



**GAFSP Call for Proposals: Producer Organization Proposal Template<sup>13</sup>**

Please review the “GAFSP Call for Proposals: Guidelines for Producer Organization Submissions” prior to completing this Template<sup>14</sup>. All questions in the Template should be answered and the total length of the completed Proposal should not exceed 20 pages in length (excluding annexes and supporting documents). Submissions should be in English and should include all documents specified in Table 2 of the Guidelines. Where relevant, include hyperlinks to additional supporting documentation and reference the relevant page numbers. Monetary values should be expressed in US\$ or US\$ equivalent, specifying the exchange rate used (including the date of the exchange rate), and rounded to the nearest ‘000.

**Section 1: Basic Data**

a. Project Name	<b>Strengthening capacities for climate resilience and economic empowerment of rural, smallholder producers in the Dry Corridor of Honduras</b>	
b. Country and Region	Honduras	
c. Producer Organization (PO)	Name COMAL (Alternative Community Economy Network)	
	Address Col. 3 de septiembre, Siguatepeque, Comayagua, Km 5 Carretera hacia La Esperanza, Intibucá, Honduras	
	Registration Legal status No. 061 - 2000 and its reform No. 605 - 2006, RTN 08019000031142	<b>Yes</b> (include date and location of registration)  No

	<p>PO website or link to annual report</p>	<p><a href="http://www.redcomal.org.hn">www.redcomal.org.hn</a></p>
	<p>Primary Activities of PO</p>	<ol style="list-style-type: none"> <li>1. Community mobilisation</li> <li>2. Capacity building for smallholder producers</li> <li>3. Alternative financing aimed at smallholder farmers and producers</li> <li>4. Training on climate change adaptation practices and technologies</li> <li>5. Technical advice on product development and access to local and national markets</li> <li>6. Policy and advocacy actions to promote sustainable livelihoods for smallholder farmers and producers</li> </ol>
	<p>Type of target farmers</p>	<p>Smallholder farmers and producers</p>
<p>d. PO Mission Statement</p>	<p>We are an association of community organisations made up of men and women who promote inclusive processes and provide comprehensive training on production, processing and market development under the principles of solidarity economy.</p>	
<p>e. PO Focal Person (for this project)</p>	<p>Name: Donaldo Zúniga Enamorado          Title: Executive Director          Email: <a href="mailto:dzuniga@redcomal.org.hn">dzuniga@redcomal.org.hn</a> , <a href="mailto:info@redcomal.org.hn">info@redcomal.org.hn</a></p>	



f. SE Focal Person	Name: Dennis Latimer Title: Honduras Representative - FAO Email: <a href="mailto:Dennis.Latimer@fao.org">Dennis.Latimer@fao.org</a> Cell phone: (504) 94362803
g. Total GAFSP Grant Funding Requested (refer to Annex 1 – Project Budget Table)	Amount Requested: US\$ <b>2.496.792</b>
h. Estimated project start and end date (mm/yy – mm/yy): 01/22 – 12/24	
i. Preferred Supervising Entity (Select only one) <input type="checkbox"/> African Development Bank (AfDB) <input type="checkbox"/> Asian Development Bank (ADB) <input type="checkbox"/> International Fund for Agricultural Development (IFAD) <input type="checkbox"/> Inter-American Development Bank (IDB) <input checked="" type="checkbox"/> Food and Agriculture Organization (FAO) <input type="checkbox"/> World Bank (WB)	

13 To obtain an editable Word version of this template, contact the GAFSP Coordination Unit at [gafsp-info@gafspfund.org](mailto:gafsp-info@gafspfund.org) 14 A different template is available on the GAFSP website for Countries applying under this Call for Proposals [<https://www.gafspfund.org/guidelines-2021-CfP>]

<input type="checkbox"/> World Food Programme (WFP)
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j. Has the PO previously received a GAFSP Missing Middle Initiative grant?

Yes, please complete *Annex 4*

No

## Section 2. Project Description (weighting 35%) (suggested 6-8 pages)

### 2.1 Project Development Objective (max. 2 sentences)

Improved climate resilience and food security through economic empowerment and agricultural system transformation for smallholder farmers in the Dry Corridor, Honduras.

**2.2. Provide a clear description of the proposed project**, including a brief description of the rationale and approach, and more detailed descriptions of the project components and activities, geographic focus and target populations. Indicate how the project components and activities aim to achieve the project's overall objectives, as well as how the proposed project activities intend to address the sustainable, inclusive, and resilient development of the project area's agriculture and food system in a changing climate.

