

**COMBINED PROJECT INFORMATION DOCUMENTS / INTEGRATED  
SAFEGUARDS DATA SHEET (PID/ISDS)  
ADDITIONAL FINANCING**

**Report No.:** PIDISDSA16631

**Date Prepared/Updated:** 18-May-2016

**I. BASIC INFORMATION**

**A. Basic Project Data**

<b>Country:</b>	Honduras	<b>Project ID:</b>	P158086
		<b>Parent Project ID (if any):</b>	P101209
<b>Project Name:</b>	Additional Financing for Rural Competitiveness Project (COMRURAL) (P158086)		
<b>Parent Project Name:</b>	Honduras Rural Competitiveness Project (P101209)		
<b>Region:</b>	LATIN AMERICA AND CARIBBEAN		
<b>Estimated Appraisal Date:</b>	23-May-2016	<b>Estimated Board Date:</b>	25-Aug-2016
<b>Practice Area (Lead):</b>	Agriculture	<b>Lending Instrument:</b>	Investment Project Financing
<b>Sector(s):</b>	Agro-industry, marketing, and trade (30%), General agriculture, fishing and forestry sector (60%), Central government administration (10%)		
<b>Theme(s):</b>	Rural services and infrastructure (45%), Rural markets (45%), Rural non-farm income generation (10%)		
<b>Borrower(s):</b>	Republic of Honduras		
<b>Implementing Agency:</b>	Ministry of Agriculture and Livestock, Honduran Strategic Investment Office (InvEst-H)		
<b>Financing (in USD Million)</b>			
<b>Financing Source</b>			<b>Amount</b>
BORROWER/RECIPIENT			0.00
International Development Association (IDA)			12.60
Borrowing Country's Fin. Intermediary/ies			4.05
Local Farmer Organizations			1.53
Total Project Cost			18.18
<b>Environmental Category:</b>	B - Partial Assessment		
<b>Appraisal Review Decision (from</b>			

<b>Decision Note):</b>	
<b>Other Decision:</b>	
<b>Is this a Repeater project?</b>	No

## B. Introduction and Context

### Country Context

Honduras is Central America’s second-largest country with a population of more than 8 million and a land area of about 112,000 square kilometers. Its inland territory is largely mountainous, with plains along the coast, and its rain forests, cloud forests, savannas, pine forests and the Mesoamerican Barrier Reef System boast a wealth of biodiversity. The country’s two largest cities, Tegucigalpa and San Pedro Sula, are home to almost a quarter of its population, yet approximately half of the population lives in rural areas, where most are engaged in semi-subsistence agriculture.

The country has the third lowest per capita income in LAC and is among the poorest countries in the Western Hemisphere. Nearly one in five Hondurans lives on less than US\$1.90 per day, the second highest rate in LAC. According to official poverty lines, in 2013 almost 65 percent of Honduran households lived in poverty and 43 percent lived in extreme poverty, including two out of three rural Hondurans. Reductions in both extreme and moderate poverty between 2003 and 2013 were driven by gains in rural areas, while the rest of the country experienced a slight increase in both. Rural poverty is most heavily concentrated in the western and southern areas of the country, known as the “Dry Corridor” (Corredor Seco).

Honduras possesses multiple strengths with the potential to form a base to propel the country towards faster growth and shared prosperity: (i) a strategic location that offers a potential investment destination; (ii) an industrial base that could support an expansion of the tradable sector; and (iii) an economy with the second largest trade-to-GDP ratio in LAC lead by the diversify and increasing number of exported goods and destination markets.

### Sectoral and institutional Context

Agriculture is an important player for the Honduran economy. Agriculture generates 14 percent of country’s Gross Domestic Product (GDP), the second largest share in LAC, represents 30 percent of the country total exports and generates 38 percent of country’s employment. Some progress has been made in improving the production and export of high-demand products such as shrimp, fishing, palm oil, special coffee, among others. Agribusiness exports experienced robust growth over the past decade, rising from US\$600 million in 2006 to US\$3 billion in 2014.

