



**Government of Honduras  
Multilateral Development Banks (MDB)<sup>1</sup>**

**PILOT PROGRAM FOR CLIMATE RESILIENCE (PPCR)  
Preparation of a Strategic Program for Climate Resilience (SPCR)**

**PPCR-HONDURAS FIRST JOINT MISSION  
(*First joint mission*)**

**Tegucigalpa, Honduras, March 8 – 15, 2016**

**Aide-Mémoire**

**April 27, 2016**

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<sup>1</sup> The Multilateral Development Banks (MDB) that are supporting the Government of Honduras under PPCR include: The World Bank (WB), the International Finance Corporation (IFC) and the Inter-American Development Bank (IDB).

## I. INTRODUCTION

1. The first joint mission for the Pilot Program for Climate Resilience (PPCR) (*first joint mission*) was conducted in Tegucigalpa, Honduras, from March 8 through 15, 2016. Multilateral Development Banks (MDB) task teams included: World Bank Group - Martín Ochoa (Senior Operations Officer), Ana Campos García (Senior Disaster Risk Management Specialist, Project Task Team Leader, PPCR), Lizardo Narváez (Disaster Risk Management Specialist), Nancy Chaarani Meza (Operations Officer); Kazi Fateha Ahmed (Team Coordinator for PPCR), Ana Elisa Bucher (Climate Change Specialist); Pablo Bähr (Water Specialist); Margaret Arnold (Gender Specialist); Lily Caballero (Land-use Planning Specialist) and Mia Rodriguez (Investment Officer, International Finance Corporation – IFC); Inter-American Development Bank Task Team included Omar Samayoa (Climate Change Specialist), Sofía Viguri Gómez (Emerging and Sustainable Cities Initiative), Fausto Castillo (FOMIN Honduras Specialist), Scarleth Nuñez (Climate Change Consultant) and Gianleo Frisari (IIC – IDB Private Sector Specialist).
2. During the mission, the key impacts of climate variability and climate change in Honduras were analyzed and the efforts undertaken by the country on this matter were also reviewed, including the presentation of the National Climate Change Strategy and the National Adaptation Plan (being developed); furthermore, initiatives recently launched or conducted by the Government and Donors and private sector actors were also studied to analyze critical sectors and transformative actions required to integrate climate resilience into the national development planning.
3. The first joint mission had as specific objective to kick off the formulation of the Strategic Program for Climate Resilience (SPCR) for the Pilot Program for Climate Resilience (PPCR) through a participatory, inclusive, broad-based and consensus-built process and inter-institutional reflection on strategic and prioritized transformative activities.
4. Namely, during the PPCR first joint mission, it successfully: (i) Helped strengthen interinstitutional coordination and synchronization of CCA processes and initiatives (ongoing and being developed) fueled by a widespread involvement of public and private social actors, NGOs, and CSOs around Climate Change Adaptation (CCA) and resilience in Honduras in the context of national policies and international commitments that the country has signed as part of Paris Agreement and the National Climate Change Strategy Objectives (ENCC); (ii) Evaluate recent Climate Change Adaptation (CCA) activities, programs and projects, scrutinizing accomplishments and challenges; (iii) Confirm some of the prioritized sectors to define potential preliminary actions that would be part of the investment program; (iv) Reach an agreement on the scope, costs and institutional arrangements required to formulate the SPCR.
5. The mission used a three-phase approach: (i) Inter-institutional workshop held on March 8 – 10, attended by 127 key actors from public and private and community sectors, NGOs, Civil Society, academia and international donors; (ii) A series of technical meetings held on March 11, 14 and 15 and a field visit to Danli Municipality and Villa Peniel community was held on March 12. This Aide-mémoire outlines the agreements reached during the mission in each phase.
6. World Bank, CIF and IDB teams hereby thank authorities of the Government of Honduras (GoH), particularly, the Ministry of Energy, Natural Resources, Environment and Mining (MiAmbiente) as focal point and primary mission implementing partner for the PPRC, as well as the Ministry of Finance (SEFIN), the Ministry of Agriculture and Livestock (SAG), the Disaster Risk Management Agency (COPECO), the National Autonomous Service of Aqueducts and Sewers (SANAA); Honduras' Third National Communication (TNC) and First Biennial Update Report (BUR)

implemented by the United Nations Development Programme (UNDP) and the National Climate Change Office (DNCC) under MiAmbiente. Acknowledgement goes to the donor group who attended meetings as well as all central level institutional actors and representatives of community organizations that partook in the interinstitutional workshop. Finally, special thanks to the Mayor and technical staff of Danlí Municipality and Villa Peniel female community leaders for their welcome during the field visit and support when addressing different topics.