>> Honduras ranks as one of the countries with the highest poverty rates in Central America, with a Human Development Index of 0.634, a total population of 9.7 million inhabitants and an active population of more than 4 million people.<sup>1</sup> Honduras' population is young, with more than 30% between 10-24 years of age.<sup>2</sup> Almost half of the population (43.5%) lives in rural areas<sup>3</sup>, with women and youth being the most vulnerable in this environment. Honduras is one of the countries with the highest levels of inequality, with a Gini coefficient of 48.2<sup>4</sup> and with more than half of the population (of more than 4 million total) living on less than \$5.50 / day.<sup>5</sup> 67% of the population works in the informal sector which is characterized by the lack of social protection and benefits, and excluded from primary economic sectors<sup>6</sup>.

In the last 2 years, the COVID-19 pandemic has considerably affected the Honduran economy, negatively impacting export value, unemployment rates and household income. Last year saw a more than 9% contraction of GDP<sup>7</sup>. The subsequent devastation of Tropical Storm Eta and Hurricane Iota that struck the country in November 2020 further exacerbated the situation<sup>8</sup>.

<sup>1</sup> [Honduras | Data \(bancomundial.org\)](https://data.bancomundial.org/indicadores/SH.UV.CD?locations=LA)

<sup>2</sup> [UNFPA - United Nations Population Fund](https://data.unfpa.org/)

<sup>3</sup> [Human Development Reports \(undp.org\)](https://data.undp.org/)

<sup>4</sup> [Gini index \(World Bank estimate\) - Honduras | Data](https://data.bancomundial.org/indicadores/SH.UV.CD?locations=LA)

<sup>5</sup> [Honduras: panorama general \(bancomundial.org\)](https://data.bancomundial.org/indicadores/SH.UV.CD?locations=LA)

<sup>6</sup> [wcms\\_755523.pdf \(ilo.org\)](https://www.ilo.org/wcmsp5/groups/public/-/media/ro/ro/ro/ro/wcms_755523.pdf)

<sup>7</sup> [Honduras: panorama general \(bancomundial.org\)](https://data.bancomundial.org/indicadores/SH.UV.CD?locations=LA)

<sup>8</sup> [Evaluación de impactos causados por la tormenta tropical Eta y el huracán Iota en Honduras \(cepal.org\)](https://repositorio.cepal.org/es/publicaciones/1/s1600002/es)



This initiative will be conducted in the Dry Corridor in the Departments of La Paz, Lempira and Intibucá, where climatic conditions are unfavorable for agricultural production. The rural areas of these departments experienced the highest indicators of poverty and livelihood loss. According to the last population and housing census, more than 60% of the population lives in poverty.

According to the 2016 report from the United Nations Special Rapporteur on the rights of indigenous peoples of Honduras, 72% of indigenous households cannot cover the costs of basic food staples<sup>9</sup>, placing them below the extreme poverty line, compared to 41.6% of households nationwide. 88.7% of indigenous children live in poverty, and more than 88% of indigenous children from the Lenca community suffer from extreme poverty. The unemployment rate for the indigenous population over 18 years of age is 44.7%. Also, 83.6% of unemployed people are women. The average income of indigenous people is 36.8% of the national average. They also face discrimination and are vulnerable to unjust and dangerous working conditions.

Economic growth in Honduras has not translated into a significant reduction in poverty (HDI 0.705, UNDP 2011). Very high levels of poverty persist in the department of La Paz (HDI La Paz 0.654). There is a high concentration of indigenous Lenca people in this region who historically have suffered marginalization, cultural loss and displacement from traditional lands.

This project will focus on improving food security and economic empowerment in these communities and building resilient agricultural systems, promoting and developing food value chains, increasing agricultural production by diversifying smallholder farms and educating families about healthy food consumption. The project will promote the financial inclusion of cooperatives and smallholder farmer organisations to strengthen territorial development. Cross-organizational dialogues and advocacy around good governance will be conducted.

Restoring livelihoods and local economies using a territorial development approach that includes productive and financial inclusion will improve adaptation capacities in a changing environment strongly affected by COVID-19.

The project will employ an integrated and cross-sectoral approach to gender issues and will involve the participation of women's groups. Women will be empowered to participate and take on leadership and decision making roles in cooperatives and organisations.

