



Project Information Document/ Integrated Safeguards Data Sheet (PID/ISDS)

Concept Stage | Date Prepared/Updated: 04-Nov-2018 | Report No: PIDISDSC25608

**BASIC INFORMATION****A. Basic Project Data**

Country Honduras	Project ID P168385	Parent Project ID (if any)	Project Name Integrating Innovation for Rural Competitiveness in Honduras - COMRURAL II (P168385)
Region LATIN AMERICA AND CARIBBEAN	Estimated Appraisal Date Jan 22, 2019	Estimated Board Date May 31, 2019	Practice Area (Lead) Agriculture
Financing Instrument Investment Project Financing	Borrower(s) Republic of Honduras	Implementing Agency Inversion Estrategica - Honduras (INVEST-H)	

Proposed Development Objective(s)

The PDO is to improve access to markets and climate-smart practices and contribute to the economic inclusion of targeted beneficiaries in select agricultural value chains.

PROJECT FINANCING DATA (US\$, Millions)**SUMMARY**

Total Project Cost	330.00
Total Financing	330.00
of which IBRD/IDA	150.00
Financing Gap	0.00

DETAILS**World Bank Group Financing**

International Development Association (IDA)	150.00
IDA Credit	150.00

Non-World Bank Group Financing

Counterpart Funding	30.00
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LOCAL: BENEFICIARIES	30.00
Commercial Financing	150.00
Unguaranteed Commercial Financing	150.00

Environmental Assessment Category

B - Partial Assessment

Concept Review Decision

Track II-The review did authorize the preparation to continue

Other Decision (as needed)

B. Introduction and Context

- High rates of poverty and inequality remain a persistent development challenge in Honduras.** Poverty reduction in Honduras over the last decades has been slow compared to regional averages for Central and Latin America. Of Honduras' national population of about 9.1 million people, 70 percent live at or below the national poverty line and about 1 in 6 of the total population lives in extreme poverty (less than US\$ 1.90 per day). Honduras' rate of economic inequality is among the highest in Latin America, with a Gini Index of .50. World Bank data indicate that about 54 percent of income in Honduras is held by the highest-earning 20 percent of the population and only 3 percent of income is held by the lowest-earning 20 percent. Unemployment in 2017 was estimated at 4.5 percent, with unemployment among youth at 8.2 percent.
- The absence of a robust economic base for generating more and better jobs remains a central challenge for poverty and inequality reduction in Honduras.** Average earnings per worker vary widely across and within sectors in Honduras, with self-employment in agriculture as the least remunerative activity of all (average monthly earnings of L 2,404 per person in 2016, in contrast to formal wage work at an average of L 9,300). Informal work persists across all sectors (agriculture, industry, services) and in both urban and rural settings, and is characterized not only by low earnings but also by low quality and productivity, undermining GDP growth. Inclusive approaches to rural growth will require promoting diversification of rural incomes through combining formal and informal work, non-farm activities, and the intensification of agricultural activities.
- Honduras is considered significantly vulnerable to climate and weather events, with poorer populations in particular having a low capacity to cope and adapt.** Honduras is seen as one of the countries most affected by extreme weather events and has increasingly felt the impacts of climate change, El Niño, and other weather-related events that have affected landscapes and infrastructure (communications, housing, public health, etc.). In 1998, Hurricane Mitch generated economic damages estimated at around 81 percent of GDP. In addition, the 2015 drought season affected 1.3 million people and small-scale farmers had an average loss of agricultural production of about 80 percent. Several underlying factors limit capacity to cope with these impacts, including a lack of means to recuperate lost assets, limited livelihood options, and lack of basic support services.



Sectoral and Institutional Context

4. **The agriculture sector continues to be a strong pillar of economic growth in Honduras.** Underpinned by favorable agro-ecological conditions, agriculture, forestry, and fishing together the sector grew by 10.7 percent in 2017, accounting for 12.9 percent of GDP (primary production only) and representing a 5-year peak in sector growth. This figure understates the importance of agriculture in the Honduran economy, however, as it does not reflect the many backward and forward linkages between primary agriculture and other sectors, both upstream and downstream. Based on experiences from other countries in the region, the contribution to Honduras' GDP of its broader food and agriculture system would be about 1.5 times higher than that of primary agriculture alone.