However, small and medium producers are left behind in these developments due to sharp inequalities within the rural sector, and the many challenges they are facing, including sector vulnerability to both shift in international prices and exogenous production shocks such as diseases and natural hazards. Around seventy-two percent of agricultural families in Honduras are engaged in semi-subsistence farming, which is typically characterized by low marginal productivity and highly vulnerable to such shocks. The access to productive assets is a pre-condition for small producers to make the transition from subsistence to profitable commercial family. Nonetheless, around 70.6 percent of the family-owned farms are less than 5 hectares and

represents only 8.6 percent of the total area dedicated to agriculture activities. In this situation rural producers with small plots faced the need of higher-tech investments to establish profitable agriculture businesses, situation that leads to an additional challenge of private credit access to finance agricultural activities which is limited and classified as “high risk”.

In this context, without adequate planning, financing or access to technical knowledge, small producers are at a disadvantage in an increasingly competitive market. COMRURAL is the Government of Honduras flagship project to promote agricultural competitiveness in the country.

### **C. Proposed Development Objective(s)**

#### **Original Project Development Objective(s) - Parent**

The Project Development Objective of COMRURAL is to contribute to increased productivity and competitiveness among organized rural small-scale producers through their participation in productive alliances.

#### **Proposed Project Development Objective(s) - Additional Financing**

The revised PDO is to contribute to increased productivity and competitiveness among organized rural small-scale producers through their participation in productive alliances and to enable the Government to respond promptly and effectively to an eligible emergency.

#### **Key Results**

The AF will consolidate and scale up activities under the original three components whose overall nature will not change. The proposed IDA credit for USD12.6 million will leverage around USD5.6 million from the Rural Producers Organizations (RPOs) through private financial institutions (70 percent) and equity (30 percent). The AF is expected to promote the establishment of approximately 58 new productive alliances and benefit 3,100 households. The key PDO indicators are: (a) Percentage increase in the value of gross sales of rural producer organizations based on implementation of the business plan; (b) Percentage increase in land and labor productivity by rural producers participating in the Project; (c) Percentage of rural producer organizations working under an alliance approach 24 months after first disbursement. (d) Percentage of rural producer organizations without a loan in arrears; and (e) Time taken to disburse funds requested by the Government for an eligible emergency.

### **D. Project Description**

The AF will scale up the activities under the original three components. Financing will be as follows: (i) Component 1: Support to Productive Alliances (US\$3.7 million IDA-4465-HN; US\$2.6 million AF; US\$6.3 million in total); (ii) Component 2: Productive Investments (US\$11.8 million IDA-4465-HN; US\$7.0 million AF; US\$18.8 million in total); and (iii) Component 3: Project Coordination, Monitoring and Evaluation (US\$3.9 million IDA-4465-HN; US\$3.0 million AF; US\$6.9 million in total). A new and fourth component, Immediate Response Mechanism (IRM) Contingency, will be added to allow the Government to respond quickly in case of an eligible emergency. No funding will be allocated to this component at this time. The overall nature of the activities under the three components will not change. Component 1 will finance outreach and promotional activities to identify RPOs, commercial partners and private financing entities to form 58 new alliances, and formulate business proposals and business plans. It will also finance general studies to promote agricultural competitiveness, including inputs for an agriculture competitiveness strategy and product promotion, and the preparation of a study to

characterize the productive profile and the social capital of the department of Colon (Bajo Aguan area). Component 2 is expected to finance a total of 40 new business plans formulated under the first component as follows: (i) 5 new business plans for consolidation and scale up of existing alliances in the original project area; (ii) 10 new business plans for new alliances in the original project area; and (iii) 25 new business plans for new alliances in the new project area. Component 3 will finance project coordination, monitoring and evaluation. It is expected that the investments under the proposed AF will benefit an additional 3,100 rural producers, and will promote the establishment of approximately 58 new productive alliances, most of them in five new Departments as part of the Government's strategy to complement the investments under the ACS program. The AF is expected to be implemented for a duration of three years, and serve as bridge financing for a nationwide rural competitiveness program based on the COMRURAL approach.