Indirectly, the project addresses food and nutritional security issues, as well as offers alternatives to cross-border migration and organized violence linked to unemployment, underemployment and food insecurity.

**Component 1. Value chains development (avocado, vegetables and honey) through agroecological approaches and improved market access.**

This project will focus on avocado, vegetables and honey value chain development. These crops and products contribute to food security and have a high demand in the national market

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<sup>9</sup> <https://www.acnur.org/fileadmin/Documentos/BDL/2016/10748.pdf>



(according to studies carried out by FAO).<sup>10</sup> They are adapted to the climatic conditions of the Dry Corridor of Honduras, and COMAL and the FAO have had successful experiences with them in the past.

Agroecological practices will be implemented to increase resiliency and promote sustainable management of natural resources (water, soils, forests). A focus on knowledge transfer and replication among smallholder farmers will ensure long-term sustainability of these food value chains.

The project will build strong connections between smallholder farmers and local businesses and companies and will leverage existing relationships with dynamic markets at the national level. The project will bring smallholder farmers and companies together to create strategic alliances and partnerships in order to promote and sell their products.

Activities under this component will focus on the establishment of selected value chains of avocado, vegetables (green pepper, broccoli and lettuce) and honey. The project will deliver training for 900 smallholder farmers (300 avocado producers, 300 vegetable producers and 300 women bee honey producers) on agroecological practices that will strengthen selected value chains. The project will support farmers with necessary agro inputs, infrastructure and materials, and to incorporate necessary water systems. Through market related activities such as business roundtables, fairs, package labels, awareness campaigns, radio vignettes and digital and offline marketing activities, farmers will be supported to strengthen their market access. The project will also accompany farmers to acquire necessary licenses in the 3 value chains of the project.

Key approaches and methodologies used under this component are:

- **Agroecology and the adoption of innovative practices**, in addition to meeting the criteria of social, economic and cultural sustainability, is an effective approach that promotes agriculture, livestock and forestry production that respects the environment and sustainably manages natural resources.
- The **solidarity economy approach** encourages grassroots organisations to rethink and reorganize their way of working in order to be transparent and democratic and to redistribute surpluses.
- **A participatory approach focused on collective organization** adds value to food value chains and ensures the inclusion of local people, in turn supporting their livelihoods and enabling them to spread risk and pool resources.
- The training methodology employed is based on *“learning by doing”* and *“campesino to campesino” (farmer to farmer) “Farmer Field Schools”*, so that participants can immediately put into practice the knowledge and techniques introduced in the training program. These methodologies have been utilized successfully by COMAL in the past.
- To implement a **holistic and long term resilience strategy**, the project proposes to develop and strengthen community seed banks for basic grains and integrate vital access to weather and market information so producers can make informed choices. These actions will enhance productivity and diversification. To support improved market access and income generation for small producers, the project envisages a variety of workshops

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<sup>10</sup> <https://drive.google.com/drive/folders/13jNaWpLJRGCbjetWTXSHaWoYDpcGzO9d?usp=sharing>



and trainings, including on business skills development, as well as, foster linkages with local market actors and facilitate participation in community and municipal fairs. Together these activities correspond to and strengthen the synergies between the three components of the project.

### **Component 2. Food security and nutrition:**

This component is aimed at ensuring that households have enough access to nutritious and diverse foods to improve their diet. In addition to enjoying greater productivity, families will enjoy improved access to foods with high nutritional value, receive nutritional education and benefit from media campaigns to raise awareness about the importance of nutrition.

According to the Food and Agriculture Organization of the United Nations (FAO) since the World Food Summit (WFS), “Food security, at the individual, household, national, regional and global levels (is achieved) when all people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life” (WFS, 1996). Fundamental pillars such as food availability and accessibility, food consumption, biological utilisation and food stability have been integrated in this intervention. Tackling these pillars, the project intends to address both transitional and chronic food insecurity in the areas of implementation.

