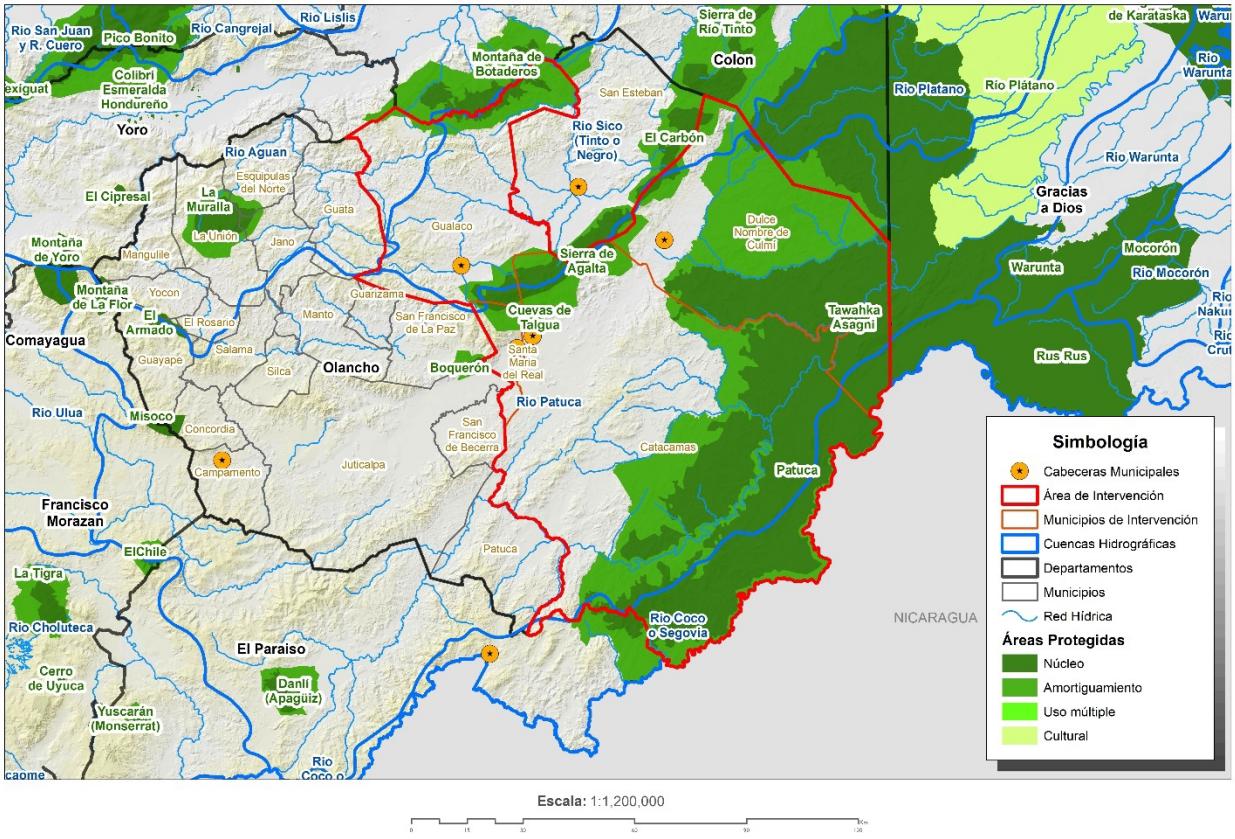
GUATEMALA PROJECT INTERVENTION MAP



GUATEMALA Coordinates (10 project sites)	Latitude	Longitude
Cobán	15.841073357580171	-90.74835903552768
Chisec	15.813849640756505	-90.29096607486422
Raxruhá	15.866344632472586	-90.04418122571548
Fray Bartolomé de Las Casas	15.80545710438589	-89.86119039021011
Chahal	15.792294453255158	-89.6020245971044
La Tinta	15.31167618935276	-89.88500834511544
Sierra de Las Minas, San Antonio	15.26063863406945	-89.8413024206138
Sierra de Las Minas, San Vicente I	15.23770645200451	-89.77575031231189
Panzós	15.39843509143048	-89.64359191218428
Bocas del Polochic, Selempim	15.324293364938923	-89.38666479271797

Honduras

Project Intervention Map



Honduras Coordinates (4 project sites)	Latitude	Longitude
Dulce nombre de culmí	**15.0418782**	**-85.324444**
Gualaco	**15.2242208**	**-86.1296722**
Santa maria del real	**14.7817475**	**-85.960863**
Catacamas	**14.8445355**	**-85.8960213**

1c. Child Project? N/A

2. *Stakeholders*

The Stakeholder engagement plan is attached. There are numerous stakeholders that implement important programs within the priority areas. These stakeholders come from different sectors including forestry and environment, agriculture/livestock, land-use planning and research. The project team will work with national environmental authorities in Guatemala and Honduras, local communities, institutions with

interests in sustainable production and conservation, development and land use, the private sector, civil society, and other relevant institutions in the conservation and agricultural development arenas.

The project team will develop participatory assessments to create a base line in economic, social, gender and indigenous aspects through meetings and workshops with communities to disclosure information about the project, its goals and outcomes. The projects will develop a relationship with academia, NGOs and private sector to partner in the construction and launch the AEI index that will inform final consumers about the benefit for CC and adaptation of the product.

Select what role civil society will play in the project:

- ☒Consulted only;
- ☒Member of Advisory Body; contractor;
- ☐Co-financier;
- ☒Member of project steering committee or equivalent decision-making body;
- ☒Executor or co-executor;
- ☐Other (Please explain)

3. Gender Equality and Women's Empowerment.

The Gender Analysis with subsequent project level considerations is attached. This document contains the gender analysis, as well as the gender action plan. The gender analysis was conducted to comply with the Global Environment Facility's Gender Mainstreaming Plan. This document was prepared with information gathered from secondary sources, including different national household surveys, statistical data compilations, and territorial development plans. This information allowed for the development of gender equality indicators, with the aim of giving more visibility and importance to the local circumstances that women face in the project's proposed intervention areas. With these indicators it is possible to further understand the gender gaps between men and women, which in turn will allow for the measurement of existing gender inequalities, especially those relevant to women and other vulnerable groups.

Successful implementation of the project, and the AEI more broadly, cannot be achieved without consideration of gendered roles, responsibilities, biases, and barriers. Especially important in successful implementation of the project in both Guatemala and Honduras, and more broadly as the project scales, is the consideration of intersectionality including indigenous groups, elderly, and youth among other vulnerabilities.

In Guatemala and Honduras women are consistently identified as vulnerable due to systematic discrimination. Women in both countries lack access to education (especially Guatemala), decent work and parity of income lack of access social security, and participation in decision-making arenas. Research indicates that women in both countries experience higher levels of both poverty and as well as increased time poverty because of longer working days, more domestic chores, and other reproductive and household duties that fall outside of the formal economy. In both countries, gender roles and stereotypes remain deeply entrenched and women, particularly indigenous women and girls face extraordinary challenges. In Guatemala for example, illiteracy is at 31% among women 15 years of age and older and reaches 59% among indigenous women.[33] In Honduras, a recent national survey indicated while rural illiteracy is high for girls and boys, it is similar for both gender. Illiteracy is highest for both men and

[33] CEDAW (2009), Chaparro (2012) and World Food Programme (2016)

women who are over the age of 36 years and older and reaches its maximum among the population over sixty years of age, among which 30.2% are illiterate[34].

Despite higher levels of education obtained by girls and women at all levels of education in Honduras, the presence of women falls dramatically once they enter the labor force. In 2011, only 40% of women (ages 15 and older) were employed compared to 57% of men. The gender disparity reflects a deep rooted bias in the society, pointing woman to a subordinate position as child bearers and homemakers[35].

Does the project expect to include any gender-responsive measures to address gender gaps or promote gender equality and women's empowerment? (yes ☒ /no☐) Please see Annex I.

If possible, indicate in which results area(s) the project is expected to contribute to gender equality:
☒ closing gender gaps in access to and control over natural resources;
☒ improving women's participation and decision making; and or
☒ generating socio-economic benefits or services for women.
Does the project's results framework or logical framework include gender-sensitive indicators? (yes ☒ /no☐)

4. Private Sector Engagement

There is a significant need for private sector funding in adaptation measures. According to a study by UNEP, the developing world will require between $280 and $500 billion per year by 2050 to adapt to climate change. To close the adaptation gap, an increase of up to thirteen times current adaptation investments is required by 2030[36]. The purpose of developing and deploying an Adaptation Equivalency Index (AEI) is to engage the private sector in a methodical fashion, demonstrating a quantifiable impact from their investment, as well as potential ROI, which will incentivize further funding.

The private sector itself has pressing reasons to invest in adaptation, but currently lacks a cohesive framework for quantifying this investment. Supply chains are already beginning to destabilize from the effects of climate change on crop production, a trend which will be further exacerbated as climate norms continue to shift in production areas. Beyond needing to ensure a secure and consistent supply chain, the private sector is also facing increasing pressure from consumers[37] to produce sustainable products as a result of increasing consumer awareness of the climate crisis and social issues. Investors are likewise pressuring companies to adopt sustainability policies, with companies now having to demonstrate their commitment to ameliorating their effect on the environment and society, specifically through demonstrating applicable ESG (Environment, Social, and Governance) metrics and ratings. Indeed, companies' ESG ratings are often required to be above a certain threshold to be considered for investment by an increasing number of firms[38].

Despite the pressing need, there is not yet a mechanism that easily facilitates private sector investment in adaptation measures. The purpose of creating the AEI is to bridge this gap. In order to facilitate this process, the private sector will be consulted and partnered with on component two and three of the

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[34] UNESCO Institute for Statistics, "Adult Literacy Rate, Population 15+ years, both sexes (%)", available at: http://datatopics.worldbank.org/education/
[35] International Labor Organization, Social Protection & Labor: Economic Activity: Employment to population ratio, 15+, female, male and total (national estimates), accessed through World Databank.
[36] *UNEP's Adaptation Finance Gap Report: 2018.*
[37] https://www.pwc.com/us/en/services/consulting/library/consumer-intelligence-series/consumer-and-employee-esg-expectations.html
[38] https://www.oecd.org/finance/ESG-Investing-Practices-Progress-Challenges.pdf

project. Certain private sector partners associated with the pertinent value chains will be selected and consulted on the integration of the AEI into business practices and ESG metrics (and marketing).

Heifer's private sector partners are interested in ensuring that smallholder farmers use sustainable, climate-smart approaches to reach high-value markets by strengthening links with climate-conscious and socially oriented buyers and seek to quantify and enhance the value of their adaptation investments to generate ROI, enhanced brand value, decreased risk, and improved supply chain stability. Examples of Heifer global partners to be engaged in this project include McCormick & Company, the world's largest spice company. At the national level, for coffee in Honduras, Heifer anticipates continued collaboration as part of this project with exporters such as Honducafe, Compañía Hondureña del Café S.A. De C.V., Sogimex, Olam Honduras, and Cafés Finos de Exportación S. de R.L. (Hawit-Caffex). There will also be anticipated collaboration with private sector partners In Guatemala, such as Nueva Kerala and A3K. Multinationals spanning both countries will also be involved, such as Cargill and McCormick.

5. Risks

Climate Risk

The project sites in both Honduras and Guatemala will be exposed to potential drought conditions, extreme temperatures, and other natural hazards including fire, flooding and landslides. Crop productivity including quality and quantity of product could be disrupted. Additionally, disease that impact coffee and cardamom production, such as roya – or coffee rust – is potentially amplified by climate change.

A significant portion of community members in the project site live below poverty and are extremely vulnerable. In many cases, families rely on single crop production for income obtaining a large portion, if not their entire income, from agriculture production in some capacity. All of these risks have resulted in an increase in out-migration often leaving the most vulnerable members of society behind. Indigenous groups are the most exposed in terms of cumulative vulnerabilities.

While some efforts have been made in the project areas to increase access to climate change information, ensure the implementation of early warning systems, and otherwise support vulnerable populations – these efforts by the governments are still nascent, unorganized, and narrow in scope. Strong climate hazard monitoring linked to early warning systems can inform early action and contingency plans to reduce disaster risk and disaster impacts. However, early warning systems are underdeveloped in LAC region, particularly in Central and South America. Hazard-specific monitoring systems such as FAO's Agricultural Stress Index System (ASIS) is an example of a useful tool to allow governments to issue early warning alerts for specific sectors like the agriculture but that has not had significant uptake in the region.

Similarly, local efforts for early warning also have barriers to uptake. For example, The Guatemala Secretariat for Food and Nutrition Security (SESAN) recently started the nation-wide implementation of a food security monitoring and early warning system. The system was developed together with researchers from Bioversity International and the CGIAR Research Program on Climate Change, Agriculture and Food Security (CCAFS), and food security and climate risk management specialists from Action Against Hunger (ACH) under the AgroClimate project.

Shifting patterns in duration and onset of the midsummer-drought that occurs during the rainy seasons regularly challenges subsistence farm families in Guatemala. Seasonal hunger and acute undernutrition are a recurring problem in the country. Just this year, an estimated 1.5 million people are at risk of increasing food insecurity due to partial or total losses in small-scale primary grain production. This

problem is not new to the country. However, with increasing climate variability, occurrences of extended mid-summer droughts during the rainy season appear to be increasing, whereas the recovery time between unusual dry years is decreasing.

While the early warning system has been established, it relies on timely and relevant information at the right scale in order to identify communities and families at risk. Decision-makers have expressed the need to have more information on what happens in the communities at risk. Currently, drought and food security information is only available on a coarse scale. In addition, the Guatemalan food security law mandates the development and implementation of a local, community-based food security monitoring and early warning system.

In some communities, local organizations are leading the effort to adapt to climate change, but access to technical, financial, and social resources is still meager.

Climate Risk Mitigation

In Guatemala, the project will specifically work with the government to develop an adaptation index to further facilitate and grow the country's capacity to implement adaptive measures. The information will also be shared with the Honduran government. It is anticipated that this work will help inform the adaptation plans of both countries and support adaptation strategic planning. The project will result in the dissemination of climate adaptation information and solutions to vulnerable groups living in and around protected areas and other ecologically vulnerable areas. This project is specifically focused on strengthening the ability of communities to adapt to and respond to climate change especially indigenous community members.

At the national levels, governments are committing to a strategic approach regarding climate change adaptation, while at the local level, producers generally lack adequate knowledge on climate change adaptation, and climate change adaptation is rarely integrated into land and/or farm management plans.

The proposed project will aim at building cost-effective and long-term sustainable management capacity with direct beneficiaries. By supporting producer's, the project will directly contribute to improving the adaptive capacity of producers regarding adverse climate change impacts on the relevant vale chains. Producers with supported by the project will be more able to implement adaptation measures to face climate change, in relation with the integration of climate change adaptation within their agricultural practices.

Furthermore, climate change adaptation topics will be included in training activities so that producers will have improved knowledge and capacity to respond appropriately to potential climate change impacts with appropriate adaptation measures. The proposed project will also support experience sharing activities, including on climate change adaptation actions among beneficiary producers in order to better address climate change issues at local, national and regional levels. While this project is principally focused on adaptation including climate smart agriculture activities, it is anticipated that the efforts under this project will also contribute to mitigation measures especially with regard to post-harvest production activities. From climate friendly, green drying technologies to improved farming practices, GHG reductions in the agriculture sector are anticipated.

The project will therefore increase the adaptive capacity of targeted beneficiaries and beyond, which will in turn contribute to mitigate the negative consequences of adverse climate change impacts. Without the support of this project, the risks and consequences associated with climate change would be higher.

Contribution to climate resilient recovery after the COVID-19 pandemic:
In the region, restrictions on mobility and suspension of farming activities have dramatically affected food production systems, making farmers and communities more vulnerable to climate variability stemming from reduced income, increased costs, and disrupted markets. Surveys conducted by CGIAR in 2021 indicate that farmers require increased information, tools, and methodologies for increasing sustainable crop production via adapted production which this project will provide. Additionally, farmers indicate the need for differentiated strategies to enable economic recovery and improved access to markets. These elements are central to the proposed project.

Other Risks to Consider:

Risks	Risk Description	Risk Mitigation Measures	Risk Level
1. Spread of Covid and other transmissible diseases	There is a chance that the project will introduce covid and other transmissible disease into areas which otherwise may not have the same level of exposure, such as the rural areas and buffer zones in which the project occurs. Project areas may have minimal access to treatment facilities, and may also lack access to vaccines, which could further exacerbate any outbreaks introduced by the project. Likewise, the project may run the risk of introducing new variants of COVID-19 which could	Heifer ensures that projects avoid or minimize the potential for community exposure to health risks that could result from or be exacerbated by programming activities. Heifer ensures that projects avoid or minimize transmission of communicable diseases that may be associated with the influx of temporary or permanent project labor including COVID-19. Heifer has extensive COVID-19 protocols in place, both in office and field settings. In office settings, personnel are not allowed into work premises if they are displaying symptoms, and notifying superiors immediately if they begin to do so while at work. Any suspected case incurs a disinfecting protocol in the work areas occupied by the personnel, as well as notifying of immediate contacts. All close contacts are advised to isolate and maintain quarantine for 14 days, with Human Resources monitoring their situation. Masks are to be worn inside office spaces. Temperatures are taken of personnel to ensure no signs of fever, and personnel are encouraged to disinfect their workplaces routinely. Social distancing of 1.5 m is to be maintained when possible, along with refraining from physical contact. Electronic communication is encouraged over physical	Low

overcome potential existing immunity.	paper, and meetings are encouraged to be virtual. Personnel are responsible for disinfecting any exterior items (including food) brought into the office. General disinfecting is done on a regular basis in common areas such as entryways, and disinfecting materials such as sanitizing gels are made easily available. In field settings, prior to in-person visits a check is done with appropriate authorities that there are not any confirmed cases of COVID-19 in the area. Technical officers previously identify safe places of lodging and eating in the communities that will be visited. Personnel will carry with them hygiene / disinfecting kits, including sanitizing gels, gloves, extra masks, protective lenses, and plastic bags for disposal, as well as their own bedding and eating utensils. For any in-person meetings or activities, attendance of any persons considered at risk for complications from COVID-19 will be avoided, including young children, older adults, and individuals with chronic or underlying conditions. Posters with hygiene and safety information will be made visible at such events, and personnel will wash / sanitize their hands, and encourage participants in meetings or activities to do the same, along with maintaining brief record-keeping of hygiene activities. All physical materials will likewise be sanitized prior to use or distribution. Delivery of supplies will be done by a team of 2-3 technicians, to ensure safe distancing measures are adhered to and hygiene measures applied. Vehicles are likewise disinfected before and after use. Motorcycles will only allow transport of one person at a time, and vehicles a maximum of 3 persons at a time, all wearing masks. Masks are to be worn during all transport and activities. A strict distance of at least 1.5m will be adhered to at all times during field activities. Group photographs are not allowed to accommodate for social distancing. Heifer adheres to all government country protocols. Where endemic diseases exist in the project area (e.g. malaria), Heifer explores ways to improve environmental conditions that could minimize the incidence of such diseases.

2. Influx of revenue may disrupt community cohesion, traditional community norms and could potentially reproduce existing discrimination against vulnerable groups especially women	The project could potentially limit women's ability to use, develop and protect natural resources, taking into account different roles and positions of women and men in accessing benefits. For instance, cultural norms, specifically those regarding gender roles, may prevent the full integration of women into various points along value chains. 'Machismo' male-centric culture may cause backlash against women who do participate, increasing the risk of gender-based violence (GBV) due to women potentially earning new sources of / increased income, as well as gaining more responsibility and access to decision-making processes.	The first mitigation measure will be to implement the Gender Action Plan for Guatemala (Ministry of Agriculture, Livestock, and Food, 2016) and Honduras (Gender Equality for the coffee sector, 2021), which encompasses the implementation of all the project activities the Gender Action Plans includes carrying out a review of the AEI modalities and requirements to address any barriers related to that limit the participation of women. The project will have a targeted gender assessment and all relevant metrics during the project will be gender disaggregated. Heifer and partners will identify additional gender-responsive actions throughout the course of the project. Gender equity will be integrated into each step of the program. Social capital will be spent to ensure the ability of women to participate in these roles, and to participate in capacity-building programs, etc. Women participating in the project will be consulted at various points to ensure that they feel secure in their participation. A line of communication will be ensured with trusted local community representatives, who will serve as a potential node through which women can notify project leaders of potential or ongoing issues. A protocol will be established for dealing with gender, and specifically GBV issues, as and when they arise.	Low
3. Personnel involved in the implementation of the project and beneficiaries might lack full capacity and updated training on best practices and international legislation related to human rights,	This could further exacerbate some of the other risks associated with working with stakeholders (e.g., see risk 5 applying to indigenous people's traditional land use practices and management below). Additionally, this lack of capacity could inhibit the proper integration and uptake of best adaptive practices, thus limiting the	Existing capacity building and information mechanisms for personnel and beneficiaries of the AEI will be reviewed and reinforced. Training and capacity building will be included in project preparation activities. A stakeholder engagement plan will be developed, building on national strategies. Heifer has a Grievance mechanism already in place called the Global Grievance Policy in multiple languages – including Spanish that addresses and responds to grievances related to the implementation of the AEI. This policy is intended to supplement, and not discourage or replace, informal discussions between Employees and supervisors. This policy applies to every country or territory in which Employees are employed. In the event any provision of the policy directly conflicts	Low

especially with regard to indigenous people	project's effectiveness.	with applicable law, applicable law will supersede with regard to that provision. Any Employee may use the Grievance process, in good faith, to request review of a Tangible Adverse Employment Action with which he/she has a legitimate disagreement. No Employee may be retaliated against for filing a grievance in good faith.	
4. Risk of economic displacement of farmers and communities NOT associated with commitments under the AEI programming could potentially limit future opportunities and drive inequality in the community	As farmers and producers participating in the project will likely see a stabilization and increase in income, those not participating in the project will continue to be subject to increasing levels of economic instability, particularly driven by the effects of climate change on crop yields and additional effects of adverse weather.	Heifer provides an array of technical assistance and access to technologies, credit, and marketplace access for vulnerable community members. Heifer also ensures communities work together to stabilize all community members. Our signature program, passing on the gift, is intended to tackle income inequality. Additionally, community members set prices and even farm size in a collaborative manner. Moreover, as evidence of the adaptation benefits accrued as part of the project become evident, smallholder farmers / producers who do not initially participate in the program will likely begin incorporating adaptive measures, the toolkits for which will be made available to communities as a whole upon completion of lessons learned.	Low
5. The project could affect negatively indigenous peoples traditional land use practices and land management by applying standard from the AEI	Despite the fact that such new methodologies are voluntary, once deployed it may be difficult to revert to prior practices, as adaptation measures will need to remain in place in order to quantify a verifiable and accredited impact. Additionally, as economic growth occurs, it is possible that indigenous peoples lack the time and ability to engage in historic practices.	Guatemala and Honduras have robust legal framework that allows the protection of the rights of indigenous peoples (Ips). Historically, IPs in the region have been included in the extensive consultations in the development of the Green Business Belt, the foundation project of the AEI. During this work, key improvements for the mechanism to ensure the interests of IP were included in the improved GBB and AEI. Indigenous peoples will be consulted closely during the formation and implementation of the AEI and adaptation activities as a primary stakeholder, to ensure that their traditional practices are still able to be practiced if desired while undertaking the activities within the project. Please see the Indigenous People's Plan in Annex I for extensive information.	Low
6. Reversals (non-permanence) of forest	If project participants withdraw from the program and	While non-permanence is always a risk, farmers who engage with Heifer have this risk minimized because of multiple benefits to individuals as well as to community. Premium	Low

conservation, sustainable management and other activities as a result of the voluntary withdrawal of adaptation practices	planned activities, adaptation benefits may not be sustained, resulting in increased vulnerability to risks from climate change and economic instability. Continued environmental degradation related to unsustainable practices will also further dampen resilience.	product, prices, and market access are strong retention tools. The social capital of projects is also advantageous to farmers. Because farmers emerge with a certification, the tangible outcomes offer additional incentives to remain engaged. Adaptation benefits such as increased resilience and increased income (as well potential finances derived from their accreditation) accrued during the project will also serve as a retention tool.	
7. Implementation of AEI does not work as intended, with companies not utilizing the toolkits or methodology as planned	AEI is not effectively monetized and/or is not embraced by the private sector as an effective adaptation investment vehicle. This could lead to lack of further capital investment by the private sector.	The development of the AEI will be done in partnership and consultation with several distinguished multinational corporations, as well as other national-level private enterprises who will utilize the AEI in the value chain. This cooperation during development is key to ensuring that the AEI can be utilized as intended, and is effective to the point of further uptake. The integration of marketing and CSR/ESG strategies into the toolkit will help to facilitate integration, and will help to drive end-consumer demand, furthering uptake of AEI by other actors.	Low

6. Institutional Arrangement and Coordination

CI GEF will serve as the Implementing Agency and Heifer International will act as the Executing Agency. As the Implementing Agency, CI GEF will approve the overall structure of the project, and will approve annual workplans, budgets, project implementation reports, and quarterly reports. As the Executing Agency, Heifer International will be responsible for managing project activities directly, reporting on project progress, managing consultants, project staffing, partnerships, and use of project funds. Heifer International will work with CI GEF to ensure that the components and objectives of the project are met within the proposed timeline and budget.

A project management unit (PMU) will be named within Heifer International with members based in Guatemala and Honduras. This PMU will consist of a Program Director (based in Guatemala) overseeing operations in both countries and working closely with a Technical Lead overseeing operations in Guatemala, and a Coordinator to oversee operations in Honduras. Country teams will implement activities with support from additional project-specific staff responsible for monitoring and technical aspects. Heifer offices in both Guatemala and Honduras are branch offices, reporting to Heifer International HQ. Heifer International will utilize consultants to support project communications, safeguards, and gender elements working across the three project components. An organizational chart for the PMU is available upon request.

Institutional Structure for Project Implementation

Government

The PMU will work in close coordination with the Ministry of Environment and Natural Resources (MARN – both countries). In Guatemala, MARN will provide technical assistance for the development and launch of the Adaptation Equivalency Index, and will also provide support in coordinating the participation of relevant actors and stakeholders, universities, research centers, NGOs, private sector, and civil society stakeholders in this process.

Additionally, the PMU will work with the municipalities of the Alta Verapaz department in piloting improved climate smart agriculture practices. In Honduras, the Secretariat of Agriculture and Livestock (SAG) will facilitate the Olancho MESACOLA Regional Cocoa Table, a space for planning and coordination of direct and indirect actors linked to the cocoa value chain, in which Heifer will participate during project activities. The Honduran Coffee Institute IHCAFE (the governing body for coffee policy and strategy in Honduras) will coordinate with Heifer Honduras to define actions to strengthen the coffee value chain through training, technical assistance, and critical investments, with a climate-smart agriculture approach.

Project Steering Committee

A Project Steering Committee (PSC) will be established to provide guidance for strategy and oversight of the Project Management Team. Members of the PSC will be made up of delegates from Heifer International and government representatives (GEF focal points for Guatemala and Honduras). CI GEF will be included as a non-voting member of the PSC.

The PSC will be convened by the Heifer International as the Executing Agency for bi-annual meetings for decision-making, oversight, and advice on project alignment to national priorities. The PSC will also serve as a conduit to further ensure information sharing among relevant parties, as well as review any

grievances and responses among stakeholders. This project will be implemented in coordination with several ongoing related projects including:

Initiative	Coordination
GEF Challenge Program	The project will continue to collaborate with the GEF Challenge Program by sharing lessons learned with the Secretariat and other agencies/partners
Agroforestry landscapes and sustainable forest management that generate environmental and economic benefits globally and locally (GEF ID 9262)	Communication for exchange of experiences and lessons learned.
Promoviendo Territorios Sostenibles y Resilientes en Paisajes de la Cadena Volcánica Central en Guatemala *(Promoting Sustainable and Resilient Territories in the Central Volcanic Chain Landscapes in Guatemala)*	Communication for exchange of experiences and lessons learned.
Primer Reporte Bienal y Tercera Comunicación Nacional de Cambio Climático *(First Biennial Report and Third National Communication on Climate Change)*	Communication for exchange of experiences and lessons learned.

7. Consistency with National Priorities

GUATEMALA

National Action Plan (NAP)

Guatemala's NAP has a national priority action of integrating Agriculture, Livestock, and Food Security in its adaptation strategy. Likewise, the Action Plan of 2018-22 identifies promotion of the use of good agricultural practices adapted to the climate and science and technology transfer for adaptation as adaptation strategic lines.[39] The project aligns with all of these.

National Biodiversity Strategies and Action Plan (NBSAP) under the UNCBD

Guatemala has been a signatory of the CBD since 1995. One of the primary thematic areas of the 2012-22 NBSAP is promoting the sustainable use of biodiversity and ecosystem services, as well as role of biodiversity in climate change mitigation and adaptation[40]. The project is in alignment with both of these.

[39] FAO (https://www.fao.org/in-action/naps/partner-countries/guatemala/ar/)
[40] CBD (https://www.cbd.int/nbsap/about/latest/#gt)

UNFCCC

In 2017 Guatemala ratified the Paris Agreement under the United Nations Framework Convention on Climate Change (UNFCCC). Under Guatemala's first NDC, the country aims to utilize agriculture and forestry for mitigation purposes, and to adapt the agriculture sector and promote soil protection to help reduce vulnerabilities to climate change. The AEI project will promote adaptation practices in the rural agricultural sector, including to protect soils, and is consistent with the NDC and will contribute to achieving the related country's commitments.

HONDURAS

NAP

The National Action Plan of Honduras is currently in development with support from the Green Climate Fund.

NBSAP

Honduras is a signatory to the CBD as of 1995. The AEI project is consistent with the National Biodiversity Strategy and Action Plan (NBSAP) which recognizes the importance of poverty reduction as a pillar of biodiversity conservation. The NBSAP prioritizes agrobiodiversity to transform food production systems, including the sustainable use of livestock, forestry, and agricultural resources. The NBSAP proposes that sustainable use of these assets will help achieve appropriate use of water and soil resources. The AEI project will thus help achieve the stated goals of the NBSAP.

UNCCD

In 1997, Honduras ratified the United Nations Convention to Combat Desertification (UNCCD). The AEI aligns with the National Action Program (NAP) 2005-2021 under the UNCCD. The NAP provides guidance that includes approaches to preventing the degradation of natural resources. The NAP identifies the causes of the limited sustainability including the use of inappropriate production technologies, the inequitable distribution of land, limited production infrastructure, lack of agricultural incentives and limited market access, and prioritizes the improvement, participatory validation and scaling up of sustainable agricultural and ranching systems. This project is consistent with the NAP's approach specifically as pertains to generating resilient food production systems; planning, conservation, and reforestation in watersheds; and institutional strengthening and development of local capacities.

UNFCCC

In 1995 Honduras ratified the United Nations Framework Convention on Climate Change (UNFCCC). Honduras was one of the first countries in Latin America to join the Nationally Determined Contribution (NDC) Partnership. As part of this process, Honduras developed a road map for the fulfillment of its NDCs as part of the Paris Agreement/UNFCCC. Honduras commitment to reduce GHG emissions from the agricultural production sector by 15% and to restore 1 million ha affected by deforestation and forest degradation. The project is consistent with the NDC and will contribute to achieving the related country's commitments.

Additionally, Honduras has drafted a Country Vision (2010-2038) and a National Plan (2010-2022). These plans propose to improve the agriculture sector by ensuring that small holder producers have access to financial and technical assessment and through forest protection programs including activities that prevent deforestation.

The project is also consistent with EN-REDD+, which promotes the restoration of landscapes that have been degraded and deforested due to the production of commodities such as palm oil and beef/milk.

Similarly, the project is consistent with the National Program for the Recovery of Degraded Ecosystems' Goods and Services, created though Ministerial Agreement No. 1030-18 of MiAmbiente+, which outlines strategic options for restoring areas in northern Honduras where the proposed project will be implemented.

8. ***Knowledge Management***

Heifer has over 70 years of experience implementing sustainable agriculture projects, building livelihoods, and advancing social capital. This experience has been honed, captured, and disseminated through tools such as the 12 Cornerstones toolkits[41], self-savings groups, and other mechanisms. These tools and processes are used around the world and are constantly being refined by new information, lessons learned, and best practices. Heifer uses these tools to build the capacity of our staff and our community members. At the core of our 12 Cornerstones toolkit is the active engagement of community members, especially the vulnerable including women and indigenous peoples, the recognition that local management is necessary to fully protect natural resources, and the understanding that the reduction of poverty is integral to natural resource conservation.

At its core, Heifer is a capacity building and training organization that works in communities to disseminate information at scale. Heifer will be utilizing its social capital toolkits in this program to build an adaptation mechanism with, for, and on behalf of communities. Heifer will work with all levels of government including elected community officials and ancestral community leaders, and with the engagement of vulnerable groups. Heifer will be utilizing its 12 Cornerstone toolkit and feedback from these efforts will be integrated into regular 12 Cornerstone review sessions. Importantly, Heifer works closely with community committees and these committees work closely with Heifer's Social Capital experts. These experts are trained in community engagement techniques, meeting facilitation, and inclusive project engagement.

Communication is a key aspect of Heifer's work and critical to the success of our mission. Over the course of this project, Heifer will utilize its communication expertise to support the projects goals and objectives. The lessons learned and successes of this project will be shared with our community, government, corporate stakeholders through a series of meetings, workshops, and other communication opportunities. Heifer has integrated regular meetings throughout the project timeline and will document lessons learned and feedback during these meetings. Heifer will also convene a webinar mid-way through the project to discuss, share, and learn best practices with our teams, key stakeholders, and partners.

With regards to the AEI itself, as noted in Annex A and in the budget, there will be ample outreach efforts with corporations to share the benefits as well as to solicit feedback on the AEI and to solicit feedback for its improvement. In addition to the AEI, the PMU and Heifer HQ staff will work closely with our corporate partner stakeholders to ensure that we are able to support their communication efforts. This information will be made available to our partners, and it is anticipated that a wider audience will be informed about the AEI through partner and stakeholder engagement.

Notable knowledge products to be produced include:

- At least 3 toolkits will be developed to document climate smart practices to be used with producers based on consultations and other research (Y1 – Q2, Q3)
- One report will be developed to capture case studies, best practices and recommendations arising from the demonstration projects, e.g., adaptation benefits, carbon sequestration, etc. (Y2 – Q1, Q2)

[41] https://www.heifer.org/our-work/our-model/community-mobilization/cornerstones.html

- One webpage will be created for the project to host communications materials for the dissemination of information on adaptation practices with communities and other relevant stakeholders (Y1 – Q4)
- Development of the AEI and guidelines for companies to operationalize the AEI across their value chains (Y1 – Y2, all quarters)

It is expected that each member of the PMU will dedicate at least 5% of their time to support the creation of knowledge products during the project period.

9. *Monitoring and Evaluation.*

Project monitoring and evaluation (M&E) will be conducted in accordance with established CI GEF procedures. The project M&E plan will be presented and finalized at the project inception workshop, including a review of indicators, means of verification, and the full definition of project staff M&E responsibilities.

Monitoring and Evaluation Roles and Responsibilities
The PMU will be responsible for initiating and organizing key monitoring and evaluation tasks. This includes the project inception workshop (to be held virtually) and report, quarterly progress reporting, annual progress and implementation reporting, documentation of lessons learned, and support for and cooperation with the independent external evaluation exercises.

Heifer International will be responsible for ensuring the monitoring and evaluation activities are carried out in a timely and comprehensive manner, and for initiating key monitoring and evaluation activities, such as the independent evaluation exercises. The PMU will be responsible for providing any and all required information and data necessary for timely and comprehensive project reporting, including results and financial data, as necessary and appropriate.

The Project Steering Committee (PSC) will play a key oversight role for the project, with regular meetings to receive updates on project implementation progress and approve annual workplans. The PSC will provide continuous ad-hoc oversight and feedback on project activities, responding to inquiries or requests for approval from the PMU or Executing Agency.

The CI-GEF Project Agency will play an overall assurance, backstopping, and oversight role with respect to monitoring and evaluation activities. CI will be responsible for contracting and oversight of the planned independent external terminal evaluation (no mid-term evaluation is planned).

Monitoring and Evaluation Components and Activities
The M&E Plan will include the following components (see M&E table 8 for details):

Inception Workshop
The project inception workshop will be held virtually within the first three months of project start with project stakeholders. An overarching objective of the inception workshop is to assist the project team in understanding and taking ownership of the project's objectives and outcomes. The inception workshop will be used to detail the roles, support services and complementary responsibilities of CI GEF and Heifer International.

Inception Workshop Report
Heifer International will produce an inception report documenting all changes and decisions made during the inception workshop to the project planned activities, budget, results framework, and any other key

aspects of the project. The inception report will be produced within one month of the inception workshop, as it will serve as a key input to the timely planning and execution of project start-up and activities.