Component 4 will be added to provide a mechanism which the Government can tap into to provide timely response to an eligible emergency. It will have a zero allocation and will be used as a conduit for uncommitted funds under the project to flow through to the appropriate agency leading the eligible emergency or disaster. A harmonized IRM Operational Manual used for other projects in Honduras with the same component will be adopted and will clearly outline the triggers, eligible expenditures and procedures for tapping into the contingency.

**Component Name**

Component 1. Support Productive Alliances

**Comments (optional)**

This component would support pre-investment activities to: (i) promote the project concept and outreach to RPOs, commercial partners and private financing entities; (ii) create and consolidate productive alliances among RPOs and commercial partners; (iii) identify potential business opportunities on the part of the productive alliance (i.e., a business proposal or perfil de negocio); (iv) fully prepare a business plan (plan de negocio) reflecting identified opportunity; and (v) build capacity among technical service providers to enhance the quality of the services provided to the productive alliances.

**Component Name**

Component 2. Productive Investments

**Comments (optional)**

This component would provide grants to co-finance the implementation of approximately 40 competitively selected business plans formulated under component 1. In order to become eligible, a business plan must be financially feasible, support one or more productive alliances, and have secured up-front resources from the private financial sector (minimum of 30 percent) to support the business plan.

**Component Name**

Component 3. Project Coordination and M&E

**Comments (optional)**

This component would support the incremental costs associated with project administration and monitoring, including putting in place a participatory monitoring and evaluation system. This component will also cover baseline information collection for new business plans, and finance an impact evaluation of the Project.

**Component Name**

Component 4. IRM Contingency

**Comments (optional)**

The component is added as part of the IRM for Honduras which pools uncommitted resources from different World Bank projects in order for the Government to respond in a timely manner to eligible emergencies.

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

The Project intervention area will be extended from the initial seven Departments (Comayagua, Copán, Intibucá, La Paz, Lempira, Ocotepeque and Santa Bárbara) to a total of 13 Departments, including the seven original Departments and the following six new Departments: Atlántida, Cortés, Choluteca, El Paraíso, Francisco Morazán, and Colón. In these new departments, there are ethnic minorities, including Lenca (in Francisco Morazán), Tolupán (in Francisco Morazán), Pech (in Colón), Garífuna (Colón, Atlántida and Cortés) The specific investment locations will be determined through a demand-driven selection process. Each sub-project location and Rural Producer Organization (RPO) will be screened and assessed to identify related environmental and/or social risks and sensitivities.

**F. Environmental and Social Safeguards Specialists**

Mariela Mena (GWADR)

Tuuli Johanna Bernardini (GEN04)

**II. Implementation****Institutional and Implementation Arrangements**

The proposed AF will be broadly implemented under improved institutional arrangements as compared to the parent project. The implementation arrangements described below, take into account the launch on January 28, 2014, of the Alianza para el Corredor Seco (Alliance for the Dry Corridor, ACS), an ambitious Government program to which the new administration committed from its first day to office. The ACS, for its acronym in Spanish, includes a series of Government initiatives and Projects, financed by various donors, including the Global Agriculture and Food Security Program (GAFSP) funded Dry Corridor (Corredor Seco) Food Security Project (P148737) and COMRURAL (P101209).