7. This aide-mémoire summarizes the results, recommendations, and agreements reached during the mission and will be disclosed publicly by the Administrative Unit of the Climate Investment Funds (CIF).

## **II. CONTEXT**

### **• Backgrounds**

8. Based on the Expression of Interest (EOI) sent by the Government of Honduras (GoH) in March 2015 to partake in the Pilot Program for Climate Resilience; the PPCR Expert Group recommended to the Climate Investment Funds (CIF) select Honduras as eligible to receive up to US \$1.5 million grant for formulating the Strategic Program for Climate Resilience (SPCR).
9. The GoH expression of interest was approved by CIF on June 1st 2015, and in November 2015, the *scoping mission* was conducted to analyze the Honduras PPCR objectives and the areas of intervention, as well as institutional arrangements required to prepare the SPCR.
10. The GoH is committed to foster the integration of Climate Change Adaptation (CCA) and risk reduction into national and sectoral development planning. The PPCR process represents an opportunity to activate and strengthen the various existing committees and subcommittees related to climate change, food security, water resources, disaster risk management, and climate change adaptation. Particularly, it is expected the PPCR drives the modernization and regulation of some key legislation in the country, such as the Climate Change Act and its regulations, and contributes to consolidate the CICC - Inter-Agency Committee on Climate Change's work, created by the Climate Change Act, in effect since November 2014.
11. The PPCR also provides an opportunity to have a strategic action framework that is expected to strengthen the National Climate Change Strategy and the National Adaptation Plan, the latter currently being formulated.
12. Regarding international cooperation, a roundtable of donors is currently working around climate change and risk management issues, supporting the GoH in multiple programs y projects. This provides an opportunity for the PPCR process not only to channel and guide the actions of the participant MDBs, but of a larger group of cooperating agencies as well.
13. In this context, the SPCR becomes a tool to leverage resources in favor of Honduras as a PPCR participating country.

### **• PPCR General Objectives**

14. The overall objective of the Pilot Program for Climate Resilience (PPCR) is to assist developing countries to integrate climate resilience into development planning, consistent with the objectives of promoting a sustainable development and reducing poverty. Considering its pilot program

nature, the PPCR supports hands-on learning and innovative solutions to mainstream CCA capacity into development planning.

15. The PPCR promotes a participatory approach towards the development of a medium to long term climate change adaptation strategy at the national level. This process requires the participation of a wide range of stakeholders: the different sectoral line ministries, national/local government intersectorial agencies, academia, private sector, NGOs, non-government groups such as Civil Society Organizations (CSOs), and the most affected communities. The goal of the PPCR is to achieve a balanced effort between development partners in order to effectively cooperate, engage in dialogue, and adopt this strategic approach as a common platform.
16. In this context, Honduras was selected by the PPCR as one as one of ten beneficiary countries of the Program, joining 18 countries around the world already involved in this initiative. This scoping mission initiates support to the Government of Honduras to launch the process for the development of the PPCR Investment Plan (IP) for the Strategic Program for Climate Resilience (SPCR).