Project Results Monitoring Plan (Objective, Outcomes, and Outputs)
A Project Results Monitoring Plan has been developed by Heifer International, and includes objectives, outcomes, and output indicators, metrics to be collected for each indicator, a methodology for data collection and analysis, baseline information, locations for data collection, the frequency of data collection, responsible parties, and indicative resources needed to complete the plan. The Project Results Monitoring Plan is available in Annex J. In addition to the objective, outcome, and output indicators, the Project Results Monitoring Plan table also includes all indicators that are identified in the four required Safeguard Plans.

Baseline Data Collection and Analysis
All necessary baseline data will be collected and documented by Heifer International within the first year.

GEF Core Indicators
Relevant GEF Core Indicators will also be completed i) prior to project start-up, ii) prior to mid-way point in the project, and iii) at the time of the terminal evaluation.

Project Steering Committee Meetings
PSC meetings will be held semi-annually, or as appropriate. The PSC will review and approve project annual budget and work plans, discuss implementation issues and identify solutions, and increase coordination and communication between key project partners.

CI GEF Project Agency Field Supervision Missions
CI GEF will conduct annual visits to the project countries and field sites based on the agreed schedule in the project's Inception Report/Annual Work Plan to assess first hand project progress. Oversight visits will most likely be conducted to coincide with the timing of PSC meetings. Other members of the PSC may also join field visits. A Field Visit Report will be prepared by CI GEF staff participating in the oversight mission, and will be circulated to the project team and PSC members within one month of the visit.

Quarterly Progress Reporting
Heifer International will submit quarterly progress reports to CI GEF including budget follow-up and requests for disbursement to cover quarterly expenditures.

Annual Project Implementation Report (PIR)
Heifer International will prepare an annual PIR to monitor progress since project start and in particular for the reporting period (July 1st to June 30th). The PIR will summarize the annual project result and progress. A summary of the report will be shared with the PSC.

Final Project Report
Heifer International will draft a final report at the end of the project.

Independent Terminal Evaluation
An independent Terminal Evaluation will take place within six months after project completion and will be undertaken in accordance with CI GEF guidance. The terminal evaluation will focus on the delivery of the project's results as initially planned (and as corrected if any such correction took place). Heifer International in collaboration with the PSC will provide a formal management answer to the findings and recommendations of the terminal evaluation.

Lessons Learned and Knowledge Generation

Results from the project will be disseminated within and beyond the project intervention area through existing information sharing networks and forums. The project will identify and participate, as relevant and appropriate, in scientific, policy-based and/or any other networks, which may be of benefit to project implementation though lessons learned. The project will identify, analyze, and share lessons learned that might be beneficial in the design and implementation of similar future projects. There will be a two-way flow of information between this project and other projects of a similar focus.

Financial Statements Audit

Annual Financial reports submitted by Heifer International will be audited annually by external auditors appointed by Heifer International. The Terms of References for the evaluations will be drafted by CI GEF in accordance with GEF requirements. Procurement and contracting for the independent evaluations will handled by CI's General Counsel's Office. The funding for the evaluations will come from the project budget, as indicated at project approval and within the attached budget. There will be two audits, equivalent to one per year, with audit activities conducted in both countries.

PROJECT M&E PLAN SUMMARY

Type of M&E	Reporting Frequency	Responsible Parties	Indicative Budget from GEF (USD) – these are the total amounts for both countries
Inception workshop	Within three months of signing of CI Grant Agreement for GEF Projects	· Project Team · Executing Agency · CI-GEF PA	6,732
Inception Workshop Report	Within one month of holding inception workshop	· Project Team · CI-GEF PA	884
Project Results Monitoring Plan (Objective, Outcomes and Outputs)	Annually (data on indicators will be gathered according to monitoring plan schedule shown on Appendix IV).	· Project Team · CI-GEF PA	4,130
Adaptation Tracking Tool	i) Project development phase; ii) prior to project mid-term evaluation; and iii) project completion	· Project Team · Executing Agency · CI-GEF PA	4,502
CI-GEF Project Agency Field Supervision Missions	Approximately annual visits	· CI-GEF PA	CI GEF to cover costs
Annual Project Implementation Report (PIR)	Annually for year ending June 30	· Project Team · Executing Agency	5,617

		· CI-GEF PA	
Project Completion Report	Upon project operational closure	· Project Team · Executing Agency · Project Team · CI-GEF PA	1,369
Independent Terminal Evaluation	Evaluation field mission within three months prior to project completion.	· CI Evaluation Office · Project Team · CI-GEF PA	25,000
Summary M&E total			**48,234**
Type of PMC	**Reporting Frequency**	**Responsible Parties**	**Indicative Budget from GEF (USD)**
Project Steering Committee Meetings (virtual)	Annually	· Project Team · Executing Agency · CI-GEF PA	22,400
Quarterly Progress Reporting	Quarterly	· Project Team · Executing Agency · CI-GEF PA	45,110
Financial Statements Audit	Annually	· Executing Agency · CI-GEF PA	15,515
Summary PMC total			**83,025**

PROJECT BUDGET BY COMPONENT

Project budget by component (in USD)							
	Component 1	Component 2	Component 3	Sub-total	M&E	PMC	Total Budget
Personnel and Professional Services	278,883	97,122	112,061	488,066	48,234	83,025	619,325
Travel, meetings and workshops	98,873	26,724	41,815	167,412			167,412
Grants and Agreements	107,000			107,000			107,000
Other Direct Costs	16,587	2,369	4,738	23,694			23,694
TOTAL GEF FUNDED PROJECT	**501,343**	**126,215**	**158,614**	**786,172**	**48,234**	**83,025**	**917,431**

10. ***Benefits***

At the local level, male and female smallholder producers will have the ability to benefit not only through reduced waste, improved product, access to additional finance mechanisms, better market prices, improved access to markets and enhanced resiliency, but ultimately – in the long term - through access to finance and tradeable credit schemes. This will collectively serve to incentivize the uptake of adaptation practices, thus incurring associated adaptation benefits. A major benefit of the project will be stabilized and/or increased income for smallholder producers involved in the project, due to increased resiliency and diversified livelihoods. Income from crop harvests is becoming increasingly uncertain due to the effects of climate change. The project will give farmers access to funding (and capacity building) to implement climate-smart adaptive practices, which will help to make their agricultural production more resilient, and in some cases increase their crop yields (e.g., by implementing intercropping/agroforestry to increase the output of their land). As an example, the farming families of the indigenous Queqchi population in the buffer and multipurpose areas in the project areas in Guatemala that produce cardamom are farmers with an average of 4-5 hectares and produce 1 ha in natural systems. On average, a family has an annual income of $2,232 per year and an estimated income to cover basic needs or a living income benchmark of $4,688 per year, generating a gap to be covered of $2,456. This gap is estimated to be closed with the production of combined agroforestry systems with an average of one ha.

This stabilization/increase of income will also serve to alleviate certain poverty-associated degradation pressures, such as clearance for subsistence farming and unsustainable resource extraction. The direct connection from adaptive and climate-smart practices to increased income sources will further incentivize lessened habitat degradation. Lessening habitat degradation in and of itself is an adaptation benefit, as degradation exacerbates other insecurities associated with climate change (e.g., lack of ecosystem services and protection from extreme weather).

Beyond direct economic benefits, there will also be social benefits accrued as a result of the project. One of the aims of the project is to increase gender equity and representation throughout the associated value chains, as well as increasing women's participation in decision-making processes and enhancing their leadership skills. As women traditionally interact more directly with the environment, their increased knowledge of and participation in adaptation practices is essential in achieving adaptation aims. Another social benefit will be increased knowledge-sharing, which will help lead to further uptake of adaptation practices, potentially beyond the smallholder producers initially involved in the project.

At the regional and national levels, the project will help to secure supply chains by making them more resilient to the effects of climate change, which will help to ensure more stable business proceedings within the associated value chains. Initially these benefits will be accrued for the four value chains associated with the project (cardamom, coffee, cocoa, and allspice). However, the AEI is being developed

with the intended purpose of further expansion across geographies and products/supply chains. Thus, the socioeconomic benefits will also be potentially multiplied across the region, and potentially globally.

The current lack of adaptation measures in both Guatemala and Honduras have already led to increased internal migration, with some rural populaces migrating to cities for work because of instability in cultivation-based livelihoods. This insecurity is placing increased strain on social safety nets. By funding (and thus facilitating) the implementation of adaptation practices, the AEI will also help to mitigate the socioeconomic insecurities associated with climate change. This will become especially relevant if the AEI is eventually adopted at a larger scale regionally and across additional value chains.

PART IV: ANNEXES

Annex A: Project Results Framework

ANNEX A: FULL PROJECT RESULTS FRAMEWORK

Objective:	Develop and launch the Adaptation Equivalency Index (AEI) in Guatemala and Honduras to ensure decreased loss of habitat, improved ecological resiliency, sustainable living income for smallholder producers (men and women) and an increase in adaptation investment from the private sector through the use of a standardized, quantifiable approach
Indicator(s):	**Indicator A:** Area of land managed for climate resilience **Target A:** 2,054 hectares managed for climate resilience **Indicator B:** Livelihoods and sources of income strengthened/introduced (agriculture, agro-processing, reduced supply chain) **Target B:** 12,125 producers have strengthened/new livelihoods and sources of income

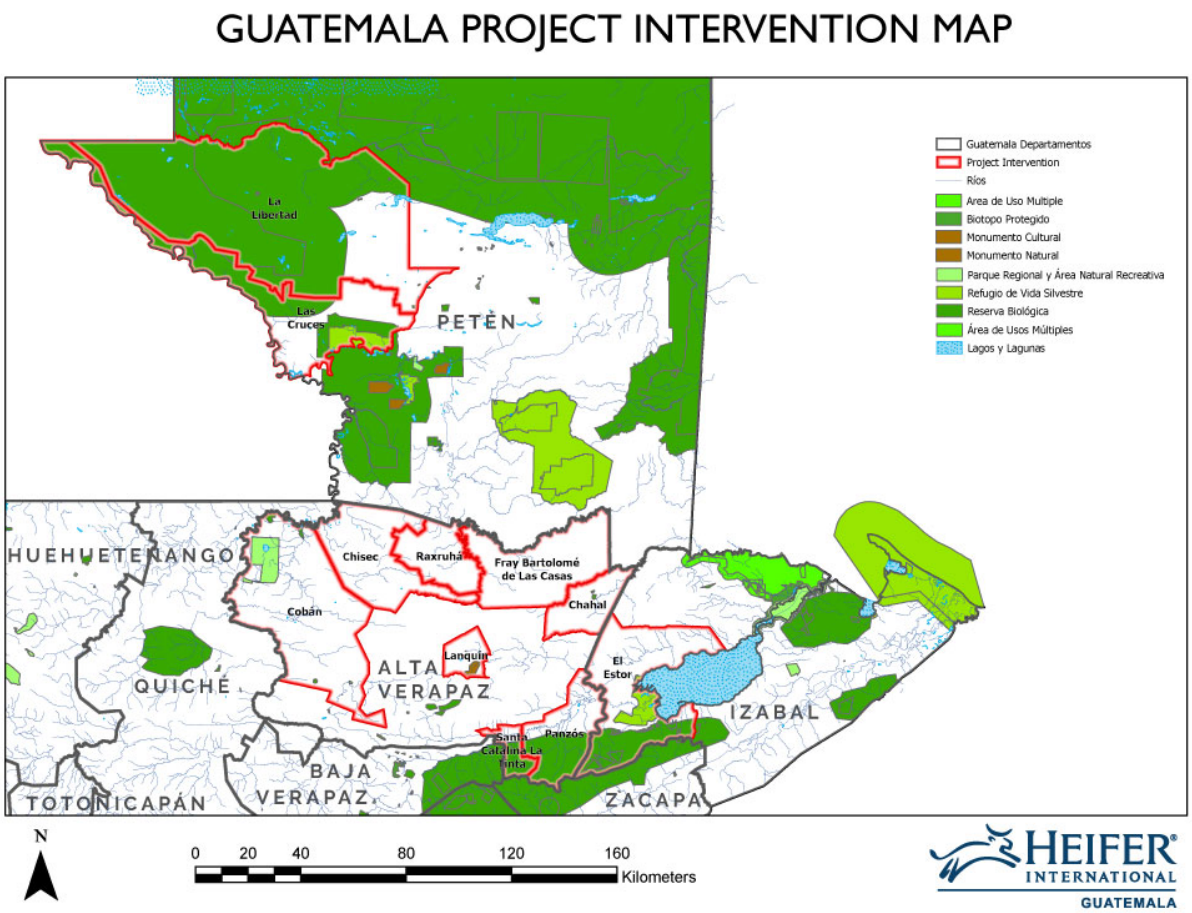
Expected Outcomes and Indicators	Project Baseline	End of Project Target	Expected Outputs and Indicators
Component 1: Pilot improved climate smart agriculture practices that increase resiliency throughout the value chains			
Outcome 1.1 Improved climate smart production practices in ecologically vulnerable areas of Guatemala and Honduras ***Indicator 1.1:*** *Total # of hectares of production land under improved management*	0 ha	**Target 1.1:** *Total: 2,054 hectares* *Guatemala: 1,212 hectares* *Honduras: 842 hectares*	**Output 1.1.1:** Producers identified for participation in climate smart practices ***Indicator 1.1.1:*** *# of male and female producers identified* ***Target 1.1.1:*** *480 male and 120 female producers* **Output 1.1.2:** Technologies, tools, and skills needed to implement climate smart practices are obtained and utilized by producers ***Indicator 1.1.2:*** *# of male and female producers with knowledge about new technologies, tools and skills for climate smart agriculture* ***Target 1.1.2:*** *360 male and 90 female producers* **Output 1.1.3:** Demonstration projects of climate smart interventions implemented in rural communities in both countries ***Indicator 1.1.3:*** *# of demonstration projects implemented in rural communities*

			***Target 1.1.3**: 20 demonstration projects*
Outcome 1.2: Increased resiliency and ability of male and female small holder producers to adapt to climate change and shocks related to economic and environmental volatility ***Indicator 1.2.a.:** # of male and female producers that are better equipped to effectively adapt to climate change by using adapted farming practices* ***Indicator 1.2.b.:** # of producers that have higher incomes as a result of their participation in the project (considering actual income compared to the baseline)*	0 Producers	**Target 1.2.a.:** *12,125 producers (7,275 males, 4850 females)* **Target 1.2.b.:** *6,042 producers(3,626 men and 2,416 women)*	**Output 1.2.1**: Information on climate change adaptation disseminated in both countries across target areas ***Indicator 1.2.1:** # of communities that have received information about climate change and adaptation strategies* ***Target 1.2.1:** 14 communities* **Output 1.2.2:** Strengthened capacity of producers in rural communities to implement climate smart measures ***Indicator 1.2.2:** # number of male and female producers trained on climate adaptation practices such as climate smart agriculture, drip irrigation, solar dryers, etc.* ***Target 1.2.2:*** *Total: 1,075 producers* *Guatemala: 475 producers* *Honduras: 600 producers*
Component 2: Develop Adaptation Equivalency Index by identifying, cataloguing, and quantifying measures of climate smart production practices			
Outcome 2.1: There is one functional Adaptation Equivalency Index that is flexible, scalable, and capable of catalyzing increased investment in adaptation and resiliency measures across value chains ***Indicator 2.1**: # of indices developed to catalyze investment in adaptation and resiliency measures across value chains*	0 Indices	**Target 2.1:** 1 index is ready for piloting by companies	**Output 2.1.1:** Climate smart production practices identified for inclusion in the AEI ***Indicator 2.1.1:** # of climate smart production practices identified for inclusion in the AEI* ***Target 2.1.1:** 4 distinct categories of climate smart production practices identified* **Output 2.1.2:** The AEI is created

			Indicator 2.1.2: *# of indices developed to catalyze investment in adaptation and resiliency measures across value chains* ***Target 2.1.2:*** *1 Index developed*
Component 3: Pilot AEI – integrate AEI into three premium value chains			
Outcome 3.1: The AEI is adopted as a valuable tool by companies to achieve key adaptation outcomes aligned with GEF adaptation strategy ***Indicator 3.1:*** # of companies signing agreements with Heifer to launch pilot projects to use the AEI	0 Companies	**Target 3.1:** 6 Companies	**Output 3.1.1**: AEI companies define KPIs and measure progress on their targets and metrics ***Indicator 3.1.1:*** *# of companies that report metrics on AEI use* ***Target 3.1.1:*** *6 companies measuring progress on AEI pilots*
Outcome 3.2: Increased knowledge of linkages between climate change adaptation and the target value chains ***Indicator 3.2:*** % of key industry leaders and members of the general public surveyed during the project showing increased knowledge about the linkages between climate change adaptation and the target value chains	0% (survey not conducted yet)	**Target 3.2:** 75% of survey respondents	**Output 3.2.1:** Companies develop communication plans about the AEI and its relevance targeting consumers, key industry leaders, and public sector authorities ***Indicator 3.2.1****: # of communications plans on the AEI developed by companies to target key industry leaders and the general public* ***Target 3.2.1:*** *6 communications plans*

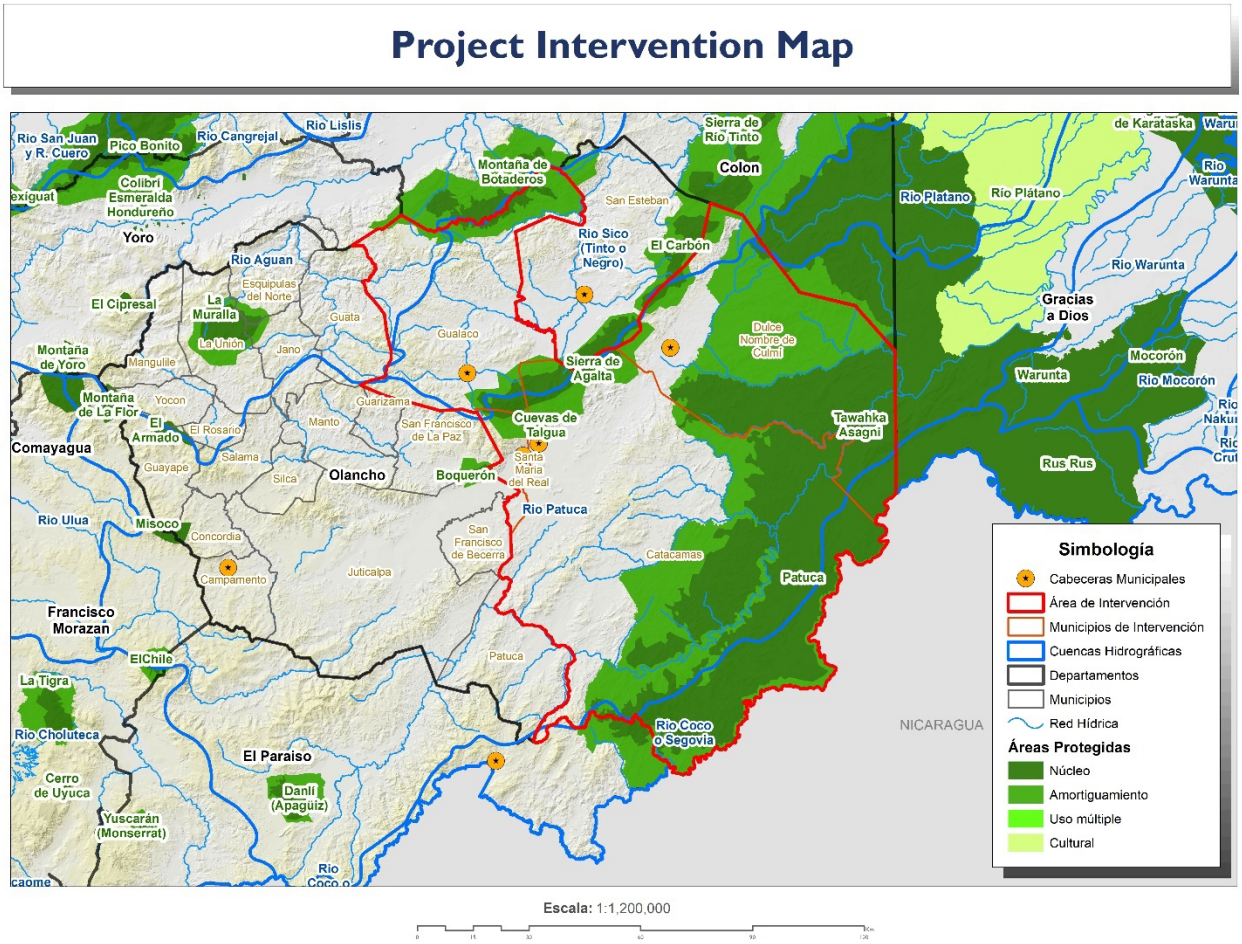
Annex B: Status of Utilization of Project Preparation Grant (PPG)
N/A

Annex C: Project Map(s) and Coordinates



GUATEMALA Coordinates (10 project sites)	Latitude	Longitude
Cobán	15.841073357580171	-90.74835903552768
Chisec	15.813849640756505	-90.29096607486422
Raxruhá	15.866344632472586	-90.04418122571548
Fray Bartolomé de Las Casas	15.80545710438589	-89.86119039021011
Chahal	15.792294453255158	-89.6020245971044
La Tinta	15.31167618935276	-89.88500834511544
Sierra de Las Minas, San Antonio	15.26063863406945	-89.8413024206138
Sierra de Las Minas, San Vicente I	15.23770645200451	-89.77575031231189
Panzós	15.39843509143048	-89.64359191218428
Bocas del Polochic, Selempim	15.324293364938923	-89.38666479271797

Honduras



Honduras Coordinates (4 project sites)	Latitude	Longitude
Dulce nombre de culmí	15.0418782	-85.324444
Gualaco	15.2242208	-86.1296722
Santa maria del real	14.7817475	-85.960863
Catacamas	14.8445355	-85.8960213

Annex D: GEF 7 Core Indicator Worksheet
Reference Heifer Adaptation Tracking tool

Annex E: GEF Project Taxonomy Worksheet

GEF 7 TAXONOMY **Annex E**

Level 1	Level 2	Level 3	Level 4
☒Influencing models			

	☒**Transform policy and regulatory environments**		
	☒**Strengthen institutional capacity and decision-making**		
	☒**Convene multi-stakeholder alliances**		
	☒**Demonstrate innovative approaches**		
	☐**Deploy innovative financial instruments**		
☒**Stakeholders**			
	☒**Indigenous Peoples**		
	☒**Private Sector**		
		☐Capital providers	
		☐Financial intermediaries and market facilitators	
		☒Large corporations	
		☒SMEs	
		☒Individuals/Entrepreneurs	
		☐Non-Grant Pilot	
		☐Project Reflow	
	☒**Beneficiaries**		
	☒**Local Communities**		
	☒**Civil Society**		
		☒Community Based Organization	
		☐Non-Governmental Organization	
		☐Academia	
		☐Trade Unions and Workers Unions	
	☒**Type of Engagement**		
		☒Information Dissemination	
		☒Partnership	
		☒Consultation	
		☒Participation	
	☒**Communications**		
		☒Awareness Raising	
		☒Education	
		☐Public Campaigns	
		☒Behavior Change	
☒**Capacity, Knowledge and Research**			
	☒**Enabling Activities**		
	☒**Capacity Development**		
	☒**Knowledge Generation and Exchange**		
	☐**Targeted Research**		
	☒**Learning**		
		☐Theory of Change	
		☒Adaptive Management	
		☐Indicators to Measure Change	
	☒**Innovation**		
	☒**Knowledge and Learning**		
		☐Knowledge Management	
		☒Innovation	
		☒Capacity Development	
		☒Learning	
	☒**Stakeholder Engagement Plan**		
☒**Gender Equality**			
	☒**Gender Mainstreaming**		
		☒Beneficiaries	
		☐Women groups	
		☒Sex-disaggregated indicators	
		☒Gender-sensitive indicators	
	☒**Gender results areas**		

		☐Access and control over natural resources	
		☒Participation and leadership	
		☒Access to benefits and services	
		☒Capacity development	
		☐Awareness raising	
		☒Knowledge generation	
☒**Focal Areas/Theme**			
	☒**Integrated Programs**		
		☒Commodity Supply Chains ([42]Good Growth Partnership)	
			☒Sustainable Commodities Production
			☐Deforestation-free Sourcing
			☐Financial Screening Tools
			☐High Conservation Value Forests
			☐High Carbon Stocks Forests
			☐Soybean Supply Chain
			☐Oil Palm Supply Chain
			☐Beef Supply Chain
			☒Smallholder Farmers
			☒Adaptive Management
		☐Food Security in Sub-Sahara Africa	
			☐Resilience (climate and shocks)
			☐Sustainable Production Systems
			☐Agroecosystems
			☐Land and Soil Health
			☐Diversified Farming
			☐Integrated Land and Water Management
			☐Smallholder Farming
			☐Small and Medium Enterprises
			☐Crop Genetic Diversity
			☐Food Value Chains
			☐Gender Dimensions
			☐Multi-stakeholder Platforms
		☒Food Systems, Land Use and Restoration	
			☒Sustainable Food Systems
			☐Landscape Restoration
			☒Sustainable Commodity Production
			☐Comprehensive Land Use Planning
			☐Integrated Landscapes
			☒Food Value Chains
			☐Deforestation-free Sourcing
			☐Smallholder Farmers
		☐Sustainable Cities	
			☐Integrated urban planning
			☐Urban sustainability framework
			☐Transport and Mobility
			☐Buildings
			☐Municipal waste management
			☐Green space
			☐Urban Biodiversity
			☐Urban Food Systems
			☐Energy efficiency
			☐Municipal Financing
			☐Global Platform for Sustainable Cities
			☐Urban Resilience
	☒**Biodiversity**		

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		☒Protected Areas and Landscapes	
			☐Terrestrial Protected Areas
			☐Coastal and Marine Protected Areas
			☒Productive Landscapes
			☐Productive Seascapes
			☐Community Based Natural Resource Management
		☒Mainstreaming	
			☐Extractive Industries (oil, gas, mining)
			☐Forestry (Including HCVF and REDD+)
			☐Tourism
			☒Agriculture & agrobiodiversity
			☐Fisheries
			☐Infrastructure
			☐Certification (National Standards)
			☒Certification (International Standards)
		☐Species	
			☐Illegal Wildlife Trade
			☐Threatened Species
			☐Wildlife for Sustainable Development
			☐Crop Wild Relatives
			☐Plant Genetic Resources
			☐Animal Genetic Resources
			☐Livestock Wild Relatives
			☐Invasive Alien Species (IAS)
		☐Biomes	
			☐Mangroves
			☐Coral Reefs
			☐Sea Grasses
			☐Wetlands
			☐Rivers
			☐Lakes
			☐Tropical Rain Forests
			☐Tropical Dry Forests
			☐Temperate Forests
			☐Grasslands
			☐Paramo
			☐Desert
		☐Financial and Accounting	
			☐Payment for Ecosystem Services
			☐Natural Capital Assessment and Accounting
			☐Conservation Trust Funds
			☐Conservation Finance
		☐Supplementary Protocol to the CBD	
			☐Biosafety
			☐Access to Genetic Resources Benefit Sharing
	☐**Forests**		
		☐Forest and Landscape Restoration	
			☐REDD/REDD+
		☐Forest	
			☐Amazon
			☐Congo
			☐Drylands
	☐**Land Degradation**		
		☐Sustainable Land Management	
			☐Restoration and Rehabilitation of Degraded Lands
			☐Ecosystem Approach

			☐Integrated and Cross-sectoral approach
			☐Community-Based NRM
			☐Sustainable Livelihoods
			☐Income Generating Activities
			☐Sustainable Agriculture
			☐Sustainable Pasture Management
			☐Sustainable Forest/Woodland Management
			☐Improved Soil and Water Management Techniques
			☐Sustainable Fire Management
			☐Drought Mitigation/Early Warning
		☐Land Degradation Neutrality	
			☐Land Productivity
			☐Land Cover and Land cover change
			☐Carbon stocks above or below ground
		☐Food Security	
	☐**International Waters**		
		☐Ship	
		☐Coastal	
		☐Freshwater	
			☐Aquifer
			☐River Basin
			☐Lake Basin
		☐Learning	
		☐Fisheries	
		☐Persistent toxic substances	
		☐SIDS : Small Island Dev States	
		☐Targeted Research	
		☐Pollution	
			☐Persistent toxic substances
			☐Plastics
			☐Nutrient pollution from all sectors except wastewater
			☐Nutrient pollution from Wastewater
		☐Transboundary Diagnostic Analysis and Strategic Action Plan preparation	
		☐Strategic Action Plan Implementation	
		☐Areas Beyond National Jurisdiction	
		☐Large Marine Ecosystems	
		☐Private Sector	
		☐Aquaculture	
		☐Marine Protected Area	
		☐Biomes	
			☐Mangrove
			☐Coral Reefs
			☐Seagrasses
			☐Polar Ecosystems
			☐Constructed Wetlands
	☐**Chemicals and Waste**		
		☐Mercury	
		☐Artisanal and Scale Gold Mining	
		☐Coal Fired Power Plants	
		☐Coal Fired Industrial Boilers	
		☐Cement	
		☐Non-Ferrous Metals Production	
		☐Ozone	
		☐Persistent Organic Pollutants	
		☐Unintentional Persistent Organic Pollutants	

		☐Sound Management of chemicals and Waste	
		☐Waste Management	
			☐Hazardous Waste Management
			☐Industrial Waste
			☐e-Waste
		☐Emissions	
		☐Disposal	
		☐New Persistent Organic Pollutants	
		☐Polychlorinated Biphenyls	
		☐Plastics	
		☐Eco-Efficiency	
		☐Pesticides	
		☐DDT - Vector Management	
		☐DDT - Other	
		☐Industrial Emissions	
		☐Open Burning	
		☐Best Available Technology / Best Environmental Practices	
		☐Green Chemistry	
	☒**Climate Change**		
		☒**Climate Change Adaptation**	
			☐Climate Finance
			☐Least Developed Countries
			☐Small Island Developing States
			☐Disaster Risk Management
			☐Sea-level rise
			☐Climate Resilience
			☐Climate information
			☐Ecosystem-based Adaptation
			☐Adaptation Tech Transfer
			☐National Adaptation Programme of Action
			☐National Adaptation Plan
			☒Mainstreaming Adaptation
			☒Private Sector
			☒Innovation
			☐Complementarity
			☐Community-based Adaptation
			☒Livelihoods
		☐**Climate Change Mitigation**	
			☐Agriculture, Forestry, and other Land Use
			☐Energy Efficiency
			☐Sustainable Urban Systems and Transport
			☐Technology Transfer
			☐Renewable Energy
			☐Financing
			☐Enabling Activities
		☐**Technology Transfer**	
			☐Poznan Strategic Programme on Technology Transfer
			☐Climate Technology Centre & Network (CTCN)
			☐Endogenous technology
			☐Technology Needs Assessment
			☐Adaptation Tech Transfer
		☐**United Nations Framework on Climate Change**	
			☐Nationally Determined Contribution

ANNEX F: FULL PROJECT BUDGET: Please see separate budget in Excel

ANNEX G: PROJECT TIMELINE	Year 1				Year 2			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Outcome 1.1.: Improved climate smart production practices in ecologically vulnerable areas of Guatemala and Honduras								
Output 1.1.1: Producers identified for participation in climate smart practices								
Output 1.1.2.: Technologies, tools, and skills needed to implement climate smart practices are obtained and utilized by producers								
Output 1.1.3.: Demonstration projects of climate smart interventions implemented in rural communities in both countries								
Outcome 1.2: Increased resiliency and ability of male and female small holder producers to adapt to climate change and shocks related to economic and environmental volatility								
Output 1.2.1: Information on climate change adaptation disseminated in both countries across target areas								
Output 1.2.2: Strengthened capacity of producers in rural communities to implement climate smart measures								
Outcome 2.1: There is one functional Adaptation Equivalency Index that is flexible, scalable, and capable of catalyzing increased investment in adaptation and resiliency measures across value chains								
Output 2.1.1.: Climate smart production practices identified for inclusion in the AEI								

Output 2.1.2.: AEI is created								
Outcome 3.1: The AEI is adopted as a valuable tool by companies to achieve key adaptation outcomes aligned with GEF adaptation strategy								
Output 3.1.1: AEI companies define KPIs and measure progress on their targets and metrics								
Outcome 3.2: Increased knowledge of linkages between climate change adaptation and the target value chains								
Output 3.2.1: Companies develop communication plans about the AEI and its relevance targeting consumers, key industry leaders, and public sector authorities								

ANNEX H: SAFEGUARD SCREENING RESULTS

CI-GCF/GEF PROJECT AGENCY ENVIRONMENTAL AND SOCIAL SAFEGUARDS (ESS) SCREENING ANALYSIS AND RESULTS

☒ **Preliminary Screening** (PIF/PFD Stage) ☒ **Secondary Screening** (PPG Phase)

I. PROJECT INFORMATION

A. Basic Project Profile

Countries: Guatemala and Honduras	**GCF/GEF Project ID**:
Project Title: Building climate resilience in supply chains for the mobilization of adaptation funding	
Executing Entity/Agency: Heifer International	
GCF/GEF Focal Area: Climate Change	
GCF/GEF Project Amount: $1,000,000	
CI-GCF/GEF Project Manager: Orissa Samaroo	
Safeguard Analysis Performed by: Ian Kissoon, Director of ESMS, CI-GCF/GEF Agency	
Date of Analysis: December 21, 2021	

B. Summary of Project Risk Categorization, ESS Standards Triggered and Mitigation Plans Required

Project Category:	**Category A**	**Category B**	**Category C**
			X
The proposed project activities are likely to have minimal or no adverse environmental and social impacts.			

Safeguards Triggered:	
☐ Environmental & Social Impact Assessment	☐ Cultural Heritage
☐ Protection of Natural Habitats and Biodiversity Conservation	☐ Labour and Working Conditions
☐ Resett. & Physical/Economic Displacement	☐ Community Health, Safety and Security
☒ Indigenous Peoples	☐ Private Sector Direct Investments and Financial Intermediaries
☐ Resource Efficiency & Pollution Prevention	☐ Climate Risk and Related Disasters

Mitigation Measures Required:	
☐ Limited or Full ESIA	☐ Resource Efficiency & Poll. Prevention Plan
☐ Environmental & Social Management Plan	☐ Cultural Heritage Management Plan
☐ Plan for Natural Habitat Protection and Biodiversity Conservation	☐ Labour Management Procedures
☐ Voluntary Resettlement Action Plan	☐ Community Health, Safety and Security Plan
☐ Process Framework	☐ Environmental and Social Management Framework
☒ Indigenous Peoples Plan	☐ Climate and Disaster Risk Management Plan

C. Project Objective:

This project will address the gap in adaptation funding and improve implementation of adaptation programming and ROI by establishing the Adaptation Equivalency Index (AEI) and a toolkit for adoption and implementation. The specific objective is to develop and launch the AEI in Guatemala and Honduras to ensure decreased loss of habitat, improved ecological resiliency, sustainable living income for smallholder producers (men and women) and an increase in adaptation investment from the private sector through the use of a standardized, quantifiable approach.

D. Project Description:

The AEI will build on nascent efforts to develop a new asset class (adaptation credits) that monetizes adaptation benefits such as reduced vulnerability and improved resiliency for the environment and for men and women living in smallholder farming communities. To advance the AEI toolkit and the derivative adaptation credits, Heifer and its partners will identify, test, rank, and score adaptation solutions in the toolkit. Heifer will then work with its corporate partners to drive demand for AEI scoring especially through incorporating adaptation programming and AEI metrics into ESG/CSR8 reporting and policy setting (such as defining a minimum acceptable score, goal setting, established price points across an array of AEI scores, and balancing of targets across supply chains trading to achieve goals).

The project will develop, deploy, and share the AEI toolkit through the delivery of the following components:
Component 1: Pilot improved sustainable practices that increase resiliency throughout the supply chains.
Component 2: Develop Adaptation Equivalency Index by identifying and cataloguing adaptive sustainable practices
Component 3: Pilot AEI – integrate AEI into three premium value chains.

The main activities include extensive stakeholder engagement; partnership with farmers and post-harvest supply chain participants to identify, test, and assess adaptive interventions; and developing index, piloting index, ensuring uptake of index.

E. Project location, biophysical and socio-economic characteristics relevant to the safeguard analysis:

In Guatemala, the project will take place in the Transversal Stripe of the North and Polochic Basin while in Honduras, the project will be carried out in the department of Olancho.

For the project area in Guatemala, there are three protected areas in this territory: Reserva Biosfera Sierra de las Minas, Refugio de Vida Silvestre Bocas del Polochic and Área protegida de Laguna Lachua, and seven important bird areas including GT006, GT007, GT008, GT009, GTO10, GT011 and GT012 (Birdlife International, 2019). These bird areas house an array of near threatened, vulnerable, and endangered species of bird. In total, the IUCN red list indicates 12 critically endangered, 45 endangered, and 52 vulnerable species are in the project area of Guatemala.