The ACS is coordinated and implemented by the Rural Development Department (RDD) of the Honduran Strategic Investment Office (INVEST-H). INVEST-H, under the General Coordinator of the Presidency, has been formed in 2005 as a government agency for supporting strategic projects for the country's socio-economic development. The INVEST-H Board of Directors is overseeing all ACS projects implemented by INVEST-H. The Board appoints the INVEST-H manager, oversees the annual plans and budgets, contracts the financial audits and is responsible for the overall oversight of the management unit. The RDD is chaired by the director and comprises a transaction team of technical and fiduciary specialists, as well as regional offices throughout the areas of intervention. The RDD consolidates the investments under the ACS program.

In this context, project management, monitoring and evaluation as well as fiduciary and

environmental and social risk management/safeguards responsibilities of COMRURAL would be managed by INVEST-H. The Project Implementation Coordination Unit (PIU) of COMRURAL has already been merged into the RDD of INVEST-H maintaining the same staff and functions as established in the Executive Decree PCM-11-2015 dated March 6, 2015. The Project Administration Unit (PAU) in the Ministry of Finance (SEFIN) has maintained the fiduciary functions of COMRURAL and it will continue to do so for the original credit until its closing in October 2017. This will allow sufficient time to complete the activities funded by the original credit. INVEST-H will be in charge of the fiduciary aspects of the AF once it is effective, thus having parallel fiduciary agencies for a short period (from the effectiveness of the AF to the closing of original credit), to ensure a smooth fiduciary transition. Upon closure of the original credit, the fiduciary functions will be fully transferred to INVEST-H to facilitate processes and coordination with the rest of the ACS. Once this transition is completed, INVEST-H will be solely responsible for the implementation of the project, including procurement, fiduciary, environmental and social safeguards management and administrative related matters. Besides a Central Coordination Unit, INVEST-H would maintain and strengthen the current three Regional Operating Units (ROUs) and establish a new one in the Department of Choluteca as part of the new project area for the proposed AF and the ACS-GAFSP Project.

### III. Safeguard Policies that might apply

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The PCU has updated the parent project's Environmental and Social Management Framework (ESMF) for the Additional Financing (AF), covering the six new Departments included in the project intervention area. The ESMF describes the project's potential impacts on environment and other applicable safeguard aspects in generic terms. It further describes the procedures and tools to be used for screening of potential site and activity specific impacts and guide application of good practices to prevent negative and maximize positive impacts, as well as mitigation measures to any identified major adverse impact. The new Component 4 on IRM Contingency counts with an Environmental and Social Screening and Assessment Framework (ESSAF) that forms a part of its Operational Manual. The revised ESMF was consulted in the new Departments.
Natural Habitats OP/BP 4.04	Yes	The ESMF guides assessment of potential impacts of the planned productive investments upon any type of protected areas, forests and other natural habitats. The ESMF includes a negative list of activities that could lead to degradation or conversion of natural habitats to exclude them from financing. Any productive activity proposed that would impact a protected area requires that said area has a Management Plan and that the activity is compatible

		with the same and applies the best feasible eco-agricultural practices.
Forests OP/BP 4.36	Yes	The ESMF guides assessment of potential impacts of the planned productive investments upon forests. The ESMF includes a negative list of activities/impacts that could lead to degradation or conversion of forests to exclude them from financing. In general, the project promotes use of agroforestry and silvopastoral practices, as applicable under participating value chains.
Pest Management OP 4.09	Yes	The project finances agricultural activities where baseline conditions are expected to involve use of different types, quantities and management styles of agrochemicals or natural products/measures for pest management. As the parent project, the AF will promote Integrated Pest/Crop Management through technical assistance provided by the project. The ESMF provides the necessary initial guidance for related screening and good practices. The AF will also continue with a successful arrangement under the parent project where procurement participates in screening of any proposed purchases of agrochemicals to secure exclusion of red or yellow label chemicals and those prohibited by the national regulation. During implementation, proposed business plans will be assessed in detail and managed based on good IPM practices.
Physical Cultural Resources OP/BP 4.11	Yes	The project is not expected to impact any known cultural sites. However, taken the demand-driven nature of the project activities and potential inclusion of tourism-related sub-projects, OP/BP 4.11 is triggered to secure proper management of any investments with potential impact on physical cultural resources (PCR). In every case, the ESMF's negative list will exclude any activity that could lead to their degradation or destruction. Additionally, the ESMF will include chance find procedures for archaeological or fossil relics.
Indigenous Peoples OP/BP 4.10	Yes	Both the original and extended project area count with presence of different Indigenous Peoples, and the project actively promotes their participation as beneficiaries. The original project supports Lenca and Maya-Chort ethnic minorities, while the AF is expected to assist Lenca, Tolupán, Pech, and Garfuna in new departments. The Indigenous Peoples' Planning Framework (IPPF) has been