- The project will seek to increase **food availability, particularly addressing food supply** by establishing family gardens and fruit trees. Therefore, the project will ensure food production is physically **available and accessible** at household level, through the provision of **quality foods in enough quantities** for 400 vulnerable rural households engaged in these activities. In this sense the project will address food availability and accessibility. By training households on diversified agricultural production and integrating agroecological and agroforestry practices, including water and crop management aspects and tackling infrastructural gaps, the project will strengthen the capacities of households to produce effectively diverse crops and fruits. The first component of the project will also have positive effects on food security and nutrition, as barriers related to accessibility and availability of crops, particularly in avocado, vegetable and value chains and related products will be addressed by the project. As a result of the first component, households will increase their income, and the local market will be strengthened through more and diverse foods available to the target group. This is expected to improve access to other foods and products that may not be produced at household level, having also positive effects on their diet and nutritional status.
- Vulnerable households will be trained on climate adaptation strategies that will contribute to **resilient food production systems at household level**. These approaches will contribute to the ability of households to produce and obtain food on a periodic basis, reducing the risks of deterioration of their nutritional status due to adverse weather conditions, political instability or other external factors. In this sense, the project will also address **food stability**.
- The project will also address **food consumption and biological utilization**, since selected households will be trained on nutrition and hygiene practices at household level. It is expected that households will improve feeding practices, care practices, and food



preparation. Food consumption is also expected to improve as households will be able to decide how to select, store, prepare, distribute and consume food at the individual, family and community levels. Training on nutrition and hygiene practices is therefore expected to cause changes in participant's knowledge, attitudes and behaviour in relation to food use and preparation, therefore having a positive impact on the participants nutritional status.

### **Component 3. Organisational strengthening and financial inclusion.**

This component will address three key aspects that will enable producer organisations to thrive in this context. The project will address capacity needs of the 40 participant organisations (900 smallholder farmers and producers). The project recognises the importance of strengthening management skills for enterprise development (accounting, record keeping, management). Activities in this component will also involve training community organisations on financial inclusion, financial education, good governance and management, as well as engagement of territorial and national authorities, good practice systematisation and learning exchanges will be conducted at national and regional level.

The project also recognises the importance of financial inclusion and organisational strengthening of producer organisations to develop capacities to access financing appropriate to their production needs and provide opportunities to scale up. Lack of access to finance has an important effect on both supply and demand sides. Therefore, the project focuses on capacity strengthening of producer organisations and also addresses the need to access financial services for savings, and later, credit.

As a strategy, the project will work to strengthen rural saving and loan banks (CRAC is the Spanish acronym) in Intibuca and Lempira Departments. For several years, COMAL has promoted the creation of Rural Savings and Credit Banks (CRACs) with the participation of agricultural producers. Although the CRACs are organized, most of them are not legally recognized. This project is expected to strengthen and model financial inclusion in the departments in COMAL's area of influence. The focus will be to ensure the financial inclusion of producers and particularly women and youth. This will be achieved by supporting CRACs to develop specific products that are appropriate for these groups.

Secondly, the project will strengthen Financial Centers for Development (CFD is the Spanish acronym) in La Paz Departments which have been piloted by FAO in the past and focus on territorial development. FAO has already promoted Financial Centers for Development (CFD) in some municipalities of the department of La Paz; it is expected that the CRACs, accompanied by COMAL, will be integrated into the CFD, with a focus on territorial development, amplifying benefits. The CRACs will have the opportunity to formalize and join the CFD, if they decide so. These financial inclusion models are expected to contribute to the sustainability of this project and provide a logical transition between informal financial inclusion services and formal ones.

In addition, to support this last component, partnerships will be established with Government Institutions with the purpose of ensuring they accompany the process and provide appropriate guidance and monitoring at organisational and financial level.





The project will strengthen women's participation and producers' self-organisation as a central part of the intervention. It will promote dialogue with the authorities and other key stakeholders to strengthen agency, good governance and transparency with the intent of strategically enhancing territorial development in la Paz and the municipality of Lempira e Intibuca.

**2.3. Elaborate on the target population and the targeting strategy for the project?** Be specific in identifying the target populations and include expected percentage/number of each group (e.g., smallholder producers, women, youth, children, minorities, or other marginalized groups). Why has this population group been selected as the target for his project (include data/evidence to support your argument/level of food insecurity or other need of the target population)? How will the direct beneficiaries be selected?

The participants in this project are mostly Lenca indigenous households, dedicated to agricultural production with little knowledge or skills on climate resilience or capacity to adapt their agro-practices, rendering them, and their livelihood strategies, highly vulnerable. Project participants are from rural communities that continue to depend on subsistence production (basic grains) combined with some crops (coffee, vegetables). In the context of Honduras' Dry Corridor, where the project will be implemented, environmental degradation compounds the vulnerability of producers, further exposing them to the effects of climate change.