### **III. DEVELOPMENT OF THE MISSION AND MAIN RESULTS**

- **Inter-institutional workshop (March 8-10)**

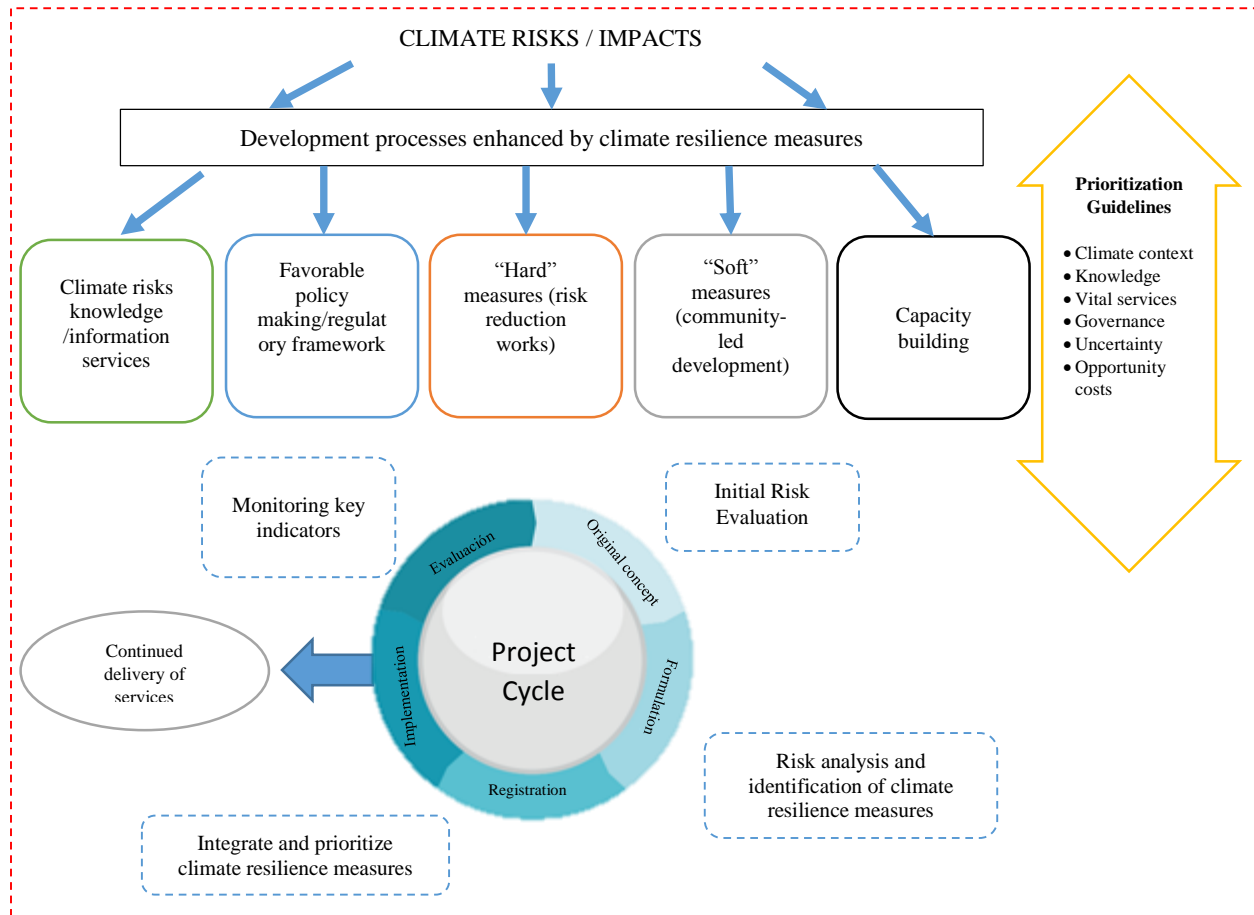
17. The PPCR inter-institutional workshop was attended by a representative number of public, private entities, NGOs, communities and international donors and academia. The workshop aide-mémoire and the list of 127 participants and their contact information can be found in Annex 1. The 23 workshop presentations can be found in Annex 1A.
18. At public agency level, the workshop was attended by 47 national level officers from 13 institutions, including the Ministry of Environment, the Ministry of Agriculture and Livestock, the Ministry of Development and Social Inclusion, the Ministry of Finance, the Ministry of Infrastructure and Utilities and the National Autonomous Service of Aqueducts and Sewers. In addition to these central level government agencies, workshop attendance was distributed as follows: 16 representatives of international donors, 15 representatives of private sector, 10 representatives of NGOs, 6 representatives of academia and 3 representatives of community organizations
19. At national regulatory framework analysis level, the workshop conclusions are as follows:
  - a. Honduras has a number of regulations enabling inter-institutional work on adaptation and climate risk management. This regulatory framework, however, features improvement options, for instance when regulating some fundamental rules (such as the Climate Change Act and the Water Act)
  - b. Regarding climate finance, the country is preparing to access larger financing, including the need for designing and implementing a DRM financial strategy that encompasses climate risks.
  - c. Honduras has a National Climate Change Strategy, which is a starting point towards the definition of a National Adaptation Plan (under formulation). These instruments, as well as the Intended Nationally Determined Contributions (INDCs) are the basis for the PPCR.
  - d. The country has made progress towards climate information, which must be improved to better inform climate risk decision-making at sectoral, local and municipal levels.