5. **Notwithstanding strong agriculture sector performance in recent years, much more needs to be done given the scale of poverty and food and nutrition insecurity in rural areas.** In Honduras, more than half of the poor, and two-thirds of the extreme poor, live in rural areas. Rural poverty is most heavily concentrated in the western and southern areas of the country, known as the "Dry Corridor" (*Corredor Seco*). The rural poor overwhelmingly rely on agriculture as their principal livelihood source, with an estimated 72 percent of agricultural families in Honduras engaged in semi-subsistence farming. This type of farming is typically characterized by low productivity and competitiveness, low revenue generation, and high vulnerability to shocks.

6. **Climate change and the increasingly frequent occurrences of extreme weather events are widely recognized as one of the most important risks affecting the Honduran agriculture sector.** Honduras' endowment of water, fertile soils, forests, and other natural capital is a central foundation for much of the country's economic activity. However, the health of these resources is highly vulnerable to climate change, El Niño, and other weather-related events, as well as to environmental mismanagement. These vulnerabilities exacerbate rural poverty and food and nutrition insecurity.

7. **Investing in rural productivity, resilience, and innovation to boost export competitiveness will be a critical component of efforts in Honduras to reduce poverty and inequality.** While the 2008 launching of the Dominican Republic–Central America Free Trade Agreement (DR-CAFTA) has increased access to foreign markets, it has also exposed rural producers to new and increasingly competitive markets. Honduras benefits from strong comparative advantages in the agriculture sector: proximity to major regional and international markets, and agro-ecological conditions favorable to diverse agricultural value chains that are capable of meeting market quality demands.

8. **The COMRURAL project is currently GoH's flagship project for promoting agricultural competitiveness and exports in Honduras.** COMRURAL, approved by the World Bank Board of Executive Directors in 2008 and extended through an Additional Financing in 2017, is widely recognized throughout Honduras for its success in linking smallholder farmers to domestic and international markets. This success has been achieved through support to commercial production and post-harvest value addition structured under the "productive alliances" model.

9. **The decade-long implementation of COMRURAL has shown that Honduras needs to work on several fronts to enhance its business-enabling environment and promote agribusiness development.** Regulations and financial services that enable and incentivize entrepreneurship in the agriculture sector have not been a subject of sufficient public-sector attention. The modernization of critical public services is required for governance and the agricultural business climate to be stronger. The National Service for Agri-food Health and Safety (SENASA: Spanish acronym) and the Sanitary Regulation Agency (ARSA: Spanish acronym) are also in need of modernization. The public sector in Honduras can significantly improve its efficiency and the returns of agriculture public expenditures, and there is a general need to redefine the spaces for public-private coordination and partnerships in agribusiness, potentially by drawing on the concept of "Maximizing Financing for Development" (MFD).



10. **Poor agro-logistics has also shown to be a critical barrier to improving agricultural competitiveness in Honduras.** Lack of adequate agro-logistics, both hard (infrastructure) and soft (services), is a major bottleneck. The 2018 World Bank Logistics Performance Index awarded Honduras an aggregate ranking (according to 6 dimensions of logistics over the period 2012 to 2018) of 106 out of 167 countries, based on evaluations by its international trading partners. Honduras ranked particularly low, including lower than the regional averages for Latin America, in terms of customs regulations and timeliness. Investing in the upgrading of agro-logistics infrastructure will be critical for enabling Honduran farmers to diversify into higher-value, often perishable agriculture products that cannot thrive under the country's current agro-logistics infrastructure.