		updated, based on social assessment in new Departments. IPPF ensures free, prior, informed consultations and participation of minorities in sub-project identification, implementation, and monitoring.
Involuntary Resettlement OP/ BP 4.12	Yes	The policy is newly triggered under AF as a precautionary measure, and the Resettlement Policy Framework (RPF) has been prepared. The COMRURAL has thus far not implied any resettlement of families or economic restrictions. Nevertheless, the demand driven nature of the project can result in unforeseen situations. In addition, the newly added departments of Atlántida and Colón present an accentuated situation of land insecurity. Also, land is communally owned by some ethnic minorities, including Garifuna.
Safety of Dams OP/BP 4.37	No	The project will not finance any major dam and is not expected to finance sub-projects that would depend on an existing dam.
Projects on International Waterways OP/BP 7.50	No	As expected during the parent project preparation, the financed portfolio of business plans has implied no concern related with adverse impacts on international waterways. The AF activities will not cause them either as none of the activities will imply the scale of irrigation, drainage or other works or practices that would affect bodies of water.
Projects in Disputed Areas OP/ BP 7.60	No	Project activities will not be conducted in disputed areas.

#### IV. Key Safeguard Policy Issues and Their Management

##### A. Summary of Key Safeguard Issues

<p><b>1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:</b></p> <p>The AF will trigger the same six safeguard policies as the parent project, as well as Involuntary Resettlement (OP/BP 4.12) as presented in the table above. The Environmental Assessment Category will also remain B (Partial Assessment, as no large scale, significant and/or irreversible adverse impacts are envisaged. As the parent project, the AF will mostly finance productive activities of small-scale farmers who belong to or will form a RPO. As presented in further detail under item 4 below, the parent project has an overall satisfactory record on safeguards compliance. Component 4 on IRM Contingency is also Category B.</p> <p>Regarding environment, the project is overall expected to generate rather positive than adverse impacts, taken that: (i) all the sub-projects (business plans) proposed for investment will be subject to environmental screening and management; and (ii) by adopting a market-demand mechanism, the producers will be encouraged to employ environmentally sound and sustainable practices in their productive activities.</p>
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The parent project funded/funds a total of 80 business plans that represent the following value chains: specialty coffees (53%), vegetables (20%), fruits (4%), livestock and milk products (8%), honey production (5%), basic grains (5%), cultural products (3%), fish farming (1%), and rural tourism (1%). The ESMF will describe the potentially adverse impacts of the projected AF investments, covering three new value chains on cocoa, allspice and rambutan. Accordingly, the ESMF has been updated to define related good practice criteria, procedures and mitigation measures to be applied by the AF beneficiaries.

The key social aspects to consider during project implementation are below:

**Indigenous Peoples:** The parent project counts with an IPPF and an overall Participation Plan to promote good social practices. To date, the indigenous population that has participated in COMRURAL represents Lenca and Maya-ChortÃ- ethnicities. COMRURAL has actively promoted their participation and reached a result of 42 percent of the total of 6,441 beneficiary producers being Lenca or Maya-ChortÃ-. Under the AF, the project will support Lenca, TolupÃ;n, Pech, and GarÃ-funa in additional seven Departments. IPPF has been updated, with continued emphasis on free, prior, informed consultations and participation in sub-project identification, implementation, and monitoring.