In Honduras, there are nine protected areas in the department of Olancho. This area also includes six important bird areas (HN007, HN008, HN011, HN012, HN013, and HN016. The vast array of species found in Olancho include additional endangered or threatened species including amphibians such as *Craugastor olanchano*, fauna such as the endangered *Juglans olancha*. Honduras has a classification for species that need special attention ("Especies de Preocupación Especial" or the EPE

list) while somewhat dated, the list was revised in 2002 and comprised 298 species (37 mammals, 133 birds, 53 reptiles, 72 amphibians, and 3 fish); it was based upon scientific monographs and expert opinions.

In Guatemala, the population that live in the buffer and multiple purposes area is indigenous Queqchi population. The farming families that produce cardamom are farmers with an average of 4-5 hectares and produce 1 ha in natural systems. On average, a family has an annual income of $2,232 per year and an estimated income to cover basic needs or a living income benchmark of $4,688 per year. Communities have been growing cardamom for the last 106 years (it was introduced to the country in 1914), and in the case of allspice for the last 25 years. There are entire communities that base their economy on these crops. Production is characterized by inadequate crop management and limited technical capacity, resulting in low yields, combined with the effects of climate change and conditions such as Thrips and others. Most spices are sold dehydrated. It is estimated that there are more than 4,500 drying facilities for cardamom and for black pepper and allspice (throughout the Northern Transversal Strip). People struggle to find adequate income to support their families, suffer low literacy rates, poor housing conditions and have limited access to all kinds of basic needs and services (29% of households have no access to water, 85% have no access to sanitation and 65% have no access to electricity). Children in Alta Verapaz suffer seriously high rates of malnutrition (ranging from 42%-70% in some areas) and half of the children under 5 suffer from stunting. According to the Public Ministry of Guatemala, there were 50,000 complaints of violence against women (GBV) per year and 40,000 complaints per year of crimes committed against children and adolescents, including sexual violence, child abuse, human trafficking, or kidnapping in 2016. The Guatemalan justice authorities reported nearly 98-% impunity in GBV cases and similar numbers in cases involving child victims of violence and trafficking in persons.

In Honduras, thousands of smallholder farmers rely on coffee and cocoa production for survival. Women remain under-represented in both value chains. Despite being organized, farmers in the region have little collective bargaining power. Low quality, poor yields, and serious crop diseases are major issues facing these small-scale farmers. For example, while production of cocoa reached 1-1.5 MT in 2015, over 930 MT of cocoa beans did not meet standards required by the fermented cacao industry representing an astounding 84% failure rate. The project aims to work with 600 producers of which 108 are women and 492 men from the coffee and cocoa chains. Due to the nature of the crops, the vulnerability of the crops to rains and drought, as well as the lack of resiliency in community members, investment funds for adaptation to climate change are essential in the region. Income in the department of Olancho is about $187 per month. While some of the farmers and producers have diversified incomes including income from other crops within their farms such as fruit trees, corn, and livestock, community members are still not able to obtain a living wage. Labeled “one of the most dangerous places on Earth to be a woman”, Honduras is home to rampant gender violence. In Honduras, 6.2 out of 100,000 women were murdered as a result of femicide in 2019—the highest figure in Latin America and the Caribbean. Gender-based violence is the second leading cause of death for women of reproductive age in Honduras. In early 2021, femicide in Honduras occurred every thirty-six hours. Similar to Guatemala, impunity for men is the norm and perpetrators of violent gender crimes, often associated with protective agencies, face no punishment for their crimes. In fact, 95% of all murders against women remain unsolved.

This project, at a minimum, will provide adaption solutions and ensure uptake of climate smart agriculture production techniques with an estimated 2,425 smallholder farmers in the two countries focused on the cardamom, allspice, cocoa, and coffee supply chains.

F. Executing Agency (EA)'s Institutional Capacity for Safeguard Policies:

Heifer Guatemala and Honduras both have experience implementing environmental and social safeguards in various supply chains including cocoa, coffee, and spices among others. Heifer's portfolio of projects utilizes environmental management plans with measures of adaptation, compensation and mitigation of environmental impact of its activities. In addition to gender and inclusion strategies and generational replacement with operational plans for their execution, which has allowed to empower producers in this process and make producers and organizations involved in these processes and make them their own. The care of the environment and the inclusion of gender are fundamental pillars in the theory of change of the organization.

There is a Social Capital Officer, 1 full-time social capital advisor in the department of Olancho for the issues of gender, inclusion and generational replacement. As for the environmental component, there is an Environmental Engineer. In Guatemala there are two gender experts who serve as consultants to the implementation teams and six Social Capital Technicians charged with stakeholder engagement. There are also agroforestry technicians with experience in environmental strategies and safeguards. Qualified consultants will also be hired as needed to ensure robust implementation of safeguards.

All Social Capital Technicians are trained extensively on gender and other community safeguards. Additionally, Social Capital Technicians are members of the indigenous communities.

II. ESS STANDARDS TRIGGERED BY THE PROJECT

Based on the information provided in the Safeguard Screening Form, the following Environmental and Social Safeguard (ESS) Standards have been triggered:

ESS Standard	Yes	No	TBD	Justification
1. Environmental & Social Impact Assessment (ESIA)		**X**		*No significant adverse environmental and social impacts that are sensitive, diverse, or unprecedented is anticipated.*
2. Protection of Natural Habitats and Biodiversity Conservation		**X**		*The project is not proposing activities that would have adverse impacts on natural or critical natural habitats, contravene applicable international environmental treaties or agreements or introduce or use potentially invasive, non-indigenous species.*
3. Resettlement and Physical and Economic Displacement		**X**		*The project is not proposing involuntary resettlement or economic restrictions.*
4. Indigenous Peoples	**X**			*In some cases, the project will work in lands or territories customarily used by indigenous peoples.*
5. Resource Efficiency and Pollution Prevention		**X**		*There are no proposed activities related to the use of banned, restricted or prohibited substances, chemicals or hazardous materials.*
6. Cultural Heritage		**X**		*The project does not plan to work in areas where cultural heritage, both tangible and intangible, exists.*
7. Labour and Working Conditions		**X**		*The EA indicated compliance with the necessary policies, procedures, systems and capabilities that meets the requirements set out in the GEF Minimum Standard 8.*
8. Community Health, Safety and Security		**X**		*The project identified a number of risks including COVID-19 exposure and has mitigation measures in place rendering these risks as low.*
9. Private Sector Direct Investments and Financial Intermediaries		**X**		*The project does not plan to make either direct investments in private sector firms, or channels funds through Financial Intermediaries.*
10. Climate Risk and Related Disasters		**X**		*The project sites in both Honduras and Guatemala will be exposed to potential drought conditions, extreme temperatures, and other natural hazards including fire, flooding and landslides. However, this project is specifically focused on strengthening the ability of communities to adapt to and respond to climate change.*

Note: Other ESS Standards may be triggered during the Implementation phase of the project.

III. PROJECT CATEGORIZATION

Based on the safeguard policies triggered, the project is categorized as follows:

PROJECT CATEGORY	Category A	Category B	Category C
			X
Justification: The proposed project activities are likely to have minimal or no adverse environmental and social impacts.			

IV. MANAGEMENT OF SAFEGUARDS TRIGGERED

The EA will be required to undertake the following measures:

I. Indigenous Peoples (IPs) *Apart from seeking and documenting Free, Prior and Informed Consent (FPIC) with IPs, the project is required to develop and implement an Indigenous Peoples Plan (IPP) to avoid adverse impacts on indigenous peoples, ensure their full and effective participation in decision-making related to the project, and to provide indigenous peoples with culturally appropriate social and economic benefits that have been negotiated with them. Appendix VI of the CI-GEF/GCF ESMF v7 provides guidance on developing an IPP.*

In addition, the EA is required to monitor and report on the following minimum IP indicators:

1. *% of indigenous/local communities where FPIC have been followed and documented*
2. *% of communities where project benefit sharing has been agreed upon through the appropriate community governance mechanisms and documented*

Other Plans

- Apart from the ESS Policy, the project will be required to comply with the CI-GEF's Accountability and Grievance Policy, Gender Policy, and Stakeholder Engagement Policy. The project is required to develop and submit to CI-GEF/GCF for review and approval, the following plans:

II. Accountability and Grievance Mechanism (AGM)

- To ensure that the project meets CI-GEF Project Agency's Accountability and Grievance Mechanism Policy, the EA is required to develop an Accountability and Grievance Mechanism (template provided) that will ensure people affected by the project are able to bring their grievances to the EA for consideration and redress. The mechanism must be in place before the start of project activities, and disclosed to all stakeholders in a language, manner and means that best suits the local context.

  In addition, the EA is required to monitor and report on the following minimum accountability and grievance indicators:

  1. *Number of conflict and complaint cases reported to the project's Accountability and Grievance Mechanism; and*
  2. *%age of conflict and complaint cases reported to the project's Accountability and Grievance Mechanism that have been addressed.*

-

III. Gender Mainstreaming Plan (GMP)

The GMP (template provided) should include a gender analysis and appropriate interventions with gender-related outcomes to ensure that men and women have equal opportunities to participate and benefit from the project.

Further, the project should examine the extent of Gender Based Violence (GBV), the likelihood of project activities contributing/exacerbating GBV, and proposed mitigation measures as needed.

In addition, the EA is required to monitor and report on the following minimum gender indicators:

1. *Number of men and women that participated in project activities (e.g. meetings,*

workshops, consultations);

2. *Number of men and women that received benefits (e.g. employment, income generating activities, training, access to natural resources, land tenure or resource rights, equipment, leadership roles) from the project; and if relevant*
3. *Number of strategies, plans (e.g. management plans and land use plans) and policies derived from the project that include gender considerations.*

IV. Stakeholder Engagement Plan (SEP) *To ensure that the project complies with the CI-GEF's Stakeholders' Engagement Policy, the EA is required to develop a Stakeholder Engagement Plan (template provided).*

In addition, the EA is required to monitor and report on the following minimum stakeholder engagement indicators:

1. *Number of government agencies, civil society organizations, private sector, indigenous peoples and other stakeholder groups engaged in the project implementation phase;*
2. *Number persons (sex disaggregated) engaged in project implementation phase; and*
3. *Number of engagement (e.g. meeting, workshops, consultations) with stakeholders during the project implementation phase*

All plans must be submitted to the CI-GCF/GEF Project Agency for review and approval during the project proposal development phase.

V. DISCLOSURE

Following approval of the plans, the EA must disclose the plans no later than 30 days from date of approval.

COVID-19 Guidelines

In response to the COVID-19 pandemic, projects are required to follow the guideline issued by CI-GEF/GCF Project Agency during the Implementation Phase. The guideline is attached.

ANNEX I: SAFEGUARD COMPLIANCE PLAN

CI-GEF/GCF PROJECT AGENCY
CI-GEF GENDER MAINSTREAMING PLAN (GMP)

The **Gender Mainstreaming Plan** provides information, analysis, and specific actions to ensure that gender dimensions are fully integrated into the project. It consists of two parts: (1) a Gender Analysis/Assessment, and (2) a Gender Action Plan. The **Gender Analysis/Assessment** identifies and describes relevant gender differences, gender differentiated impacts and risks, and opportunities to address gender gaps and promote the empowerment of men and women within the project context. The **Gender Action Plan** details any corresponding gender-responsive measures to address those differences, impacts and risks, and opportunities. Completion of a Gender Analysis/Assessment and Gender Action Plan is a requirement for all GEF and GCF funded projects as described under the CI-GEF/GCF Project Agency's Policy on Gender Mainstreaming.

The CI-GEF/GCF Agency recognizes the wide range of projects and this GMP is designed to be flexible and adaptable to the project size, scope, and context. For additional guidance on gender requirements within GEF + GCF projects, please also refer to:

SECTION I: Project Information

PROJECT TITLE:	**Building Climate Resiliency in Supply Chains for the Mobilization of Adaptation Funding**		
GEF/GCF PROJECT ID:		**PROJECT DURATION:**	24 months
EXECUTING AGENCY/ENTITY:	*Heifer International*		
PROJECT ANTICIPATED START DATE:	*07/2022*	**PROJECT END DATE:**	*06/2024*
GMP PREPARED BY:	**Jamie Bechtel**		
DATE OF (RE)SUBMISSION TO CI-GEF/GCF:	February 15, 2022; March 04, 2022		
GMP APPROVED BY:	*Ian KIssoon, Director ESMF*		
DATE OF CI-GEF/GCF APPROVAL:	*March 09, 2022*		
PERSON RESPONSIBLE FOR IMPLEMENTING AND MONITORING THE GMP:	*Technical Lead (to be hired)*		
HOW/WHERE WILL THE APPROVED GMP BE DISCLOSED[43]:	*E.g. via the project's website, at the inception meeting with stakeholders, printed and posted on notice board in community centre, etc.*		
WHEN WILL THE APPROVED GMP BE DISCLOSED:	Before the end of the first quarter during implementation phase.		

[43] Approved Safeguard plans are to be disclosed to stakeholders in a manner and form that they will understand and that is culturally appropriate. This may require translation of the document.

SECTION II: Gender Analysis/Assessment

The project team is expected to conduct a Gender Analysis or Assessment that identifies and describes any gender differences, gender differentiated impacts and risks, and opportunities to address gender gaps and promote the empowerment of women as they relate to the project context. The completion of the Gender Analysis should be done or guided by a gender or social specialist (e.g. through a consultant or in-house, depending on capacity).

The Analysis will vary in detail depending on project size, scope, and context. Furthermore, this Analysis should acknowledge and incorporate the concept of intersectionality and ensure that the specific needs of sub-groups (particularly those most vulnerable) have been taken into account (e.g. girls and boys, women and men with disabilities, elder men and women, widows).

Information on gender roles and cultural context specific to the site should be gathered through (a) primary sources such as field visits, focus groups, interviews, meetings and consultations with target groups and local experts, and surveys, as well as (b) secondary sources such as a desktop/literature review. For additional guidance on how to collect this type of information, please consult CI's Gender and Social Equity Guidelines.

Please refer to the following definitions that Heifer uses in its gender framework:

GLOSSARY OF KEY TERMS AND CONCEPTS

Adolescence. The second decade of life, typically defined from the ages of 10-19. Young adolescence is the age of 10-14; late adolescence age 15-19.

CEDAW (The Convention on the Elimination of All Forms of Discrimination against Women). An international convention adopted in 1979 by the UN General Assembly, is often described as an international bill of rights for women. Consisting of a preamble and 30 articles, it defines what constitutes discrimination against women and sets up an agenda for national action to end such discrimination. By accepting the Convention, States commit themselves to undertake a series of measures to end discrimination against women in all forms, including:

• to incorporate the principle of equality of men and women in their legal system, abolish all discriminatory laws and adopt appropriate ones prohibiting discrimination against women;
• to establish tribunals and other public institutions to ensure the effective protection of women against discrimination; and
• to ensure elimination of all acts of discrimination against women by persons, organizations or enterprises.

Countries that have ratified or acceded to the Convention are legally bound to put its provisions into practice. They are also committed to submit national reports, at least every four years, on measures they have taken to comply with their treaty obligations. Optional Protocol to CEDAW 4 was adopted in 1999 by the General Assembly. States which ratify the Optional Protocol recognize the competence of the Committee on the Elimination of Discrimination against Women to consider petitions from individual women or groups of women who have exhausted all national remedies. The Optional Protocol also entitles the Committee to conduct inquiries into grave or systematic violations of the Convention[44].

Civil service. Those branches of the public sector that are not legislative, judicial, or military and in which employment is usually based on competitive examination. Civil service and public service are used interchangeably in this survey.

[44] (Source: Convention on the Elimination of All Forms of Discrimination against Women www.un.org/womenwatch/daw/cedaw)

Civil servant. A more restricted legal-based concept than a government employee, including most of the government employees working in core central government units. The essence of civil servant status is that the legal basis for employment - the laws and regulations that shape the nature of employment contracts - is different from that found elsewhere in the economy as defined by the general labor law. It also is generally different from that found elsewhere in the public sector, such as in the health or education sectors or in state-owned enterprises. (OECD)

Community. A group of people living in the same defined area sharing the same basic values, organization and interests.

Differential access to and control over resources. Productive, reproductive and community roles require the use of resources. In general, women and men have different levels of both: access to the resources needed for their work, and control over those resources. Access: the opportunity to make use of something. Control: the ability to define its use and impose that definition on others. Economic/Political/Social/Time/Resources: Resources can be economic: such as land or equipment; political: such as representation, leadership and legal structures; social: such as child care, family planning, education; and also time — a critical but often scarce resource[45].

Discrimination (gender discrimination). "Any distinction, exclusion or restriction made on the basis of sex which has the effect or purpose of impairing or nullifying the recognition, enjoyment or exercise by women, irrespective of their marital status, on the basis of equality of men and women, of human rights and fundamental freedoms in the political, economic, social, cultural, civil or any other field"[46].

Discrimination can stem from both law (de jure) or from practice (de facto). The CEDAW Convention recognizes and addresses both forms of discrimination, whether contained in laws, policies, procedures or practice.

• **de jure discrimination** e.g., in some countries, a woman is not allowed to leave the country or hold a job without the consent of her husband.

• **de facto discrimination** e.g., a man and woman may hold the same job position and perform the same duties, but their benefits may differ.

Displaced women. Displaced persons are those who have fled or been driven from their communities to other localities within their country of nationality According to the UNHCR, more than 75% of displaced persons are women and their children, they are subjected to physical and sexual violence as much during their flight as when they arrive in the country of asylum, be it from members of the armed forces, immigration agents, bandits, pirates, local populations, individuals belonging to rival ethnic groups or other refugees. (See also Refugee Women) [47]

Domestic work. Work done primarily to maintain households. Domestic includes the provision of food and other necessities, cleaning, caring for children and the sick and elderly, etc. Domestic work is mostly performed by women and is therefore poorly valued in social and economic terms. [48]

Domestic worker. In certain countries, in order to overcome the problem of a lack of childminding and/or care facilities, another type of female labor is used, namely domestic workers, mainly women, often immigrants sometimes undocumented and often under-paid.

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[45] (UNDP)
[46] [United Nations, 1979. 'Convention on the Elimination of all forms of Discrimination Against Women,' Article 1
[47] (Source: Committee on the Status of Women: Glossary on Violence against Women, www. ngo.fawco.org and International Labour Organization ILO, Thesaurus http://www.ilo.org/public/libdoc/ILOThesaurus/english/tr2723.htm)
[48] (Source: International Labour Organization ILO, Thesaurus, http://www.ilo.org/public/libdoc/ILOThesaurus/english/tr2768.htm)

Empowerment. Is achieved when women and girls (and other marginalized groups) acquire the power to act freely, exercise their rights, and fulfill their potential as full and equal members of society. While empowerment often comes from within, and individuals empower themselves, cultures, societies, and institutions create conditions that facilitate or undermine the possibilities for empowerment[49].

Equal pay. Equal remuneration for men and women workers for work of equal value. (see also Gender Pay Gap) [50]

Female-headed household. A household is a person or group of people who normally cook, eat, and live together irrespective of whether they are related or unrelated. The household is regarded as the fundamental social and economic unit of society. Transformation at the household form, therefore, has impact at the aggregate level of a country. An increasing number of female-headed households (FHHs) in developing countries are emerging as a result of economic changes, economic downturns and social pressures, rather than as a product of cultural patterns. In many developing countries of Asia and Latin American, there has been a significant increase in the % of FHHs. The majority of women in FHHs in developing countries are widowed, and to a lesser extent divorced or separated. In the developed countries most female-headed households consist of women who are never married or who are divorced. The feminization of poverty - the process whereby poverty becomes more concentrated among Individuals living in female-headed households - is a key concept for describing FHH social and economic levels. [51]

Gender. Socially and culturally shaped roles, attributes and expectations assigned to women, men, girls and boys.

Gender analysis. A critical examination of how differences in gender roles, activities, needs, opportunities and rights/entitlements affect men, women, girls and boys in certain situations or contexts. Gender analysis examines the relationships between women and men and boys and girls and their access to and control of resources and the constraints they face relative to each other.

Ex ante gender analysis: A gender analysis is normally performed during the design stage of legislation/regulation/policy/ program. Its objective is to assess whether the planned legislation/regulation/policy/program corresponds to the needs and expectations of women as men. It can also comprise the assessment of the context and the identification of potential difficulties of implementation. Please also consult the definition of gender analysis.

Ex post gender analysis: Gender analysis is conducted to evaluate the impact of a legislation/regulation/policy/program after it has been introduced or completed. The ex-post gender analysis aims at examining whether the objectives of a legislation/regulation/policy/program have been achieved. It also examines the long-lasting effects of a legislation/ regulation/policy/program on women and men.

Gender-based constraints. Constraints that women or men face that are a result of their gender. An example of constraints women farmers face might be not having title to their land, male dominated cooperative membership, being more tied to their homes preventing access to extension services.

Gender-based violence (GBV). An umbrella term for any harmful act that is perpetrated against a person's will and that is based on socially ascribed (gender) differences between females and males. The nature and extent of specific types of GBV vary across cultures, countries and regions. Examples include sexual violence, including sexual exploitation/abuse and forced prostitution, domestic violence, trafficking, forced/early marriage, harmful traditional practices such as female genital mutilation, honor killings and widow inheritance.

Gender bias. Making decisions based on gender that result in favouring one gender over the other which often results in contexts that are favouring men and/or boys over women and/or girls.

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[49] (USAID, 2012

[50] (Source: International Labour Organization (ILO), http://www.ilo.org/public/libdoc/ILOThesaurus/english/tr2698.htm)

[51] (World Bank).

Gender equality. Gender equality concerns women and men, and it involves working with men and boys, women and girls to bring about changes in attitudes, behaviours, roles and responsibilities at home, in the workplace, and in the community. Genuine equality means more than parity in numbers or laws on the books; it means expanding freedoms and improving overall quality of life so that equality is achieved without sacrificing gains for males or females.[52]

Gender equity. Fairness of treatment for women and men, according to their respective needs. This may include equal treatment that is different but which is considered equivalent in terms of rights, benefits, obligations and opportunities. In the development context, a gender equity goal often requires built-in measures to compensate for the historical and social disadvantages of women. Gender equity denotes an element of interpretation of social justice, usually based on tradition, custom, religion or culture, which is most often to the detriment to women. Such use of equity in relation to the advancement of women is unacceptable[53].

Gender indicators. Criteria used to assess gender-related change in a condition and to measure progress over time toward gender equality. Indicators used can be quantitative (data, facts, numbers) and qualitative (opinions, feelings, perceptions, experiences).

Gender mainstreaming. A process that systematically integrates gender perspectives into legislation, public policies, programs, and projects. This process enables making women women's and men's concerns and experiences to be made an integral dimension of the design, implementation, monitoring, and evaluation of the policies and programs in all political, economic, and societal spheres with the goal of achieving gender equality[54]

Intersectionality. A feminist sociological theory first coined by American civil rights advocate Kimberlé Crenshaw in 1989. Intersectionality refers to overlapping social identities and the related systems of oppression, domination and/or discrimination. The idea is that multiple identities intersect to create a whole that is different from the component identities.

Patriarchy. Social system in which men hold the greatest power, leadership roles, privilege, moral authority and access to resources and land, including in the family. Most modern societies are patriarchies.

Reproductive rights and sexual and reproductive health. Reproductive rights include the rights of all individuals and couples to decide freely and responsibly the number, spacing and timing of their children, and to have the information and means to do so. Decisions concerning reproduction should be made free from discrimination, coercion and violence. These services are essential for all people, married and unmarried, including adolescents and youth.

For people to realize their reproductive rights, they need access to reproductive and sexual health care in the context of primary health care. This should include a range of family planning; obstetrical and gynecological care; prevention, care and treatment of STIs and HIV/AIDs; education and counselling on human sexuality and reproductive health; prevention and surveillance of violence against women and elimination of traditional harmful practices.

Sex. Refers to the biological and physiological reality of being males or females

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[52] (USAID 2012).

[53] Source: International Fund for Agricultural Development, 2001. http://www.ifad.org/gender/glossary.htm and Office of the Special Adviser on Gender Issues and Advancement of Women (OSAGI) United Nations

[5454] (United Nations 2002).

Sex-disaggregated data. Data that are cross-classified by sex, presenting information separately for men and women, boys and girls. When data is not disaggregated by sex, it is more difficult to identify real and potential inequalities. Sex-disaggregated data is necessary for effective gender analysis.

Sexual and reproductive health and rights (SRHR). This can be understood as the right for all, whether young or old, women, men or transgender, straight, gay, lesbian or bisexual, HIV positive or negative, to make choices regarding their own sexuality and reproduction, providing they respect the rights of others to bodily integrity. This definition also includes the right to access information and services needed to support these choices and optimize health.

Social benefits. Social benefits refer to changes to the social environment, such as changes in social norms or beliefs, economic or legal changes, and to changes in relationships at community and societal levels.

Social capital. social capital as a concept is often defined specifically in terms of networks, stressing the norm-laden nature of relationships within and between them. A common differentiation of types of social capital is into three basic forms [55]

bonding social capital, which refers to relations within or between relatively homogenous groups;

bridging social capital, which refers to relationships within or between relatively homogenous groups; and

linking social capital, which refers to relationships between people or groups at different hierarchical levels.

Social development. A focus on the need to put people first in the development process. It promotes social inclusion of the poor and vulnerable by empowering people, building resilient societies, and making institutions accountable to the people.

Social norms. Social norms can be understood as either "what most people think and do" or, alternatively, "what individuals believe most people think and do." As such, social norms are about what's considered normal or ought to be normal in a given context and situation.

Unpaid care work. Unpaid care work includes all those activities that go towards the well-being of people, including caring for a household such as cooking, cleaning, collecting water and firewood, caring for the ill, elderly and children, and caring for the community when these activities are done for no pay. Note that this does not include unpaid work which is not care such as unpaid labor on family farms or in household enterprises. [56]

Overview of Heifer's Framework

Heifer's Gender Framework refers to strategies applied in program design, implementation, and assessment to take into account gender norms and to compensate for gender-based inequalities.

Gender integration supports the development and implementation of gender-transformative health programs, policies, and services in all Heifer programs. Gender transformative approaches seek to address the constraints that restrict women and men's access to economic opportunities, and to promote women's economic and social empowerment. They question and challenge the unequal distribution of power, lack of resources, and limited opportunities and benefits.

[55] (Woolcock, 1998):
[56] (USAID, 2016).

Operationally, gender transformative approaches used by Heifer in Guatemala and Honduras support changes in socially prescriptive roles for men and women, greater equality in the distribution of goods and services, and sharing power and decision-making at home, in politics, and in economic activities. It also translates into engaging men more actively in women's and children's programs and they translate into giving women a greater say over their own lives and investments.

Heifer's Gender Framework builds on its past achievements in Guatemala and Honduras and raises the bar on gender equality by focusing on how the organization can move beyond mainstreaming to an approach that identifies outcomes, is results and evidence-oriented. Gender integration in economic empowerment is the process of creating the knowledge and awareness of, and responsibility for addressing gender in jobs and informal markets and access to resources. Work in the region has demonstrated that increased gender equality is firmly linked to enhanced productivity in supply chains, and better development outcomes.

Heifer's four priority areas for gender integration in this project include:

1. **Removing constraints for more and better sources of income and jobs**
    a. Help increase women's participation in the labor force, boost their access to higher quality jobs, and help increase their earnings.
    b. Access to finance, digital products, savings account, banking.

2. **Building ability and power to accumulate assets and control their management**

3. **Enhancing women's voice and agency and engaging men and boys**

4. **Expanding social capital and ensuring social protection**
    - Social safety nets important in addressing poverty and vulnerability, and sustaining income
    - Financial inclusion, opportunities for investment in income-generating activities
        → could coordinate with NGOs and other organizations to enhance these opportunities.
    - Social trust in the community is key (social capital)
    - Safety in the environment is key (social capital)

Introduction

Successful implementation of the project, and the Adaptation Equivalency Index more broadly, cannot be achieved without consideration of gendered roles, responsibilities, biases, and barriers. Especially important in successful implementation of the project in both Guatemala and Honduras, and more broadly as the project scales, is the consideration of intersectionality including indigenous groups, elderly, and youth among other vulnerabilities.

This document contains the gender analysis, as well as the gender action plan, for the project "Building Climate Resiliency in Supply Chains for the Mobilization of Adaptation Finance" as presented to the CI-

GEF implementing agency of the Global Environment Facility. This analysis was conducted to comply with the Global Environment Facility's Gender Mainstreaming Plan.

This document was prepared with information gathered from secondary sources and from Heifer's field experience, including different national household surveys, statistical data compilations, and territorial development plans. This information allowed for the development of gender equality indicators, with the aim of giving more visibility and importance to the local circumstances that women face in the project's proposed intervention areas. With these indicators it is possible to further understand the gender gaps between men and women, which in turn will allow for the measurement of existing gender inequalities, especially those relevant to women and other vulnerable groups.

In both Guatemala and Honduras women are consistently identified as vulnerable due to systematic discrimination. Women in both countries lack access to education (esp Guatemala), decent work and parity of income lack of access social security, and participation in decision-making arenas. Research indicates that women in both countries experience higher levels of both poverty and as e well as increased time poverty because of longer working days, more domestic chores, and other reproductive and household duties that fall outside of the formal economy. In both countries, gender roles and stereotypes remain deeply entrenched and women, particularly indigenous women and girls face extraordinary challenges. In Guatemala for example, illiteracy is at 31% among women 15 years of age and older and reaches 59% among indigenous women.[57] In Honduras, a recent national survey indicated while rural illiteracy is high for girls and boys, it is similar for both gender. Illiteracy is highest for both men and women who are over the age of 36 years and older and reaches its maximum among the population over sixty years of age, among which 30% are illiterate[58]. Despite the higher levels of education obtained by girls and women at all levels of education in Honduras, the presence of women falls dramatically once they enter the labor force. In 2011, only 40% of women (ages 15 and older) were employed compared to 57% of men. The gender disparity reflects a deep rooted bias in the society, pointing woman to a subordinate position as child bearers and homemakers[59].

Following is a general state of gender with subsequent project level considerations for project areas in Guatemala and Honduras.

Guatemala demographics and background:

Guatemala has an area of 108,890 km^2. Women in Guatemala represent 51% of the total 15.8 million people in the country. 51% of the population lives in rural areas. The population growth rate for Guatemala is 2.5%, more than double the rate of Latin American and the Caribbean (1.2%). Guatemala has a population that is predominantly young – the average age of women is 26 and the average of men is 25 years.[60] Indigenous Peoples constitute approximately 43% of Guatemala's population including Maya, Garífuna and Xinca Indigenous Peoples, and Creole (Afrodescendants). Maya can be further divided into 24 groups including, among others, Achi', Akateco, Awakateco, Chalchiteco, Ch'orti', Chuj,

[57] CEDAW (2009), Chaparro (2012) and World Food Programme (2016)
[58] UNESCO Institute for Statistics, "Adult Literacy Rate, Population 15+ years, both sexes (%)", available at: http://datatopics.worldbank.org/education/)
[59] International Labor Organization, Social Protection & Labor: Economic Activity: Employment to population ratio, 15+, female, male and total (national estimates), accessed through World Databank.
[60] (ENEI, 2013).

Itza', Ixil, Jacalteco, Kaqchikel, K'iche', Mam, Mopan, Poqomam, Poqomchi', Q'anjob'al, Q'eqchi', Sakapulteco, Sipakapense, Tektiteko, Tz'utujil and Uspanteko.

The project area in Guatemala includes the Alta Verapaz and Izabel departments. Alta Verapaz has 1.3 million people, 50.1% of which are female and 68.7% of which live in rural communities. 92.9% of the people living in Alta Verapaz are Mayan. Izabel is a small department to the east of Alta Verapaz with only 20,000 people living in it. The department is 49.6% female with 72% of the people living in rural communities. The population of Izabel consists largely of Q'eqchi' speaking indigenous people who comprise 90% of the total living in the department. As noted, indigenous peoples make up about 40% of the total population of Guatemala but make up 90%+ of the people living in the departments where the project takes place. Approximately 79% of the indigenous population in Guatemala live in poverty and 40% of the indigenous population lives in extreme poverty. Because of these extraordinarily high rates of poverty among the indigenous, many are forced to migrate as they are threatened with violence in their communities. Ninety-five per cent of those under the age of 18 who migrate from Guatemala are indigenous.

Guatemala has made significant progress in the Gender Parity Index in enrolment rates at all levels of education: primary 0.93, secondary 0.86 and tertiary 0.99 [61] but the quality and coverage area are still a challenge in the country especially for indigenous women in secondary education. University education is generally more restricted with only 12% of the population attending. More women than men graduate from university[62]. Despite these advancements, the departments where this project takes place still have low literacy and educational rates due to the high levels of indigenous people who occupy the region and the systematic discriminations that indigenous people face, particularly women.

The labor market in Guatemala is heavily biased in favor of men with 64% of the working-age population economically active, with a male labor force participation of 83% compared to 40% for women[63]. Women work mainly in commerce (39%) and informal economic activities that do not provide social security. Of the total women's labor force, approximately 7.2% work as household employees and are not covered by adequate laws, which results in salaries that fall well below the standard minimum wage and, again, domestic workers fall outside of the social security system of Guatemala. Women report that they work less in agriculture (10%) while men mainly work in agriculture (43%). Women´s wages are estimated at 78% of the men's wage average[64]. This gap widens when taking into account rural areas and indigenous women. In some regions, women's work in agricultural activities, especially for indigenous women, is not compensated as it is considered a part of men´s income. Importantly, women dedicate an estimated 6.1 hours of their day to non-compensated labor that contributes to the family's wellbeing and society´s development; and 7.5 hours to paid labor. This is in sharp contrast to men who dedicate 2.6 hours to non-compensated labor and 8.6 hours to paid labor[65].

The Department of Alta Verapaz is a large department (10,598 km2) located in northern Guatemala, 220 kilometers from the capital city. Izabel, abuts Alta Verapaz, and is smaller at only 1915 km^2. Both departments are characterized by coffee, cardamom, basic staple crop and livestock production. Coffee and cardamom, which account for two of the most important production sectors in the region, continue to be predominantly led by men due to the machismo culture, the defined norms of women, lack of

[61] (MINEDUC 2013),
[62] (SEPREM 2013).
[63] ENEI 2013
[64] (ENEI 2014)
[65] (ENCOVI, 2011).

education, and other issues detailed below. In many cases, the revenues from the sale of these two products represents the major (and often the only) source of income for household members. Income is generally controlled by men in the household. As such, fluctuations in international prices for both coffee and cardamom has resulted in a dramatic decrease in the incomes of agriculture families. This in turn has decreased the quantity and diversity of food items that local households can afford to consume. Consequently, people struggle to find adequate income to support their families, suffer low literacy rates, poor housing conditions and have limited access to all kinds of basic needs and services (29% of households have no access to water, 85% have no access to sanitation and 65% have no access to electricity). Children in Alta Verapaz suffer seriously high rates of malnutrition (ranging from 42%-70% in some areas) and half of the children under 5 suffer from stunting. While food shortages impact much of the population, children are particularly vulnerable due to the lack of nutrients in critical growth windows which impact development generally.

In Alta Verapaz and Izabel, the farming families produce cardamom are farmers with an average of 4-5 hectares and produce 1 ha in natural systems. On average, a family has an annual income of $2,232 per year and an estimated income to cover basic needs or a living income benchmark of $4,688 per year. Communities have been growing cardamom for the last 106 years (it was introduced to the country in 1914), and in the case of allspice for the last 25 years. There are entire communities that base their economy on these crops. Production is characterized by inadequate crop management and limited technical capacity, resulting in low yields, combined with the effects of climate change and conditions such as Thrips and others.

In Alta Verapaz and Izabel, similar to other rural communities in Guatemala, rural women produce the vast majority of food, but consume the least amount of calories. Rural women in Guatemala face a large inequality in relation to men regarding the access, use and control of resources, such as family income, means of production (land, equipment, tools, technical assistance, and credit options) and mechanisms to strengthen their capacity to become leaders and organized agents of development[66]. Moreover, although Guatemalan law recognizes the right to co-ownership of land for women, this has not translated into real access to land or other resource ownership. Only 7.8% of land owners in Guatemala are women, which makes it difficult for women to obtain credit and undermines their decision-making power[67]. As a result, banks and credit institutions deny access to women in rural areas, which in turn further drives the cycle of poverty[68]

Importantly, Guatemala has the fourth highest rate of chronic malnutrition in the world and the highest rate in the Latin America region; the situation worsens in rural areas, where chronic undernutrition reaches 55%, and 69% populations. Women from households experiencing food insecurity were more likely to have completed only primary education or less, and to report their ethnicity as indigenous. In addition, women from severely food-insecure households were more likely to have experienced intra-familial violence (physical, sexual, or verbal abuse)[69].

Guatemala has long faced some of the highest rates of homicide, femicide, and impunity in the world. In 2019, the New York Times reported that Guatemala's rates were three times higher than the global average and that only about 6 % of prosecutions result in convictions. Guatemalan justice authorities

[66] (FAO and EU FIRST, 2017).
[67] FAO 2017. Strengthening sector policies for better food security and nutrition results. https://www.fao.org/3/i7218e/i7218e.pdf
[68] Instituto de Derechos Humanos, Universidad San Carlos, 2006.
[69] CEDAW (2009), Chaparro (2012) and World Food Programme (2016)

themselves reported nearly 98% impunity in GBV cases and similar numbers in cases involving child victims of violence and trafficking in persons. According to the Public Ministry of Guatemala, there were 50,000 complaints of violence against women per year and 40,000 complaints per year of crimes committed against children and adolescents, including sexual violence, child abuse, human trafficking, or kidnapping in 2016.