11. **Harnessing recent innovations in technology and data collection will be critical for improving competitiveness and creating new employment opportunities.** Developing countries around the world are improving the competitiveness of their products through well-established research programs as the basis to promote the use of innovation, big data analysis and the Internet of Things. Honduras ranks 129 on the information and communications technology (ICT) Development Index 2017 (out of 176 countries worldwide). According to the International Food Policy and Research Institute (IFPRI), the total agricultural research spending index is US\$ 8.0 million and the spending as a share of agricultural GDP for Honduras is 0.17 percent, the lowest in LAC. Honduras' rapidly growing Information Technology Services sector may position it well for developing similar agricultural "intelligence" services and other innovative platforms to modernize and innovate in the agriculture sector.

12. **The Government of Honduras (GoH) through the 2020 Plan has defined a new development strategy to promote the transformation and modernization of the agro-industrial and agribusiness sectors, showing a keen appreciation for needs on the ground as well as strong commitment to supporting agriculture sector development.** A recent GoH exercise identified and prioritized value chains based on the commercial potential and the country's comparative advantages, as well as their impact on the generation of new jobs and income for rural families. Primary value chains prioritized include: livestock (beef), avocado, soy, cocoa, coffee and specialty coffee, black and red beans, cashew, vegetables, pitahaya, tilapia, coconut and agro-forestry initiatives, which all together have a required investment program estimated at US\$ 1,200 million. The development of these value chains requires a business model guided by private public initiatives, and GoH's vision for these value chains includes the generation of up to 120,000 new full-time jobs.

13. **GoH considers the continuation of the COMRURAL approach to be one of the pillars to support implementation of the 2020 Plan.** As requested by GoH, the proposed project – informed by valuable lessons learned during 10 years of COMRURAL implementation – will help to fulfill the 2020 Plan objectives by expanding the "productive alliance" model to agribusiness initiatives in additional regions and value chains and deepening the participation of the private financial sector in financing small rural producers.

Relationship to CPF

14. **The proposed project is in line with GoH's vision and the with all the focus areas of the World Bank Group's Honduras Country Partnership Framework FY16-FY20 (CPF)** Report No. 98367-HN, as discussed by the Executive Directors on December 15, 2015. The World Bank's strategic engagement for reducing poverty and inequality in Honduras are structured into the following three pillars: (i) fostering inclusion; (ii) bolstering conditions for growth; and (iii) reducing vulnerabilities to enhance resilience. The proposed project will contribute to all three of these focus areas by supporting financial inclusion, technical assistance, and market access for small rural producers, improving the enabling conditions



for agribusiness and rural entrepreneurship, and reducing agriculture sector resilience to climate change and other weather-related threats.

15. **The proposed Project is aligned with the IDA18 overarching theme, “Towards 2030: Investing in Growth, Resilience and Opportunity”** and with the Sustainable Development Goals (SDGs). The Project will contribute to implementing several themes prioritized by the World Bank Group: (i) Maximizing Finance for Development, (ii) climate change; (iii) gender; (iv) jobs and economic transformation; and, (v) governance and institutions, which present specific development challenges in the case of Honduras.

C. Proposed Development Objective(s)

The PDO is to improve access to markets and climate-smart practices and contribute to the economic inclusion of targeted beneficiaries in select agricultural value chains.

Key Results (From PCN)

The achievement of the project development objective would be measured through the following indicators:

- Number of beneficiaries (farmers and agri-entrepreneurs) adopting climate-smart practices promoted by the project, disaggregated by gender, youth, Indigenous, Afro-descendants (“climate-smart” indicator)
- New jobs created under subprojects financed by the project (“economic inclusion” indicator)
- Percentage increase in the value of gross sales of agricultural enterprises based on implementation of the business plans approved in the first 3.5 years of project implementation (“access to markets” and “economic inclusion” indicator)
- Percentage of rural producer organizations (RPOs) working under a productive alliance approach 24 months after first disbursement (“sustainability” and “access to markets” indicator)

D. Concept Description

A. Concept

Description

16. **The proposed project is an Investment Project Financing (IPF), comprising an IDA credit of US\$ 150 million that is expected to leverage an expected additional US\$ 150 million in private commercial finance and US\$ 30 million in Rural Producer Organization (RPO) contributions.** The proposed IPF will be implemented over an 8-year period and modeled on the well-established success of COMRURAL. The total project cost is estimated to be US\$ 330 million.