**Involuntary resettlement:** During the preparation of the parent project, the SA concluded that by the type of small scale investments, there would be no need for involuntary resettlement or restriction of peoples' access to their means of livelihood. During implementation, the project's Operational Manual has provided clear selection criteria for investments in order to secure that the project does not invest in activities that could generate negative impacts on the populations, including restrictions to livelihood sensible areas/sites. Nevertheless, the demand driven nature of the project can result in unforeseen situations. In addition, the newly added departments of AtlÃ;tida and ColÃ;n presents an accentuated situation of land insecurity. The AF has triggered the policy as a precautionary measure and prepared Resettlement Policy Framework (RPF), as a part of updated ESMF.

**Gender, youth and children:** Based on experience gained on the parent project implementation and similar projects within the region, the AF will address the following limitations to indigenous groups and women participation in community activities: (i) respective roles and workloads limit free time, (ii) perception that men are responsible for the communities and therefore make decisions, (iii) lack of self-esteem because of limited knowledge, (iv) poor access to communication and information, and (v) lack of training opportunities. The parent project developed a Participation Plan to promote women and youth participation in identification, preparation, and implementation of sub-projects. 29 percent of participating rural producers are women and 12 percent of those were youth. In the most prominent coffee value chain, 45 percent of producers are women, who play key roles in harvesting, sorting, and grading. The project has special emphasis on women's participation in the RPOs' decision-making structures. 55 percent of women producers are in RPO management. During the AF preparation, women in new departments were also consulted, who expressed interests in the project activities. AF will continue the implementation of the Participation Plan and monitor women's participation and leadership in results framework and MIS. In addition, to prevent potential risk of financing RPOs that use child labor that offends children's rights, the AF will apply a specific clause in the legal agreements that the RPOs will sign with INVEST-H to clarify that no project support will be eligible for

<p>organizations that violate the Honduran law on child labor.</p> <p>Consultations: During the parent project preparation, consultations took place for environmental and social assessments and revised ESMF in newly added departments. The indigenous peoples' organizations, communities, and other key stakeholders participated in workshops or were interviewed in the process.</p>
<p><b>2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:</b></p>
<p>No adverse indirect or long-term environmental or social impacts are expected. The participation in the project is voluntary. As under the parent project, indigenous groups will participate on their terms in commercial agreements with the private sector in a culturally acceptable way.</p>
<p><b>3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.</b></p>
<p>Not applicable.</p>
<p><b>4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.</b></p>
<p>Under the parent project, the PCU and the field-based regional offices have an overall satisfactory record in securing adequate implementation of the applicable socio-environmental and safeguards management; in supporting and supervising the applicable safeguards implementation by the RPOs and the technical service providers hired to support them. COMRURAL counts with a qualified and motivated Environmental and Social Specialist, and under the new institutional arrangements with INVEST-H and a new ROU, the capacity will be further strengthened, including contracting of additional specialists by the project.</p> <p>COMRURAL promotes solid social and environmental good practices, including participation of beneficiaries from groups that are considered vulnerable such as indigenous people, women and youth. Environmental good practices and value added has become a particular trade mark for a number of RPOs supported by the parent project. This is particularly the case of the RPOs dedicated to specialty coffees that supply demanding export markets. Many of said RPOs have engaged in innovative environmental management that strives towards closed-loop production systems and turn environmental management into additional revenues. Innovative practices have been developed and are being applied e.g. to develop organic pest management practices and produce organic fertilizers both for own use and sale. Coffee pulp and husk, materials that without proper management are contaminants, have been turned into inputs for manufacturing of organic compost and fertilizers to improve farms productivity even for commercialization and energy production.</p> <p>Regarding environmental management, the two main challenges under the parent project have been: 1) belated procedures of the (currently) Ministry of Energy, Natural Resources, Environment and Mining (MiAMBIENTE) to acquire some of the environmental licenses required by the sub-projects by the national legislation, and 2) belated operationalization of the project's environmental indicator (At least 70% of the business plans in the project are implemented using good environmental practices, as proposed in the business plan) that monitors implementation of a number of different types of management measures. The final methodology to measure the indicator was confirmed during the second half 2015, including collection of mainly retroactive baseline data and the first round of monitoring results. The indicator is now fully integrated in the project's information and monitoring system, and the project staff,</p>