Femicide is an extremely serious problem in Guatemala with the third highest rate in the world. Women who work as public activists, including environmental activists, face elevated threats of face violence, reprisal, and illegal arrests. In Guatemala, women activists experience at least one attack each day on average, and an estimated 83% of these activists are land and natural resource defenders. Sexual violence is widespread in Guatemala. There are about 10,000 cases of reported rape per year, but the total number is likely much higher because of under-reporting due to social stigma.

Guatemala has one of the highest rates of child marriage in Latin America. It is estimated that 7% of girls are married before 15 years of age and 30% by 18 years of age. Rates are higher in rural areas where 53% of females are married before they are 18. Poverty, rigid gender norms, access to education, and tradition exacerbate child marriage. The modern contraceptive prevalence rate in Guatemala is 44%; this does not respond to the needs of 21% of women with regard to family planning and this figure doubles among indigenous women[70].

Teen mothers account for a quarter of births in Guatemala. Indigenous girls and women in rural communities, such as our project sites, are particularly vulnerable in Guatemala including vulnerability to violence by the military and state authorities. It is very difficult for indigenous women to obtain justice as many of them have not educated and live in extreme poverty. In addition to their exposure to violence, women also struggle to access social services such as education and health.

In Guatemala, there is no Gender Ministry, but a high-level Women's Secretariat attached the Presidency (*La Secretaría Presidencial de la Mujer*). This is a government entity with ministerial rank that advises and coordinates public policy and promotes the full participation of women in the country's development and equality between women and men, with the overall aim of developing and strengthening democracy. The Secretariat coordinates the implementation of the National Policy for the Promotion and Integral Development of Women 2008-2023, which guarantees women's access to property and tenure, and the use of natural resources[71]. The gender unit of the Ministry of Agriculture, Livestock and Food in Guatemala consists of highly specialized technical staff. As a demonstration of its commitment to promote gender equality and women's empowerment, the Ministry issued a ministerial decree in June 2016 whereby it secured the gender unit's existence for the forthcoming ten years. It also instructed that the gender unit must be attached to Minister's office and report directly to the Vice-Minister.

In the Executive Branch women directed only 3 of the 14 ministries in 2012 (21%). Women's participation in the judicial body was 36%[72]. During the 2009-2014 period, the Supreme Court had only one female Justice of 13 magistrates. In 2014 this magistrate was given the charge of General attorney presiding the Public Prosecutor's Office. Additionally, the Public Criminal Defender's Office is headed by a woman. In 2014, a new Supreme Electoral Tribunal was formed with low representation of women,

[70] CEDAW, 2014).
[71] World Bank (2013). CEDAW Committee (2013b).
[72] CENADOJ 2013

only one woman was elected among 5 magistrates. In the previous Judiciary there were three women and one of them presided.

The Presidential Secretariat for Women (SEPREM) is the advisory and coordinating entity for public policies to promote the comprehensive development of Guatemalan women. The Office for the Defense of Indigenous Women (DEMI) was set up to promote the full realization of their rights and contribute to the eradication of all forms of violence against indigenous women. Other institutions are the Ombudsman's office for the defense of women; Gender Units in each of the Ministries; and the Vice-President's Special Cabinet for Women (GEM), with 17 member institutions. Special attention will be given to the Municipal Offices for Women – OMM – to respond to women's demands at the municipal level and responsible for the promotion of women's participation and development planning. Despite these advances, women in Guatemala continue to be discriminated against in many ways in the public arena. For example, only 2% of mayoral offices are headed by women[73].

Women's organizations in Guatemala have participated in the drafting of public policies, including policies that support women, and in monitoring the national budget. Indigenous women organizations have also contributed to strengthening the National Policy for the Promotion and Comprehensive Development of Women and other sectoral policies.

Guatemala is highly vulnerable to natural disasters, with negative social impact especially in the agricultural field, housing, highway and bride infrastructure, as well as in the economy and environment. The country classification related to GDP vulnerability to natural disasters places it among the five countries with highest risk in the world, 83% of the GDP is produced in high-risk areas[74] Some studies have shown that the loss produced by natural disasters affects directly the more vulnerable populations, elderly, women – especially indigenous women – children and particularly those who live in poor rural areas.

Honduras demographics and background:

Honduras has an area of 112,492 km2. The country's population is 9,436,278 inhabitants with 420,000 in the department of Olancho. In Olancho, 50% of the population is female and 64% of the population lives in rural communities. While the most recent census indicates that 9% of Honduras is comprised of indigenous peoples including the minorities of Lenca, Miskito, Garífuna, , Maya Ch'ortí, Tolupán, Bay Creoles, Nahua, Pech, and Tawahka; the Department of Olancho has an estimate of less than 2% indigenous peoples[75]. In Honduras, 89% of indigenous children live in poverty. Approximately 44.7 % of indigenous adults are unemployed and 19% of indigenous peoples are illiterate, in comparison to 13 % of the general population. Despite the wide span of indigenous peoples across Honduras, they struggle to claim ownership of land that belonged to their ancestors. Only 10% of indigenous people in Honduras have a government-accredited land title[76]. Women in Honduras have a very small share of the overall wealth, and even the parts that they have seem to reinforce their roles as homemakers and caretakers. Home ownership for women is only 38% compared to 59% for men. Honduras has extremely unequal income distribution, and high underemployment. Over half of the country lives on less than two dollars a day, and the majority are women. Poverty mainly is a cycle perpetuated by lack

[73] UNWOMEN 2018.
[74] (ECLAC 2011).
[75] City Population. 2020.
[76] (IGWIA, 2010)

of opportunity and education. Importantly, in Honduras, women and girls aged 15 and over spend 17.3% of their time on unpaid care and domestic work, compared to 4.3% spent by men.

Olancho is the largest of all the 18 departments in Honduras. Olancho's economy is primarily agricultural and commercial. The department covers a total surface area of 24,057 km². The wide, fertile river valleys support maize, cattle and dairy farms. *Queso Olanchano* a hard and salty cheese, and "Mantequilla Crema" white cream, are produced in great quantities at several dairies and exported throughout the country, the Central American region, and United States. Additionally, in Honduras, including in Olancho, thousands of smallholder farmers rely on coffee and cocoa production for survival.

Women remain under-represented in both coffee and cocoa value chains. Despite being organized, farmers in the region have little collective bargaining power. Low quality, poor yields, and serious crop diseases are major issues facing these small-scale farmers. For example, while production of cocoa reached 1-1.5 MT in 2015, over 930 MT of cocoa beans did not meet standards required by the fermented cacao industry representing an astounding 84% failure rate. The project aims to work with 600 producers of which 108 are women and 492 men from the coffee and cocoa chains. Due to the nature of the crops, the vulnerability of the crops to rains and drought, as well as the lack of resiliency in community members, investment funds for adaptation to climate change are essential in the region. Income in the department of Olancho is about $187 per month. While some of the farmers and producers have diversified incomes including income from other crops within their farms such as fruit trees, corn, and livestock, community members are still not able to obtain a living wage.

Considered "one of the most dangerous places on Earth to be a woman", Honduras is home to rampant gender violence. In Honduras, 6.2 out of 100,000 women were murdered as a result of femicide in 2019—the highest figure in Latin America and the Caribbean. Gender-based violence is the second leading cause of death for women of reproductive age in Honduras. In early 2021, femicide in Honduras occurred every thirty-six hours. Similar to Guatemala, impunity for men is the norm and perpetrators of violent gender crimes, often associated with protective agencies, face no punishment for their crimes. In fact, 95% of all murders against women remain unsolved.

Beyond femicide, 27% of women have suffered domestic based violence by an intimate partner. Less than 20% seek help for these crimes. In 2012, the Public Prosecutor's Office indicated that 74.6% of crimes against women involved domestic and family violence and 20% involved sex crimes. Honduras is also plagued by high levels of child abuse, that is related to patriarchal systems that undergird gender-based violence. The number of extrajudicial killings of minors has been increasing. In 2018, 7.2% of women aged 15-49 years reported that they had been subject to physical and/or sexual violence by a current or former intimate partner in the previous 12 months.

Honduras has the highest rate of adolescent births in Central America. Out of one thousand births, 89 are to teenage moms. This rate has remained unchanged over the past twenty years despite overall declines in birth rates among all other age groups. Contributing to these high rates of early motherhood are lack of access to quality health services, including family planning, and lack of reliable information, such as comprehensive sexuality education. For example, 76% of women of reproductive age (15-49 years) had their need for family planning satisfied with modern methods. 33.6% of women aged 20–24 years' old who were married or in a union before age 18. Gender-based violence is another factor in teen pregnancy, with forced or coercive sex leading to a significant number of pregnancies among adolescent girls and young women. According to a national survey conducted in 2019, among

those who experienced any childhood sexual violence, 54.9 % of females experienced the first incident at age 13 or younger, and 28.6 % at age 16-17. Among females, the most common perpetrator of the first incident of sexual violence was a family member (46.4 %), followed by a current or previous intimate partner (21.9 %), stranger (14.2 %), and neighbour (12.4 %).

The department of Olancho, like the rest of Honduras, has a predominantly machismo culture that prevents women from entering the value chain. According to the study, Participation of Women in Value Chains: education, machismo, and traditional gender roles combined to build a vicious cycle that acts as a barrier to the participation of women in economic activities. For example, the report shows that a man can charge a daily wage of L250 while women can only charge L 150 for the same task. In Heifer's work, the coffee and cocoa chains in Olancho, 25% of the participating population is women. These women are integrated at different points in the value chain, mostly in the harvest and transformation of cocoa and coffee derivatives. In the experience of Heifer in Honduras, it shows a broad participation of women, when it comes to undertaking and generating income in the transformation of cocoa derivatives, to improve these actions it is intended to sensitize the target population through social capital.

1. *How do women and men currently utilize the natural resources that this project impacts? How might that change during and after the project?*

Women and men interact in different ways with natural resources and the care economy, both in unpaid activities in the household (e.g. managing water, energy and food) and in income-generating activities inside or outside the household (e.g. land tenure and agricultural work). This is a result of culture, but it also has to do with their relationships with the territory, the environment and biodiversity.

Inequalities related to traditional gender roles lead to pronounced inequalities in time use. While globally, women spend 2.6 times more time on unpaid domestic and care work than men [77]moreover, in Latin America the average is slightly higher, with women working 2.8 hours for every hour of unpaid work that men perform [78] This overload of care work leads in turn to a greater dependence on natural resources, as well as to greater vulnerability and impacts on account of difficulties in accessing and controlling them, especially in rural areas. For example, difficulties in accessing nearby water sources mean a greater workload for women and girls, who are generally responsible for fetching water. The lack of access to sources of clean energy for cooking implies, in many places, responsibility for collecting firewood, which at the same time exposes women to the negative impacts of smoke on their health. In addition, since women are generally responsible for taking care of sick people, older adults and pre-school children in the home, health problems resulting from a shortage of clean water or energy also mean a greater workload.

At the same time, although women play a fundamental role in productive activities —agricultural work in particular— there are still marked gaps in access to the control and management of natural resources, as well as in the associated forums for participation. For example, only 20% of the region's agricultural farms are led by women.[79]This lack of control over the land also translates into a lack of participation in water management, with little representation on basin councils or irrigation user boards.

All these gaps also imply gender-differentiated impacts related to environmental degradation and climate change. For example, the pollution of water sources by extractive activities, the reduction of agricultural productivity or the appearance of new disease vectors as a consequence of climate change, have a greater impact on the care activities that women mainly perform.

This highlights the complex and multidimensional relationship between women and natural resources and underscores the need to mainstream a gender approach in activities related to the governance of natural resources and the environment.

Per the description provided, women have limited access to resources in the region particularly with regard to value chains. Women also have diminished access to markets and significantly reduced ability to own their own land. Because of this limitation, women have less access to banking and credit further solidifying a vicious cycle of poverty. Please see background information for more robust description of resource use. Women will be actively engaged in gender specific programming including capacity building designed for women, during times available for women and in forum that are appropriate for women. Projects take into account information flow including the provision of information in accessabile formats, such as visual, given the lack of education for many women in the region. From the benefits derived from capacity building to economic security, women will be included as beneficiaries of the program. Heifer has experience supporting women, including indigenous women, throughout project

[77] (UN-Women, 2018)
[78] (ECLAC, 2020)
[79] FAO 2017

cycles. Heifer has developed extensive manuals on gender integration and social capital development that are the basis of engagement and can be provided.

2. *How will women and men be impacted (positively or negatively) by project activities including on their livelihoods, workload, control over resources, etc.?*

The focus of this work is on ensuring adaptation benefits accrue to all community members in the project areas and all points of production. Women have higher workloads than men especially when taking into account domestic work and the informal economy. Careful attention must be paid to ensure that when women are engaged in the formal economy there are not unintended consequences such as increased work load, increased economic burden as income flow is generated expectation for payment/services increases, and safety net operations are not undermined (side businesses, small gardens for food and diversified income etc). Using the protocols developed by Heifer that work with women through a 12 step process and ongoing, reiterative support, training, and capacity building- Heifer will work actively with women to ensure women have the support they need to break out of poverty cycles.

3. *To what extent do women and men participate in decision-making processes about those natural resources and is that likely to carry over into project decision-making? What are the constraints (social, cultural, economic, political) that restrict women's active participation in household, community and project-level decision-making processes?*

   In addition to the information provided in the summary statement, women in the region are largely expected to remain in the house while men must exclusively work outside the household. This means that women experience both poverty and time poverty as they must tend to domestic/household-related chores, which can total as much as 14 and 16 hours per day. This work is not remunerated. The difference between having and not having a salary translates into reduced decision-making power both within the house and in the community. The fact that women tend to have fewer hours of free time to themselves, coupled with the fact that it is seen viewed as "dishonorable" for them to leave the house for purposes beyond obtaining food or household items for cleaning or to care for family members, means that they cannot attend community meetings, which in turn prevents them from participating in community decision-making bodies.

4. *Do women and men have equal access to information and opportunities necessary to participate and benefit fully from the activities of the project? How do gender-related barriers/challenges potentially limit womens ability to fully participate, make decisions and benefit from the project? How will the project overcome them?*

Because of time poverty, lack of access to information centers, and cultural constraints women cannot access information and participate in opportunities in the same way men can. Heifer has worked both in the project area and more broadly to systematically engage women and remove gender specific barriers including their ability to participate in and derive benefit from adaptation programing such as the AEI. As a result of this work, Heifer's social capital experts are 100% female and are indigenous. These social capital experts have deep knowledge on the special needs of women and issues of intersectionality. Please see Heifer's framework and summary statements on Guatemala and Honduras for detailed information.

Heifer has worked in Guateamla for over 60 years including the engagement of women. Heifer Guatemala, for example, has designed a methodology addressing o women-led entrepreneurships to develop and strengthen women led businesses through improved management skills. The organizational criteria to select the entrepreneurships from auto-savings groups previously established by Iepades, who surveyed to select the entrepreneurs with the greatest potential. The business advisory methodology was performed through two components: strengthening attitudes and enhancing knowledge. It consisted of four thematic modules, each with its own tools developed by specialized advisors on various topics, who in turn trained and accompanied Heifer's technical teams in field implementation[80].

Module 1. Organization
Commitment letter, results-based planning, golden circle, SWOT and CAME analysis, and organizational structure.
Module 2. Market
CANVAS, TAM SAM SOM target market, customer portfolio, sales income, 4P analysis, and entrepreneurship image criteria.
Module 3. Production
Product features, production inventory, supplier management, and portfolio.
Module 4. Finance Costs, income statement, sales projection, investment plan.

The Women Empowerment and Entrepreneurship project (WEE) approach will be deployed in this project. This business assessment methodology is an innovation for Heifer Guatemala, which allows the organization to focus on entrepreneurial work with rural women and their value chains. A group of experts, both internal and external to Heifer, designed and implemented the building capacity tools used throughout Guatemala and Honduras. The tools are contextualized and adapted to the target group in the departments of the region to suit their cultural, age, social and educational conditions.

Based on the methodology applied, each entrepreneurship receives personalized advice according to needs, demonstrating successful results and becoming a dynamic system, rather than a structured general training model. For example, Lepades auto-saving group participants were selected. Some participants had economic activities that contributed to the economy of their households, while others did not have any entrepreneurship. By implementing the methodology, individuals were able to achieve their own level success. For example, the individual entrepreneurs were empowered and their role in the family economy advanced and, in many cases, became main source of the family income.

Three types of entrepreneurships are established with each project: individual, family and group. Some started individually, but after results begin to accrue they evolve into family enterprises as they awakened the interest and involvement of children, spouses and other family members. This not only becomes a positive economic impact, but also a social impact since entire families improve their quality of life. Working together also contributes to family integration.

Women's human capital is strengthened through the project´s implementation, generating self-esteem and self-confidence. This process is carried out in a comprehensive manner: economic, personal and social, and became an innovative methodology´s feature for selecting entrepreneurs with a positive attitude. As a result, besides having business skills and knowledge, the participants visualize themselves as entrepreneurs with a future.

[80] Heifer International. 2020. WEE Business Assessment Methodology: Systemized and implemented in 20 success stories told by women entrepreneurs from the rural area in Guatemala

Of the four modules, the financial one is generally the most difficult to implement due to entrepreneur's low educational level, including the lack of financial education, business skills and record-keeping knowledge. This aspect of the training requires special attention.

The methodology implementation has demonstrated resiliency during the COVID-19 pandemic. The entrepreneurial projects demonstrated a high degree of stability as they managed to maintain their production, administration and commercialization processes, by implementing a digital marketing initiative called "Movamos a Guate": http://movamosaguate.heiferguatemala.org.gt/ The entrepreneurs generated enough income to close the decent income gap and thus improve their quality of life and that of their families.

In addition to implementing the WEE program as part of this portfolio of work, Heifer will also encourage entrepreneurs to look for other sources of support for the continuity of
their business, to ensure that it continues to expand. Further, Heifer works to ensure ongoing monitoring of digital marketing media for each entrepreneurship and build the capacity of women need on how to use digital media for promotional reasons and to position their brands. These resources will allow them to reach a larger market, distinguish themselves from the competition and expand market segments.

Heifer connect female entrepreneurs with specialists who can support them in business management such as accountants for financial issues or publicists for promotion and image development, areas that need improvement. It is important to consider women fulfill many roles and divide their time between many tasks, situations that does not allow them to fully manage their business. Being a wife and mother as well as an entrepreneur is a great challenge. Sometimes, the workload and responsibilities do not allow them to specialize in all areas. Therefore, the support of specialists is important.

5. *What are the different interests, needs and priorities of men and women within the project context? How will the project be able to address their respective needs and priorities?*

   Please see detailed description for more information. Generally, mens and womens interests are aligned in so far that they seek economic opportunity to advance their interest and needs. By generating income and providing other adaptive opportunities (access to markets, access to new technologies etc) men and women will be able to advance their respective interests and needs.

6. *How might project activities create new opportunities (economic, leadership, etc.) for women?*

This project will primarily create new economic benefits for women and derivative leadership opportunities. Access to new information, technologies, markets, and leadership skills are among the opportunities that will benefit women. For example, while both men and women smallholder producers currently lack access to climate smart techniques and capacity-building measures, traditionally women are largely excluded from decision-making processes, as well as from participating fully in value chains. The department of Olancho, like the rest of Honduras, has a predominantly machismo culture that prevents women from entering the value chain. According to the study "Participation of Women in Value Chains", education, machismo, and traditional gender roles combined to build a vicious cycle that acts as a barrier to the participation of women in economic activities. For example, the report shows that a man can charge a daily wage of L250 while women can only charge L150 for the same task. In Heifer's work, the coffee and

cocoa chains in Olancho, 25 % of the participating population is women. These women are integrated at different points in the value chain, mostly in the harvest and transformation of cocoa and coffee derivatives. In the experience of Heifer in Honduras, it shows a broad participation of women, when it comes to undertaking and generating income in the transformation of cocoa derivatives, to improve these actions it is intended to sensitize the target population through social capital.

In spice production, for example, women and youth are active participants in the spice value chain but are often limited to low-skill positions and underrepresented in decision-making and business management. To address gender issues, Heifer will ensure women receive business training, improve their professional skills, and participate in governance groups. Heifer's training model strengthens the social capital from the individual household level up to the cooperative governance level and helps equalize decision making power between men and women. The project banks on women's participation to improve quality control, traceability, transparency, and accountability in the species value chain. Women's participation will be highlighted in the whole value chain and featured on the final consumer's packaging. Implementing the project will increase cardamom yields, improve small-scale farmers livelihoods, and ensure that indigenous rural women are adequately empowered.

7. *Is there a possibility that project activities may perpetuate/increase inequalities, including gender-based violence? (why or why not)*

   Anytime changes to social and economic structures are introduced in an area, particularly an area plagued with domestic violence and a biased cultural arena, there is risk for increased violence against vulnerable groups. Heifer is aware of these risks and uses regular engagement with community members, including vulnerable community members, as well as ongoing monitoring and evaluation of communities to track these risks. Heifer's approach includes engagement that allows for safe, confidential disclosures including a robust grievance mechanism. This project is specifically focused on working with community members to decrease inequalities, including economic inequalities. To date there is no evidence of increased GBV in Heifer programs. Heifer has a robust grievence mechanism in place, utilizes women only forum as a tool to provide a safe space for dialogue, and employ female social capital experts from local communities. Because of the small size of this grant we will seek out expertise of GBV specialists at, for example, MuJER, Group Guatemalteco de Mujeres, Cattrachas among others.

8. *What is the level of gender awareness and capacity to address gender issues amongst local authorities, project partners and project staff?*

   Heifer has extensive gender experience in the region and globally. In addition to two gender experts who are retained specifically for project engagement in the region, Heifer has retained a global consultant with over 14 years of gender expertise specific to natural resource management. Further, Heifer utilizes Social Capital Officers, including one full-time social capital advisor in the department of Olancho, Honduras for the issues of gender, inclusion and generational replacement. In Guatemala there are two gender experts who serve as consultants to the implementation teams and six Social Capital Technicians charged with stakeholder engagement. Importantly, all Social Capital Technicians are trained extensively on gender and other community safeguards. Additionally, Social Capital Technicians are members of the indigenous community.

9. *Describe the methods (interviews, desktop research, focus groups, surveys, etc.) were used to collect information for the Gender Analysis/Assessment.*

   This document was prepared with information gathered from secondary sources, including different national household surveys, statistical data compilations, and territorial development plans. Heifer has worked in gender mainstreaming and specifically in the project areas for several decades. Gender is instrumental to the 12 Cornerstone program that underpins all social capital work. Information and knowledge from this experience was also utilized in developing the project.

10. *Describe lessons learnt during the development of the GMP during the PPG/PPF Phase. E.g. Did you have to hold meetings separately for women? Did the location/time of meetings affect womens participation?*
    N/A

SECTION III: Gender Action Plan

Using the results of the Gender Analysis, and considering the project context, scope and components, the Gender Action Plan details how the project will ensure the active and meaningful participation of both women and men, equal access to opportunities, resources and benefits from the project, and avoid perpetuating social inequalities.

The total project budget for all stakeholder mapping, collection of sex-disaggregated data and monitoring data for reporting on ESMF indicators is: $38,718. The total project budget for gender-responsive measures (e.g. child care, transportation, special venues) to cater for the needs of men, women and vulnerable groups to attend/participate in project meetings/activities is: $103,066.78.

Component 1: Pilot improved climate smart production practices that increase resiliency throughout the value chains				
Outputs	**Activities to Mainstream Gender into Output**	**Target**	**Resources Required**	**Budget**
Output 1.1: Producers identified for participation in climate smart practices	Ensure women producers are selected and are able to participate at each step in the value chains as is described in section 1 and 2 of document. We will address key factors that effect women's participation including schedule, workload, language considerations, potentially child care requirements etc.	Baseline is measured at start of project. Target is 325 representing 30% of the total number of beneficiaries (1050 men/325 women). This number is based on historic work in communities to determine the proportion of potential women that can be engaged while still	Materials will be generated in local languages and in visual modalities to ensure that women can be engaged. Each project will be utilizing social capital experts specifically trained in gender expertise.	Please reference info above and Annex F

		remaining ambitious in goal setting.		
Output 1.1.2: Technologies, tools, and skills needed to implement climate smart practices are obtained and utilized by producers	1. Assess the training needs of men and women 2. Design training course(s) that meet the needs of men and women as identified in the assessment. 3. Conduct trainings at a time and venue suitable for men and women to attend. 4. Identify appropriate technologies for women's needs and roles 5. Provide women with appropriate production and processing technologies 6. Identify and provide gender appropriate financing opportunities for women that address traditional barriers facing women (e.g lack of collateral, literacy, etc.)	The target goal for each of these activities is 30% of total beneficiaries are women. Baseline to be assessed at launch of project.	In each activity the specific needs of women with regard to trainings – which may include timing trainings for when women are available, conducting trainings in local language, using visual as opposed written materials, ensuring child care opportunities. Additionally, the technologies appropriate for women may differ. Social capital technicians will be responsible for ensuring these criteria are considered and met. Women specific workshops will be held.	Please reference info above and Annex F
Output 1.1.3: Demonstration projects of climate smart interventions implemented in rural communities in both countries	1. Identify and highlight women led climate smart demonstration projects (30%) 2. Include women in exchanges, learning tours and networking events and ensure women have access to demonstration projects. Women specific training is regularly used.	The target goal for each of these activities is 30% of total beneficiaries are women. Baseline to be assessed at launch of project.	Technical Lead is responsible for oversight of gender integration	Please reference info above and Annex F

Output 1.2.1 Information on climate change adaptation disseminated in both countries across target areas	1. Mainstream gender considerations throughout communication strategies and learning products. 2. Highlight gender mainstreaming aspects of existing local and national policies in communication and advocacy efforts. 3. Ensure that development of local practices and policies use a gender mainstreaming process. 4. Review policies created for potential bias or discrimination against women and other vulnerable groups.	50% of total beneficiaries	Materials and programming designed and disseminated in a manner suitable for the target audience including locale, timing, and modality of dissemination. Gender specific workshops will be conducted as needed.	Please reference info above and Annex F
Output 1.2.2 Strengthened capacity of producers in rural communities to implement climate smart measures	Ensure accrual of benefits is equal for men and women	Baseline data will be measured at start of project. Target is 325 representing 30% of the total number of direct beneficiaries (2,045 men/325 women)	Ensure that gender considerations are accounted for in construction of tools and agreements. Oversight provided by responsible parties.	Please reference info above and Annex F
Component 2: Develop Adaptation Equivalency Index by identifying, cataloguing, and quantifying measures of adaptive sustainable practices				
Output 2.1.2: The AEI is created	Ensure gender related considerations are integrated into algorithms.	n/a	PSC & Technical Lead responsible for oversight of gender integration	Please reference info above and Annex F
Component 3: Pilot AEI – integrate AEI into three premium value chains.				
N/A for Component 3				

SECTION IV: Monitoring and Reporting

The GEF/GCF Gender Mainstreaming Policy requires the collection and analysis of sex-disaggregated data and gender information to inform gender-responsive monitoring and

evaluation. The project is expected to report on a quarterly basis (using the CI-GEF/GCF Quarterly Reporting template), progress made towards the achievement of gender mainstreaming activities identified in the Gender Action Plan above. The project is also expected to report on an annual basis and using the CI-GEF/GCF Project Implementation Report (PIR) or Annual Performance Report (APR) template, the following CI-GEF/GCF minimum indicators:

Indicator	**Baseline**		**Target**[81]	
	Men	***Women***	***Men***	***Women***
1. Number of men and women who participated in project activities (e.g. meetings, workshops, consultations).	**0**	**0**	**1,698**	**727**
2. Number of men and women who received benefits (e.g. employment, income generating activities, training, access to natural resources, land tenure or resource rights, equipment, leadership roles)	**0**	**0**	**928**	**397**
3. Number of strategies, plans (e.g. management plans and land use plans) and policies derived from the project that include gender considerations (this indicator applies to relevant projects)	**0**		**3**	
NEW INDICATORS				
4. Number of women's knowledge, experiences and skills recognized and respected in the community	**0**		**TBD or at least 2 (one per country)**	
5. Number of strategies to ensure that rights and access to resources and opportunities for education, information and decision-making (are fair/equitable for all members of communities)	**0**		**TBD or at least 4 (2 per country)**	
6. The AEI indicator will incorporate at least 2 gender indicators	**0**		**1 AEI with gender indicators**	

In addition to the minimum indicators above, projects are strongly encouraged to provide additional gender indicators specific to their projects.

In order to ensure adaptive management in the project, annual reviews of gender mainstreaming successes and challenges will be carried out with adaptation of mainstreaming plan as needed. Subgrantees implementing projects under Component 1, will identify analyses and reports for in their M&E plans, which will include reporting on periodic assessments using the Indicators of Resilience. The findings from these reports will be integrated into the annual reviews of gender mainstreaming. The final project report will highlight gender and conservation lessons learned.

SECTION V: Considerations for the Implementation of the GMP

Alignment + integration

The activities, budget and staffing outlined in this action plan must be integrated into the project's overall Project Document + Results Framework. Please confirm that:

a. The activities identified in this Action Plan have been integrated into the project's proposal document including the results framework. (Y/N) YES
b. The necessary budget for activities identified in this Action Plan have been integrated into the project's overall budget. (Y/N) YES

Staffing capacities

Describe the project's capacities to implement of this Gender Mainstreaming Plan. Who will be responsible for overseeing the implementation of the actions? Will that person need to be hired or is s/he already on staff? Does that person have the technical background and skills appropriate for the level of complexity of this GMP? If not, how will this be addressed? What percentage of that person's time will be focused on implementation of this GMP?

Heifer has extensive experience in gender mainstreaming and has worked on gender issues, integrating gender, and monitoring outcomes of intervention for decades including extensive work in the project areas. In both Guatemala and Honduras there are existing social capital experts (hired before and part from this project). In Guatemala there are a total of 4 social capital extension specialists and in Honduras there is one social capital specialist - all of whom are women trained in facilitation, inclusivity, social capital, microfinance, and entrepreneurship building. Additionally, there are female women coordinators including 2 in Guatemala and 1 in Honduras who will be involved with the project. Finally, in Guatemala there is a Social Capital Officer with expertise in gender. The majority of this staff is comprised of indigenous women because Heifer requires that projects be led locally. At the global level Heifer has two consultants with extensive gender experience including one with specific expertise in gender and natural resource management. These consultants will advise on the project.

It is worth noting that in addition to formal staff at Heifer, over the years of engagement Heifer has successfully built a foundation of women leaders in communities. Women are incorporated onto the boards of local companies, community steering committees, and other local leadership positions. Heifer's staff and women stakeholders will continue to grow this inclusive model throughout the program.

Indigenous Person Analysis and Plan

Project Overview

Only Component 1 has immediate implications for indigenous peoples living in the project areas. Components 2 and 3 will be conducted with limited field engagement and with no policy implications.

While the proposed project including the development of and Adaptation Equivalency Index (AEI) is global in nature, field work is necessary in order to assess the benefits and limitations of various

adaptation modalities. The development of the AEI, including the field components, are being conducted in partnership with the Global Environment Facility.

The development of the AEI will focus on various value chains including cardamom, allspice, and coffee in Guatemala and coffee and cocoa in Honduras. In advancing the development of the AEI, Heifer will work with its partners in the business sector and various actors along the value chains of these commodities in an effort to introduce sustainable production practices for both men and women in the value chain.

While the AEI is a global project, initial phases of the project include on the ground work with communities in the departments of Olancho Honduras and Alta Verapaz and Izabel departments in Guatemala. Each of these departments, and the communities where the project will be launched are home to indigenous peoples. In Guatemala, different Mayan groups are present with the majority being Q'eqchi' speaking people. In Olancha department, two of the nine indigenous tribes of Honduras can be found, the Pech and the Tawaka.

Heifer has long engaged in these areas and values its comprehensive stakeholder engagement process that includes robust engagement with, input from, and consideration of indigenous peoples, their rights and need to access ancestral lands. Heifer has worked in Honduras for over forty years including in the project site. Heifer has been engaged in Guatemala for sixty years with over twenty years in the project sites.

BACKGROUND

The project will work in three departments. In Guatemala, the work will be conducted in Alta Verapaz and Izabel. In Honduras the work will be conducted in Olancho.

In Guatemala, the project targets two key ecoregions, the Atlantic Moist Forest of Central America and the Peten-Veracruz Moist Forest. Our project will encompass three territorial management models which directly impact the region's conservation and economic development trajectories. Guatemala is a mega diverse country whose forest cover for 2010 was of 34%, of which 52% is located within the Guatemalan System of Protected Areas. In 2012, the protected areas of the project (PNSL, RVSBP and RBSM) including 265,485 hectares of forest, representing 7% of the country coverage. The national level gross deforestation reached 132,137 annual hectares for the period 2006-2010 which has contributed at least the 50% of national greenhouse gas emissions (Environmental Profile of Guatemala, 2012). The project will take place in the Transversal Stripe of the North and Polochic Basin. The project areas will be: Cobán, Chisec, Raxruhá, Fray Bartolomé de Las Casas, Chahal, La Tinta, Sierra de Las Minas, Panzós, Bocas del Polochick and Sierra de Las Minas. There are three protected areas in this territory: Reserva Biosfera Sierra de las Minas, Refugio de Vida Silvestre Bocas del Polochic and Área protegida de Laguna Lachua.

In Honduras, the project will be carried out in the department of Olancho, in Dulce Nombre de Culmí, Gualaco, Santa Maria del Real, and Catacamas. These areas are rich in natural resources encompassing nine protected areas (see below) and six major rivers including: Guayape River that together with the Guayambre forms the Patuca River, the Sico or Grande River, the Mangulile or Mirajoco, the Mame and Jimine or Limón, these last two tributaries of the Aguán. In addition, the region also includes four basins: Cuenca del Aguan, Sico, Patuca and Coco Segovia. The Olancho region has a tropical savannah climate. It

is hot every month, both in the dry and wet seasons. The average annual temperature in Olancho is between 26°-30° and the average annual rainfall is 1337m.

There are nine protected areas in Olancho. This area also includes six important bird areas (HN007, HN008, HN011, HN012, HN013, and HN016). These important bird areas (IBA) are home to vulnerable, endangered, and threatened birds including *Crax Rubra* (vulnerable), *Cyrtonyx ocellatus* (vulnerable), *Chaetura pelagica* (vulnerable), *Amazilia luciae* (vulnerable), *Electro carinatum* (vulnerable), *Ara ambiguus* (critical), *Procnias tricarunculatus* (vulnerable) and the *Setophaga chrysoparia* (endangered). In Honduras cloud forests account for a full 63% of the legally designated protected areas. The vast array of species found in Olancho include additional endangered or threatened species including amphibians such as *Craugastor olanchano*, fauna such as the endangered *Juglans olancha.* Honduras has a classification for species that need special attention ("Especies de Preocupación Especial" or the EPE list) while somewhat dated, the list was revised in 2002 and comprised 298 species (37 mammals, 133 birds, 53 reptiles, 72 amphibians, and 3 fish); it was based upon scientific monographs and expert opinions.

Indigenous people in the project areas:

The Mayan people of Alta Verapaz and El Estro:

Before the Spanish conquest of Guatemalal, Q'eqchi settlements were concentrated in the departments of Alta Vrapaz and Baja Verapaz. Over the course of centuries through a series of land displacements, resettlements, persecutions, and migrations the Q'eqchi were dispersed from their homelands into other regions of Guatemala, Belize, and southern Mexico. Nevertheless, the Alta Verapaz and Izabel homelands of the Q'eqchi' people remain important ancestral and contemporary geographies for indigenous Mayan tribes.

The agricultural production of the Q'eqchi' people consists mostly of subsistence farming. Historically, the Q'eqchi' people had diverse, interspersed crops including edible weeds, banana plants, and other companion crops. They also acquired some of their food from wild plants and hunting for meat. However, for most present day Q'eqchi' people today food is derived from corn fields. This limited monoculture lifestyle is derived from plantations that dominated the Q'eqchi' societ from the 1880s to around the 1940s when plantation owners forbid the growing of any crops other than corn and beans. Consequently, the Q'eqchi' diet transitioned to the modern corn-dependent diet that the Q'eqchi' people consume today. In addition to driving significant cultural shifts, this period of history also resulted in the loss of communal land and land traditions and the Q'eqchi' were increasingly forced to work on plantations, a scenario that ultimately drove up poverty and civil unrest – both of which exist through today[82].