17. **The proposed project aims to improve access to markets and climate-smart practices and contribute to the economic inclusion of targeted beneficiaries in select agricultural value chains.** Innovation, defined as approaches that are new and/or different for project beneficiaries, will play an important role in achieving this objective in the form inter alia of practices, technologies, and systems. Moving beyond a focus on specific value chain nodes or aspects, the project will promote competitive improvements along the full spectrum of backward and forward value chain linkages.

Beneficiaries



18. **The proposed project will benefit farmers and agri-entrepreneurs in the Honduran agriculture sector directly and indirectly.** The direct beneficiaries will be: (i) members of the agricultural or agribusiness enterprises (formal groups, associations, or cooperatives of small/medium size producers and agri-entrepreneurs) participating in subprojects (about 100,000 farmers and their families); and (ii) other agricultural enterprises (either other groups/cooperatives or private individual firms) participating as partners/allies in the proposed subprojects (as agro-processors, aggregators, wholesalers, traders, etc.) or providing essential services for their successful operation (e.g. the rental of agricultural or processing specialized equipment etc.) and receiving matching grant funds. The project will also have secondary beneficiaries: participating public sector agencies and their staff (the capacities of which will be strengthened and modernized by the project) and participating private commercial financiers (who will gain capacity through the project for engaging with the agriculture sector). The proposed project will also have indirect benefits for a much broader range of stakeholders in the agriculture sector through enhancing the overall agriculture sector business environment and through strengthening and modernizing the public entities that provide services to those engaged in the agriculture sector (nearly one million Hondurans).

19. **The project will be national in scope and will target select GoH-prioritized value chains.** The institutional strengthening and business climate enhancing activities (as in Component 1) will have a national coverage. For Component 2, project interventions will be identified through a geospatial approach to prioritizing value chains and agribusiness initiatives by region.

20. **The PDO will be achieved through the following Components:**

21. **Component 1: Support to the Modernization of Honduras' Agribusiness Environment** The purpose of this Component will be to contribute to the modernization and strengthening of select public sector services and institutional capacity to enable and promote competitiveness in the agriculture sector. This Component will finance works, goods, technical assistance, consulting and non-consulting services, and operational costs to support: (i) institutional modernization of the Secretariat of Agriculture and Livestock (SAG: Spanish acronym), National Service for Agri-food Health and Safety (SENASA: Spanish acronym), and Agency of Sanitary Regulation (ARSA: Spanish acronym) for the improved provision of public services and governance structures in the agricultural sector; (ii) operation of the National Agricultural Council and its technical unit, including for the provision and adoption of ICT and facilitate uptake of other innovative solutions for market intelligence, agro-climate systems, agro-finance, and agro-logistics to promote a better-informed decision-making process for effective policy dialogue; and (iii) increasing the quantity and quality of the agricultural man-/woman-power required for enabling the agribusiness environment in project areas by supporting the modernization of agricultural technical training facilities, e-learning training programs, innovation labs and incubation centers, among others.

22. **Component 2: Support to enhance the competitiveness of agribusiness initiatives.** The purpose of this Component is to support competitive agribusiness initiatives ("subprojects") in prioritized agricultural value chains. This would be achieved through improving and expanding the productive alliances model, increasing complementarity between public and private investments, as well as expanding the participation of private commercial banks and micro finance institutions in financing small rural producers. Specifically, this Component would finance: (i) works, goods, technical assistance, and services for the selection, preparation, and implementation of selected subprojects by participating partners; (ii) incentives for the adoption of innovative agribusiness practices and technologies to improve productivity, market access, and climate resilience, and (iii) complementary investments in small-scale agro-logistics services and infrastructure. These subprojects will contribute to improved management of water resources in project activities, particularly in the Dry Corridor, to ensure the viability and sustainability of the agribusinesses that they support. A minimum threshold for women and youth participation will be determined, and separate procedures to promote the



inclusion of Indigenous and Afro-descendant communities as beneficiaries in more favorable conditions, and adapted to their sociocultural reality, will be included. In addition, the proposed project will target a minimum number of small farmers with sufficient potential to exit PROSASUR (which focuses on the extreme poor in the Dry Corridor) as well as bring in poor farmers beneficiaries from the social protection program mainly known as *Vida Mejor*.