According to the opinion poll conducted by CESPAD in May 2021, there is a 69% unemployment rate, with higher rates found among women and the rural population. The permanent multipurpose household surveys (EPHPM) conducted by the National Institute of Statistics (INE) also reveal interesting data on the situation of women in Honduras: of a population of 6.3 million of working age, about 52% are women, but only 25.44% of them have paid work. In other words, only one out of every four women of working age receives any income in the form of a salary. In this context, women and youth's needs will be prioritised, ensuring they are not only active participants in production activities, but also are empowered economically and organisationally as leaders in target producer organisations.

#### Direct beneficiaries

The target group consists of 40 organisations, including business associations, consumer stores and cooperatives.

- Of the 40 organisations participating in the project, at least 10 already have some degree of organizational strength, which the project will further enhance, making them a reference and model for other organisations.
- The other 30 producer organisations will receive support to strengthen their leadership and good governance capacities.

As part of these 40 organisations, the project will work with **900 producers** (48% women; 52% men) representing 900 households.

The project will therefore support **4,500 people (5 people per family)**, 35% of whom (1,575 people) are between 18 and 35 years of age.



Producer organisations that will be strengthened through the project will participate in different phases of production and transformation of products in selected value chains (collection, product processing, trade, community nurseries). It is estimated that the average household income will be approximately US\$640 per capita/year. By strengthening different processes in these value chains, the project expects to be able to effectively include women and young people in key added-value activities. This will multiply the benefits for women and youth enhancing their participation and empowerment. Through participation in activities that add value in value chains, the project will be able to empower women and youth economically and socially by providing valuable skills, establishing and recognising their productive role in value chains.

Under Component 2, the project will support highly food insecure households. These are **400 households** out of the total of 900 that are particularly vulnerable. The project will develop the selection criteria with the 40 participant organisations according to particular characteristics. The most vulnerable households have been identified as child-headed households, women-headed households, the elderly, people with disabilities, widows/widowers and those who have been directly affected by the violence including GBV survivors unable to meet their basic food needs.

#### Indirect beneficiaries

Indirect project beneficiaries will include:

- Local consumers and community members: Avocado, vegetable and honey products will be sold at local level and to larger centers thanks to the partnerships that the project will establish. An increase in production will make such products available, therefore improving the nutritional and food security status of other community members. Community members will also benefit from the project indirectly through positive water management and environmental effects.
- Other producer organisations will also benefit from capacity-strengthening activities as they will learn from trained producers. It is also expected that seeing the effectiveness of the techniques and approaches incorporated by the project may encourage other producers to use similar approaches.
- Suppliers of inputs and services: Inputs (seeds, seedlings, etc) will be purchased preferably from other producers and small enterprises in the local area. Therefore, by increasing the demand for inputs, the project will have a wider impact on all those involved in inputs provision. Furthermore, the project will benefit other producer organisations in the area that may provide services for target producers.
- By strengthening women and youth participation in decision-making and public spaces, other groups of women and youth will also benefit since exercising their rights, target women and youth will become a reference and example at community and regional level.
- Employment opportunities will be generated as a result of value chain strengthening activities. As a result, other groups in the community (particularly women and youth) will have greater employment opportunities in the area and will improve their livelihoods, reducing food insecurity and migration in the area.

**2.4 Describe major obstacles to smallholder and related small business development in the food and agriculture sectors in the project area.** What supply and market failures will be addressed through the proposed project activities, and are these systemic issues resulting from or exacerbated by COVID-19 circumstances? Has any analysis of the local investment environment been conducted (include hyperlinks to any relevant studies/reports)? If so, does the proposed project respond to the findings from this analysis? If not, will the proposed project plan to conduct any analysis of the business environment in the target project area?

Several **interrelated variables impact the activities of smallholder farmers and producer organisations:**