The Pech tribes of Honduras:

Today there are approximately 6000 Pech remaining in Honduras, 90% of who live in the Olancha Department. Historically, the Pech have lived across 25% of Honduras and were larger than any other tribe living in the country. They have been reduced to living in a tiny fraction of Honduras near Dulce

[82] https://www.amnesty.org/en/latest/news/2021/11/mayan-teacher-locked-up-defending-sacred-river/

Nombre de Clumi and in scattered settlements elsewhere in the country. The Pech received legal title to their lands in 1864 but have gradually lost much of the land to Ladinos[83] (also known as mestizos).

The Pech have historically relied on natural resources for fishing, shifting agriculture, and hunting animals such as birds and armadillo. They utilize a type of slash and burn for clearing of trees for farming. A few villages still carry on subsistence lifestyle including the cultivation of rice, cassava, beans and corn and hunting game such as deer, monkeys, wild pig and wild turkey. However, the Ladino populations have converted large areas of land to cattle grazing and cash crops such as coffee. As a result, many Pech have been forced to labor for wages. Today, the main economic activities include tree clearing, gold panning, livestock rearing, liquidambar extraction, and sales from handcrafted items[84].

In 1978, a number of groups united to form the National Federation of Tribes for the Liberation of the Honduran Indian (Fenatrilih). Fenatrilih continues the struggle to regain lands, as well as to obtain credit and technical assistance to increase agricultural output and, in general, improve the social, economic, and political situation of Indians in Honduras. In 1988, with the support and participation of the Honduran government, the Pech and other Honduran Indians began to discuss ways in which they could preserve what is left of their cultures and languages.

In 2017, the Federation received international attention when it won the Equator Prize organized by the UNDP's Equator Initiative. fought the creation of a park that would exclude people entirely and would have cut off the Pech from their traditional livelihoods including harvest of liquidambar. Instead of creating a "people-free" the government of Honduras signed a co-management agreement with the Pech people allowing the Pech to co-manage 34,000 hectares of the Montana del Carbon, an Anthropological and Forest Reserve.

The Tawahka of Honduras

The Tawahka are the smallest of the Honduran indigenous community with a population of approximately between 900 and 2500 people[85]. The Tawahka, or Sumos, were one of the largest indigenous groups in Central America during the colonial period. Their historic homeland included area south to the Río Patuca in Honduras through the central highlands of Nicaragua to the Río Rama. The Tawahka dominated the region for over four centuries but during the colonial period they were forced to retreat into the interior of Honduras. Krausirpi and Krautara are the largest Tawahka villages located on the banks of the Patuca River. Although the Tawahkas have inhabited this area for several centuries, Krausirpi, the main Tawahka village, was founded in 1938. Until 1948, the main Tawahka settlement was Yapuwas, a small village that was abandoned due to a plague that decimated the population. This disease outbreak was compounded by the pressure exerted by the authorities of the Department of Olancho.

In the 1980's the Tawahka communities suffered additional disruption resulting from the Contra war when Miskito refugees from Nicaragua migrated to the region. Today, the Tawahka are struggling to retain control over their lands with threats stemming from drug trafficking and extractive industries. The Tawahka are also threatened by the Patuca III dam, a highly controversial development project with

[83] The Ladino people are a mix of mestizo or hispanicized people in Latin America, principally in Central America. *Ladino* is a Spanish word that derives from *Latino*. *Ladino* refers to those Spanish-speakers who were not indigenous peoples.
[84] Darío A. Euraque (2010) The Honduran Coup and Cultural Policy, NACLA Report on the Americas, 43:2, 30-34, DOI: 10.1080/10714839.2010.11725492
[85] https://minorityrights.org/minorities/tawahka/

serious impact for the Tawahka, biodiversity in the region, and the exposure of the area to illegal extractive operations[86].

Description of the Situation of Indigenous Peoples Living in Guatemala

The majority of indigenous peoples in Guatemala are of Mayan descent. The Mayans of Guatemala are the only indigenous culture that constitutes a majority of the population in a Central American republic. There are 21 different Mayan communities in Guatemala making up an estimated 51 per cent of the national population.

Maya are dispersed throughout Guatemala especially in the western highlands. The largest populations are in rural departments north and west of Guatemala City, most notably, Alta Verapaz, Sololá, Totonicapán and Quiché. Maya are also located on farms in Guatemala's southern area known as Boca Costa.

While the Mayan civilization was already in decline when the Spanish arrived in the sixteenth century, the invasion prompted a very rapid decline. This occurred through the dispossession of lands and the use of Mayans for forced labor on cocoa and indigo plantations. Decline, oppression, and dispossession occurred into the 1960s when Guatemala saw a rise of social movements in Guatemala demanding land and fair wages in the Mayan highlands and large farms of the south coast.

The state response to this social wave included counter -campaigns and the militarization of the highlands that resulted in almost 200,000 deaths, created over 200,000 refugees in Mexico and a million internally displaced within the country. These actions were subsequently defined as genocidal by the United Nations-sponsored truth commission.

While the civil war resulted in a state with less formal discrimination, discriminatory legislation - especially against women - still resulted in the exclusion of Mayan communities from the legal, political, economic and social systems of Guatemala. In many Mayan areas, militarization as a consequence of the armed conflict left the army as the only visible institution of the state apart[87].

A series of laws and policies were subsequently established but failed to be enacted for several decades. For example, Article 66 of the 1985 Constitution recognized the existence of Mayan groups and provided for the state to respect their rights to use indigenous languages, traditional dress, customs and forms of social organization. Article 70 called for a law to establish regulations relating to indigenous questions. However, 10 years after the introduction of the Constitution, the necessary law had not been enacted. In addition, under the existing electoral law, the Maya had no opportunity to organize politically.

A significant step forward was taken in March 1995 with the signing of an accord on indigenous rights between the government and the guerrillas. This was cautiously welcomed by the Coordination of Guatemalan Mayan Organizations (COPMAGUA), the umbrella organization of Mayan groups. The accord defined the Guatemalan nation as 'multi-ethnic, pluricultural and multilingual', a definition which was to be incorporated into the Constitution. It promised the introduction of anti-discriminatory legislation and the congressional approval of ILO Convention No. 169. It also agreed on a number of measures to increase Mayan participation in society, including the promotion of bilingual education at all levels of the state education system; the official use of indigenous languages within the legal system

[86] https://www.culturalsurvival.org/publications/cultural-survival-quarterly/tawahka-sumu-delicate-balance-mosquitia
[87] Jonas, S., 2013. Guatemalan migration in times of civil war and post-war challenges. *Migration Policy Institute*, *27*.

sanctioned through indigenous legal aid organizations; the training of bilingual judges and interpreters and the provision of special legal defense services for indigenous women.

In 2002 and 2003 once again there was a rise in death threats and abductions against human and indigenous rights leaders. This particularly involved activists working to bring government officials and military officers to trial over civil war-related atrocities, and there were scattered reports of murders of indigenous and human rights leaders.

While constitutional law permits universal suffrage, indigenous people's voting rights are still constrained by social practices. These involve tedious voter registration requirements, elections scheduled during harvest season and inadequate transportation, all of which serve to limit the numbers of indigenous people who can actually vote. It is also reflected in constraints with regard to seeking election. National political parties restrict the election of their indigenous members to decision-making leadership posts in the internal party structure, thereby effectively excluding them from the wider political arena. Though indigenous peoples are underrepresented and excluded from political life and decision making across the country, despite representing at least 40 per cent of the population, they do typically have more representation in local government. Nevertheless, the major political parties and local authorities continue to exclude indigenous peoples from their structures and do not uphold their demands and rights[88].

Today, there are few emergent benefits to indigenous people following the end of the 36-year civil war. Despite the 1996 agreement to promote indigenous cultural and social rights, the free expression of Mayan religion, language and other factors continues to be hampered by a shortage of resources and a lack of political will to enforce laws and implement the 1996 peace accords. Indigenous people of Guatemala still suffer lack of protection from the redistribution of land, lack of access to land, improved wages, and satisfactory working conditions. Discrimination also continues in the restrictions on indigenous peoples' rights in judicial proceedings. For example, many Maya continue to be tried in Spanish, even though they do not speak the language[89].

There has been some progress in Guatemala regarding the redress of thousands of Maya Achi indigenous people and their family members who were either displaced or massacred over the construction of the Chixoy dam in the 1980s. Following an Act passed in January 2014 by the US Congress that denied financial aid to Guatemala unless it implemented reparations for the people affected by the dam, President Otto Pérez Molina publicly apologized to the victims and signed an agreement to execute a reparations plan for the affected indigenous communities. The plan has a budget of US$154 million and includes the construction of housing, infrastructure and other amenities for the affected communities, as well as land restitution. This case sets a historic precedent for redressing violations of indigenous peoples' rights over the past decades as well as ongoing land conflicts. Furthermore, in August 2014 a local court in Sipicapa ruled that mining permits and activities are illegal if local communities have not been given information and are not consulted. This ruling set legal precedents for indigenous movements upholding their land rights[90].

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[88] Yashar, D.J., 2015. Does Race Matter in Latin America: How Racial and Ethnic Identities Shape the Region's Politics. *Foreign Aff.*, *94*, p.33.

[89] Sieder, R., 2011. 'Emancipation'or 'regulation'? Law, globalization and indigenous peoples' rights in post-war Guatemala. *Economy and Society*, *40*(2), pp.239-265.

[90] Fleischman F. 2018. Institutional legacies explain the comparative efficacy of protected areas: Evidence from the Calakmul and Maya Biosphere Reserves of Mexico and Guatemala Claudia Rodríguez-Solórzano
University of Minnesota Department of Forest Resources

Guatemala's long civil war, ongoing conflicts related to large-scale development or extractive projects and extreme rural poverty have all contributed to the migration of indigenous people from rural to urban areas, mostly to Guatemala City and abroad. This migration has added pressure to a metropolitan area that has historically lacked proper planning policies, with a large proportion – over 40 per cent – of the city's population living in slums or shanty towns. Indigenous people migrating to Guatemala City and other urban areas have established or settled in informal and unplanned urban spaces or shanty towns that lack proper basic public services, such as water and health care, and are often located in dangerous or inaccessible areas. Indigenous people in Guatemala's urban areas experience high levels of crime[91], discrimination and exclusion based on their ethnic background, dress and language. Since many do not speak Spanish and wear their traditional clothes, they are marginalized from the formal labor market, limiting their opportunities to access social security and a better income. For example, according to one estimate, 80 per cent of maids working in private homes are indigenous. Because of their concentration in such low-paid jobs, indigenous families in Guatemala's urban areas mobilize all their members, including children, to work.

Description of the Situation of Indigenous Peoples Living in Honduras

The 2013 census of Honduras indicated that approximately 8.5% of the population self-identifies as a member of the indigenous community. This equates to 11% of the working age population of Honduras. The Miskito, Tawahkas, Pech, Tolupans, Lencas, Maya-Chortis, Nahual, Bay Islanders, and Garifunas are the primary indigenous groups of Honduras. Indigenous people have limited representation in the national government and consequently little authority over decisions regarding their lands, cultures, traditions, and the allocation of natural resources. The majority of indigenous people 77% live in rural areas. The indigenous people are distributed in 2,128 communities throughout 15 of the 18 departments of Honduras.

Currently only 10% of the indigenous people of Honduras have property titles to their lands[92]. However, the territory they potentially own is approximately 2,000,000 hectares (17.8% of the Honduras). Lack of land title, pressure to sell their lands, and the State grants titles to third parties present significant problems for indigenous people of Honduras in addition to encroachment by logging and other extractive industries and traffickers. Importantly, indigenous territories overlap with the vast majority of the country's protected areas, including the Mesoamerican Biocultural Corridor (made up of the Río Plátano Biosphere Reserve, the Patuca National Park and the Tawahka Asangni Reserve), which represents the second zone of the most important biodiversity reserve on the continent, after the Amazon. Thus, the protected areas overlapping with indigenous territories cover more than half of the total territory of the Department of Gracias a Dios. According to Honduras' Property Law, the management of protected areas that are within indigenous lands must be carried out jointly between the Indigenous Community and the State

Historically, Honduras was colonized by the Spanish and English. The English dominated Taguzgalpa (Mosquitía), and established a system of servitude. In 1786, the Spanish gained sovereignty over the region but in 1821 the English resumed control of the area including the entire Caribbean coast of Central America. In 1847, the English ruled all territory between the Cape of Honduras and the San Juan

[91] Lesniewski J, Kang E, Qin L, Helmuth J. Ethnoracial patterns of violence in Guatemala: An empirical examination of the relationship between Mayan-majority municipalities and homicide rates in Guatemala. J Community Psychol. 2021;1–11. https://doi.org/10.1002/jcop.22506

[92] IGWIA, 2010

River (Nicaragua). In 1868, the State created the department of La Mosquitia, but without granting it representation in the National Congress. The governor of the department had the function of "reducing the nomadic tribes that roam the coast to settlements" and "ordering that they be evangelized and educated in Spanish to force them to renounce their jungle customs."

This law was repealed in 1876, with the proclamation of the Liberal Reform and the State exploited the Mosquitía's natural resources through concessions to individuals and the sale of land to foreigners who established banana, livestock and logging companies. Between 1972 and 1975, a period of alliance between the military and the private sector began and the new Government implemented a set of policies related to indigenous peoples and Afro-descendants by enacting the Agrarian Reform Law and the Forest Nationalization Law (which expropriated forests from indigenous communities), and created the Honduran Forestry Development Corporation (COHDEFOR), linked to the ownership of land and forests, and the commercialization of their natural resources. The 1982 Honduran Constitution declared the indigenous "cultural and historical heritage of the Honduran nation," and indicated the duty of the State to protect their rights, especially those related to their lands and forests. But that recognition did not translate into laws or programs. On the contrary, the communal status of ancestral lands was invalidated through an Agrarian Law that allowed the entry of third parties. Until 1997, COHDEFOR had full title to more than 800,000 hectares of the Mosquitía territory.

In response to these repressive laws, a strong Indigenous movement emerged in the 1980s. The Black Honduran Fraternal Organization (OFRANEH in 1981), the Federación De Tribus Xicaques De Yoro (FETRIXY in 1986), the Unidad de la Mosquitia (MASTA in 1987), the Tawahka Indigenous Federation of Honduras (FITH in 1988), the Federation of PECH Indigenous Tribes of Honduras (FETRIPH in 1988), and the Lenca National Indigenous Organization of Honduras (ONILH in 1989). In 1994, the Confederation of Indigenous Peoples of Honduras (CONPAH) was created, which integrates indigenous and Afro-descendant organizations. The Chorti, Lenca and Tolupán advanced in the recognition and legalization of their lands in the central and western area of the country. The National Agrarian Institute (INA) granted titles in the highlands, but not in the Moskitia where the Miskitu, Pech, Tawahka and Garífuna live, and where conflicts are multiplying due to the expansion of the agricultural and livestock frontier.

Between 1994 and 1998, indigenous organizations mobilized to the capital. In 2011, members of the Chorti people took over the Copán Archaeological Park and demanded rights to their land titles. Today Honduras moves through cycles of land tenure demands by the indigenous people, the state declaring national reserves in the indigenous territories, and powerful landowners from the military and the agriculture sectors seizing lands. As a result, indigenous communities frequently experience threats and acts of violence against them and against community and environmental activists. Violence is often rooted in a broader context of conflict over land and natural resources, extensive corruption, lack of transparency and community consultation, other criminal activity, and limited state ability to protect the rights of vulnerable communities. Persons from indigenous and Afro-descendant communities also experience discrimination in employment, education, housing, and health services.

Safeguards for Project Implementation

Heifer International, Heifer Guatemala and Heifer Honduras recognize that indigenous people have distinct circumstances that expose them to risks and impacts from development projects. As minority groups indigenous people are often the most vulnerable and marginalized people in a society, especially in areas of intersectionality. As a result of their status coupled with real barriers to rights and norms

afforded other citizens, indigenous cultures have limited ability to defend their lands, territories, and other resource use, to participate in, and benefit from development and conservation activities.

While there are some specific risks to indigenous people in the region including those listed below, because of Heifer's specific expertise in indigenous people's engagement, a local staff that includes members of the indigenous communities (primarily women), and long presence in the regions – these risks are minimal.

Risks to Indigenous People:

1. Loss of ancestral lands, loss of traditional natural resource use, loss of access to areas for cultural and social purposes. The access to and support of these rights will be identified and recognized in specific projects.
2. Changes in land use that do not take into account traditional resource use and customary practice. Activities that are implemented with the assumption that historic use is unsustainable may inflict adverse social and environmental consequences. Activities will seek to obtain a thorough understanding of biological and cultural context in consultation with indigenous peoples.
3. Loss of culture or social cohesion due to marginalization and failure to recognize distinct cultural practices which are often tied to resource use. Unintentional omission of or failure to recognize the interconnected nature of indigenous people and resource use
4. Inequitable benefits and participation. Discrimination and marginalization may result in the lack of benefits derived from the project. The cost of participation, especially for women, may outweigh the perceived or actual benefits to indigenous people. Failure to appropriately included indigenous people in project design and implementation and/or decision making bodies. This could lead to the further marginalization and alienation of indigenous people. Intersectionality is a n important consideration for indigenous people that are especially vulnerable such as women, elderly etc.

Project Requirements:

With these risks in mind, this project will meet all requirements including but not limited to:

1. Conduct safeguard screening for indigenous peoples as early as possible in the project.
2. Continue to implement effective participation of indigenous peoples in the delivery of project activities
3. Implement effective consultation processes with the affected indigenous peoples to fully identify their views and to seek their Free, Prior, and Informed Consent (FPIC) for activities that will affect them. This will include emphasis on women.
4. Develop an indigenous peoples plan describing measures to avoid adverse impact and enhance benefits for indigenous peoples for the 20 demonstration sites that will be selected during the implementation of this program.

Consultation and Consent

This project will ensure the effective participation of indigenous peoples, including vulnerable sub-groups, and seek their consent before implementing the project. The consultation process for seeking

consent, will include informing those potentially impacted by or benefiting from the project, fully identifying and understanding their views, adapting the project with the input of these communities, and seeking their free, prior and informed consent to projects that impact them. Heifer International will seek to ensure that those giving consent are representative of those being impacted and will seek guidance and consent from impacted subgroups, such as women, whenever appropriate for fair implementation of the project.

1. Permission to consult and seek consent will be obtained. In some cases, capacity building may be necessary in order to ensure that those providing consent are fully informed and/or understand the implications of the project.
2. Once permission to seek consent has been granted, good faith elements of consultation should be considered if permission has been granted especially with regard to defining who the negotiators are;
3. A clear process regarding the participation of experts such as advisors and technicians will be agreed upon
4. Agreements regarding timeframes and locale will be free of coercion.
5. All previous information, studies, and knowledge will be made available and will be transparent
6. Conditions of the agreement will be determined
7. Fair sharing of benefits will be agreed upon
8. The conditions and limitation of the agreement will be made clear
9. Mechanisms for ongoing dialogues, agreement, and consensus will be established to maintain relations between the parties.
10. The grievance mechanism will be established and made available in culturally appropriate ways including to subgroups
11. It will be determined if consent has been given
12. At all times the right to indigenous self-determination and autonomy will be respected.

Agencies and stakeholders with specific interest in indigenous people rights.

Guatemala

Secretariat for Agrarian Affairs of the Presidency of the Republic (SAA), responsible for carrying out commitments of the Executive on agrarian matters and rural development, contained in the Peace Accords, government policies, and the Constitution. It has an Office of the Undersecretary for Conflict Resolution that engages in mediation and conflict resolution to facilitate the peace process on issues of access to land. In cases of ejidos municipals, the municipal governments perform important functions, regulated by the Municipal Code.

Mayan Languages Academy: Created in 1990, this autonomous organization conducts research to stimulate and support the development of indigenous languages, implements educational development programs, and publishes bilingual articles, dictionaries, and books;

Guatemalan Indigenous Development Fund (FODIGUA): Created in 1994, the Fund works towards the cultural, political, social, environmental, and economic development of the Mayan, Garifuna and Xinca peoples. Its line of work is mostly focused on training indigenous peoples to participate in politics. The organization also compiles a database from each community on issues like science, art, and technology;

Office for the Defense of Indigenous Women (DEMI): Founded in 1999, this office was created to defend and promote the rights of indigenous women, with the goal of eliminating all forms of violence and discrimination against them. It promotes indigenous women's political development and conducts trainings and awareness campaigns on the rights of indigenous women;

Presidential Commission against Racism and Discrimination (CODIRSA): Created in 2002, this organization advances policies to eliminate racial discrimination. The Commission's main activities include initiatives around: a) the elimination of economic racism; b) training on racism and discrimination prevention; c) elimination of legal racism; and d) elimination of institutional racism. However, the organization does not promote affirmative action 13; and

Indigenous Affairs Unit: Created in 2012, the office is part of Guatemala's judicial system. The Unit has four main objectives: a) to implement policies of access to justice for indigenous peoples; b) to spread the use of 22 indigenous languages across the judiciary system; c) to train public officials regarding indigenous rights; and d) to coordinate with indigenous authorities to advance judicial pluralism.

Honduras

Confederación de Pueblos Autóctonos de Honduras (CONPAH): Created in 1992, integrates all the Indigenous and Black Peoples of Honduras (Fith, Onilh, Fetriph (Pech), Fetrixy (Xicaque), Nabipla (Criollos), Masta (Miskitos), Finah (Nahuas), Ofraneh (Garinagu), Conimchh (Chortis), Copin (Lenca). They coordinate and manage demands for their rights before the State, and seek to open spaces for participation by Indigenous Peoples. CONPAH is part of the Indigenous Council of Central America (CICA).

Organización Nacional Indígena Lenca de Honduras (ONILH): The Organization of the Lenca People was created in July 1989 to implement the constitutional provision contained in Article 346 of the constitution on the protection of the rights and interests of indigenous communities, especially their lands and forests.

Organización Fraternal Negra Hondureña (OFRANEH): The Garífuna Organization that began as a Honduran Garífuna Society (SOGAÑAH) in the 1960s and later in 1981 became OFRANEH is organized through a General Assembly, General Coordination, Executive Committee and specific work teams in project management, legal and cultural affairs, women and children, health, education, spirituality, international relations, political affairs, land and territory, youth, and the elderly. It is the oldest federation of the Garífuna People, and of the Indigenous and Black Peoples of Honduras.

Consejo Cívico de Organizaciones Populares e Indígenas de Honduras (COPINH): The Agrupación del Pueblo Lenca was created in 1992 to represent the struggle of all the Indigenous and Black Peoples of Honduras. It works with indigenous councils and council of elders at the local level (municipal or departmental), and maintains contact with national bodies. They have a radio program called "Ecos de Opalaca," broadcast by Radio Esperanza from the Department of Intibucá. COPINH has 200,000 indigenous Lenca members from the departments of Comayagua, Intibucá, Lempira and La Paz. The main office is located in Barrio Las Delicias, Intibucá city.

Federación De Tribus Xicaques De Yoro (FETRIXY): The Organization of the Tolupan People was created in 1985 with the support of Catholic Priests of the Jesuit Order, and originally known as the Federation of Indigenous Tribes of Yoro (FENATRILY). Its activity has an emphasis on the recovery of territories. It currently has 18,000 members from 30 tribes in the departments of Yoro and Francisco Morazán. The main office is located in the Cabañas neighborhood, Avenida 25 de Julio, in the city of Yoro.

Federación Indígena Tawahka De Honduras (FITH): The Organization of the Tawahka People was created in 1987, and based in Tegucigalpa. They work on the delimitation and defense of the Tawahka Asangni Biosphere and the titling of community lands; protection and sustainable use of natural resources; promotion of bilingual education; development of agriculture and infrastructure. In 1988 the Asang-Launa Association (AASLA) was created in support of the FITH as a technical body. The FITH and AASLA office is located in Barrio La Concepción, 12th street, between 5th and 6th avenues.

Consejo Nacional Indígena Maya Chorti (CONIMCH): The Organization of the Maya Chortí People was created in 1998. It represents 10,600 indigenous people in 52 communities in the departments of Copan and Ocotepeque. It has its main office in Colonia Las Vegas, in the city of Copán Ruinas, department of Copán.

Indigenous Federation Nauhas from Honduras (FINAH): FINAH has been dedicated to the Promotion of the rights of the land and community development since 1995. The organization represents 19,800 members distributed in 18 communities in the municipalities of Catacamas, Guata and Jano in the department of Olancho. The main office is in Barrio Nueva Esperanza, Bulevar “Las Acacias” in Catacamas, Olancho.

Mosquitia Asla Takanka (MASTA) – Unidad de la Mosquitia: Created in 1987 as an association of students from the Gracias a Dios department, but although it groups mestizos, indigenous people and blacks, it focuses its work on the demands of the indigenous and black movement in the country. It is made up of congresses of Miskito teachers and has its main office in Barrio El Centro, in the city of Puerto Lempira.

Federación de Tribus Indígenas PECH de Honduras (FETRIPH): Created in 1988, and made up of representatives of tribal councils and with the support of the National Pedagogical University (UPNFM) and the Council for Indigenous Promotion of Honduras (COPIH), the federation represents 3,800 Pech in 10 tribes in the departments of Olancho, Colón and Gracias a Dios.

Relevant Legal Frameworks in Guatemala

Guatemala has legal obligations under numerous international human rights instruments[93] including the Universal Declaration of Human Rights (UDHR), the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), the American Declaration on the Rights of Indigenous Peoples (American Declaration) and the binding human rights treaties it has ratified inter alia: the ILO Convention No. 169 Concerning Indigenous and Tribal Peoples (ILO Convention 169), the International Covenant on Civil and Political Rights (ICCPR), the International Covenant on Economic, Social and Cultural Rights (ICESCR), the International Convention on the Elimination of All Forms of Racial Discrimination (ICERD), the

[93] IACHR 2015.

Convention on the Elimination of All Forms of Discrimination against Women, the Convention on the Rights of Persons with Disabilities, the Convention on the Rights of the Child and the American Convention on Human Rights.

The Government's ratification of ILO Convention 169 was a key element in the UN-mediated negotiation to end the conflict in Guatemala. As a party to the only binding instrument that specifically addresses indigenous peoples' rights, Guatemala has committed to respecting the traditional values of indigenous peoples and pledged to develop the pluricultural nature and character of Guatemalan society.

In 1996 Guatemala signed the "Acuerdo de Paz Firme y Duradera" ("Peace Accords") negotiated by the United Nations. This included the Agreement on the Identity and Rights of Indigenous Peoples (AIRIP) and the Agreement on Constitutional Reforms and the Electoral Regime (ACRER). In doing so, Guatemala committed to advancing reconciliation through an intercultural dialogue with indigenous peoples, and by providing constitutional recognition of the collective identity and rights of the Maya, Garifuna, and Xinka.

Additionally, Guatemala has laws and regulations immediately pertinent to indigenous peoples rights including in the 1985 Constitution of where Guatemala has two provisions that set forth obligations related to the state duty to provide "special protection" to "the lands of the cooperatives, indigenous communities, or any other form of communal or collective tenure over agrarian property"; to the State duty to maintain as the property of the indigenous communities the lands they have historically occupied, as well as their administration; and the obligation to provide "state lands" to those indigenous communities that need them for their development. However, Commission notes that legal mechanisms have not been established to enforce Article 67 of the Constitution on the collective or community nature of indigenous lands and territories, and the special protection they require. Beyond the constitutional provision, only some legal provisions recognize communal indigenous lands, and the translation of "special protection" into domestic provisions is very limited. It is also notes the failure to adopt specific legislation that allows for effectively ensure respect for and the guarantee of the right to collective property, even though Article 70 of the Constitution provides: "A statute shall regulate the matters addressed

The entity entrusted with access to the land is FONTIERRAS, created in 1999 by Decree 24-99 of the Congress of the Republic, pursuant to the Peace Accords750 for they recognize that "large sectors of the Guatemalan population, particularly the indigenous peoples, are made up of landless peasants or peasants with insufficient lands."751 Its work is focused on reducing the lack of legal certainty, which is associated with regularizing the inconclusive proceedings for the adjudication of state lands; ensuring access to the land by purchasing and leasing from communities who have demanded it for years.

Relevant Legal Frameworks in Honduras

The Honduran Constitution stipulates that international treaties become domestic law upon ratification. As such, while some protections are held in the Constitution itself, additional protections under international law are afforded the citizens of Honduras. For example, Article 63 of the Honduran Constitution recognizes the rights and freedoms of of international human right treaties while article 346 of the Constitution establishes the governments duty to protect the rights of indigenous and Afro-Honduran peoples in the country, especially with regard to the lands and forests where they live.

In addition to the constitution there are a variety of laws that in place to and protect indigenous people, their rights, and their freedoms including:

- The classification of discrimination as an offence under amendments to articles 27 and 321 of the Criminal Code set forth in Legislative Decree No. 23-2013 of 25 February 2013.
- The adoption of the Framework Act on the Social Protection System, which guarantees access to basic services and social transfers, with an emphasis on the poorest and most vulnerable members of the population. While the aim is to achieve universal social protection, support for persons in a situation of poverty or high vulnerability is given priority in the budget;
- The adoption of the Public Policy and National Plan of Action on Human Rights
- The adoption of the Public Policy against Racism and Racial Discrimination for the Comprehensive Development of Indigenous and Afro-Honduran Peoples as of 12 May 2016. The Policy's objective is to enable indigenous and Afro-Honduran peoples to exercise their rights and maintain their identity and diversity and to promote their participation in the social, economic, political, cultural and environmental spheres, with respect for their world view.
- The adoption of the 2030 Agenda for Sustainable Development, whereby the State reaffirmed its commitment to leave no one behind and to promote inclusive and sustainable growth, with social development and environmental protection to ensure that indigenous and Afro-Honduran men and women, including children and young people, and future generations, can develop their potential with dignity and in a healthy environment;
- The alignment of national planning instruments (Vision for the Country 2010–2038, Plan for the Nation 2010–2022 and the Government Strategic Plan 2014–2018) with the 2030 Agenda;
- The development of the country's first multidimensional poverty index with the participation of civil society, the private sector, academia, international cooperation agencies and the United Nations system. The purpose of the index is to measure poverty on the basis of parameters other than income, such as health, education, employment and housing.
- The Office of the National Commissioner for Human Rights chief mandate is to receive and investigate complaints and allegations and to promote human rights and educate people about their rights. The Office incorporates the Office of the Ombudsman for Migrants, Indigenous and Afro-Honduran Persons and Older Persons, which combats discrimination against these vulnerable groups.
- Through the Ministry of Social Development and Inclusion, the State has continued to implement the Social Protection Policy and the Framework Act on Public Social Policies, in line with the 2030 Agenda, through programs targeting populations in situations of vulnerability, poverty and extreme poverty. These include the Better Life Platform, a social protection network made up of programs that promote housing, a guaranteed minimum income, food security, education, culture, sport and the arts.
- In order to ensure access to justice, the State created the Office of the Special Prosecutor for Ethnic Groups and Cultural Heritage within the Public Prosecution Service. The Office is responsible for dealing with complaints relating to the violation of indigenous and Afro-Honduran peoples' rights; this competence is granted under the Special Regulations on the Organization and Operation of the Directorate-General of Public Prosecutions, which establish the special principles of recognition and protection of the cultural diversity of indigenous groups.

- With a view to ensuring access to justice for indigenous peoples, in 2015 the Public Prosecution Service, through its specialized prosecutor's office, trained all prosecutors' offices in the application of a manual on investigative procedures in cases of violations of the rights of indigenous peoples.
- The National Agrarian Institute, with the support of a European Union-funded project to reduce emissions from deforestation and forest degradation in developing countries (REDD+), has launched an indigenous title mapping project with the aim of ensuring the integrity of the lands granted to indigenous and Afro-Honduran peoples by the Institute. Under the project, each plot will be geo-referenced and marked on an official map.
- In addition to the Public Policy against Racism and Racial Discrimination for the Comprehensive Development of Indigenous and Afro-Honduran Peoples, other policy initiatives include the second National Gender Equality Plan 2010–2022, which was adopted on 6 July 2010. Its formulation was led by the National Institute for Women and involved national consultations with central government bodies, municipal councils and civil society organizations, particularly women's associations. International cooperation was made available for this purpose.
- This policy provides for a cultural and intercultural approach to the development and full exercise of the human rights of indigenous and Afro-Honduran women and girls. Under it, all government agencies are called upon to coordinate their efforts to reach the stated policy objectives and to allocate technical and financial resources for that purpose. A significant step forward in its implementation has been the establishment of municipal women's offices tasked with drawing up and implementing local gender policies in the country's 298 municipalities.
- Indigenous and Afro-Honduran peoples may submit complaints to the Office of the Special Prosecutor for Ethnic Groups and Cultural Heritage. This Office has a 2017 plan of action, a specific goal of which is to implement guidelines for the care of victims and citizens, applying a differential approach. The plan also provides for training of prosecutors and administrative staff as part of a pilot plan to prevent, punish and eradicate violence against indigenous and Afro-Honduran women and children by strengthening the local authorities that deal with the problems facing women and children.
- The Directorate for Indigenous and Afro-Honduran Peoples is mandated to oversee social policies and coordinate programs and projects designed to reduce poverty and provide opportunities for the comprehensive inclusion and development of vulnerable indigenous and Afro-Honduran persons;

Planning for the effective participation of indigenous people and communities

Project area: During the selection of the project demonstration sites, the indigenous peoples and communities and their respective organizations whose village lands – including titled and non-titled – fall within or near proposed project sites will be identified. Other indigenous persons utilizing the areas of the project site will also be recognized including both men and women who often use resources differently.

Heifer works with local committee members and an array of key leaders at the local level through a council system. This includes elected officials, ancestral authorities, representatives of vulnerable groups and those who have authority to speak on their behalf. Heifer also partners with local

governments to ensure in-kind support. Collectively, Heifer works to identify the value and benefits of the programing and ensure that those benefits accrue fairly to community members. 100% of Heifer's local staff in Guatemala at the project site are comprised of indigenous peoples from local communities.

Dissemination of Materials

The project will ensure that all project information that is developed is reflective of cultural respect of indigenous people living in and near the project area as well as those who utilized the natural resources found in the project area. Simple language that clearly explains the objectives and impact of the project will be disseminated. Pertinent documents will be translated into indigenous language of the areas near the project site if necessary. In Honduras, local community members speak fluent Spanish. In Guatemala, translation to local language will be necessary and has been budgeted. In both Honduras and Guatemala materials will be presented orally and whenever possible using a visual format to accommodate those who are unable to read in either Spanish or local languages.

The project team will form strategic alliances with national and local representative organizations of indigenous peoples, and/or interact with existing alliances including the extensive community alliances Heifer as built over the decades of work in the region, to achieve the stated objectives of the project and ensure that indigenous perspective is reflected in the project design and in implementation of project activities. In implementing the project, Heifer International will consider the actual capacity of indigenous organizations, and individuals within those organizations to fully participate in project activities and consultations – particularly with the special case of women and other vulnerable groups.

The project team will build and/or utilize already established community committees including a project committee. the local communities will be consulted when issues of arise during project implementation. At the local level, village councils will be integral to the work that is done. These community councils will be advisory and will not be engaged for consent without specific and documented assignment of permission to consent by those men and women who would be directly impacted by the project.

Government Engagement

While Heifer does have close contacts in the Ministries of Culture or other similarly situated departments, in both Honduras and Guatemala Heifer works closely with the Department of Natural Resources/Ministry of Environment including on issues of indigenous peoples engagement.

Proposed actions to achieve indigenous representation and participation

Within the area of the demonstration site of the project and other areas of impact, informational and planning meetings will be carried out with all indigenous organizations in the areas and with those who rely on the project sites for other resource use. The Ministry of Environment in each country will be made aware of the meetings in advance. The meeting will inform communities of the project's objectives and outcomes. The meetings will explain the measures to ensure that indigenous peoples receive culturally appropriate benefits, the actions taken to avoid, minimize, mitigate or compensate for adverse impacts, grievance procedures and monitoring and evaluation arrangements. The following actions will occur:

The concerns of the indigenous organizations will be noted and reflected in the implementation of the activities. All workshops that impact communities will be held at the local level whenever possible and

will include indigenous people including those from vulnerable sub-groups. The workshop will be jargon free and information accessible to participants. The workshops will cover FPIC components including:

- Nature, size, pace, reversibility, scope of project
- Reasons and justification for the project
- Locality of areas impacted
- Preliminary assessment of likely economic, social, cultural, and environmental impact including potential risks and equitable benefit sharing in a context that respects the precautionary principal
- Personnel likely to be involved
- Procedures of implementation

Information will be conveyed in the appropriate languages and Heifer has multiple community specialists who are indigenous and these community engagement specialists document perspectives and concerns regarding project activities. These Social Capital Specialist are local community members and are indigenous. In Guatemala 100% of local Heifer team is Mayan.

The Social Capital Experts will:

- Document baseline survey data regarding indigenous concerns and issues pertaining to the project area
- Establish local project committee and ensure that indigenous organizations and peoples are adequately represented. Women and other vulnerable community members will be included.
- Informational and educational workshops will be conducted. Workshops will include participation rights and consultation process to ensure and build the capacity for active participation.
- Some of the project materials, as is appropriate will be translated or made accessible in other formats including visual for those who are unable to suitable access materials written in Spanish or the local language.
- Stakeholder communications and engagement plan will be implemented and will take the special cases of indigenous and gender into account.
- The grievance mechanism will be made available and will be communicated in writing and orally at workshops. Appropriate fora will be identified for distribution beyond workshops.
- A participatory approach to monitoring and evaluation will be utilized through decentralized assessments including meetings with the local committees and indigenous people to verify indicators and information.