23. **Component 3: Project management support.** This Component will finance the overall project management, coordination, and implementation.

24. **Component 4: Contingency Emergency Response (CER).** This Component will provide immediate response to eligible emergencies. As such, in the event of such an eligible emergency (as defined in the Contingency Emergency Response (CER) Operational Manual prepared and adopted by the GoH), this Component would finance emergency activities and expenditures through the reallocation of funds from the Project.

SAFEGUARDS

A. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

The project will be national in scope focusing on rural areas of Honduras. Priority agricultural products have been identified as coffee, cattle, cacao, avocado, cashew, leaf vegetables, fruit and non-traditional products, among others. The specific locations of the specific subprojects to be financed will not be known during the preparation of the project, but it is highly likely that indigenous peoples and afro-descendant communities may be present in the area of influence of the project, particularly in areas such as La Esperanza and Copan. There is a significant incidence of crime and violence in the country. This project will include private sector funds contributing to the co-financed resources for the project. In that regard, the environmental and social requirements will apply to all the funds administered under the COMRURAL II.

B. Borrower's Institutional Capacity for Safeguard Policies

The main agency involved in the implementation of the project, INVEST-H, has experience implementing safeguards policies and World Bank procedures because of their implementation of the COMRURAL I and its additional financing project since 2007 (P101209). COMRURAL I has a tracking system for the subprojects, and beneficiary organizations are required to have environmental management plans. The environmental and social management capacity of INVEST-H, however, will be assessed during project preparation, and it is expected that the Project Implementation Unit (PIU) will be improved based on the results of the due diligence, strengthening their procedures and frameworks for monitoring environmental and social sustainability to enhance effective implementation and monitoring of the safeguards instruments that will be developed.

C. Environmental and Social Safeguards Specialists on the Team

Andrew Francis Drumm, Environmental Specialist
Rodolfo Tello Abanto, Social Specialist

D. Policies that might apply



Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	<p>The aim of the project is to support the development of increased economic benefits for small farmers in particular, through the creation of strategic alliances with technical service providers, financial institutions and markets, and to increase agricultural productivity through capacity building and value chain integration. Component 1 activities are expected to mostly finance the rehabilitation of existing infrastructure and the acquisition of equipment for activities like the modernization public agricultural schools and public agricultural universities. Component 2 will fund agribusiness initiatives across the country, such as water harvesting and water storage, construction of small-scale irrigation and drainage schemes, on-farm irrigation technologies, low-cost pumping systems (including solar), the acquisition of agricultural machinery and vehicles the construction of modules to store agricultural products and the maintenance of vehicles, mounting structures, etc. The infrastructure to be funded is expected to be small-scale only. The overall impact of the project is expected to be positive and the foreseen activities are not expected to generate significant risk or irreversible adverse impacts. As such, based on the available information this project has been classified as Category B.</p> <p>Potential adverse environmental impacts include degradation of natural habitat, including forests, streams and rivers and health and safety of farmers through pesticide mismanagement. The main social impacts and risks of the project associated with OP 4.01 are related to community health and safety, particularly in relation to health risks for local populations in areas surrounding the agricultural projects (including health impacts associated with the use of pesticides), as well as labor conditions, including those related to the working conditions of agricultural employees, including those in the supply chains, and the possibility of situations involving child and/or forced labor, migrant workers, and potential gender exclusion.</p> <p>To manage the impacts and risks of the project, the Borrower will prepare, prior to Appraisal, a Social</p>