- The **low competitiveness** in the sector is linked to subsistence production in rural areas and little diversification, low-productivity cultivation practices, and the high opportunity cost of basic grains<sup>11</sup>.
- Local producers face **several limitations to access markets** resulting from inadequate rural development policies, a disabling environment including bureaucratic complications, lack of local investment - (financial, technical, and marketing), and an increased tax burden on organisations such as cooperatives, community stores and associate companies.
- Increased international demand for products such as coffee or bananas is pushing rural local producers out of those markets. Producers involved in high export value chains have **less and less negotiation skills and management capacity to market their products**, largely because they are not organized or their organisations are weak.
- Prioritizing macroeconomic stability and increases in international demand for some commodities has led to the dominance of **monoculture agriculture that produces higher returns**, weakening the **diversification and growth of the local rural market**. In general, the financial, commercial and technical advisory institutions support monocultivism and exclude indigenous groups, particularly women, and their diversified agriculture from these services.
- In recent decades, producer organisations have increased their collective expertise in diversification, negotiation and bargaining and access to local, national and regional markets. However, their progress is held back by increased tax burdens, the financial, commercial and technological institutional framework, and because as organisations they have not developed networks or clusters that generate positive externalities and sustained capacity building.
- Technical assistance from the government is not far-reaching and focuses on monocultures of commodities.
- **Women have limited access to inputs, technologies, secure land tenure and financial assets.** Women have less ownership over agricultural holdings, putting them at an immense disadvantage. Gender discrimination also results in fewer women in leadership and decision-making roles in smallholder organisations and movements.<sup>12</sup>

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<sup>11</sup> [https://repositorio.cepal.org/bitstream/handle/11362/4989/1/S0700082\\_es.pdf](https://repositorio.cepal.org/bitstream/handle/11362/4989/1/S0700082_es.pdf)

<sup>12</sup> [La autonomía de las mujeres en escenarios económicos cambiantes \(cepal.org\)](#)



These obstacles hamper sustainable development and harm the potential growth of producer organisations, all of which is further compounded by the environmental and climate crisis. The project aims to address these obstacles.

**2.5 Describe proposed linkages between POs and private sector actors.** Will the project work with commercial banks (if yes, explain how)? Will the project work with other non-financial private sector entities (if yes, explain with whom and how)?

The project will liaise with the private sector to market and sell the products. This may be through agreements with supermarket chains and distribution companies such as Hortifruti. Commercial relationships will be coordinated by the anchor companies made up of several producers. We will work with the Lenca Vegetable Company in La Paz, an initiative created with support from the FAO, where many producers in this region already market their products. The Association of Vegetable and Fruit Producers of Intibucá - APRHOFI is another ally in the department of Intibucá. Currently some vegetable producers carry out the commercialization of their products through this company.

COMAL has successfully marketed organic sugar for several years with La Colonia supermarkets, Junior supermarkets and Hortifruti. This project will enhance marketing of selected value chain products with these distributors. The strategy will target distribution channels in the geographies where farmers are working, particularly with distributors where some producers currently market their products aiming to enhance efficiencies, such as La Antorcha, the Colonial, Even Ezer and Dos Caminos supermarkets in the city of San Pedro Sula and Tegucigalpa.

**2.6 Describe expected results of this project and how they will be measured at output, outcome, and impact levels.** 15 Follow the guidance in Annex 2 and elaborate a Results Monitoring Matrix in Annex 2, Table E.

To achieve the **first component on value chain development**, the project will support 900 producers to improve agroecological and agroforestry practices to develop resilient avocado, honey and vegetable value chains. Producers will be enrolled in “*Farmer Field Schools*”. The curriculum will contain 15 modules with key techniques and approaches to incorporate resilient agroecological and agroforestry techniques. To achieve this, the project will provide agri-inputs, seeds, seedlings and technology to establish these value chains including tools, greenhouse materials, apiaries, etc. Additionally, producers will enjoy access to improved water management infrastructure and systems to support established value chains. This will be achieved through the construction of water reservoirs as well as solar-powered and efficient water irrigation systems. The expected result to be achieved with these activities is **Output 1.1. 900 producers improve agroecological knowledge and practices in prioritised value chains (avocado, honey and vegetables).**

The **second component, focused on food security and nutrition** will be achieved



through activities focusing on improving food security at household level. To achieve this, the project will support 400 households in establishing family gardens with new crops and fruit trees to improve their access to diverse foods in sufficient quantity. Households will also be supported by the project to apply agroecological and agroforestry practices to support newly established family gardens. Focus will also be given to raising awareness and sensitization campaigns to improve nutritional outcomes. Therefore, **Output 2.1. 400 households will improve their knowledge on agroecology and agroforestry practices to improve household food security and nutrition.**

To achieve the **third component on organisational capacity strengthening**, the project will train and accompany 40 producer organisations on organisational, management and good governance. Organisations will also share good practices and advocate for an enabling environment at municipal, national and regional level. It is expected that as a result of these activities, **900 producers will improve their management and leadership skills, strengthening good governance and financial inclusion**; this is **Output 3.1**

To measure these achievements, the project will establish two levels of performance indicators, at overall objective level and at output level, as captured in Table E.