Grievance mechanism RACI matrix

N	Task	R	A	C	I
1	Participants training and information disclosure	Project Manager	Second level manager	Area program director	
2	Scenario 1. Complainer submits grievance via Whistleblower.	Complainer	Complainer		
	Scenario 3. Complainer informs Heifer Representative and	Heifer Representative	Complainer	Complainer	Project Manager

	complaint is submitted on behalf of the complainer.				
3	Review and open Investigation if needed	Risk Management Team	Risk Management Director		Global ER Manager Regional People Director
4	Conduct Investigation Process	Investigator	Regional People Director	Global ER Manager	RM Team
5	Investigation closure and identification of outcomes	Investigator	Regional People Director	Global ER Manager	RM Team
6	Monitor Implementation of action plan and continuous improvements	Project Manager	Second level manager	Area program director	Regional People Director

Budget

Visit project sites to ensure community involvement	No additional GEF funds needed
Ensure indigenous person inclusion at workshops and capacity building activities	
Preparation and dissemination of print collateral and other information mechanisms to build awareness of project and grievance mechanism	
Local project committee meetings including appropriate forum to engage women and other vulnerable groups	
Inclusive monitoring and evaluation procedures	

Monitoring and Evaluation of the Stakeholder Engagement Process

For effective monitoring and evaluation of the indigenous people's engagement process in the project area, the process will include both quantitative and qualitative indicators in addition to evaluation of outputs such as the number of educational/informational workshops conducted and the number of attendees disaggregated by gender and ethnicity. Informational interviews with key contributors, focus and group interviews of indigenous people will be carried out in the villages of communities by the Social Capital Experts. The project will include the ability to report grievances anonymously to help protect against intimidation or coercion.

The project will, at a minimum, monitor:

- % of indigenous communities where FPIC has been followed and documented
- % of communities where project benefits have been agreed upon through the appropriate community governance structure and documented

CI-GEF/GCF PROJECT AGENCY
Accountability & Grievance Mechanism (AGM)

The CI-GEF/GCF Project Agency requires all project to have an Accountability and Grievance Mechanism in place so that project-affected communities and other stakeholders may raise a grievance at all times to the Executing Agency/Entity, CI, the GEF or GCF on non-compliance with the ESMF. Affected communities should be informed about this possibility and contact information of the respective organizations at relevant levels should be made available publicly. Affected communities should also be assured that their grievances will be addressed in a timely manner, they will not face retaliation for submitting a grievance, and they have the option to request confidentiality.

SECTION I: Project Information

PROJECT TITLE:	**Building climate resilience in supply chains for the mobilization of adaptation funding**		
GEF/GCF PROJECT ID:		PROJECT DURATION:	24 months
EXECUTING AGENCY/ENTITY:	Heifer International		
PROJECT START DATE*:*	July 2022	PROJECT END DATE*:*	June 2024
AGM PREPARED BY:	Mariana Vazquez and Lisa Dietz		
DATE OF (RE)SUBMISSION TO CI-GEF/GCF:	February 15, 2022; March 04, 2022		
AGM APPROVED BY:	*Ian KIssoon, Director ESMF*		
DATE OF CI-GEF/GCF APPROVAL:	*March 09, 2022*		

SECTION II: Introduction

- ***Introduce your AGM by providing a short summary of your project and its main activities, any anticipated grievances, how you will ensure that stakeholders are aware of the mechanism, and what system will be put in place to ensure that the mechanism is working effectively and efficiently.***

The project - Building climate resilience in supply chains for the mobilization of adaptation funding has the following Project Objectives: Farming households with increased resiliency and ability to adapt to climate changes and shocks and related economic shocks , A flexible, scalable AEI capable of catalyzing increased investment in adaptation and resiliency measures across agricultural value chains , Pilot integration of AEI indexed products and increased supply chain adaptation investment in one corporation and Additional corporations in different supply chains planning for deploying AEI.

Project Components and Main Activities Proposed:
Component 1: Pilot improved sustainable practices that increase resiliency throughout the supply chains.
Component 2: Develop Adaptation Equivalency Index by identifying and cataloguing adaptive sustainable practices
Component 3: Pilot AEI – integrate AEI into three premium value chains.

Main Activities include extensive stakeholder engagement; partnership with farmers and post-harvest supply chain participants to identify, test, and assess adaptive interventions; developing index, piloting index, ensuring uptake of index.

In order to provide stakeholders active participation and provide feedback about any situation that are not aligned with the project objectives, any situation that might affect the participants, Heifer international is putting in place a mechanism to address affected communities' concerns and complaint.

This grievance mechanism is an important pillar of the stakeholder engagement process, since it creates opportunities for companies and communities to identify problems and discover solutions together.

One key component of the grievance mechanism is the disclosure of the information and training opportunities for all stakeholders and Heifer International representatives. The project manager will ensure that all activities related to this objective is putting in place before the start of the project.

A main platform will be used for submitting complaints from all stakeholders – Heifer´s Global whistleblower system. Its is required to submit a complaint in the system even if the complainer uses other mechanism available for reporting. Heifer representative is required to submit the form on behalf of the complainers and will provide the key number to the complainer for tracking purposes.

This grievance mechanism includes the global investigation process to conduct any investigation.

SECTION III: Scope

- *What grievances are eligible and would be received? Will the grievance be screened to ensure it is related to the GEF/GCF project?*

Eligibility

Any community, project stakeholder or affected group who believes that it may be negatively affected by Heifer´s failure to respect discrimination, human rights, substance abuse, community participation, gender mainstreaming, violent or threatening behavior, environmental and social safeguards.

Screening process:

Reception of complaint and assessment.

Once the complaint has been submitting, the Global Employee Relations team receives the grievance and alert both parties (Local and Regional People Department) to start the assessment process.

An allegation should contain as much specific information as possible, including:

- All facts describing the alleged event, issue, or matter.
- The name of each person involved.
- Dates, times, frequency, and locations.
- Facts relevant to urgency.
- Documentation, witnesses, or other evidence available to support the allegation, including any laws or policies believed to be breached.

A complaint can be subject of rejection if doesn't meet the requirements or is within the scope of this process. The investigator assigned to this complaint will do the assessment and if determine the complaint will be rejected, the complainer will be informed in written by the investigator with the reason if the rejection.

The complainer can use CI´s ethics point to escalate the complaint.

- *How will the mechanism ensure transparency and fairness?*

Heifer International believes that community- based people must be involved in the accountability process of the project. Heifer is committed to provide a transparent and fair grievance mechanism with the following actions:

- The community is informed the organization accountability, who is the point of contact for any grievance and how is the grievance process managed and participants.
- The participants have the knowledge how to access the whistleblower platform and what other options they have to report any situation within the scope.
- Participants are familiar with the point of contact in his community and project site.
- All complaints will be close within the next 30 days to receive the complaint.
- Heifer will monitor fulfillment of the agreements achieved during the grievance mechanism.
- Report to the community the number of conflicts and complaints cases and the %age of conflicts and complaints reports that have been addressed and all action plans taken. All confidential information will not be disclosed.

- *Will the mechanism receive anonymous grievance?*

All anonymous complaints, both written and verbal, should be recorded. The whistleblower system has the option to record anonymous complaints. In the case Heifer representative is submit the complaint on behalf of the complainer, the person will request confidentiality and ask the employee to submit the form anonymously. We encourage people who doesn't feel comfortable writing in any language included in the system and want to write in their native language to do so.

- *How will the mechanism deal with confidentiality?*

Heifer International is committed to develop projects that are low risk, the grievance process is managed extremely confidential are we are aiming to support community base people to resolve any situation in the project site. All people involved in the grievance process are fully trained and understand the importance of confidentiality. All personal details of complainants should only be made available to those involved in the resolution of the grievance in question and must follow policies related to protecting personal data when handling the grievance. Heifer International will accept, log, and seek to address grievances contained in anonymous grievance forms.

All personal information and details of the complaint should be kept excitedly confidential in the whistleblower platform.

- *How will the project protect grievants from retaliation for submitting a grievance?*

We understand retaliation as an unfavorable action taken against an employee or a community-based person, because the employee or community-based person exercised their right to bring a grievance.

Heifer will use its best efforts to protect the complainer against retaliation. Claims will be handled with sensitivity, discretion and confidentiality to the extent allowed by the circumstances and the law. Generally, this means that claims will only be shared with those who have a need to know so that Heifer can conduct an effective investigation, determine what action to take based on the results of any such investigation, and in appropriate cases, with law enforcement personnel.

Community - Base people who believe that they have been retaliated against may submit a report through Compliance Line

or send a written complaint to:

Heifer Guatemala
4th Avenue A 13.73 Zone 13 | Colonia Lomas de Pamplona
Guatemala

Heifer Honduras
Colonia miramontes norte, 2da calle, casa # 1840, bloque # 60

Any complaint of retaliation will be promptly investigated. Appropriate corrective measures will be taken if allegations of retaliation are substantiated. This protection from retaliation is not intended to prohibit supervisors from taking action.

Any spurious grievances may be subject to any legal consequences according to the local law.

- *How will the mechanism ensure that both women and men feel comfortable accessing it? How does the project cater for other vulnerable groups, such as youth or elderly, or those who speak a minority language?*

Heifer will provide written information and training opportunities for all the community regardless gender, age, language and others. The whistleblower system is available in different languages: English, Spanish, French, Arabic, Mandarin, Japanese. If the complainer speaks any other native language not included in the system, Any Heifer´s staff member can support in this process.

SECTION IV: Awareness and Accessibility

How and when will the project disseminate[94] the AGM to stakeholders? How would it be communicated to stakeholders that speak a different language, might be illiterate, are in hard to reach places or other vulnerable groups such as women?	Heifer international will provide information and training opportunities one month before the start of the project to all the community regardless of age, gender and others. The training will be delivered on site taking into consideration COVID measures and local language. The project will distribute informational flyers in their native languages before, during and after the project completion.
Name and designation of person(s) where grievances can be addressed to:	*Heifer International Risk Management Team through the whistleblower or emailing to* riskmanagement@heifer.org
Physical address of person(s) above or location of grievance collection box:	*1 World Ave.* *Little Rock, AR 72202*
Telephone/Fax:	*TBD – Project Manager or designated*
Email:	riskmanagement@heifer.org
Website/software application:	*https://app.mycompliancereport.com/report?cid=hifr*
Radio Frequency, if applicable:	*N/A*
Other[95]:	

[94] The approved Grievance Mechanism is to be disclosed to stakeholders in a manner and form that they will understand and that is culturally appropriate. This may require translation of the document.
[95] A grievant may not be able to write or have access to telephone/email services, or even travel to your office. Indicate how you plan to accommodate such circumstances.

SECTION V: Acknowledgment and Follow-up

- *How will your mechanism acknowledge receipt of the grievance? How long will it take for this receipt to be given to the grievant?*

Once the complaint form has been submitted via whistleblower*, the system will provide a complaint key number for tracking purposes.*

This key number will act as the reception acknowledge and the number must be used to log in again to the system and see the complaint status.

- *How long will your mechanism take to provide a resolution to the grievant?*

Heifer International is committed to resolve any situation that was not subject to rejection within the next 30 days.

- *Do you plan to provide periodic updates throughout the process to the grievant?*

The grievant will be acknowledged in written that Heifer International has received the complaint and will inform about the general process and timeline resolution. After completion of the investigation process and closure of the complaint, the investigator will engage the complainer to provide some information regarding the process and the outcome of the investigation.

SECTION VI: Processing

Describe how your mechanism will process the grievance.

- *How will the grievance be verified? Will there be site visits, face-to-face meeting, etc.*

Heifer International will receive the grievance via whistleblower system, the assigned investigator will do an assessment and if its no subject to rejection, an investigation will be open to be close in the next 30 days. The investigator will determine according to the allegations, witnesses etc. if project site visits are required. All investigation process includes face to face interview process. In face-to-face meetings, COVID measures will be considered. Although virtual interviews are not encouraged, this is an open possibility if needed.

- *How will the mechanism deal with grievances that are ineligible?*

In the case, Heifer International receives a complaint that is not eligible, the assigned investigator will communicate the decision and the reason.

If the grievant is not satisfied with this decision, the complainer have the opportunity to escalate the complaint through CI´s ethics point and grievance mechanism.

- *Will there be categorization/prioritization system based on the nature of the grievance? How will high-priority or sensitive grievances be dealt with?*

For Heifer international all complaints are important and should be closed by the next 30 days.

- *What's the institutional/organizational structure to handle grievances? Will the grievance be assigned/directed to a specific project staff or committee to deal with the grievance?*

The grievance will be received and acknowledge by Heifer´s Risk Management Team and be assigned to the local people department and assigned investigator. Regional People Director will be notified.

- *Will there be a tiered system where grievances get escalated depending on their seriousness or unable to resolve? A tiered system could be to first address the grievance at the field level; second level can be at the Project Management Unit; third level can be at the Project Steering Committee level; and fourth level can be CI's EthicsPoint Hotline.*

All grievance will be managed by the people department team in partnership with project management, global risk assessment and global Employee Relations.

Escalation is available through CI's EthicsPoint Hotline.

- *If the project fails to address the grievance, what steps would be taken to achieve a resolution? Will the project set up an arbitration process? Are there national mechanisms that the project can use? If there are national processes, do the communities and other stakeholders have faith in them, know about them and have easy access to them, and are they likely to use them?*
- *Please note that if the process does not result in resolution of the grievance, or if the grievant prefers, s/he may choose to file a claim through CI's EthicsPoint Hotline at https://secure.ethicspoint.com Alternatively, the grievant may file a claim with the Director of Compliance (DOC) who is responsible for the CI Accountability and Grievance Mechanism and who can be reached at: Director of Compliance, Conservation International 2011 Crystal Drive, Suite 600 Arlington, VA 22202, USA. This information must be contained in the AGM and disseminated to all project stakeholders.*

SECTION VII: Documentation

- *How will grievance be recorded? Will there be a grievant form? Will there be a log book of the grievances received?*

All grievances will be received via the whistleblower system ensuring accessibility, confidentiality and transparency. All information received is confidential and always visible to the complainer. All Heifer international´s forms and procedures will be followed and used during the investigation process.

- *How and where would these records be stored? And for how long will they be kept?*

Complaint´s information will be store in the whistleblower system for XX years according to the global policy.

- *How will the personal identifiable information of the grievant be kept secure, and who within the team will have access to it?*

This information will be confidential and only the risk management team will have access to it.

SECTION VIII: Monitoring and Reporting

Describe how will you track and ensure that the mechanism is working. It is important to recognize that lack of grievances does not mean that there are none, it may indicate that the mechanism is not working properly. Describe how you will account for this possibility.

The project is expected to report on a quarterly basis (using the CI-GEF Quarterly Reporting template), progress made towards the implementation of the grievance mechanism, including the number of grievances received and the outcome of the grievance process. On an annual basis and using the CI-GEF Project Implementation Report (PIR) template, the following CI-GEF's minimum indicators are to be reported. The project can include other appropriate accountability and grievance indicators in addition to the CI-GEF's indicators.

Indicator	Baseline	Target
7. Number of complaints received for Honduras and Guatemala	2 complaints (FY 21)	1 complaint received in each fiscal year from FY22-24
8. % of conflict and complaint cases reported to the project's Accountability and Grievance Mechanism that have been resolved	100% FY 21	100% of cases resolved

Person responsible for implementing and monitoring the AGM:	Technical Lead
Budget/Resources required:	These will be built into the existing budget. Funds could be use for: Training venues. Beverages Training materials. Printed information. Translation. Interpretation services if needed.

GRIEVANCE MECHANISM DEVELOPED FOR THE HEIFER INTERNATIONAL PROJECT: "BUILDING CLIMATE RESILIENCE IN SUPPLY CHAINS FOR THE MOBILIZATION OF ADAPTATION FUNDING"

March 2022

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Grievance Mechanism Procedure

Introduction

In accordance with the Conservation guidelines and requirements, Heifer International has established a grievance mechanism to respond to complaints related to the implementation of its projects. This mechanism will monitor and evaluate compliance with heifer policies, principles and project practices any stage of the project cycle, based on effective, accessible and transparent procedures to received and resolve complaints.

The purpose of this grievance mechanism document is to define the procedure for managing Indigenous people concerns and complaints (referred to as "grievances") in a planned, timely, and respectful manner.

This grievance mechanism helps Heifer International to manage the process effectively and proactively the community's feedback, grievances or concerns is frequently used to allow communities a chance to have two- way dialogue with the project. We are aiming alignment with the requirements of Conservation International, a grievance mechanism can enhance outcomes by giving people satisfaction that their voices are being heard and that their issue was subject to formal consideration within the project.

Objectives

The objectives of the grievance mechanism are to:

- Ensure a process is in place for indigenous people at the project site to be addressed effectively and in a timely manner.
- Identify and monitor concerns to support effective and manage risk.
- Enhance Heifer International reputation as a transparent NGO.
- Meet requirements of Conservation International.
- Encourage re-establishment of positive work relationships at the project site.

Scope

The grievance mechanism will manage grievances from external community-based people in all Heifer's "Project Area of Interest", where Heifer operations might have an impact. It applies to all grievances that arise as a consequence of any project's activity.

This process is designed to provide a system for managing grievance from the general and does not replace legal processes.

The following are the incidents community-based people might report discrimination, human rights, substance abuse, community participation, gender mainstreaming, Violent or threatening behavior, Traffic Accident, Employee Death, reputation violence, time abuse, conflict of interest, theft, kidnapping.

All complaints received under this procedure shall be tracked until close out, Heifer International reserves the right not to address a complaint which it reasonably considers amounts to no more than general, unspecified, and therefore un-actionable dissatisfaction with the organization.

Confidentiality

Heifer International is committed to develop projects that are low risk, the grievance process is managed extremely confidential are we are aiming to support community base people to resolve any situation in the project site. All people involved in the grievance process are fully trained and understand the importance of confidentiality. All personal details of complainants should only be made available to those involved in the resolution of the grievance in question and must follow policies related to protecting personal data when handling the grievance. Heifer International will accept, log, and seek to address grievances contained in anonymous grievance forms.

All personal information and details of the complaint should be kept excitedly confidential in the whistleblower platform.

Transparency and Fairness

Heifer International believes that community- based people must be involved in the accountability process of the project. Heifer is committed to provide a transparent and fair grievance mechanism with the following actions:

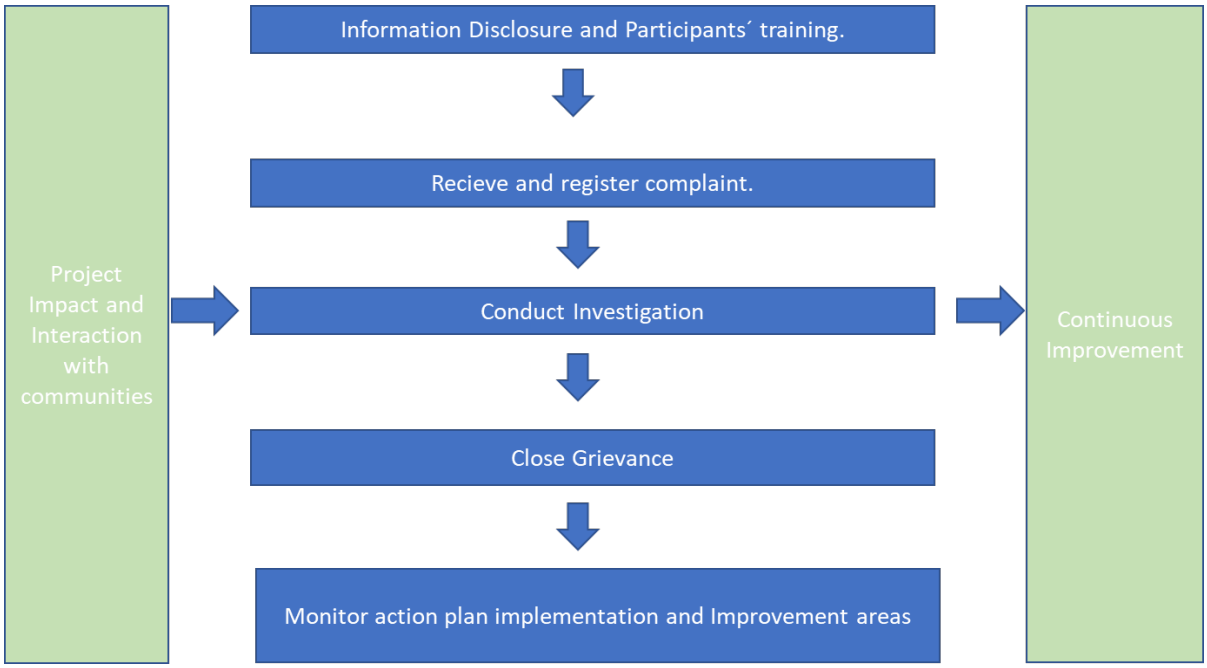
- The community is informed the organization accountability, who is the point of contact for any grievance, how is the grievance process managed and are knowledgeable of the process itself.
- The participants have the knowledge how to access the whistleblower platform and what other options they have to report any situation within the scope.
- Participants are familiar with the point of content in his community and project site.
- All complaints will be close within the next 30 days to receive the complaint.
- Heifer will monitor fulfillment of the agreements achieved during the grievance mechanism.
- Report to the community the number of conflicts and complaints cases and the %age of conflicts and complaints reports that have been addressed and all action plans taken. All confidential information will not be disclosed.

Grievance Mechanism Process

As Heifer International, grievance is defined as any type of problem, concern or complaint related to project environment. A grievance may be about any act, omission, situation, or decision which a stake holder thinks is unfair, discriminatory or unjustified. Examples of grievances are but not limited to:

- Sexual harassment.
- Discrimination.
- Violent or threatening behavior.
- Traffic Accident.
- Employee Death.
- Reputation violence.
- Substance abuse.
- Conflict of interest.
- Theft.
- Kidnapping.
- Discrimination.

High Level Process Map



RACI Matrix

N	Task	R	A	C	I
1	Participants training and information disclosure	Technical Lead	Second level manager	Area program director	
2	Scenario 1. Complainer submits grievance via Whistleblower.	Complainer	Complainer		
	Scenario 3. Complainer informs Heifer Representative and complaint is submitted on behalf of the complainer.	Heifer Representative	Complainer	Complainer	Technical Lead

3	Review and open Investigation if needed	Risk Management Team	Risk Management Director		Global ER Manager Regional People Director
4	Conduct Investigation Process	Investigator	Regional People Director	Global ER Manager	RM Team
5	Investigation closure and identification of outcomes	Investigator	Regional People Director	Global ER Manager	RM Team
6	Monitor Implementation of action plan and continuous improvements	Technical Lead	Second level manager	Area program director	Regional People Director

Learning and capacity building

All community-based people at the project area must be informed about this grievance process in order to create capacity to identify any risk and know the different mechanisms available in the organization to report any incident within the scope of this document.

The project manager o designated person will be responsible to implement a training for all people impacted by the project, ensure its understanding and provide written material with the grievance procedure for future reference.

Eligibility

Any community, project stakeholder or affected group who believes that it may be negatively affected by Heifer´s failure to respect discrimination, human rights, substance abuse, community participation, gender mainstreaming, violent or threatening behavior, among other.

Reporting mechanism

Methods of receiving grievances

Heifer International has available different ways to report an incident:

1. The whistleblower platform is a tool available for all people who would like to submit a complaint. This is a web system available 24/7, Multilanguage that provides support during the complaint process.
2. Community- based people can report any incident within the scope of this procedure reporting the situation to the project manager, who will be responsible to fill out and submit complaint form via whistleblower. Reporting the incident could be done face to face or via telephone.
3. A toll- free number is available for reporting
4. The complainer can send a letter to (Office in Guatemala and Honduras)
5. An email address is also available to receives electronic complaints at riskmanagement@heifer.org

After submission of the complaint via whistleblower**,** the complainer will receive a key number for tracking purposes. The whistleblower is available in different languages: English, Spanish, French, Arabic, Mandarin, Japanese. If the complainer speaks any other native language not included in the system, Any Heifer´s staff member can support in this process. All anonymous complaints, both written and verbal, should be recorded. The whistleblower system has the option to record anonymous complaints. In the case Heifer representative is submit the complaint on behalf of the complainer, the person will request confidentiality and ask the employee to submit the form anonymously. We encourage people who doesn't feel comfortable writing in any language included in the system and want to write in their native language to do so.

Reception of complaint and assessment

Once the complaint has been submitting, the Global Employee Relations team receives the grievance and alert both parties (Local and Regional People Department) to start the assessment process
An allegation should contain as much specific information as possible, including:

- All facts describing the alleged event, issue, or matter.
- The name of each person involved.
- Dates, times, frequency, and locations.
- Facts relevant to urgency.
- Documentation, witnesses, or other evidence available to support the allegation, including any laws or policies believed to be breached.

Treatment of Allegations

An allegation will be diligently acknowledged, recorded, and screened by the people department team in country. All reports will be notified to appropriate management and investigated by the people department team, or its designee(s) and conclusions forwarded, under strict confidentiality rules, to the appropriate management for appropriate corrective action.

Local people department carries out a brief assessment of the complaint withing the next 2 days and concludes if an investigation must be opened. The assessment report must go to the regional people director for validation and approval. In the case local people department concludes that the complaint is not eligible, a formal written notification must be sent to the complainer with the justification.

As part of the investigation, any person(s) whose behavior has been implicated will be informed, as appropriate, of the investigation and given the opportunity to provide evidence.

At the conclusion of the investigation, a case closure response will be sent to the reporter informing them the investigation process has been followed and has now been completed.

A complaint will be close within the next 30 days annual calendar.

Investigation process

After identifying and interviewing the different actors in the grievance, an investigation report mut be completed and sign off by the Regional People Director and submitted to global employee relations department.

In the final stage of the investigation process, the investigator closes the investigation by discussing the outcomes of the investigation with the parties (complainer, subject of the complaint and project management team) to ensure putting in place any action plan, disciplinary action or how to resolve the situation in their best mutual interest.

Retaliation

We understand retaliation as an unfavorable action taken against an employee or a community-based person, because the employee or community-based person exercised their right to bring a grievance.

Heifer will use its best efforts to protect the complainer against retaliation. Claims will be handled with sensitivity, discretion and confidentiality to the extent allowed by the circumstances and the law. Generally, this means that claims will only be shared with those who have a need to know so that Heifer can conduct an effective investigation, determine what action to take based on the results of any such investigation, and in appropriate cases, with law enforcement personnel.

Community - Base people who believe that they have been retaliated against may submit a report through Compliance Line or send a written complaint to: (Address of the country Offices)

Any complaint of retaliation will be promptly investigated. Appropriate corrective measures will be taken if allegations of retaliation are substantiated. This protection from retaliation is not intended to prohibit supervisors from taking action.

Any spurious grievances may be subject to any legal consequences according to the local law.

Compliance with data privacy and other applicable laws

The Investigation process will be adjusted as necessary to comply with data privacy and other laws applicable to a known location of a Reporter and the location of the alleged Misconduct. This may include, for example,

restrictions on accepting anonymous reports, specified notifications to persons implicated by the allegations, and the destruction of data relating to the allegations within a specified time frame.

Failure to resolve the complaint

After completion of the investigation process by Heifer International and in the case of failure to resolve the complaint or dissatisfaction of the outcome and action plan, the complainer can escalate the situation to Conversation International via EthicsPoint Hotline https://secure.ethicspoint.com/

Through EthicsPoint, CI will acknowledge receipt of the claim within 48 hours, determine eligibility, and initiate the assessment and response process. All claims will be filed and included in project monitoring processes. 253. Alternatively, the grievant may file a claim with the Director of Risk Management & Compliance (DOC) who is responsible for the CI's Accountability and Grievance Mechanism and who can be reached at ethics@conservation.org or mailing address: Director of Risk Management & Compliance Conservation International 2011 Crystal Drive, Suite 600 Arlington, VA 22202, USA.

Reporting mechanism and continuous improvement

To evaluate the effectiveness of the previous process, the following indicators has been developed

- Number of conflicts and complaints cases.
- %age of conflicts and complaints reports that have been addressed.

All complaints done via telephone, letter or personal report with any Heifer representative must be submitted via whistleblower on behalf of the complainer. Regional People Director will provide any report regarding indicators listed above.

CI-GEF/GCF PROJECT AGENCY
STAKEHOLDER ENGAGEMENT PLAN (SEP)

The Stakeholder Engagement Plan (SEP) outlines the differentiated measures that the Executing Agency/Entity will implement to ensure the effective participation of key project stakeholders, including both men and women and those identified as disadvantaged or vulnerable stakeholders. The level of detail in the SEP will vary; it must be scaled to the scope of the project, numbers of stakeholders involved, and potential risks and impacts present.

The SEP includes a **Stakeholder Analysis** (Section III) to identify all actors who directly or indirectly may affect or be affected by a project and their varying interests. The SEP also outlines stakeholder engagement throughout the project lifecycle, including: **Stakeholder Engagement in PPG/PPF Phase** (Section IV), **Stakeholder Engagement in Implementation Phase** (Section V), and **Monitoring and Reporting** (Section VI). These sections outline the appropriate methods for engagement, including through neutral/third party facilitators, when necessary. They also detail required public disclosure of information on project scope and impacts, a grievance redress mechanism, the budget to complete stakeholder engagement, indicators, and learning throughout the project cycle.

Each revision of the plan requires further disclosure to stakeholders.

SECTION I: Project Information

PROJECT TITLE:	Building climate resilience in supply chains for the mobilization of adaptation funding		
GEF/GCF PROJECT ID:		**PROJECT DURATION:**	24 months
EXECUTING AGENCY/ENTITY:			
PROJECT START DATE*:*	*(July 2022)*	**PROJECT END DATE***:*	*(June 2024)*
SEP PREPARED BY:	Juan Carlos Gonzalez and Lisa Dietz		
DATE OF (RE)SUBMISSION TO CI-GEF/GCF:	February 15, 2022; March 04, 2022		
SEP APPROVED BY:	*Ian Kissoon, Director ESMF*		
DATE OF CI-GEF/GCF APPROVAL:	*March 09, 2022*		

SECTION II: Introduction *(1 page)*

The objective of this project is to develop and launch the Adaptation Equivalency Index (AEI) in Guatemala and Honduras to ensure decreased loss of habitat, improved ecological resiliency, sustainable living income for smallholder producers (men and women) and an increase in adaptation investment from the private sector through the use of a standardized, quantifiable approach. The three project components and activities will be conducted on the basis of the management plans of the PAs, the respective adaptation schemes and policies from the environmental authorities and the sustainable development for the selected value chains. However, the priority areas are exposed to various forms of pressure that threaten sustainable development. It is in this context that there are numerous stakeholders that implement important programs within the priority areas. These different stakeholders come from different sectors: forestry and environment, agriculture/livestock, land-

use planning and research.

The project will work with national environmental authorities in Guatemala and Honduras and implicates a wide range of stakeholders including local communities, institutions with interests in sustainable production and conservation, development and land use, the private sector, Non-Government Organizations and bi-lateral assistance agencies and institutions in the conservation and agricultural development arenas.

The project will develop participatory assessments to create a base line in economic, social, gender and indigenous aspects through meetings and workshops with communities to disclosure information about the project, its goals and outcomes. The projects will develop a relationship with academia, NGOs and private sector to partner in the construction and launch the AEI index that will inform final consumers about the benefit for CC and adaptation of the product.

The present SEP shows the relevant stakeholders and the main inputs from and for the project that they could provide with the aim to strengthening their ownership of the expected results at different levels.