20. During the workshop, an IDB-led Tegucigalpa-oriented Emerging and Sustainable Cities Initiative presentation was given. Drawn upon this presentation, PPCR was recommended to consider at least two actions of the Action Plan deemed critical to strengthen the city ability to adapt to water shortage scenarios. (i) Implementation of a Water Sector Strategic Financial Plan for Tegucigalpa; and (ii) Implement a Water Leakage Control Program (both commercial and real losses. See Annex 1 for detailed PPCR proposals for Tegucigalpa.
21. Furthermore, the workshop displayed a number of international donors' experiences (for further details on experiences presented, see Annex 1A, which lists all full presentations):
- a. The most noticeable presentations include: UNDP's support on capacity building (Climate Change Act and its regulations) and climate financing (Adaptation Fund Project); GIZ and "Community Forestry and Adaptation to Climate Change Programmes" (CLIFOR), "Sustainable Management of Natural Resources and Climate Change" (PROCAMBIO); and the "Food Security and Adaptation to Climatic Changes in Honduran Mosquitia" (2016-2018, being developed), etc.
  - b. On the other hand, FAO deserves special attention for institutional strengthening / farmers' organization, SAG policy making and Family Farming (FF), land management strengthening and innovation, access to markets, risk management and resilience. Overall, FAO provides support in 12 departments, serving roughly 35,000 families in 955 communities across 86 municipalities.
  - c. The Inter-American Institute for Cooperation on Agriculture (IICA) is working on developing comprehensive climate resilient production system management in the Municipal Association of Yegüare (Maraita, Santa Lucia, Oropolí, Yuscaran and Guinope).
  - d. At local experience level, work developed by communities adjacent to Montecillos Biological Reserve, Intibucá Department, that is Santa Cruz, El Águila, Maye, El Injerto y Crucita is commendable, so is the sustainable "solar-dried" coffee production in Yoro biological corridor and Fundación Vida-led programs y projects undertaken in the country.
  - e. Experiences that locally foster adaptation practices involving women and the youth.
22. Drawn upon the collective dialogue following the experiences showcased, the essential characteristics of actions to be included in the PPCR investment portfolio were identified and summarized as follows:
- They must solve specific problems faced by communities
  - High impact actions (drivers of changes), causing benefits at multi-sectoral level (considering adequate and feasible working scale)
  - Impacts on poverty reduction
  - Practical (viable, financially feasible, realistic in terms of resources, capacities and timeframes)
  - Beneficiaries' ownership
  - Empowerment and leadership strengthening
  - Scalable actions (transferable to other communities)
  - Complementarity/ synergies (systemic approach)
  - Informed actions– encompassing scientific and community and traditional knowledge
  - Respect for local knowledge and consider genuine participatory processes
23. The workshop also helped disseminate and analyze key climate resilience processes undertaken by the country, particularly the formulation of the National Adaptation Plan (PNA), as well as climate goals and indicators considered in the National Development Plan (Vision of the Country Paper),

the National Climate Change Strategy (ENCC), and the Intended Nationally Determined Contributions (INDCs).

24. Regarding progress towards the formulation of the National Adaptation Plan (PNA) and the Climate Change Act Regulations, it was clarified these processes are part of Honduras' Third National Communication (TNC) outcomes, which is coordinated by the National Climate Change Office (DNCC) under MiAmbiente in collaboration with SEFIN and supported by UNDP. Here, PPCR support and collaboration provided in coordination with the PTCN was confirmed.
25. Also, the workshop provided room for collective reflection (work groups), analyzing how climate change has impacted the country, especially the most vulnerable segments, including indigenous peoples and Afro descendants who depend on environmental services for subsistence. Based on these reflections, recommendations were made to guide the SPCR formulation.
26. Water security emerges as the top priority for PPCR in Honduras because its crosscutting impacts affect all development sectors, compromises food security (second top priority), threatens country's progress towards poverty reduction and worsens the risk conditions under which the most vulnerable communities live.
27. During the workshop, other critical themes were confirmed as action priorities, including institutional strengthening and climate change regulatory framework consolidation, and the need for streamlining climate risk monitoring, analysis and evaluation.
28. A key result of the above mentioned collective exercise conducted to analyze the problem and proposed interventions, they suggested, as synthesis, a strategic climate risk management framework in the context of the PPCR (see Figure N° 1). This strategic framework sets out five climate resilience processes or project components for each program priority:
  - a. Climate risks knowledge /information services
  - b. Favorable policy making/regulatory framework
  - c. "Hard" measures (risk reduction works)
  - d. "Soft" measures (community-led development)
  - e. Capacity building
29. The strategic framework also considers the project cycle and identifies in each phase relevant recommendations to integrate climate resilience, thus ensuring transformative actions respond to a "climate rationale" providing added value to the portfolio of projects.