- At the highest level, the project will measure the *number of families with increased household income, dietary diversity and resilient productive systems*. To measure this indicator, a baseline will be conducted at the beginning of the project and will be compared with measures taken at the end of the project. Learning and impact analysis will be drawn based on pre and post measurements.
- For each component, output indicators have been established.
  - To measure **Output 1.1**. 900 producers improve agroecological knowledge and practices in prioritised value chains (avocado, honey and vegetables)[600 avocado and vegetable producers; and 300 women honey producers]; a **result indicator** has been established: *Number of producers (gender disaggregated) that acquire new knowledge about agro ecological practices and markets*. Also a **performance indicator (exit indicator 1)** is: *Number of producers (gender disaggregated) that implement better production and commercialisation practices in selected value chains*. Both indicators will be measured through producer registers and databases managed by COMAL and verified through monitoring visits on a quarterly basis by FAO.
  - To measure **Output 2.1**. 400 households will improve their knowledge on agroecology and agroforestry practices to improve household food security and nutrition; a **result indicator** has been established: *Number of producers (gender disaggregated) that have been trained on productive diversification, agroecological and agroforestry practices resilient to climate change and in access to climate information*. Also a **performance indicator (exit indicator 2)** has been **developed**: *Number of households using different techniques to improve nutrition at home, adding other foods to the diet*. This measurement will be according to the records of trained producers, for which a database will be established and updated monthly by COMAL, as well as in the monitoring reports made by both



the PO and the ES and the periodic reports to be submitted by COMAL. This will be verified in the follow-up visits carried out by FAO.

- For **Output 3.1**. 900 producers will improve their management and leadership capacities, strengthening good governance and financial inclusion; a **result indicator** has been established: *Producer organisations are organised in networks to advocate at municipal and national level to promote territorial development*. This indicator will be measured based on the networks organized and the advocacy actions that are carried out; this information will be obtained from reports and follow-up visits by interviewing local leaders and authorities at the territorial level. Also a **performance indicator (exit indicator 3)** has been developed: *Good governance and financial inclusion models operating in project locations in the three territories*. To measure this indicator, periodic reports and monitoring reports will be used, as well as quarterly follow-up field visits by FAO, in which discussions will be held with local authorities and managers of the different financial structures or models that are operating in the territories.

**2.7 What evidence is there that the proposed approach and activities will successfully address the issues identified?** How does this proposed project relate to other interventions carried out by the POs to date, and what lessons have been incorporated into the project design? Does the project build on or complement other government, development partner or private sector interventions? Indicate if this is a scaling up of a prior intervention, provide hyperlinks to relevant documents (e.g., evaluations and/or studies). If associated projects are former or ongoing GAFSP-funded Missing Middle Initiative projects complete Annex 4.

- ACS-PROSASUR, a GAFSP-funded project in Honduras is in its final implementation phase. The project addresses immediate food and security and nutritional needs for a population of 12,000 households. However, lack of sustained engagement of participant producer organisations (POs) has put into question the sustainability of the intervention beyond the project length. A second project, AgroMoney, is a private sector initiative funded by GAFSP in Honduras, which provides loans to smallholders in the form of fertilizer, seeds, and irrigation technology. These two GAFSP-funded projects in Honduras are implemented independently and in different regions and objectives. In addition, there is no effective participation of CSOs in their definition, design, implementation or evaluation. Building on these lessons, this project will aim to put producers at the center of the intervention and strengthen their organisational capacities and market access as key strategies to ensure a sustained impact.
- This proposal has been built with active participation of smallholder farmers. Producers will be participants but also key decision makers and stakeholders in the project. Their engagement throughout the project will ensure its sustainability. As a network of producer organisations COMAL is well placed to support this.
- This project is closely related, and builds on learning from other projects implemented by COMAL in the department of La Paz:



- *“Building capacities to reduce the impact of climate change on the livelihoods of families located in two associations of the department of La Paz”* funded by IFAD and technical accompaniment from Interamerican Institute of Cooperation for Agriculture (IICA). This project promotes agroecological practices and technologies in response to the climatic and socioeconomic problems that have historically affected smallholder farmers and producers. As part of the project, the smallholder farmer cooperatives and organisations created a Facebook page that has allowed members to access and share opportunities for financing and product placement in new markets. It has also encouraged and inspired non-governmental organisations to join local community development initiatives.
  