SECTION III: Stakeholder Analysis

Stakeholder Name and Function	Stakeholder's Interest	Impact of Project on Stakeholder	Influence of Stakeholder	Risk Management
GUATEMALA				
Government				
Ministerio de Ambiente y Recursos Naturales -MARN- (Dirección de CC)	Governing institution for environmental and climate change – CC-matters in the Guatemala	• Mobilize resources towards CC strategies • Strengthening national adaptation strategies • Strengthening Pa´s conservation and adaptation. • Work with corporations on adaptation strategies • Member of the Project Board	• Improvement on national schemes for adaptation on value chains • Contribution to the success of the project through participation in the Project board, relation and exchanges with stakeholders, ensuring alignment of project with national adaptation strategies and NDC.	Low
Instituto Nacional de Bosques -INAB-	National institution promoting national forest development, sustainable use, protection, restoration	• Strengthening strategies of CC in forest • New adaptation measures and index that could be applied for other forest areas in the country	• Strengthening national adaptation strategies in forest • Improved collaboration in environmental and adaptation issues	Low
Consejo Nacional de Áreas Protegidas -CONAP-	Technical management of Pas. Monitoring process of Pas management efficiency.	• Mobilize resources through conservation of Pas, especially in the priority areas. • Improve CC and adaptation strategies in Pas and in its buffer zone.	• Strengthening the value of Pas as part of adaptation strategies. • Knowledge of the field • and experience, in terms of management of PAs and related to development • Improved collaboration in environmental and adaptation issues	Low
Ministerio de Agricultura Ganadería y Alimentación -MAGA-	Governing institution for agriculture and cattle with a CC unit	• Better coordination of inter-sectoral actions	• Intersectoral coordination especially with conservation and CC	Low

		• Improved partnerships with the private sector • Improve knowledge of impacts of CC • Improve knowledge of relation between agriculture and adaptation strategies • Improve of the knowledge of value chain and AEI	• Improve knowledge of smart agriculture and cattle ranching • Validation of sustainable production, smart and best practices and guidelines	
Ministerio de Economía. Viceministerio de Pequeña Empresa	Governing institution for national economy and finances with a viceminister of Small Business for development of social economy.	• Better coordination of inter-sectoral actions • Improve of the knowledge about CC, smart production and adaptation strategies.	• Collaboration in engagement with corporate partners. • Promote adoption of AEI index in other sectors or supply chains • Dissemination of information	Low
CSOs/NGOs				
Fundación Defensores de la Naturaleza	NGO of conservation, agroforesty systems, forest restoration.	• Potential partner to develop the practices of AEI index and validate it • Could provide training to strengthen the technical capacities of the project partners and stakeholders • Will participate in knowledge networks	• Could perform research on biodiversity, sustainable agriculture, agro-industry systems, and validation of hypothesis.	Low
ICTA	Instituto de Ciencia y Tecnologia Agricola	• Will participate in knowledge networks • Could provide training to strengthen the technical capacities of the project partners and stakeholders	• Could perform research on biodiversity, sustainable agriculture, agro-industry systems, and validation of hypothesis.	Low

Local communities				
Asociacion de Desarrollo Campesina Las Colchas – ASOCALCO-	This association produce and selling cardamom, black pepper. It has more than 500 members	• Apply smart practices in soil management, forest management • Improve adaptation index in productive and agricultural practices • Apply AEI index in solar and electrical cardamom and cocoa dryers with communities • Part of the monitoring actors to measure the success of adaptation strategies	• Participation in Project Working Groups • Validation of best practice manuals and guidelines for sustainable production of cocoa, cardamom and others, based on gender and inter-cultural approaches • Participation in training and technical assistance programs on: monitoring, evaluation and use of AEI Index (based on sustainable production, best practice manuals and guidelines and certification schemes, so that they will mainstream these considerations into their products and promote them among their customers)	Low
Asociación para el desarrollo Integral de Raxruhá, Alta Verapaz, Ak' Tenamit -ADIRA-	This association produce and selling cardamom, cocoa, black pepper, and other products. It has more than 1,000 members			Low
Asociación de Productores Orgánicos para el Desarrollo Integral del Polochic APODIP	This association produce organic cocoa, coffee, cardamom and honey with more than 500 partners			Low
Cooperativa de ahorro y crédito Coonimha, COONIMHA R. L.	This association is working with credits in more than 25 communities and 150 partners. With Heifer´s support they will install a dryer for cardamom			Low
Private sector				
Nueva Kerala	Enterprise with Heifer´s participation. Export cardamom and spices.	• Participation in Project Working Groups • Participation in training and technical assistance programs • Participation in Regional Platforms for Sustainable Supply Chains and the coordination mechanisms for inter-institutional and inter-sectorial dialogue and	• Participation in technical assistance to develop and apply the AEI index in the fields. • Monitoring, evaluation and use of AEI Index into their products and promote them among their customers	Low
A3K	National Enterprise that exports cardamom			Low
New Forest	USA Enterprise with organic certification			Low
Cacao Verapaz	Enterprise that exports coca			Low
DELASELVA	Coop from Germany with social and environmental interests and policies.			Low
Ethiqable	French Enterprise			Low

	with social and environmental interests and policies.	consensus. • Dissemination of information produced by the project among members and associates.		
Academia				
CIAT	International Center for Tropical Agriculture dedicated to development and research of food systems, multifunctional landscapes, and agricultural biodiversity	• The Institution or University could be part of the research and monitoring • Could be part of the implementation of adaptation measures. • Could be part of the workshop for building the AEI index and metrics	• Could be a project´s partner in providing technical assistance, carrying baseline studies, or monitoring the results	Low
CATIE	The Tropical Agricultural Research and Higher Education Center (CATIE) is a regional center dedicated to research and graduate education in agriculture, and the management, conservation and sustainable use of natural resources			Low
IICA	The Inter-American Institute for Cooperation on Agriculture (IICA) is the specialized agency for agriculture of the Inter-American System that supports the efforts of Member States to achieve agricultural development and rural well-being.			Low
Universidad del Valle Guatemala	One of the recognized universities in Central America.			Low
Universidad San Carlos	A national autonomous, University			Low
HONDURAS				

Government				
Ministerio de Ambiente /Dirección de CC	Governing institution for environmental and climate change – CC-matters in Honduras	• Mobilize resources towards CC strategies • Strengthening national adaptation strategies • Strengthening Pa´s conservation and adaptation strategies and approach. • Work with corporations on adaptation strategies • Member of the Project Board	• Improvement on national schemes for adaptation on value chains • Contribution to the success of the project through participation in the Project board, relation and exchanges with stakeholders, ensuring alignment of project with national adaptation strategies and NDC	Low
Instituto de Conservación Forestal ICF	Governing institution for Protected Areas, Forest, watersheds and climate change	• Project will incorporate a metric and index for adaptation taking into account forest, PAs that could be applied in other forest areas in the country • Strengthening strategies of CC in forest	• Establishing and strengthening national policies and legal instruments for managing the forest resources with emphasis in adaptation • Improved collaboration in environmental and CC adaptation issues	Low
Secretaria de Agricultura y Ganadería SAG	Governing institution for the development of agriculture production.	• Better coordination of inter-sectoral actions • Improved partnerships with the private sector • Improve knowledge of impacts of CC • Improve knowledge of relation between agriculture and adaptation strategies • Improve of the knowledge of value chain and AEI	• Improvement on national schemes for adaptation on value chains. • Contribution to the success of the project through participation in the Project, exchanges with stakeholders, ensuring alignment of project with national strategies for sustainable and smart production	Low
Secretaria de	Governing	• Better	• Collaboration in	Low

Desarrollo Económico	institution for the development of investments and exports.	coordination of inter-sectoral actions • Improve of knowledge about CC, smart production and adaptation strategies.	engagement with corporate partners. • Promote adoption of AEI index in other sectors or supply chains • Dissemination of information	
Oficina Presidencial de CC	Part of the President office, managing the climate change strategies	• Better coordination of inter-sectoral actions • Part of the launch of AEI	• Promote agenda of CC with other ministries or governmental entities.	Low
Departamento de Olancho: Municipalities of Catacamas, Dulce Nombre de Culmí, Santa María del Real y Gualaco. Additionaly, the municipality of Campamento (where IHCAFE is located) from	Local governments and municipalities	• Relationship with local actors to promote CC agenda	• Improve governance in climate change in the region	Low
NGOs				
Solidaridad Honduras	NGO with more than 25 years in Honduras. Its work in the area of interest is recent	• Possible partners in an innovative project and approach • Improve knowledge of adaptation strategies and value added in corporate engagement • Improve knowledge in a monitoring process of adaptation strategies • Participants in workshops and exchange activities.	• Possibility of cooperation in creation of an index and label for Adaptation strategies • Sharing knowledge and best practices in CC • Applying best results in other similar projects	Low
Instituto para la Cooperación y Autodesarrollo - ICADE	NGO working in the area of interest in social economies, production (cocoa), environment protection.			Low
Fundación para el Desarrollo Empresarial Rural - FUNDER	NGO for development of the rural areas through technical assistance and strengthening of production.			Low
Fundación Hondureña de Investigación Agrícola -FHIA	NGO working for the development of agriculture			Low
Local communities				
Asociación de Productores de Sistemas Agroforestales con Cacao Organico de	With 513 members (358 men and 155 women) From them, 283 are youth partners.	• Part of the preselected partners of project.	• Integrate adaptation and climate change into their	Low

Olancho - APROSACAO		• Investments in adaptation and climate change • Improved production through smart agricultural practices • Gender approach for production and distribution of income • Safeguards with local communities and indigenous peoples, as well as with vulnerable groups • Increasing annual income from production.	production practices. • Part of the monitoring process of adaptation practices and results • New income strategies valuing sustainable practices. • Strengthening commercial relations with corporations	
Asociación de Productores de la Biosfera Limitada – ASOPROBIL-	Located inside the Rio Platano Biosphere Reserve, with 151 members (118 men and 33 women) and from them, 22 are young members.			Low
Cooperativa Agroforestal Tribu Pech Limitada "**CATRIPEL**"	Located inside the Rio Platano Biosphere Reserve, with 63 members.			Low
Empresa de Productores de Cacao de la Biósfera "**EPROCABI**"	Located inside the Rio Platano Biosphere Reserve, with 51 members.			Low
Cooperativa Cafetalera de Olancho Limitada "**COCAOL"**	With 85 members located in the National Park Sierra de Agalta.			Low
Cooperativa Mixta Agroforestal Agalteña Limitada "**COMAAL"**	With 53 members located in the National Park Sierra de Agalta,			Low
Private Sector				
Federación Nacional de Productores de Cacao de Honduras -FENAPROCACAHO	More tan 18 corporate members and more tan 2.500 individual members from more tan 200 communities	• Participation in Project Working Groups • Participation in training and technical assistance programs • Participation in Regional Platforms for Sustainable Supply Chains and the coordination mechanisms for inter-institutional and inter-sectorial dialogue and consensus. • Dissemination of information produced by the project among members and associates	• Participation in technical assistance to develop and apply the AEI index in the fields. • Monitoring, evaluation and use of AEI Index into their products and promote them among their customers	Low
Asociacion Hondureña de productores de café -AHPROCAFE	Association of coffee producers with more tan 10,00 affiliates			Low
Chocolats Halba Honduras	A Swiss enterprise working with more than 2,500 cocoa producers			Low
Molinos de Honduras S.A.	Coffee exporter Company part of the VOLCAFE group.			Low
Olam	One of the main worldwide coffee companies, present in Honduras			Low
Compañía Hondureña del Café CoHonducafe S.A.	A Company dedicated to the commercialization and export of coffee.			Low
Instituto Hondureño	Institute with the			Low

del Café IHCafe	goal to promote the competitiveness of the coffee sector.			
Academia				
Universidad Zamorano.	A private and prestigious agrarian university based in Honduras	• Part of national forums for development of AEI index, enabling policy solutions • The University could be part of the research and monitoring • Could be part of the implementation of adaptation measures.	• Could be a project´s partner in providing technical assistance, carrying baseline studies, or monitoring the results • Dissemination of knowledge and best practices	Low
Universidad Nacional de Agricultura UNAG	A national agrarian university			Low

SECTION IV: Stakeholder Engagement During PPG/PPF Phase

a.

Stakeholder Names	Dates, Locations and Methods of Engagement[96]	Outcomes
Name the key stakeholder contacted during PPG in this column. *Add rows as necessary.*	*When and where did you meet?* *Was it a meeting, consultation, workshop, etc?* *What steps were taken to seek consent, if needed?* *How was the engagement documented?*	*What was the aim/rationale? What was discussed?* *What decisions were made, if any?* *How did this contribute to or was captured in the design of the project?* *How were the contributions of men and women captured, consistent with Gender Action Plan?* *If/how do they want to be engaged during the implementation phase?*
Guatemala Government officials	Dec 2021 Jan 2022 call for explaining scope of project and request the letter of support, and cofinancing	• Consultation to explain the scope of the project • Consultation to request the letter of support for the project • Consultation to request co-financing
Honduras Government officials	Dec 2021 Jan 2022 call for explaining scope of project and request the letter of support, and cofinancing	• Consultation to explain the scope of the project • Consultation to request the letter of support for the project • Consultation to request co-financing
Communities in Guatemala	Dec 2021 presentation of project details Jan 2022 Explanation about Adaptation Index	• Presentation of project details and final outcomes • Explanation about Adaptation strategies and consultation of community interest
Communities in Honduras	Dec 2021 presentation of project details Jan 2022 Explanation about Adaptation Index	• Presentation of project details and final outcomes • Explanation about Adaptation strategies and consultation of community interest
Corporate Partners in Guatemala	Jan 2022 Presentation of project details and explanation of Adaptation Index	• Presentation of project details and final outcomes • Explanation about Adaptation strategies and consultation of corporate interest to work on AEI index
Corporate Partners in Honduras	Jan 2022 Presentation of project details and explanation of Adaptation Index	• Presentation of project details and final outcomes • Explanation about Adaptation strategies and consultation of corporate interest to work on AEI index

b. Project Disclosure

Disclosing project information is essential for meaningful consultation on project design and for stakeholders to understand the potential opportunities of the project, and the risks and impacts of the project. Confirm that the following information was shared with stakeholders in a timely manner and in an appropriate form and language during the PPG/PPF Phase:

[96] Method of engagement can be face-to-face meeting, telephone call, workshop, consultation, survey, etc.

Information	When, How and Where this was shared?
☒ The purpose, nature and scale of the project	Heifer has continuously informed stakeholders of the various projects developed and implemented. With regards to communities Heifer uses a Free Prior and informed consent process as is detailed in the indigenous culture safeguard document. Additionally, Heifer works inclusively to ensure vulnerable groups such as women are engaged in all aspects of planning and implementation. In all cases, as detailed in other safeguards, Heifer makes materials, announcements, and information outreach efforts accessible in a suitable format for stakeholders including using the local language and visually based materials when appropriate. Meetings and communications are designed to take into account the special needs of specific stakeholders. For example, meetings may be held at specific times when it is possible for women to attend or in a location or facility that is accessible to other vulnerable community members. In addition to community members, other stakehodlers such as governments and the private sector are and will continued to be engaged in the project planning and development. Heifer's long tenure in each country is suggestive of an ability to work closely with various government officials at all levels of assembly. Additionally, Heifer's extensive business relationships in both countries stems from active engagement with those sectors in achieving project design and delivery in a joint manner. All grievances can be raised and addressed for this project per Heifer's grievance mechanism that is available in Annex I.
☒ The duration of proposed project activities	
☒ Information from the environmental and social safeguard screening process, regarding potential risks and impacts of the project on stakeholders, including: • Proposals for mitigating risks and impacts • Potential risks and impacts that might disproportionately affect vulnerable and disadvantaged groups • Description of differentiated measures to be taken to avoid and minimize disproportionate risks and impacts	
☒ The proposed stakeholder engagement process, highlighting ways in which stakeholders can participate and contribute during project design and/or implementation	
☒ The time and venue of proposed public consultation meetings, and the process by which meetings will be notified, summarized and reported	
☒ The process and means by which grievances can be raised and addressed	

c. Reporting of Indicators During PPG/PPF
HONDURAS:

Number (and name) of stakeholder groups involved in project design and preparation process	**9 stakeholder groups consulted including:** Secretary of Natural Resources and the Environment (Mi Ambiente); 6 producer associations; Instituto de Conservación Forestal; and Instituto Hondureño del Café	
Number of people who have been involved in the project design and preparation process	*Men: 15* *Women: 6*	*Total: 21*
Number of engagements (meetings, workshops, consultations, etc) with stakeholders during PPG phase	1 event held with the government and 2 events held with producer associations	
GUATEMALA:		
Number (and name) of stakeholder groups involved in project design and preparation process	**4 stakeholder groups consulted including:** Ministry of Environment and Natural Resources; Nueva Kerala and 2 producer organizations	
Number of people who have been involved in the project design and preparation process	*Men: 11* *Women: 5*	*Total: 16*
Number of engagements (meetings, workshops, consultations, etc) with stakeholders during PPG phase	1 meeting held with government authorities, 1 with Nueva Kerala and 2 meetings with 2 different producer organizations	

d. Lessons Learned during PPG/PPF:

Heifer Guatemala and Honduras have worked extensively on stakeholder engagement over the last forty (Honduras) and sixty (Guatemala) years including over twenty years specifically in the proposed project sites. Heifer works uses a nested stakeholder engagement process which includes, most prominently, engagement at the local level. Heifer works with the council system and finds tremendous benefit engaging not only local elected leaders but ancestral leaders as well.

In both Guatemala and Honduras, the Heifer Internatonal team has robust government relationships and will continue to engage with both governments throughout the duration of this project. It is anticipated that this project will inform government adaptation planning in both countries. Heifer works with municipal authorities. During this process, stakeholders contribute in-kind and other support to ensure buy in at the local level. In-kind contributions may include land for demonstration sites or human resources such as environmental technician or technical assistant. Through reiterative processes, Heifer has learned that concrete contributions from local partners improves engagement and project sustainability. It also creates common value around knowledge and resource transfers.

A key leason learned is around successful stakeholder engagement which should include utilizing local community members. In Guatemala, for example, 100% of the field workers are local Mayan community members, most of whom are women. Honduras also engages community members, with

special attention on the engagement of women. Community members, including women, are on the Board of Directors of local companies, serve on project steering committees, and engage in other project leadership positions.

SECTION V: Stakeholder Engagement in the Implementation Phase

Stakeholder Name	Method of Engagement	Location and Frequency	Resources Required	Budget
Name the key stakeholder and group type to be engaged. Add columns as necessary.	*How will you involve and engage this stakeholder? (meeting, consultation, workshop, discussion, etc)* *What special measures would be taken to include disadvantaged/vulnerable individuals/groups? (e.g. women, minorities, elderly, youth, etc.)?* *What steps would be taken to seek consent, if needed.* *Who will engage the stakeholders e.g. project staff, facilitators, etc.?* *Reminder: Disclosure of project information continues throughout implementation so be sure to cater for this.*	*Where and When will you engage with this stakeholder?*	*What materials (presentations, websites, brochures, surveys, translation) are needed?* *What personnel are needed to lead and monitor these engagements?*	*How much will this engagement cost? Consider resources required, staff, transportation, etc.*
Government and local authorities	Consultations, meetings, discussions, part of the Project Comittee	Periodic update meetings (at least 1 per semester)	Slide decks, Zoom calls, Progress reports	Please reference Annex F: Full Project Budget
Corporate partners	Consultation meetings, workshops	Periodic meetings, in person meetings, conference calls	Slide decks	Please reference Annex F: Full Project Budget
Communities	Consultation, meetings, workshops	Periodic meetings, in person meetings, conference calls	Survey, workshops, meetings, agreements, training activities	Please reference Annex F: Full Project Budget
Academia	Consultation, Periodic meetings, workshops	Periodic meetings, in person meetings, conference calls	Survey, workshops, meetings, agreements, training activities	Please reference Annex F: Full Project Budget

SECTION VI: Monitoring and Reporting

The project will report on a quarterly basis (using the CI-GEF Quarterly Reporting template), progress made towards the implementation of the SEP. On an annual basis and using the CI-GEF Project Implementation Report (PIR) template, the following CI-GEF's minimum indicators are to be reported. The project can include other appropriate stakeholder engagement indicators in addition to the CI-GEF's indicators.

Indicator	**Baseline**		**Target**	
	Men	*Women*	*Men*	*Women*
9. Number of people (sex disaggregated) that have been involved in project implementation phase (cumulatively over duration of the project)	26	11	1,705	720
10. Number of stakeholder groups (government agencies, civil society organizations, private sector, indigenous peoples and others) that have been involved in the project implementation phase (cumulatively over duration of the project)	0		47	
11. Number of engagements (meetings, workshops, consultations, etc.) with stakeholders during the project implementation phase (cumulatively over duration of the project)	0		20 per year for 2 countries TOTAL of 40	

Person responsible for implementing and monitoring the SEP:	Technical Lead
How/Where will the approved SEP be disclosed[97]:	Via the project's website, at the inception meeting with stakeholders, printed and posted on notice boards in project areas
When will the approved SEP be disclosed:	At the start of the implementation phase, before the end of the first quarter

[97] Approved Safeguard plans are to be disclosed to stakeholders in a manner and form that they will understand and that is culturally appropriate. This may require translation of the document.

Indicators	Metrics	Methodology	Baseline	Location	Frequency	Responsible Parties	Indicative Resources
Objective: Develop and launch the Adaptation Equivalency Index (AEI) in Guatemala and Honduras to ensure decreased loss of habitat, improved ecological resiliency, sustainable living income for smallholder producers (men and women) and an increase in adaptation investment from the private sector through the use of a standardized, quantifiable approach.							
Indicator a: Area of land managed for climate resilience	Hectares	Project Reporting	0	Departments of Alta Verapaz and Izabal in Guatemala, and Olancho in Honduras	Quarterly	Heifer International	Staff time
Indicator b: Livelihoods and sources of income strengthened/introduced (agriculture, agro-processing, reduced supply chain)	Number of households (and beneficiaries) and new income (broken down into M/W, indigenous peoples and vulnerable groups)	Collection of standardized information on the beneficiaries of sustainable production activities supported by the project/	0	Departments of Alta Verapaz and Izabal in Guatemala, and Olancho in Honduras	Quarterly	Heifer International	Staff time
Component 1: Pilot improved climate smart agriculture practices that increase resiliency throughout the value chains							
Indicator 1.1: # of hectares of production land under improved management	Hectares	Project Reporting	0	Departments of Alta Verapaz and Izabal in Guatemala, and Olancho in Honduras	Quarterly	Heifer International	Staff time

Indicator 1.1.1: # of male and female producers identified	Number of producers identified from organizations of producers that accept to work on the project (broken down into M/W, indigenous peoples and vulnerable groups)	Collection of standardized information on the beneficiaries of sustainable production activities supported by the project	0	Departments of Alta Verapaz and Izabal in Guatemala, and Olancho in Honduras	Quarterly	Heifer International	Staff time
Indicator 1.1.2: # of male and female producers with knowledge about new technologies, tools and skills for climate smart agriculture	Number of producers beneficiaries of project (broken down into M/W, indigenous peoples and vulnerable groups)	Collection of standardized information on the beneficiaries of sustainable production activities supported by the project	0	Departments of Alta Verapaz and Izabal in Guatemala, and Olancho in Honduras	Quarterly	Heifer International	Staff time
Indicator 1.1.3: # of demonstration projects implemented in rural communities	Number of projects	Project Reporting	0	Departments of Alta Verapaz and Izabal in Guatemala, and Olancho in Honduras	Quarterly	Heifer International	Staff time

Indicator 1.2.a.: # of male and female producers that are better equipped to effectively adapt to climate change by using adapted farming practices	# of beneficiaries (broken down into M/W)	Collection of standardized information on the beneficiaries of sustainable production activities supported by the project	0	Departments of Alta Verapaz and Izabal in Guatemala, and Olancho in Honduras	Quarterly	Heifer International	Staff time
Indicator 1.2.b.: # of producers that have higher incomes as a result of their participation in the project (considering actual income $ compared to the baseline which is to be determined)	# of beneficiaries (broken down into M/W)	Collection of standardized information on the beneficiaries of sustainable production activities supported by the project	0	Departments of Alta Verapaz and Izabal in Guatemala, and Olancho in Honduras	Quarterly	Heifer International	Staff time
Indicator 1.2.1: # of communities that have received information about climate change and adaptation strategies	# of communities	Project Reporting	*0*	Departments of Alta Verapaz and Izabal in Guatemala, and Olancho in Honduras	Quarterly	Heifer International	Staff time
Indicator 1.2.2: # of male and female farmers and producers trained on and implementing improved adaptation practices such as climate smart agriculture, drip irrigation, solar dryers, etc.	# of beneficiaries implementing adaptation practices (broken down into M/W, indigenous peoples and vulnerable groups)	Collection of standardized information on the beneficiaries of sustainable production activities supported by the project	0	Departments of Alta Verapaz and Izabal in Guatemala, and Olancho in Honduras	Quarterly	Heifer International	Staff time

Component 2: Develop Adaptation Equivalency Index by identifying, cataloguing, and quantifying measures of adaptive sustainable practices							
Indicator 2.1: # of indices developed to catalyze investment in adaptation and resiliency measures across value chains	# of Indices	Project Reporting	0	Departments of Alta Verapaz and Izabal in Guatemala, and Olancho in Honduras	Quarterly	Heifer International	Staff time
Indicator 2.1.1: # of climate smart production practices identified for inclusion in the AEI	# of production practices	Project Reporting	0	Departments of Alta Verapaz and Izabal in Guatemala, and Olancho in Honduras	Quarterly	Heifer International	Staff time
Indicator 2.1.2: # of indices developed to catalyze investment in adaptation and resiliency measures across value chains	# of indices	Project Reporting	0	Departments of Alta Verapaz and Izabal in Guatemala, and Olancho in Honduras	Quarterly	Heifer International	Staff time
Component 3: Pilot AEI – integrate AEI into three premium value chains							
Indicator 3.1: # companies signing agreements with Heifer to launch pilot projects to use the AEI	# of companies	Project Reporting	0	Departments of Alta Verapaz and Izabal in Guatemala, and Olancho in Honduras	Quarterly	Heifer International	Staff time
Indicator 3.1.1: # of companies that report metrics on AEI use	# of companies	Surveys with companies	0	Departments of Alta Verapaz and Izabal in Guatemala, and Olancho in Honduras	Quarterly	Heifer International	Staff time

Indicator 3.2: % of key industry leaders and members of the general public surveyed during the project showing increased knowledge about the linkages between climate change adaptation and the target value chains	% of respondents	Surveys	0	Departments of Alta Verapaz and Izabal in Guatemala, and Olancho in Honduras	Quarterly	Heifer International	Staff time
Indicator 3.2.1: # of communication plans on the AEI developed by companies to target key industry leaders and the general public for consumers and public sector developed	# of communication plans	Meetings with companies	0	Departments of Alta Verapaz and Izabal in Guatemala, and Olancho in Honduras	Quarterly	Heifer International	Staff time
Safeguards Plans							
Gender Mainstreaming Plan							
# of men and women who participated in project activities (e.g. meetings, workshops, consultations).	# of men and women	Collection of standardized information on the beneficiaries of project activities supported by the project	*0*	Departments of Alta Verapaz and Izabal in Guatemala, and Olancho in Honduras	Quarterly	Heifer International	Staff time

# of men and women who received benefits (e.g. employment, income generating activities, training, access to natural resources, land tenure or resource rights, equipment, leadership roles)	# of men and women who received benefits from projects	Collection of standardized information on the beneficiaries of sustainable production activities supported by the project	*0*	Departments of Alta Verapaz and Izabal in Guatemala, and Olancho in Honduras			
# of strategies, plans (e.g. management plans and land use plans) and policies derived from the project that include gender considerations (this indicator applies to relevant projects)	# of strategies, plans and policies with gender inclusion	Collection of standardized information on the beneficiaries of activities supported by the project	*0*	Departments of Alta Verapaz and Izabal in Guatemala, and Olancho in Honduras			
Indigenous Peoples							
% of indigenous communities where FPIC has been followed and documented	% of indigenous communities participating in the project	Collection of standardized information on the beneficiaries of activities supported by the project	*0%*	Departments of Alta Verapaz and Izabal in Guatemala, and Olancho in Honduras	Quarterly	Heifer International	Staff time
% of communities where project benefits have been agreed upon through the appropriate community governance structure and documented	% of communities participating in the project	Collection of standardized information on the beneficiaries of activities supported by the project	*0%*	Departments of Alta Verapaz and Izabal in Guatemala, and Olancho in Honduras			
Stakeholder Engagement							

# of people (sex disaggregated) that have been involved in project implementation phase (on an annual basis)	# of people (broken down into M/W, indigenous peoples and vulnerable groups)	Collection of standardized information on the beneficiaries of activities supported by the project	*0*	Departments of Alta Verapaz and Izabal in Guatemala, and Olancho in Honduras	Quarterly	Heifer International	Staff time
# of stakeholder groups (government agencies, civil society organizations, private sector, indigenous peoples and others) that have been involved in the project implementation phase (on an annual basis)	# of stakeholders group and event	Collection of standardized information on the beneficiaries of activities supported by the project	*0*				
# of engagements (meetings, workshops, consultations, etc.) with stakeholders during the project implementation phase (on an annual basis).	# of events with stakeholders	Collection of standardized information on the beneficiaries of activities supported by the project	*0*				
Accountability and Grievance Mechanism							
# of complaints received	# of complaint cases	Heifer HQ Reporting to Project Team	*0*	Departments of Alta Verapaz and Izabal in Guatemala, and Olancho in Honduras	Quarterly	Heifer International	Staff time
% of conflict and complaint cases reported to the project's Accountability and Grievance Mechanism that have been resolved	% of reported conflict and complaint cases	Heifer HQ Reporting to Project Team	*0*				

ANNEX K: CO-FINANCING COMMITMENT LETTERS

March 9, 2022

Dr. Miguel Morales,
Senior Vice President, CI-GEF Project Agency
2011 Crystal Drive, Suite 600
Arlington, Virginia 22202
USA

Subject: Co-Financing support for "Building climate resilience in supply chains for the mobilization of adaptation funding"

Dear Dr. Morales,

On behalf of Heifer International, I am pleased to inform you that we plan to contribute **$1,869,268** in co-financing from non-GEF funding in support of the GEF project titled "**Building climate resilience in supply chains for the mobilization of adaptation funding.**"

This co-financing will support additional funding for **Component 1: Pilot improved climate smart agriculture practices that increase resiliency throughout the value chains, Component 2: Develop an Adaptation Equivalency Index by identifying, cataloguing, and quantifying measures of climate smart production practices, and Component 3: Pilot AEI – integrate AEI into three premium value chains, M&E, and PMC** during the period of performance, currently estimated from July 1, 2022 and June 30, 2024. Specifically, the co-financing will cover costs for **personnel; travel, meetings, and workshops; equipment; and office operations**, to support the implementation of project activities.

This contribution as described above is intended to qualify as **$1,749,848 in-kind and $119,420 grant** co-financing should the project proposal be successful.

We look forward to continued partnership for the implementation of this project.

Sincerely,

DocuSigned by:
Lisa Dietz
D4753E784179419...

March 9, 2022

Lisa Dietz
Managing Director for New Business Development - Americas
Heifer International

CONSERVATION INTERNATIONAL

ICADE

INSTITUTO PARA LA COOPERACIÓN Y AUTODESARROLLO

Afiliado a: Federacion de Organizaciones No Gubernamentales para el Desarrollo de Honduras. FOPRIDEH Habitat International Coalition Red de Agricultura Sostenible RAS Red de Organizaciones Desarrolladoras de Vivienda Solidaria, REDVISOL.

January 31, 2022

Dr. Miguel Morales,
Senior Vice President, CI-GEF Project Agency
2011 Crystal Drive, Suite 600
Arlington, Virginia 22202
USA

Subject: Co-Financing support for "Building climate resilience in supply chains for the mobilization of adaptation funding"

Dear Dr. Morales,

On behalf of Fundación para el Instituto para la Cooperación y Autodesarrollo (ICADE), I am pleased to inform you that Fundación para el Desarrollo Empresarial Rural (ICADE) plans to contribute USD 500,000.00 in co-financing from non-GEF funding in support of the GEF project titled "Building climate resilience in supply chains for the mobilization of adaptation funding" implemented by Heifer Project International.

This co-financing will support additional funding for Component 1: Pilot improved climate smart agriculture practices that increase resiliency throughout the value chains; Component 2: Develop Adaptation Equivalency Index by identifying, cataloguing and quantifying measures of climate smart production practices and Component 3: Pilot AEI – integrate AEI into three premium value chains during the period of performance, currently estimated from Jun 1, 2022 to May 31, 2024. Specifically, the co-financing will cover training, coaching, financial services and office supplies, to support the implementation of the project activities. This co-financing is contingent upon full execution of a grant from the non-GEF funding source.

This contribution as described above is intended to qualify as $200,000.00 in loans and $300,000.00 through in-kind support, should the project proposal be successful.

We look forward to continued partnership for the implementation of this project.

Sincerely,

INSTITUTO PARA LA COOPERACION Y AUTODESARROLLO ICADE HONDURAS, CENTRO AMERICA

MSc. Alcides Antonio Andrade
Executive Director
Instituto para la Cooperación y Auto Desarrollo (ICADE)

CONSERVATION INTERNATIONAL

CATIE
Solutions for environment and development
Soluciones para el ambiente y desarrollo

February 02, 2022
DG-058/2022

Dr. Miguel Morales
Senior Vice President, CI-GEF Project Agency
2011 Crystal Drive, Suite 600
Arlington, Virginia 22202
USA

Subject: Co-Financing support for "Building climate resilience in supply chains for the mobilization of adaptation funding"

Dear Dr. Morales,

On behalf of Centro Agronómico Tropical de Investigación y Enseñanza (CATIE), I am pleased to inform you that Centro Agronómico Tropical de Investigación y Enseñanza (CATIE) plans to contribute USD 1,000,000.00 in co-financing from external funds, derived from the NSP *"Transforming the Honduran livestock sector to contribute to a low-carbon economy"* proposal recently presented to NAMA FACILITY and which is in the last phase of approval, in support of the GEF project titled "Building climate resilience in supply chains for the mobilization of adaptation funding" implemented by Heifer Project International.

This co-financing will support additional funding for Component 1: Pilot improved climate smart agriculture practices that increase resiliency throughout the value chains; Component 2: Develop Adaptation Equivalency Index by identifying, cataloguing and quantifying measures of climate smart production practices and Component 3: Pilot AEI – integrate AEI into three premium value chains during the period of performance, currently estimated from Jun 1, 2022 to May 31, 2024. Specifically, the co-financing will cover training, coaching, financial services and office supplies, to support the implementation of the project activities.

However, I must clarify that this co-financing is subject to the approval of *our NSP proposal* and the total execution of a donation from the non-GEF financing source.

In case the above is effective, the contribution as described above is intended to qualify as $600,000.00 in loans and $400,000.00 through in-kind support, should the project proposal be successful.

We look forward to continued partnership for the implementation of this project.

Sincerely,

Muhammad Ibrahim, Ph.D.
Director General

Sede Central CATIE/CATIE Headquarters
Cartago, Turrialba 30501
Costa Rica
Tel. (506) 2558-2000
www.catie.ac.cr

CENTRO AGRONÓMICO TROPICAL DE INVESTIGACIÓN Y ENSEÑANZA
CATIE
Turrialba
Costa Rica

CONSERVATION INTERNATIONAL

Fundación para el Desarrollo Empresarial Rural

January 24, 2022

Dr. Miguel Morales,
Senior Vice President, CI-GEF Project Agency
2011 Crystal Drive, Suite 600
Arlington, Virginia 22202
USA.

Subject: **Co-Financing support for "Building climate resilience in supply chains for the mobilization of adaptation funding".**

Dear Dr. Morales,

On behalf of Fundación para el Desarrollo Empresarial Rural (FUNDER), I am pleased to inform you that Fundación para el Desarrollo Empresarial Rural (FUNDER) plans to contribute USD1,000,000.00 in co-financing from non-GEF funding in support of the GEF project titled "Building climate resilience in supply chains for the mobilization of adaptation funding".

This co-financing will support additional funding for Component 1: Pilot improved climate smart agriculture practices that increase resiliency throughout the value chains; Component 2: Develop Adaptation Equivalency Index by identifying, cataloguing and quantifying measures of climate smart production practices and Component 3: Pilot AEI – integrate AEI into three premium value chains during the period of performance, currently estimated from Jun 1, 2022 to May 31, 2024. Specifically, the co-financing will cover the provision of financial services, to support the implementation of the project activities. This co-financing is contingent upon full execution of a grant from the non-GEF funding source.

We look forward to continued partnership for the implementation of this project.

Sincerely,

Funder DIRECCIÓN EJECUTIVA

Eng. Miguel Angel Bonilla Reyes
Executive Director
Fundación para el Desarrollo Empresarial Rural (FUNDER)

CONSERVATION INTERNATIONAL

Tegucigalpa M.D.C 17 de febrero 2022

Dr. Miguel Morales,
Vicepresidente Senior, Agencia de Proyectos CI-GEF
2011 unidad de cristal, Suite 600
Arlington, Virginia 22202
EE.UU

Estimado Dr. Morales,

Por este medio expresamos nuestro interés por establecer un nuevo convenio entre HEIFER Y BANRURAL cuyo objeto sea la concesión de créditos micro, pequeños y medianos empresarios, beneficiarios de proyectos productivos ejecutados con asistencia técnica de HEIFER, por lo cual BANRURAL pondría a disposición de los empresarios seleccionados por HEIFER un cartera crediticia de hasta Dos Millones de Dólares ($2,000,000.00) o su equivalente en lempiras ,siempre que HEIFER acepte que la concesión de los créditos sea realizada mediante la política y reglamentos de crédito vigente en BANRURAL.

En espera de haber expresado nuestro interés por apoyar las iniciativas de desarrollo en Honduras

Atentamente,

BANC. DE DESARROLLO RURAL HONDURAS, S.A. CONVENIOS

Lic. Miguel Jimenez
Gerencia de Negocios

Banrural, el amigo que te ayuda a crecer

BANRURAL
El amigo que te ayuda a crecer

Banrural Co-Financing Letter (Translation)

Tegulcigalpa M.D.C.

February 17th, 2022

Dr. Miguel Morales,
Senior Vice President, CI-GEF Project Agency
2011 Crystal Drive, Suite 600
Arlington, Virginia 22202
USA

Dear Dr. Morales,

We hereby express our interest in establishing a new agreement between HEIFER and BANRURAL whose objective would be the **granting of microcredits, small and medium sized entrepreneurs, beneficiaries of productive projects** executed with technical assistance of HEIFER, for which BANRURAL would make available for entrepreneurs selected by HEIFER a credit portfolio of up to **two million dollars (USD $2,000,000.00)** or its equivalent in Honduran lempiras, as long as HEIFER accepts that the granting of the credits will be done through the policies and regulations of BANRURAL regarding current credit.

We hope to have expressed our interest in supporting the development initiatives in Honduras.

Sincerely,

Lic. Miguel Jimenez
Business Agency
BANRURAL

CONSERVATION INTERNATIONAL

ORO VERDE
Die Tropenwaldstiftung

Dr. Elke Mannigel
Teamleitung Internationale Projekte
Durchwahl: - 12
E-mail: emannigel@oroverde.de

OroVerde-Die Tropenwaldstiftung
Burbacher Str. 81
53129 Bonn

Telefon: 0228 24290-0
Telefax: 0228 24290-55
Web: www.oroverde.de
E-Mail: info@oroverde.de

OroVerde · Burbacher Str. 81 · 53129 Bonn

Dr. Miguel Morales,
Senior Vice President, CI-GEF Project Agency
2011 Crystal Drive, Suite 600
Arlington, Virginia 22202
USA

Subject: Co-Financing support for "Building climate resilience in supply chains for the mobilization of adaptation funding"

Dear Dr. Morales,

On behalf of Oro Verde – Tropical Forest Foundation from Germany, I am pleased to inform you that we plan to contribute USD 350,000 in co-financing from non-GEF funding in support of the GEF project titled "Building climate resilience in supply chains for the mobilization of adaptation funding" though our work within the Forest Value Project ejecuted in Guatemala.

This in-kind funding will support Component 1: Pilot improved climate smart agriculture practices that increase resiliency throughout the value chains; M&E; and Project Management Costs (PMC) Specifically, the co-financing will cover salaries of OroVerde staff, training costs, travel costs, financial services, and office supplies. This co-financing is contingent upon full execution of a grant from the non-GEF funding source.

We look forward to continued partnership with Heifer International for the implementation of this project.

Sincerely,

Dr. Elke Mannigel

Head of International Projects OroVerde

DZI Spenden-Siegel Geprüft seit 2015

Spenden, die ankommen:
OroVerde ist Mitglied der Initiative Transparente Zivilgesellschaft

CONSERVATION INTERNATIONAL

Chahal, Alta Verapaz, Guatemala, 17 febrero 2022

Dr. Miguel Morales,
Senior Vice President, CI-GEF Project Agency
2011 Crystal Drive, Suite 600
Arlington, Virginia 22202
USA

Asunto: Apoyo de cofinanciamiento para "Desarrollo de resiliencia climática en las cadenas de suministro para la movilización de fondos de adaptación"

Estimado Dr. Morales,

En nombre de la Municipalidad de Chahal, Alta Verapaz, Guatemala tengo el agrado de informarles que la Municipalidad de Chahal, Alta Verapaz, Guatemala, tiene previsto aportar USD 100.000,00 en cofinanciamiento con fondos ajenos al GEF en apoyo de la Proyecto GEF titulado "Desarrollo de resiliencia climática en las cadenas de suministro para la movilización de fondos para la adaptación".

Este cofinanciamiento aportara financiamiento adicional para el Componente 1: Poner a prueba prácticas mejoradas de agricultura climáticamente inteligente, que aumentan la resiliencia a lo largo de las cadenas de valor por un monto de US$ 64,000.00; en sistemas de monitoreo y evaluación US$ 18,000.00 y costos por administración de este proyecto (PMC) US$ 18,000.00, durante el período de ejecución, actualmente estimado desde el 1 de junio de 2022 hasta el 31 de mayo de 2024. Específicamente, el cofinanciamiento cubrirá capacitación, asistencia técnica, organización comunitaria y suministros de oficina e insumos para los viveros, necesarios para apoyar la implementación del proyecto. Este cofinanciamiento está supeditado a la ejecución total de una donación de la fuente de financiamiento ajena al GEF.