**Figure 1**  
**Strategic Climate Risk Management Framework in the Context of PPCR - Honduras**



30. With the workshop inputs and results outlined in both the Aide-mémoire (Annex 1), and the 23 presentations listed in Annex 1A, in addition to inputs from the previous scoping mission, the Focal Point for the PPCR Program (MiAmbiente) has an adequate information basis to kick off the SPCR formulation process.

- **Post – workshop technical meetings**

31. Five post – workshop technical meetings were held to detail types of interventions that may be built in the PPCR investment portfolio. These meetings are:

- PPCR / National Adaptation Plan coordination meeting
- Meeting on knowledge of climate risks actions
- Meeting on water security, and WSS actions
- Meeting on food security and agriculture actions
- Meeting on transformative investment definition criteria

### ***PPCR / National Adaptation Plan coordination meeting:***

- a. Currently, the Government of Honduras has a roadmap to formulate National Adaptation Plan (Inter-institutional workshop conducted on July 2015); so far, there is a preliminary diagnosis and a map of stakeholders available. On the other hand, through the Adaptation Fund Project (supporting the PNA process), it is anticipated to resume the process and complete the plan formulation by late October – November. The Government based on MiAmbiente leadership will organize a working scheme that optimizes all efforts undertaken by donors in that theme. It was agreed the SPCR should provide MiAmbiente with capacities to coordinate work from different fronts and harmonize different initiatives underway.
- b. Here, it was agreed that through PPRC, a portfolio of strategic and prioritized projects that become part of the PNA programmatic component would be devised; on the other hand, the PPCR may finance technical studies, workshops or others as needed in the context of PNA. In this regards, workshops and consultation processes will be scheduled as far as possible to coincide with each other so they are useful to both processes.
- c. The National Climate Change Office (DNCC) reported it has scheduled a workshop in the coming months to keep advancing towards the PNA formulation; it was agreed the results from the inter-institutional workshop and PPCR technical meetings will be available to the country as inputs for formulating the National Adaptation Plan and other planning processes in this topic.

### ***Meeting on knowledge of climate risks actions***

- a. It was recommended to complete the map of stakeholders in terms of local and community development organizations, differentiating specific geographic areas or regions (e.g. Caribbean Region, Central Corridor, Pacific Coast, etc.).
- b. Across all strategic climate change planning processes, including the PPCR, the need for identifying active national and regional working platforms and existing coordination spaces is highlighted, including (i) Thematic Sectoral Commission; (ii) Watershed Councils; (iii) National Risk Management Advocacy Commission; (iv) Indigenous and Afro-Honduran Committee on Climate Change (MIACC); (v) CTICC sub committees, etc.
- c. Coordination spaces are expected to lay foundations for consultations, dissemination and validation of SPCR and PNA.
- d. It is recommended to review methodologies/guidelines available (e.g. World Bank<sup>2</sup>) at community and gender level in the context of climate resilience programs and analyze their potential use in the Honduran context.

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<sup>2</sup> Case Studies of Vulnerability and Resilience in Kenya and Nicaragua – Annex 1 1 describes the methodology: [http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2011/08/18/000333038\\_20110818000457/Rendered/PDF/549470ESW0whit0eport0549470GLB0web2.pdf](http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2011/08/18/000333038_20110818000457/Rendered/PDF/549470ESW0whit0eport0549470GLB0web2.pdf)  
Social Development Note summarizing the case studies: A Case Study Summary Note: [http://siteresources.worldbank.org/EXTSOCIALDEVELOPMENT/Resources/244362-1232059926563/5747581-1239131985528/Pro\\_poor\\_urban\\_Adaptation.pdf](http://siteresources.worldbank.org/EXTSOCIALDEVELOPMENT/Resources/244362-1232059926563/5747581-1239131985528/Pro_poor_urban_Adaptation.pdf)  
Participatory Scenario Development Approaches for Identifying Pro-Poor Adaptation Options in Ghana, Bangladesh, and Mozambique: [http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2011/01/11/000333037\\_20110111033711/Rendered/PDF/589060NWP0EACC10Box353823B01public1.pdf](http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2011/01/11/000333037_20110111033711/Rendered/PDF/589060NWP0EACC10Box353823B01public1.pdf)