Assessment (SA), with a strategic focus on the agricultural sector, with an emphasis on the issues mentioned in the previous paragraph, and the identification of vulnerable and disadvantaged populations, with a gender, ethnic, and generationally sensitive approach. The SA will include potential risks related to threats to human security through the escalation of personal, communal or interstate conflict, crime or violence. The SA will build upon the SA prepared for the COMRURAL I project in 2007 (P101209) and for its additional financing (2016). The SA will also identify and analyze the main social risks identified in the COMRURAL I project and its social management measures, incorporating the lessons learned in that operation. Agribusiness subproject allocation will be demand-driven and that subprojects will be selected during implementation. Since the specific locations and impacts of the subprojects cannot be clearly defined during project preparation, the Borrower will prepare an Environmental and Social Management Framework (ESMF), in consultation with stakeholders, to identify, manage and mitigate potential adverse impacts during implementation, and guide the preparation of specific EAs, SAs, and ESMPs for each of the subprojects to be defined during project execution. The ESMF will guide the strengthening of elements like a Grievance Redress Mechanism, gender strategy, labor influx, and the system to track the environmental and social aspects in the subprojects. The ESMF will include guidelines for the development of labor management procedures (to prevent forced and child labor) and community health and safety plans for the subprojects. The ESMF will also include a screening mechanism to assess the environmental and social impacts of the subprojects, and will exclude from project funding subprojects likely to cause irreversible or significant environmental or social impacts (Category A), excluding activities that would impact protected areas, key biodiversity areas, and other terrestrial and aquatic natural habitats. High-risk agribusiness activities, such as palm oil plantations, will be also excluded from the program. The ESMF will also incorporate criteria for the use of water resources, taking the analysis of watersheds in the analysis. The ESMF will also include a table of mitigation activities, implementation arrangements,



capacity building plan, and a monitoring and evaluation framework as well. The ESMF will also include a specific section describing the requirements for preparing the safeguard aspects of the CERC (Component 4), describing the potential emergencies and the types of activities likely to be financed and providing a preliminary identification of potential risks and mitigation measures associated with them, taking into account the Bank Guidance on Contingent Emergency Response Components. The ESMF will include the WBG EHS General Guidelines, and the specific Guidelines on Annual Crop Production

The project will also promote the participation of the local communities and other relevant stakeholders, preparing and implementing a Stakeholder Engagement Plan (SEP), to guide the stakeholder engagement process throughout preparation and implementation, strengthening the existing Participation Plan. The SEP will build upon the Social Participation Plan prepared for COMRURAL I in 2007. The ESMF and SEP will be disclosed and consulted prior to appraisal. The disclosure arrangements will include virtual disclosure and availability of physical copies of such instruments in accessible locations.

The project will not finance activities that are implemented by a private entity.

Project activities will not involve significant loss or degradation of natural habitats. In fact, prioritization of investments in organic production will enhance positive impacts on aquatic habitats, particularly in areas that currently have issues with pesticide and fertilizer runoff.

Any investment funded under the project will be screened for its potential to cause negative impacts to natural habitats under the ESMF procedures, including critical natural habitats. Any activity likely to cause irreversible or significant damages to habitats will be excluded from project funding.

The ESMF will guide assessment of potential impacts of the planned productive investments upon forests. It will include a negative list of activities/impacts that could lead to degradation or conversion of forests to exclude them from financing. In general, the project