<p>participating technical consultants and the beneficiaries have been trained to implement it. In September 2015, the initial indicator result was 83 percent. Regarding environmental licenses, the PCU works closely with the MiAMBIENTE to secure as timely as possible procedures.</p> <p>Regarding social management, the parent project showcases strong commitment to promotion of social good practices, monitored through the project's social indicator ( At least 70% of the business plans in the project successfully implement measures that target the youth and indigenous communities, when applicable, as identified in the business plan ). Gender and youth achievements are described in the above Section 1.</p>
<p><b>5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.</b></p>
<p>The key project stakeholders are rural producers (men, women, youth, and indigenous populations), cooperatives and producer associations, and indigenous organizations, such as ONILH (Organizaci3n de Ind4genas Lencas de Honduras), FETRIPIH (Federaci3n de Tribus Ind4genas Pech de Honduras), and OFRANEH (Organizaci3n Fraternal Negra de Honduras), NGO and private technical service providers hired to support development and implementation of business plans, financial institutions, and Government. The project had consultations with rural producers, including men, women, IPs, and youth, who welcomed the AF and requested for value chain development support, including current legislation, risk management of climate change, and water management. Together with the project staff, they will be in charge of implementing the safeguards as they adopt the applicable good practices and/or take the necessary mitigation measures, as applicable to each business plan. Further stakeholders are other private and public participants in the productive alliances that have a less direct, yet potentially important role in supporting implementation of the project's socio-environmental management. The updated ESMF, together with RPF and IPPF, have been disclosed. The project will continue consultations with beneficiaries in sub-project identification, implementation, and monitoring, in particular with IPs, women, and youth through IPPF and the Participation Plan.</p>

## B. Disclosure Requirements

<b>Environmental Assessment/Audit/Management Plan/Other</b>	
Date of receipt by the Bank	13-Mar-2016
Date of submission to InfoShop	06-Apr-2016
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	
<b>"In country" Disclosure</b>	
Honduras	06-Apr-2016
<i>Comments:</i> An advanced draft of the ESMF was disclosed in-country as well as InfoShop on April 6, 2016.	
<b>Resettlement Action Plan/Framework/Policy Process</b>	
Date of receipt by the Bank	07-Mar-2016
Date of submission to InfoShop	06-Apr-2016
<b>"In country" Disclosure</b>	
Honduras	06-Apr-2016

<i>Comments:</i> An advanced draft of the RPF was disclosed in-country as well as InfoShop on April 6, 2016, as a part of the updated ESMF.	
<b>Indigenous Peoples Development Plan/Framework</b>	
Date of receipt by the Bank	04-Apr-2016
Date of submission to InfoShop	06-Apr-2016
"In country" Disclosure	
Honduras	06-Apr-2016
<i>Comments:</i> An advanced draft of the IPPF was disclosed in-country as well as InfoShop on April 6, 2016 as part of the revised ESMF.	
<b>Pest Management Plan</b>	
Was the document disclosed prior to appraisal?	Yes
Date of receipt by the Bank	13-Mar-2016
Date of submission to InfoShop	06-Apr-2016
"In country" Disclosure	
<i>Comments:</i>	
<b>If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.</b>	
<b>If in-country disclosure of any of the above documents is not expected, please explain why:</b>	