- e. It is recommended to keep integrating community organizations into the PPCR process. This may be implemented by linking a consulting service with three specific objectives: (i) Systematize local knowledge on climate risks; (ii) Identify specific climate resilience actions at community level; (iii) Disseminate progress towards PNA and SPCR formulation through regional workshops.
- f. It is recommended to use the government administrative structure and existing civil society organization arrangements in terms of community work for PNA and SPCR consultation processes.

***Recommendations on strengthening climate risk knowledge component at technical –scientific level:***

- a. The PPCR technical assistance scope in the climate risk knowledge component will focus on: (i) Identifying and systematizing existing information on threats, vulnerability and climate risks in key sectors (including historic impacts and disaggregating territorial and sectoral ambiances), map of stakeholders and formats; (ii) Standardizing and presenting consolidated information as part of the national context chapter (useful for the PNA, the TNC and the SPCR), and (iii) Proposing the next steps drawn upon gaps identified.
- b. The PPCR will be harmonized with Hydromet Project (World Bank), whereby it is anticipated to generate an analysis on country’s climate, hydrological and meteorological services as well as a related enhancement plan, including other short-and-long term risk knowledge projects
- c. They noted it was desirable to use as climate risk information dissemination platform the “National Observatory on Climate Change for Sustainable Development” (ONCCDS), whose strengthening and consolidation is underway in MiAmbiente.
- d. It was agreed to hold a meeting - videoconference to share experiences on climate scenarios, inviting different stakeholders, preferably at regional and international levels. The prospective meeting date will be agreed jointly by the focal point PPCR and COPECO.
- e. It is recommended to systematize all information available and store it in a repository, available and accessible to prevent any redundancy of efforts.

***Meeting on water security, and WSS actions***

- a. During the interinstitutional workshop, all participants identified water insecurity as the largest climate change and variability-related impact in Honduras. This consensus was built mostly due to the fact that many sectors (agriculture, tourism, health, forestry and biodiversity, etc.) acknowledged water scarcity is one of the root causes of impacts affecting national development (e.g. food insecurity).
- b. In discussions held during and after the workshop, the water resources sector, including the WSS sector proposed as strategic activity options to be considered under the PPCR Technical Assistance the following:

- i. Review and propose the modernization, adjustment, complementarity of water supply and sanitation regulatory instruments, including the HR national policy.
- ii. Analyze water risk and sectorial vulnerability factors, including determination of information and knowledge management gaps and assessment of impacts of climate change and climate variability on water resources, water supply and sanitation.
- iii. Scrutinize climate scenarios and impacts on hydroelectric power generation.
- iv. Systematize and design investment projects in terms of water resources, water supply and sanitation.
- v. Formulate a consensus-based National Water Plan Proposal, built upon the vulnerability analysis,
- vi. Design the prioritized water resources and WSS investment project portfolio
- vii. Develop a technical proposal for water balance nationally (including definition of scopes, costs and TORs and inter-institutional consultation processes).
- viii. Other prioritized sectoral activities

### ***Meeting on food security and agriculture actions***

- a. It is recommended to integrate into transformative investment portfolio actions aimed at establishing a sustainable climate-adapted farming, which among other key aspects includes improved productivity and sustainable use of natural resources that in turn ensures food security.
- b. They concluded that soil conservation and restoration and advancement of agro ecologic, agroforestry and silvo pastoral systems must be part of PPCR transforming actions, generating synergies with the Forest Investment Program (FIP), which is a CIF-supported initiative that is being formulated concurrently. This acknowledgement also establishes synergies between the PPCR, the National Plan of Action to Combat Desertification and Drought, the National Climate Change Adaptation Strategy for Agri-food Sector and the Gender Equality Policy in the Honduran Agriculture Sector. Based on the foregoing, it was agreed PPCR stakeholders engaged in soil conservation and restoration matters should be invited to participate in the FIP Program.
- c. Basically, at agri-food level (including agriculture and livestock), three sustainable climate-adapted farming areas are proposed:
  - i. Policy and institutionalism
  - ii. Agro climate knowledge management
  - iii. Comprehensive water management (including soil and forest cover)
- d. Crosscutting elements proposed:
  - i. Gender equality
  - ii. Community participation and local government structure use (municipal associations) as rural outreach platforms
  - iii. Eco-systemic services
  - iv. Family Farming (FF)
  - v. Land-use planning