Performance Standards for Private Sector Activities OP/BP 4.03 No

Natural Habitats OP/BP 4.04 Yes

Forests OP/BP 4.36 Yes



		promotes use of agroforestry and silvo-pastoral practices on already cleared land.
Pest Management OP 4.09	Yes	The project finances agricultural activities expected to involve use of different types, quantities and management styles of agrochemicals or natural products/measures for pest management. The project will emphasize Integrated Pest/Crop Management through technical assistance. The ESMF will provide the necessary initial guidance for related screening and good practices. Procurement will screen any proposed purchases of agrochemicals to secure exclusion of red or yellow label chemicals and those prohibited by national regulations. During implementation, proposed business plans will be assessed in detail and managed based on good IPM practices. A Pest Management Plan (PMP) will outline the various elements of and actions needed to be taken to adequately address concerns during project implementation.
Physical Cultural Resources OP/BP 4.11	Yes	Project activities are not expected to involve any major civil works. No major movement of earth or excavation is anticipated, nor is it expected that natural features and landscapes with some level of cultural significance might be adversely impacted by the project. As such, it is unlikely that known physical cultural resources will be impacted. Nevertheless, as a precautionary measure, chance finds provisions will be included in the ESMF.
Indigenous Peoples OP/BP 4.10	Yes	Given the presence of Indigenous Peoples such as Lenca, Maya- Chortis, Tolupan, Misquito, Pech, Tawakas o Sumos located in specific areas of the country, as well as afro-descendant communities, and considering that agribusiness subprojects will be demand-driven and will be selected during implementation, an Indigenous Peoples and Afro-descendants Planning Framework (IPAPF), which will be prepared and disclosed as a standalone document, will define the guidelines for the development of separate procedures to promote the inclusion of indigenous communities as beneficiaries of the project in more favorable conditions, adapted to their sociocultural reality and with provisions to reduce the potential impoverishment risks for the indigenous and afro-descendant beneficiaries. The IPAPF will build upon the Indigenous Peoples Development Plan prepared in 2007 for the COMRURAL I project



(P101209) and for its additional financing prepared in 2016. The SA to be prepared will include OP 4.10 requirements specific for IPs and will to inform project design and preparation of the IPAPF. The IPAPF will define the criteria and procedures for the preparation of specific Indigenous Peoples and Afro-descendent Plans (IPAP), through open, fair and culturally appropriate processes, including free, prior and informed consultation processes leading to broad community support for the sub-projects. The IPAPs will assess the potential impacts to Indigenous Peoples and define the necessary mitigation measures, as well as provide information on practical ways in which the Indigenous Peoples and Afro-descendants can become project beneficiaries, and to ensure that they do so in a culturally appropriate manner.

Gender considerations will also be addressed so that indigenous women and men are able to benefit from the project. The IPAPF and IPAPs will also identify culturally-specific mechanisms that can be adopted to address any grievances that may arise through project implementation, as part of the project’s Grievance Redress Mechanism. The IPAPF will be prepared, disclosed and consulted with Indigenous Peoples Organizations at the national and regional levels prior to appraisal.

Project activities are not likely to involve involuntary resettlement. Subproject allocation will be demand-driven and that subprojects will be selected during implementation. Since project locations are not know yet, the project will include a Resettlement Policy Framework (RPF) to guide the preparation of specific Resettlement Action Plans (RAP) or Abbreviated Resettlement Plans (ARAP) to address the cases of involuntary resettlement and land acquisition if they are identified during project execution. The RPF will be disclosed and consulted prior to appraisal as a standalone document, along with the ESMF consultation process.

Project activities will not involve dams and project activities will not rely on the performance of any dam.

The locations of Project activities is not yet known so it cannot yet be determined if activities will take place in international waterways.

Involuntary Resettlement OP/BP 4.12

Yes

Safety of Dams OP/BP 4.37

No

Projects on International Waterways OP/BP 7.50

TBD



Projects in Disputed Areas OP/BP 7.60	No	Project activities will not be located or take place in disputed areas. If an area were to be in dispute, it would not be eligible for financing under the project.
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E. Safeguard Preparation Plan

Tentative target date for preparing the Appraisal Stage PID/ISDS

Jan 15, 2019

Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the Appraisal Stage PID/ISDS

Some environmental and social safeguards related studies and management instruments will be prepared during the project preparation process (October 2018 - January 2019), while others will be prepared after project approval. The safeguards instruments to be prepared alongside the project, and disclosed and consulted before the project’s appraisal process has concluded, are the following ones: SA, ESMF, SEP, IPAPF, and RPF. The safeguard instruments to be prepared after project appraisal or approval, when the subprojects have been preliminarily defined but before finalizing their approval process, are the following ones: SAs and ESMPs for each of the specific subprojects, which will provide the necessary information to determine if additional social management instruments, such as PMPs, IPAPs, RAPs or ARAPs, will need to be prepared.

CONTACT POINT

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APPROVAL

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