Esta contribución, como se describe anteriormente, pretende calificar como $ 100,000.00 a través de apoyo en especie, en caso de que la propuesta del proyecto sea exitosa.

Esperamos continuar la asociación para la implementación de este proyecto.

Atentamente,

Luis Rodolfo Barrientos Figueroa
Alcalde Municipal de Chahal, Alta Verapaz
Guatemala

Cahal Municipality Co-Financing Letter (Translation)

Chahal, Alta Verapaz, Guatemala
February 17th, 2022

Dr. Miguel Morales,
Senior Vice President, CI-GEF Project Agency
2011 Crystal Drive, Suite 600
Arlington, Virginia 22202
USA

Subject: Co-financing support for "Building climate resilience in supply chains for the mobilization of adaptation funding"

Dear Dr. Morales,

On behalf of the Cahal Municipality, I have the pleasure to inform you that the Chahal Municipality plans to contribute **$100,000** in co-financing from non-GEF funding in support of the GEF project titled "Building climate resilience in supply chains for the mobilization of adaptation funding."

This co-financing will support additional funding for **Component 1: Pilot improved climate smart agriculture practices that increase resiliency throughout the value chains in the amount of $64,000; M&E in the amount of $18,000; and PMC in the amount of $18,000** during the period of performance, currently estimated from **July 1, 2022 to June 30, 2024**. Specifically, the co-financing will cover **training, technical assistance, community meetings, office supplies, and inputs for farming** to support the implementation of the project activities. This co-financing is contingent upon full execution of a grant from the non-GEF funding source

This contribution as described above is intended to qualify as **$100,000 for in-kind** co-financing should the project proposal be successful.

We look forward to continued partnership for the implementation of this project.

Sincerely,

Luis Rodolfo Barrientos Figueroa
Mayor, Chahal Municipality, Alta Verapaz, Guatemala

CONSERVATION INTERNATIONAL

MUNICIPALIDAD DE COBÁN
CIUDAD IMPERIAL

Cobán, Alta Verapaz, Guatemala, 18 febrero 2022

Dr. Miguel Morales,
Senior Vice President, CI-GEF Project Agency
2011 Crystal Drive, Suite 600
Arlington, Virginia 22202
USA

Asunto: Apoyo de cofinanciamiento para "Desarrollo de resiliencia climática en las cadenas de suministro para la movilización de fondos de adaptación"

Estimado Dr. Morales,

En nombre de la Municipalidad de Cobán, Alta Verapaz, Guatemala tengo el agrado de informarles que la Municipalidad de Cobán, Alta Verapaz, Guatemala, tiene previsto aportar USD 100.000,00 en cofinanciamiento con fondos ajenos al GEF en apoyo de la Proyecto GEF titulado "Desarrollo de resiliencia climática en las cadenas de suministro para la movilización de fondos para la adaptación".

Este cofinanciamiento aportara financiamiento adicional para el Componente 1: Poner a prueba prácticas mejoradas de agricultura climáticamente inteligente, que aumentan la resiliencia a lo largo de las cadenas de valor por un monto de US$ 24,000.00; en sistemas de monitoreo y evaluación US$ 60,000.00 y costos por administración de este proyecto (PMC) US$ 16,000.00, durante el período de ejecución, actualmente estimado desde el 1 de junio de 2022 hasta el 31 de mayo de 2024. Específicamente, el cofinanciamiento cubrirá capacitación, asistencia técnica, organización comunitaria y suministros de oficina e insumos para los viveros, necesarios para apoyar la implementación del proyecto. Este cofinanciamiento está supeditado a la ejecución total de una donación de la fuente de financiamiento ajena al GEF.

Esta contribución, como se describe anteriormente, pretende calificar como $ 100,000.00 a través de apoyo en especie, en caso de que la propuesta del proyecto sea exitosa.

Esperamos continuar la asociación para la implementación de este proyecto.

Atentamente,

ALCALDÍA MUNICIPAL
COBÁN, ALTA VERAPAZ

Ing. Leonel Chacón
Alcalde Municipal de Cobán, Alta Verapaz
Guatemala

Cobán Municipality Co-Financing Letter (Translation)

Cobán, Alta Verapaz, Guatemala
February 18th, 2022

Dr. Miguel Morales,
Senior Vice President, CI-GEF Project Agency
2011 Crystal Drive, Suite 600
Arlington, Virginia 22202
USA

Subject: Co-financing support for "Building climate resilience in supply chains for the mobilization of adaptation funding"

Dear Dr. Morales,

On behalf of the Cobán Municipality, I have the pleasure to inform you that the Cobán Municipality plans to contribute **$100,000** in co-financing from non-GEF funding in support of the GEF project titled "Building climate resilience in supply chains for the mobilization of adaptation funding."

This co-financing will support additional funding for **Component 1: Pilot improved climate smart agriculture practices that increase resiliency throughout the value chains in the amount of $24,000; M&E in the amount of $60,000; and PMC in the amount of $16,000** during the period of performance, currently estimated from **July 1, 2022 to June 30, 2024**. Specifically, the co-financing will cover **training, technical assistance, community meetings, office supplies, and inputs for farming** to support the implementation of the project activities. This co-financing is contingent upon full execution of a grant from the non-GEF funding source

This contribution as described above is intended to qualify as **$100,000 for in-kind** co-financing should the project proposal be successful.

We look forward to continued partnership for the implementation of this project.

Sincerely,

Leonel Chacón
Mayor, Cobán Municipality, Alta Verapaz, Guatemala

CONSERVATION INTERNATIONAL

MUNICIPALIDAD DE RAXRUHÁ,
Alta Verapaz

raxruha@gmail.com

Raxruhá, Alta Verapaz, Guatemala, 18 febrero 2022

Dr. Miguel Morales,
Senior Vice President, CI-GEF Project Agency
2011 Crystal Drive, Suite 600
Arlington, Virginia 22202
USA

Asunto: Apoyo de cofinanciamiento para "Desarrollo de resiliencia climática en las cadenas de suministro para la movilización de fondos de adaptación"

Estimado Dr. Morales,

En nombre de la Municipalidad de Raxruhá, Alta Verapaz, Guatemala tengo el agrado de informarles que la Municipalidad de Raxruhá, Alta Verapaz, Guatemala, tiene previsto aportar USD 100.000,00 en cofinanciamiento con fondos ajenos al GEF en apoyo de la Proyecto GEF titulado "Desarrollo de resiliencia climática en las cadenas de suministro para la movilización de fondos para la adaptación".
Este cofinanciamiento aportara financiamiento adicional para el Componente 1: Poner a prueba prácticas mejoradas de agricultura climáticamente inteligente, que aumentan la resiliencia a lo largo de las cadenas de valor por un monto de US$ 24,000 00; en sistemas de monitoreo y evaluación US$ 64,000 00 y costos por administración de este proyecto (PMC) US$ 12,000.00, durante el periodo de ejecución, actualmente estimado desde el 1 de junio de 2022 hasta el 31 de mayo de 2024 Específicamente, el cofinanciamiento cubrirá capacitación, asistencia técnica, organización comunitaria y suministros de oficina e insumos para los viveros, necesarios para apoyar la implementación del proyecto. Este cofinanciamiento está supeditado a la ejecución total de una donación de la fuente de financiamiento ajena al GEF.
Esta contribución, como se describe anteriormente, pretende calificar como $ 100,000.00 a través de apoyo en especie, en caso de que la propuesta del proyecto sea exitosa.
Esperamos continuar la asociación para la implementación de este proyecto.

Atentamente,

Carlos Tut Xol
Alcalde Municipal de Raxruhá, Alta Verapaz
Guatemala

ALCALDE MUNICIPAL · MUNICIPALIDAD DE RAXRUHÁ · CARLOS TUT · ALTA VERAPAZ

Raxruhá Municipality Co-Financing Letter (Translation)

Raxruhá, Alta Verapaz, Guatemala
February 18th, 2022

Dr. Miguel Morales,
Senior Vice President, CI-GEF Project Agency
2011 Crystal Drive, Suite 600
Arlington, Virginia 22202
USA

Subject: Co-financing support for "Building climate resilience in supply chains for the mobilization of adaptation funding"

Dear Dr. Morales,

On behalf of the Raxruhá Municipality, I have the pleasure to inform you that the Raxruhá Municipality plans to contribute **$100,000** in co-financing from non-GEF funding in support of the GEF project titled "Building climate resilience in supply chains for the mobilization of adaptation funding."

This co-financing will support additional funding for **Component 1: Pilot improved climate smart agriculture practices that increase resiliency throughout the value chains in the amount of $24,000; M&E in the amount of $64,000; and PMC in the amount of $12,000** during the period of performance, currently estimated from **July 1, 2022 to June 30, 2024**. Specifically, the co-financing will cover **training, technical assistance, community meetings, office supplies, and inputs for farming** to support the implementation of the project activities. This co-financing is contingent upon full execution of a grant from the non-GEF funding source

This contribution as described above is intended to qualify as **$100,000 for in-kind** co-financing should the project proposal be successful.

We look forward to continued partnership for the implementation of this project.

Sincerely,

Carlos Xol
Mayor, Raxruhá, Alta Verapaz, Guatemala

CONSERVATION INTERNATIONAL

Municipalidad de Fray Bartolomé de las Casas
Unidos por el desarrollo

Fray Bartolomé de las Casas, Alta Verapaz, Guatemala, 18 febrero 2022

Dr. Miguel Morales,
Senior Vice President, CI-GEF Project Agency
2011 Crystal Drive, Suite 600
Arlington, Virginia 22202
USA

Asunto: Apoyo de cofinanciamiento para "Desarrollo de resiliencia climática en las cadenas de suministro para la movilización de fondos de adaptación"

Estimado Dr. Morales,

En nombre de la Municipalidad de Fray Bartolomé de las Casas, Alta Verapaz, Guatemala tengo el agrado de informarles que la Municipalidad de Fray Bartolomé de las Casas, Alta Verapaz, Guatemala, tiene previsto aportar USD 100.000,00 en cofinanciamiento con fondos ajenos al GEF en apoyo de la Proyecto GEF titulado "Desarrollo de resiliencia climática en las cadenas de suministro para la movilización de fondos para la adaptación".
Este cofinanciamiento aportara financiamiento adicional para Componente 1: Poner a prueba prácticas mejoradas de agricultura climáticamente inteligente, que aumentan la resiliencia a lo largo de las cadenas de valor por un monto de US$ 56,000.00; en sistemas de monitoreo y evaluación US$ 26,000.00 y costos por administración de este proyecto (PMC) US$ 18,000.00, durante el período de ejecución, actualmente estimado desde el 1 de junio de 2022 hasta el 31 de mayo de 2024. Específicamente, el cofinanciamiento cubrirá capacitación, asistencia técnica, organización comunitaria y suministros de oficina e insumos para los viveros, necesarios para apoyar la implementación del proyecto. Este cofinanciamiento está supeditado a la ejecución total de una donación de la fuente de financiamiento ajena al GEF.
Esta contribución, como se describe anteriormente, pretende calificar como $ 100,000.00 a través de apoyo en especie, en caso de que la propuesta del proyecto sea exitosa.
Esperamos continuar la asociación para la implementación de este proyecto.

Atentamente,

Arnoldo Federico Fontana Hercules
Alcalde Municipal de Fray Bartolomé de las Casas, Alta Verapaz
Guatemala

ALCALDÍA MUNICIPAL 2020-2024
Fray Bartolomé de las Casas Alta Verapaz

Barrio San José la Colonia, Fray Bartolomé de las Casas, Alta Verapaz
Teléfono : 7961-5858 / | munifray@munifrayblascasas.gob.gt
www.munifrayblascasas.gob.gt

Fray Bartolomé de las Casas Municipality Co-Financing Letter (Translation)

Fray Bartolomé de las Casas, Alta Verapaz, Guatemala
February 18th, 2022

Dr. Miguel Morales,
Senior Vice President, CI-GEF Project Agency
2011 Crystal Drive, Suite 600
Arlington, Virginia 22202
USA

Subject: Co-financing support for "Building climate resilience in supply chains for the mobilization of adaptation funding"

Dear Dr. Morales,

On behalf of the Fray Bartolomé de las Casas Municipality, I have the pleasure to inform you that the Fray Bartolomé de las Casas Municipality plans to contribute **$100,000** in co-financing from non-GEF funding in support of the GEF project titled "Building climate resilience in supply chains for the mobilization of adaptation funding."

This co-financing will support additional funding for **Component 1: Pilot improved climate smart agriculture practices that increase resiliency throughout the value chains in the amount of $56,000; M&E in the amount of $26,000; and PMC in the amount of $18,000** during the period of performance, currently estimated from **July 1, 2022 to June 30, 2024**. Specifically, the co-financing will cover **training, technical assistance, community meetings, office supplies, and inputs for farming** to support the implementation of the project activities. This co-financing is contingent upon full execution of a grant from the non-GEF funding source

This contribution as described above is intended to qualify as **$100,000 for in-kind** co-financing should the project proposal be successful.

We look forward to continued partnership for the implementation of this project.

Sincerely,

Arnoldo Federico Fontana Hercules
Mayor, Fray Bartolomé de las Casas, Alta Verapaz, Guatemala

CONSERVATION INTERNATIONAL

Municipalidad de Chisec Alta Verapaz

Guatemala, C.A.

Chisec, Alta Verapaz, Guatemala, 21 febrero 2022

Dr. Miguel Morales,
Senior Vice President, CI-GEF Project Agency
2011 Crystal Drive, Suite 600
Arlington, Virginia 22202
USA

Asunto: Apoyo de cofinanciamiento para "Desarrollo de resiliencia climática en las cadenas de suministro para la movilización de fondos de adaptación"

Estimado Dr. Morales,

En nombre de la Municipalidad de Chisec, Alta Verapaz, Guatemala tengo el agrado de informarles que la Municipalidad de Chisec, Alta Verapaz, Guatemala, tiene previsto aportar USD 100.000,00 en cofinanciamiento con fondos ajenos al GEF en apoyo de la Proyecto GEF titulado "Desarrollo de resiliencia climática en las cadenas de suministro para la movilización de fondos para la adaptación".
Este cofinanciamiento aportara financiamiento adicional para el Componente 1: Poner a prueba prácticas mejoradas de agricultura climáticamente inteligente, que aumentan la resiliencia a lo largo de las cadenas de valor por un monto de US$ 14,000.00; en sistemas de monitoreo y evaluación US$ 30,000.00 y costos por administración de este proyecto (PMC) US$ 56,000.00, durante el período de ejecución, actualmente estimado desde el 1 de junio de 2022 hasta el 31 de mayo de 2024. Específicamente, el cofinanciamiento cubrirá capacitación, asistencia técnica, organización comunitaria y suministros de oficina e insumos para los viveros, necesarios para apoyar la implementación del proyecto. Este cofinanciamiento está supeditado a la ejecución total de una donación de la fuente de financiamiento ajena al GEF.
Esta contribución, como se describe anteriormente, pretende calificar como $ 100,000.00 a través de apoyo en especie, en caso de que la propuesta del proyecto sea exitosa.
Esperamos continuar la asociación para la implementación de este proyecto.

Atentamente,

f.
Ing. Fidencio Lima
Alcalde Municipal de Chisec, Alta Verapaz
Guatemala

Administracion 2020-2024

Por un Chisec Bueno y Diferente!

Chisec Municipality Co-Financing Letter (Translation)

Chisec, Alta Verapaz, Guatemala
February 21st, 2022

Dr. Miguel Morales,
Senior Vice President, CI-GEF Project Agency
2011 Crystal Drive, Suite 600
Arlington, Virginia 22202
USA

Subject: Co-financing support for "Building climate resilience in supply chains for the mobilization of adaptation funding"

Dear Dr. Morales,

On behalf of the Chisec Municipality, I have the pleasure to inform you that the Chisec Municipality plans to contribute **$100,000** in co-financing from non-GEF funding in support of the GEF project titled "Building climate resilience in supply chains for the mobilization of adaptation funding."

This co-financing will support additional funding for **Component 1: Pilot improved climate smart agriculture practices that increase resiliency throughout the value chains in the amount of $14,000; M&E in the amount of $30,000; and PMC in the amount of $56,000** during the period of performance, currently estimated from **July 1, 2022 to June 30, 2024**. Specifically, the co-financing will cover **training, technical assistance, community meetings, office supplies, and inputs for farming** to support the implementation of the project activities. This co-financing is contingent upon full execution of a grant from the non-GEF funding source

This contribution as described above is intended to qualify as **$100,000 for in-kind** co-financing should the project proposal be successful.

We look forward to continued partnership for the implementation of this project.

Sincerely,

Fidencio Lima
Mayor, Chisec, Alta Verapaz, Guatemala

Guatemala City, March 3rd, 2022

Dr. Miguel Morales,
Senior Vice President, CI-GEF Project Agency
2011 Crystal Drive, Suite 600
Arlington, Virginia 22202
USA

Subject: Co-Financing support for "Building climate resilience in supply chains for the mobilization of adaptation funding"

Dear Dr. Morales,

On behalf of Fundación Defensores de la Naturaleza (FDN), I am pleased to inform you that the Foundation may contribute USD 500,000.00 in co-financing from non-GEF funding in support of the GEF project titled "Building climate resilience in supply chains for the mobilization of adaptation funding".

This co-financing will support additional funding for Component 1: Pilot improved climate smart agriculture practices that increase resiliency throughout the value chains, with US$ 241,506 in workshops and capacity building, US$ 16,994 in communication products and US$241,500 in personnel for the project execution, management and M&E during the period of performance that covers June 1st 2022 to December 31st 2023. Specifically, the co-financing will cover training, coaching, financial services, and office supplies, necessary to support the implementation of the project activities. This co-financing is contingent upon full execution of a grant from the non-GEF funding source.

This contribution as described above is intended to qualify as $500,000.00 through in-kind support, should the project proposal be successful.

We look forward to continued partnership for the implementation of this project.

Sincerely,

Ing. Javier Marquez
Executive Director
Fundación Defensores de la Naturaleza


CONSERVATION
INTERNATIONAL

CONSERVATION INTERNATIONAL

COOPERATIVAS MICOOPE

Federación Nacional de Cooperativas de Ahorro y Crédito R. L.

Guatemala City, March 4, 2022

Dr. Miguel Morales,
Senior Vice President, CI-GEF Project Agency
2011 Crystal Drive, Suite 600
Arlington, Virginia 22202
USA

Subject: Co-Financing support for "Building climate resilience in supply chains for the mobilization of adaptation funding"

Dear Dr. Morales,

On behalf of Federacion Nacional de Cooperativas de Ahorro y Credito de Guatemala (FENACOAC), I am pleased to inform you that FENACOAC and the Cooperatives affiliated to this organization (FENACOAC), plan to contribute USD 500,000.00 as part of our project with BID LAB (Partial Guarantees), in co-financing from non-GEF funding in support of the GEF project titled "Building climate resilience in supply chains for the mobilization of adaptation funding"

This co-financing will support additional funding for Component 1: Pilot improved climate smart agriculture practices that increase resiliency throughout the value chains, during the period of performance, currently estimated from Jun 1, 2022, to May 31, 2024. Specifically, the co-financing will cover training, financial services, for farmers, necessary to support the implementation of the project activities. This co-financing is contingent upon full execution of a grant from the non-GEF funding source.

This contribution as described above is intended to qualify as $500,000.00 through in-kind support, should the project proposal be successful.

5ta. Calle 0-55 Zona 9, Guatemala • www.micoope.com.gt • PBX: 2419-2020 • FAX: 2419-2030

CONSERVATION INTERNATIONAL

NUEVA KERALA

Guatemala City, March 4, 2022

Dr. Miguel Morales,
Senior Vice President, CI-GEF Project Agency
2011 Crystal Drive, Suite 600
Arlington, Virginia 22202
USA

Subject: Co-Financing support for "Building climate resilience in supply chains for the mobilization of adaptation funding"

Dear Dr. Morales,

On behalf of Nueva Kerala, S.A (Social enterprise, providing access to fair markets to small producers of culinary spices in Guatemala). I am pleased to inform you Nueva Kerala, S.A, plan to contribute USD 450,000.00 in co-financing from non-GEF funding in support of the GEF project titled "Building climate resilience in supply chains for the mobilization of adaptation funding".

This co-financing will support additional funding for Component 1: Pilot improved climate smart agriculture practices that increase resiliency throughout the value chains, during the period of performance, currently estimated from Jun 1, 2022, to May 31, 2024. Specifically, the co-financing will cover training, technical assistance, financial services, supply chain development for farmers, necessary to support the implementation of the project activities. This co-financing is contingent upon full execution of a grant from the non-GEF funding source.

This contribution as described above is intended to qualify as $450,000.00 through in-kind support, should the project proposal be successful. We look forward to continued partnership with Heifer International, for the implementation of this project.

Sincerely,

McKinley Thomason
CEO and Founder of
Nueva Kerala, S. A.

2011 Crystal Drive, Suite 600, Arlington, VA 22202, USA
Tel: +1 703 341.2400
Fax: +1 703 553.4817
www.conservation.org

February 10, 2022

Dr. Miguel Morales,
Senior Vice President, CI-GEF Project Agency
2011 Crystal Drive
Suite 600
Arlington, Virginia 22202
USA

Subject: Co-Financing support for "Building climate resilience in supply chains for the mobilization of adaptation funding"

Dear Dr. Morales,

On behalf of Conservation International Foundation (CI), I am pleased to inform you that CI plans to contribute **USD 161,743** in co-financing from non-GEF funding in support of the GEF project titled "**Building climate resilience in supply chains for the mobilization of adaptation funding**".

The co-financing will support additional funding for all project components, project management costs, and monitoring evaluation during the period of performance, currently estimated from July 2022 to June 2024. Specifically, the co-financing will cover organizational costs such as CI's global finance, communications, human resources, legal, and IT to support the overall effective implementation of project activities.

This contribution as described above is intended to qualify as **IN-KIND** co-financing should the project proposal be successful.

We look forward to continued partnership for the implementation of this project.

Sincerely,

Barbara DiPietro
Chief Financial Officer
Conservation International Foundation

ANNEX L: PROCUREMENT JUSTIFICATION - FIELD VEHICLES

Project Title:	Building climate resilience in supply chains for the mobilization of adaptation funding		
GEF Agency:	CI	GEF Agency Project ID:	
GEF Focal Area (s):	• Climate Change	Geographic Scope:	Guatemala and Honduras
Priority Landscapes Total Project Area:	1,027 hectares (Guatemala: 607, Honduras: 420)	Primary intervention sites	
No of Beneficiaries	2,425	Project Personnel Plan (to be hired)	9 personnel

PROCUREMENT REQUEST

PURPOSE: Maintenance/operating costs for a total of 4 motorcycles and 2 vehicles (all which have been previously purchased by Heifer International and are included in the co-financing) for project staff transportation to field sites and meetings within Guatemala
and Honduras necessary for implementation of the project. This equals 2 motorcycles and 1 vehicle in Guatemala, and 2 motorcycles and 1 vehicle in Honduras.

BUDGET ALLOCATION: $23,694

CUSTODIAN: Heifer Guatemala and Heifer Honduras

USERS:
Guatemala: The Technical Lead will use the vehicle. One motorcycle will be used by the Field Technician, and the second motorcycle will be used by the Monitoring & Evaluation Learning and System (MELS) Officer.

Honduras: The Coordinator will use the vehicle. One motorcycle will be used by the Field Technician, and the second motorcycle will be used by the Monitoring & Evaluation Learning and System (MELS) Officer.

RELATION TO PROJECT OUTPUTS: High

<u>Guatemala</u>
The Technical Lead will use the vehicle to support the three components and PMC.
The Field Technician will use one motorcycle for the three components.
The MELS Officer will use one motorcycle for the three components and M&E.

Honduras
The Coordinator will use the vehicle to support the three components and PMC.
The Field Technician will use one motorcycle for the three components.
The MELS Officer will use one motorcycle for the three components and M&E.

JUSTIFICATION
The budget includes maintenance/operating costs associated with four motorcycles and two vehicles. The motorcycles will be assigned as indicated above to project staff in Guatemala and Honduras. The motorcycles and vehicles will allow the team to implement across the project areas smoothly. These resources are an important part of ensuring access to the project sites. Project staff will need access to reliable, safe transportation to engage a multitude of local and regional actors.

PROJECT STRUCTURE
Project activities involve regular fieldwork and on the ground activities in Guatemala and Honduras. To meet the minimum basic conditions for work, the project team must meet with communities, decision makers and other key stakeholders.

LANDSCAPE ACCESS
With the project team based in Guatemala and Honduras, motorcycles and vehicles will facilitate the travel of project staff to execute project activities. Road access to project areas in both countries is limited, and when there are roads, they are often in bad condition. Target communities are underserved by public transportation, and available public transportation is neither safe nor reliable. There are locations where the only alternative to private transportation is to travel by foot which is not efficient.

SECURITY
Sometimes, vehicle rental companies do not maintain their vehicles regularly and breakdowns at field sites are common occurrences. Due to limitations in public transportation access, security concerns, and to ensure safety of personnel during field travel, it will be necessary to use private motorcycles and vehicles assigned to the project.

EFICIENCY
We believe that without the motorcycles and vehicles, field staff availability to effectively assist the communities will be impacted. The time invested in public transportation or rental services may increase the commute significantly for the project staff.

FINANCIAL ANALYSIS
Purchasing (through co-financing) and maintaining the motorcycles has been identified as the most cost-efficient use of resources both in staff time and cost. For reference:

- Cost to purchase a new motorcycle in Guatemala is estimated at $3,300 while there are no options to rent a motorcycle;
- Cost to purchase a 4x4 Toyota 2022 in Guatemala is estimated at $32,500 while the cost per day to rent is estimated as $100/day;
- Cost to purchase a new motorcycle in Honduras is estimated at $3,300 while there are no options to rent a motorcycle;
- Cost to purchase a 4x4 Toyota 2022 in Honduras is estimated at $28,000 while the cost per day to rent is estimated as $100/day.

Tax Exemption: Not applicable. Purchase of the vehicles and motorcycles are covered by Heifer co-financing; the budget does not include taxes.

ANNEX M: TERMS OF REFERENCE

Project Objective: Develop and launch the Adaptation Equivalency Index (AEI) in Guatemala and Honduras to ensure decreased loss of habitat, improved ecological resiliency, sustainable living income for smallholder producers (men and women) and an increase in adaptation investment from the private sector through the use of a standardized, quantifiable approach

STAFF: Program Director

The Program Director, based in Guatemala, is responsible for conceptualizing and operationalizing Heifer's strategy to enable long lasting, pro-poor wealth generation and living income for smallholder farmers through programs that increase scale and induce systemic change, strengthen partnerships, and achieve permanence for long term impact.

The Program Director will directly supervise the Technical Lead (also based in Guatemala). The Program Director will serve as a thought leader to guide delivery on components 1, 2, and 3. Additionally, Heifer investment mobilized will cover time by the Program Director to organize and convene meetings of the Project Steering Committee (PSC) and to provide overall oversight of project delivery (technical, operational, and financial).

COMPONENT 1:	Pilot improved climate smart agriculture practices that increase resiliency throughout the value chains
Outcome 1.1: Improved climate smart production practices in ecologically vulnerable areas of Guatemala and Honduras	**Output 1.1.1:** Provide strategic leadership, management, and direction to support the two Field Technicians to help ensure improved climate smart production practices in ecologically vulnerable areas of Guatemala and Honduras
	Output 1.1.2: Provide strategic leadership, management, and direction to support the two Field Technicians to help ensure improved climate smart production practices in ecologically vulnerable areas of Guatemala and Honduras
	Output 1.1.3: Provide strategic leadership, management, and direction to support the two Field Technicians to help ensure improved climate smart production practices in ecologically vulnerable areas of Guatemala and Honduras
Outcome 1.2: Increased resiliency and ability of male and female small holder producers to adapt to climate change and shocks related to economic and environmental volatility	**Output 1.2.1:** Lead efforts to share information and knowledge products produced during the project with key stakeholders, groups, networks, and platforms in both countries and globally
	Output 1.2.2: Provide strategic leadership, management, and direction to support the two Field Technicians to help ensure improved climate smart production practices in ecologically vulnerable areas of Guatemala and Honduras
COMPONENT 2:	Develop an Adaptation Equivalency Index by identifying, cataloguing, and quantifying measures of climate smart production practices
Outcome 2.1: There is one functional Adaptation Equivalency Index that is flexible,	**Output 2.1.1:** Oversee the work to be done by consultants to create the AEI, including a customized software system to translate/quantify adaptation metrics into the AEI and a website for the project to host

scalable, and capable of catalyzing increased investment in adaptation and resiliency measures across value chains	communications materials for the dissemination of information on adaptation practices with communities and other relevant stakeholders
COMPONENT 3:	Pilot AEI – integrate AEI into three premium value chains
Outcome 3.1: The AEI is recognized as a valuable tool by companies to achieve key adaptation outcomes aligned with GEF adaptation strategy	**Output 3.1.1:** Oversee implementation in the field while facilitating linkages to strategic businesses in Guatemala and multinational companies with whom Heifer has relationships, (e.g., Cargill)
Outcome 3.2: Increased knowledge of linkages between climate change adaptation and the target value chains	**Output 3.2.1:** Lead institutional relationships with companies participating in the project

Personnel: Technical Lead

The Technical Lead, based in Guatemala, will have overall leadership over all aspects of the proposed project over the two-year project period. This includes responsibility for providing technical inputs, day-to-day project planning, implementation, and tracking deliverables.

Under the supervision of the Program Director, the Technical Lead will provide technical inputs and work to ensure project results meet project standards and project deliverables are completed on time, within budget, and in support of Heifer's Signature Programs (e.g., Green Business Belt). S/he will establish the project work plan including staffing needs and supervise full-time employees and consultants as needed. The Technical Lead will serve as Heifer's leading climate change expert in the Americas, driving the organization's climate change strategy through field activities and development of the AEI in Central America, to secure and maximize nature's potential as a climate solution by leveraging technology, policy, and market innovation.

The position will provide support for components 1, 2, and 3. Additionally, Heifer investment mobilized will cover time by the Technical Lead to oversee delivery on the project Monitoring and Evaluation (M&E) and Project Management Costs.

COMPONENT 1:	Pilot improved climate smart agriculture practices that increase resiliency throughout the value chains
Outcome 1.1: Improved climate smart production practices in ecologically vulnerable areas of Guatemala and Honduras	**Output 1.1.1:** The Technical Lead will: • Organize meetings with the Field Technicians and the rest of the project team to identify producers, and select the communities in both countries where climate smart practices will be implemented • Lead all aspects of implementation together with the technical teams based in both countries

	• Serve as lead point of contact for Heifer with government focal points to socialize, strengthen, and validate the pilot processes, including facilitating conversations around potential replication beyond the life of the project
	Output 1.1.2: The Technical Lead will: • Organize meetings with the Field Technicians and the rest of the project team to define adaptation measures, and develop a list of technologies, tools, and skills needed to implement climate smart practices, among other topics
	Output 1.1.3: The Technical Lead will: • Ensure that demonstration projects are highly strategic, relevant, and completed within the project budget • Partner with selected consultants to ensure that best practices are documented
Outcome 1.2: Increased resiliency and ability of male and female small holder producers to adapt to climate change and shocks related to economic and environmental volatility	**Output 1.2.1:** The Technical Lead will: • Organize virtual workshops or intercommunity exchange events about climate smart agriculture and how to measure its benefits
	Output 1.2.2: The Technical Lead will: • Develop a monitoring system with the participation of communities
COMPONENT 2:	Develop an Adaptation Equivalency Index by identifying, cataloguing, and quantifying measures of climate smart production practices
Outcome 2.1: There is one functional Adaptation Equivalency Index that is flexible, scalable, and capable of catalyzing increased investment in adaptation and resiliency measures across value chains	**Output 2.1.1:** The Technical Lead will: • Lead the process to identify consultants that will create and launch the AEI • Ensure there are participatory consultation processes for cataloguing relevant climate adaptation practices • Oversee software development, and weighting of activities for inclusion in the AEI
COMPONENT 3:	Pilot AEI – integrate AEI into three premium value chains
Outcome 3.1: The AEI is recognized as a valuable tool by companies to achieve key adaptation outcomes aligned with GEF adaptation strategy	**Output 3.1.1:** The Technical Lead will: • Collaborate with key government ministries and participating companies to promote the AEI • Develops a strategy for promoting the AEI with strategic companies working in the value chains for cardamom, cocoa, and coffee • Meet with companies participating in the pilots to build their understanding of the AEI, and document improvements based on the companies' experiences • Meet with government focal points to socialize, strengthen, and validate the AEI

Outcome 3.2: Increased knowledge of linkages between climate change adaptation and the target value chains	**Output 3.2.1:** The Technical Lead will: • Develop KPIs for the AEI to monitor and measure progress by corporate partners deploying pilot AEIs, in collaboration with the MELS Officers

Personnel: Coordinator

The Coordinator based in Honduras will provide project management support to all activities in Honduras and will contribute specifically to components 1, 2, and 3.

Under the supervision of the Technical Lead, the Coordinator will be responsible for coordinating project start up, planning, implementation and management functions for the proposed project in Honduras, guaranteeing the achievement of the objectives, outcomes, activities and indicators. S/he will effectively and timely coordination of actions with smallholder farmer families, counterpart cooperatives/associations, and public and private actors in the relevant value chains in the project sites in Honduras

- Ensuring that training and technical advice carried out by the project team is timely, high quality and consistent with the technical and financial capacity of the project and the Heifer Honduras
- Providing support to the Technical Lead in the development of safeguards and other risk mitigation strategies during the project
- Providing support to the Technical Lead in developing strategies that are aligned with the relevant supply chains, climate smart production practices, and the creation of the Adaptation Equivalency Index (AEI) focused on the target value chains

The position will provide support for components 1, 2, and 3. Additionally, Heifer investment mobilized will cover time by the Coordinator to provide support on Project Management Costs.

COMPONENT 1:	Pilot improved climate smart agriculture practices that increase resiliency throughout the value chains
Outcome 1.1: Improved climate smart production practices in ecologically vulnerable areas of Guatemala and Honduras	**Output 1.1.1:** The Project Coordinator will: • Work with the Honduras Field Technician to identify producers • Coordinate all aspects of implementation in Honduras together with the technical team • Together with Heifer leadership, meet with government focal points to socialize, strengthen, and validate the pilot processes for Honduras, including facilitating conversations around potential replication beyond the life of the project
	Output 1.1.2: The Project Coordinator will: • Work with the Honduras Field Technician and the rest of the project team to define adaptation measures, and develop a list of technologies, tools, and skills needed to implement climate smart practices, among other topics

	• Collaborate with the Honduras MELS Officer to ensure strong knowledge management and learning with emphasis on capturing best practices for field-based activities
	Output 1.1.3: The Project Coordinator will: • Ensure that demonstration projects in Honduras are highly strategic, relevant, and completed within the project budget
Outcome 1.2: Increased resiliency and ability of male and female small holder producers to adapt to climate change and shocks related to economic and environmental volatility	**Output 1.2.1:** The Project Coordinator will: • Ensure participation from stakeholders living in Honduras in project workshops or intercommunity exchange events about climate smart agriculture and how to measure its benefits
	Output 1.2.2: The Project Coordinator will: • Assist the project team and the Honduras MELS Officer to develop a monitoring system with the participation of communities
COMPONENT 2:	Develop an Adaptation Equivalency Index by identifying, cataloguing, and quantifying measures of climate smart production practices
Outcome 2.1: There is one functional Adaptation Equivalency Index that is flexible, scalable, and capable of catalyzing increased investment in adaptation and resiliency measures across value chains	**Output 2.1.1:** The Project Coordinator will: • Assist with the process to create and launch the AEI • Work with selected consultants and the Technical Lead to ensure there are participatory consultation processes for cataloguing relevant climate adaptation practices • Contribute inputs to inform software development, and weighting of activities for inclusion in the AEI
COMPONENT 3:	Pilot AEI – integrate AEI into three premium value chains
Outcome 3.1: The AEI is recognized as a valuable tool by companies to achieve key adaptation outcomes aligned with GEF adaptation strategy	**Output 3.1.1:** The Project Coordinator will: • Provide coordination support to engage key government ministries and participating companies to promote the AEI • Provide inputs into a strategy for promoting the AEI with strategic companies working in the value chains for cardamom, cocoa, and coffee • Meet with companies in Honduras participating in the pilots to build their understanding of the AEI, and document improvements based on the companies' experiences • Meet with government focal points in Honduras to socialize, strengthen, and validate the AEI
Outcome 3.2: Increased knowledge of linkages between	**Output 3.2.1:** The Project Coordinator will: • Assist with the development of KPIs for the AEI to monitor and measure progress by corporate partners

climate change adaptation and the target value chains	deploying pilot AEIs in collaboration with the MELS Officers