### ***Meeting on Criteria for Prioritizing PPCR Strategic Actions (SEFIN)***

- a. In the context of the Organic Budget Law (LOP), the Public Investment Technical Guidelines and the General Budget Provisions in force, article 79, SEFIN through DGIP is appointed governing agency and coordinator of the Honduras Public Investment System (SNIPH), and will issue the Priority Note for new Programs and Projects wishing to be integrated into the Public Investment Program (PIP) prior to any financing management and before the SEFIN, for their respective opinion on the fiscal space. Therefore, public sector applicants must meet the criteria established and discussed by the Technical Committed and approved by the Steering Committee made up by MiAmbiente, SEFIN, SCGG, and prioritized sector institutions and entities.

#### *Eligibility Criteria*

- i. **Strategic Alignment:** Project proposals submitted by the governing agency and endorsed by the Sectoral Cabinet, ensuring each proposal is aligned with sectoral and national priorities.
- ii. **Project Document Formulation:** The Project Document must be submitted in line with the Methodological Guide for Project Formulation and Evaluation approved and/or forms defined, accompanied by updated studies and designs and incorporating risk management, climate change, gender and human rights variables as well as the priorities set forth in the Regional Development Plans, in order to bring a more balance development between the regions under the Vision of the Country Paper and in line with territory's natural resource, economic and social potential.

Note that Project Documents must be drafted and submitted according to the Methodological Guide for Project Formulation and Evaluation, in conformance with **General Budget Provisions in force, article 88**.

#### *Strategic Alignment Criteria*

- i. The project drafting agency will request from the Ministry of Finance, a certification on the existence of fiscal space for financing a program or project as part of public finance regulation measures adopted to ensure fiscal sustainability in the short and medium run.
- ii. The applicant agency will request from the Presidential Office for Strategic Planning, Budget and Public Investment the strategic alignment of project, which will analyze proposals based on national priorities and prioritize those proposals best aligned with the Strategic Government Plan (Vision of Country – Plan of Nation and Governmental Plan) to issue approval signed by the Secretariat of General Coordination of Government (SCGG).
- iii. Upon achievement of the strategic alignment, the applicant agency will request from SEFIN the Priority Note through the Honduras Public Investment System (SNIPH), in conformance with the General Budget Provisions in force, article 95, which reads as follows: “All Public Sector Institutions implementing public programs and projects, financed by either public and private sources of funding, shall record and keep updated relevant physical and financial information in the Honduras Public Investment System (SNIPH)”.

#### *Project Viability Criteria*

- i. SEFIN through the Technical Committee and the Steering Committee will review the proposal to confirm those portfolio projects contributing to mitigation and/or adaptation of climate change.
- ii. Projects proposed by Prioritized or Underserved Strategic Sectors: a) Human Health; b) Marine and Coastal Zones; c) Agriculture and Livestock; d) Forest Resources; e) Ecosystems and Protected Areas; f) Infrastructure; g) Renewable Energy/Energy Efficiency (unfunded project portfolio will be reviewed).
- iii. Interrelatedness of sectors and projects contributing the most to regional and/or departmental development and growth will be sought.
- iv. Those projects not funded by other sources of funding will be considered
- v. DGIP will conduct the project viability analysis in a technical, economic, legal, financial, environmental, social and natural risk disaster context.
- vi. Finally, those proposals identified as priority by the Secretariat of General Coordination of Government will be submitted to the Ministry of Finance to process the issuance of the respective Priority Notes.