### *C. Compliance Monitoring Indicators at the Corporate Level*

<b>OP/BP/GP 4.01 - Environment Assessment</b>			
Does the project require a stand-alone EA (including EMP) report?	Yes [ <input checked="" type="checkbox"/> ]	No [ <input type="checkbox"/> ]	NA [ <input type="checkbox"/> ]
If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?	Yes [ <input checked="" type="checkbox"/> ]	No [ <input type="checkbox"/> ]	NA [ <input type="checkbox"/> ]
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes [ <input checked="" type="checkbox"/> ]	No [ <input type="checkbox"/> ]	NA [ <input type="checkbox"/> ]
<b>OP/BP 4.04 - Natural Habitats</b>			
Would the project result in any significant conversion or degradation of critical natural habitats?	Yes [ <input type="checkbox"/> ]	No [ <input checked="" type="checkbox"/> ]	NA [ <input type="checkbox"/> ]
If the project would result in significant conversion or degradation of other (non-critical) natural habitats, does the project include mitigation measures acceptable to the Bank?	Yes [ <input type="checkbox"/> ]	No [ <input type="checkbox"/> ]	NA [ <input checked="" type="checkbox"/> ]
<b>OP 4.09 - Pest Management</b>			
Does the EA adequately address the pest management issues?	Yes [ <input checked="" type="checkbox"/> ]	No [ <input type="checkbox"/> ]	NA [ <input type="checkbox"/> ]
Is a separate PMP required?	Yes [ <input type="checkbox"/> ]	No [ <input checked="" type="checkbox"/> ]	NA [ <input type="checkbox"/> ]

If yes, has the PMP been reviewed and approved by a safeguards specialist or PM? Are PMP requirements included in project design? If yes, does the project team include a Pest Management Specialist?	Yes [ ] No [ ] NA [ × ]
<b>OP/BP 4.11 - Physical Cultural Resources</b>	
Does the EA include adequate measures related to cultural property?	Yes [ × ] No [ ] NA [ ]
Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?	Yes [ × ] No [ ] NA [ ]
<b>OP/BP 4.10 - Indigenous Peoples</b>	
Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples?	Yes [ × ] No [ ] NA [ ]
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes [ × ] No [ ] NA [ ]
If the whole project is designed to benefit IP, has the design been reviewed and approved by the Regional Social Development Unit or Practice Manager?	Yes [ ] No [ ] NA [ × ]
<b>OP/BP 4.12 - Involuntary Resettlement</b>	
Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?	Yes [ × ] No [ ] NA [ ]
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes [ × ] No [ ] NA [ ]
Is physical displacement/relocation expected?  Provided estimated number of people to be affected	Yes [ ] No [ × ] TBD [ ]
Is economic displacement expected? (loss of assets or access to assets that leads to loss of income sources or other means of livelihoods)  Provided estimated number of people to be affected	Yes [ ] No [ × ] TBD [ ]
<b>OP/BP 4.36 - Forests</b>	
Has the sector-wide analysis of policy and institutional issues and constraints been carried out?	Yes [ ] No [ ] NA [ × ]
Does the project design include satisfactory measures to overcome these constraints?	Yes [ ] No [ ] NA [ × ]
Does the project finance commercial harvesting, and if so, does it include provisions for certification system?	Yes [ ] No [ ] NA [ × ]
<b>The World Bank Policy on Disclosure of Information</b>	
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [ × ] No [ ] NA [ ]
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	Yes [ × ] No [ ] NA [ ]

<b>All Safeguard Policies</b>	
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
Have costs related to safeguard policy measures been included in the project cost?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]

## V. Contact point

### World Bank

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### Borrower/Client/Recipient

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## VII. Approval

Task Team Leader(s):	Name: Norman Bentley Piccioni	
<b>Approved By</b>		
Safeguards Advisor:	Name: Francis V. Fragano (SA)	Date: 18-May-2016

Practice Manager/ Manager:	Name: Laurent Msellati (PMGR)	Date: 19-May-2016
Country Director:	Name: Maryanne Sharp (CD)	Date: 26-May-2016