#### *Notes:*

- Upon approval of the foregoing, each item of the technical criteria is broken down to fit the SEFIN scoring.
- Regarding the Steering Committee, it is important to define:
  - o Presentation datasheet format and/or methodology
  - o Financial aspects (funding modality, reimbursable and non-reimbursable resources and matching funds)
  - o Location, coverage and beneficiaries (special regions, etc.).
  - o Project size
  - o Progress in project implementation

#### • **Field Visit**

32. On Saturday March 12, a field visit was conducted to Danlí Municipality, led by the Mayor of Danlí Mr. Ramiro Chacón, along with Eng. Yessica Rodriguez, General Manager of Danli Municipal Water Company. During the field visit, the mission learned about challenges faced to ensure adequate delivery of water across the entire municipality. This problem is a common issue for many municipalities located in the Honduras Dry Corridor Zone.
33. Shortly, the mission interviewed Villa Peniel Water Board, which serves Villa Peniel community located in *kilómetro 9 salida a Olancho*. Mrs. Herminia Bautista, community leader gave a presentation on water quality and quantity issues faced by the community. This community was resettled in the aftermath of Hurricane Mitch (originally located at colonia El Porvenir, Comayagüela). It had a water system (storage tank) that worked for two years. Underground aquifer depleted and currently, the village is currently supplied by water tank trucks.

#### **IV. ARRANGEMENTS AND EXECUTION OF THE PPCR AND FIP PROGRAMS (PROGRAM IMPLEMENTATION ARRANGEMENTS)**

34. As part of the PPCR and FIP programs, Honduras can access non-reimbursable technical assistance grants of up to \$1.5 million and \$250,000, respectively. These funds are intended to facilitate the processes of preparing the SPCR and FIP Investment Plan, including costs for technical studies

required for the development of investment plans, participatory consultation processes with stakeholders, and raising awareness about change climate, among others. At the time of the mission, the application forms for these funds had been prepared by the country's focal points for PPCR with the MDB's support and submitted to CIF.

35. During the mission, it was also confirmed that the technical assistance preparation funds would be executed by INVEST-H as fiduciary agent, while MiAmbiente is the national implementing partner and SEFIN is the guarantor of requirements defined under the Honduras Public Investment System (SNIPH).
36. Upon the completion of the mission, a task force made up by MiAmbiente and INVEST-H, supported by MDBs, is engaged in preparing the Operations Manual, the Institutional Organization Proposal and the Preliminary Budget for executing the grant.

## V. NEXT STEPS AGREED UPON DURING THE MISSION AND RESPONSIBLE PARTIES

37. The table below summarizes the next steps and responsible parties agreed upon the mission:

**Table of activities, responsible parties and dates**

Activity	Responsible Party	Date
Detailed preparation of PPCR Phase I: identification of specific activities to be financed, Operations Manual, Procurement Manual and Internal Processing at World Bank	MiAmbiente + INVEST-H and World Bank	March – May 2016
Signing of Grant Agreement	World Bank and GoH	Late May 2016 (TBD)
PPCR Phase I Implementation: SPCR formulation, technical studies and consulting processes at national level	GoH supported by the World Bank	May/June 2016 hasta January de 2017
Preparation of Terms of Reference (TORs) for the Second Joint Mission and submission to CIF	GoH supported by MDBs	December 2016
Completion first SPCR draft, shared with MDBs for review and inputs	GoH supported by MDBs	January 2017
Second Joint Mission	GoH supported by MDBs	Early February 2017
SPCR review following the Second Joint Mission	GoH supported by MDBs (review conducted by an independent expert)	February 2017
SPCR validated by the Inter-institutional Coordination Committee (high level validation)	GoH	Mid-March 2017
Submission of SPCR final draft for approval by PPCR sub-committee	GoH	Late March 2017
SPCR formally presented to PPCR sub-committee	GoH	May 2017
PPCR Phase I Closure (technical assistance timeframe may be extended beyond the 18-month SPCR submission deadline)	GoH	Late November 2017 (approx.)

*Tegucigalpa, March 16 2016*

Eng. José Antonio Galdames  
Minister  
Ministry of Energy, Natural Resources,  
Environment and Mining  
Honduras

Eng. Elvis Rodas  
Vice Minister  
Ministry of Energy, Natural Resources,  
Environment and Mining y Minas  
Honduras

Omar Samayoa  
Senior Climate Change Specialist  
IDB

Ana Campos García  
Senior Disaster Risk Management Specialist  
World Bank

**Annexes:**

Annex 1: March 8 – 10 2016, Inter-institutional Workshop Aide-Mémoire  
Annex 1A: Inter-institutional Workshop Presentations (23 files)