- Beneficiaries learned about efficient water use, hydrological resources management and protecting small watersheds. Agroecological production quality, quantity, and consistency has improved and frequency of product delivery has increased. This was made possible through a field school that provided technical knowledge and capacity building to vegetable producers. Participants gained experience in vegetable commercialization in dynamic market places. This project has highlighted the need to work with specific value chains that are profitable and sustainable for smallholder producers.
  
- In the proposed project, COMAL will work with 40 organisations of indigenous and smallholder producers. These producer organisations are the motor of the rural economy in target areas in the Dry Corridor. These organisations are part of the COMAL network and are behind this proposal. They will be key partners and leaders in all aspects of implementation.
- COMAL will liaise with other FAO Honduras projects in the commonwealth of municipalities in the Central Region of La Paz Department, where this project will take place with the aim of creating positive synergies, increasing market access for rural producers.
  
- FAO is already working in rural territorial development processes that promote the inclusion and food security of indigenous women and youth through agricultural and financial inclusion activities. FAO created a local credit mechanism to support smallholder farmer organisations, which has inspired the formulation of this project. FAO has also established alliances with the National School Feeding Program (PNAE) to link smallholder farmers with public purchases for school meals, an aspect that will be included in this project.
  
- The initiative will also be aligned with the Honduran Ministry of Agriculture and Livestock’s National Family Farming Strategy (2017-2030). The project will work hand in hand with the Municipal Family Farming Units that are already operating in some of the municipalities where the project will have a presence. Please refer to 3.4 for more details.

**2.8. In summary, why should GAFSP provide grant funding to the proposed project?** (max. 1 paragraph). Why are the proposed activities a priority for funding?



The proposed project responds to the specific needs identified by 40 Producer organisations in the Dry Corridor of Honduras who are members of the COMAL network and have identified project needs and led the design of this proposal. Producers in this drought-affected location are highly vulnerable to climate change effects and face real constrictions to scale up their production and commercialisation efforts, leaving households in precarious and food insecure situations.

The project proposes **a holistic approach to establish and scale up small producers' productivity in three selected value chains** with a climate resilient approach, building their productive and organisational capacity, as well as enhancing resilience through food and nutritional security outcomes. The project will also stimulate the local market, fostering learning experiences and building the economic resilience of the region.

The project aims to become a reference for the country and region as a **producer-led initiative**, which will inform future interventions and showcase best practices in tackling key challenges for producers and authorities in environmentally vulnerable contexts. The project will have a significant socio-economic impact in the area, having positive effects on employment, reducing migration and inequality, and decreasing violence at household (GBV, child protection) and community level (organised crime and drugs).

### Section 3. Context for the Proposed Project (weighting 20%) (suggested 2-3 pages)

**3.1 Describe the state of the agriculture and food system in the project area, including any current and future pressures on the sector (e.g., climate risks). Describe any impacts and disruptions caused by COVID-19, particularly impacts in project activity areas and on the target populations.** How has the COVID-19 response been coordinated at the local level and in the project area? Include specific COVID-19 context and data, where available, as relevant to the proposed project.

The COVID-19 crisis is having a severe impact on food security, particularly in Central America. Basic grains had maintained low and stable prices thanks to the recent harvest season, but the COVID-19 emergency led to massive purchases and higher prices. The World Food Programme (WFP) estimates that in Honduras around 2.9 million people were in crisis or worse (IPC Phase 3 or above) in the period of December 2020– March 2021.<sup>13</sup>

The pandemic is putting a strain on the country's health system, with hospital occupancy rates ranging between 94% to 145%. There is a general lack of medical staff, health supplies, and medicines. The national health system requires support to guarantee other regular health services, especially in the areas of infant and maternal health.

Honduras is facing an accelerated economic downturn, reflected in the high rate of inflation, decreased income from job losses due to COVID -19, GDP decline of -2.3%, and the loss of value of the local currency relative to the dollar and the euro.

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<sup>13</sup> [Honduras Complex crisis | ACAPS](#)





The pandemic has negatively affected the economy and livelihoods of people living in the project area. The department of La Paz is the largest area of intervention of the project, and according to official data, the number of Covid-19 infections has reached 11,112 people (5% of the total population). In the department of Intibucá there are 7,859 cases (2% of the population) and in the department of Lempira Covid-19 has affected 1.5% of the population. Although the specific numbers are not so significant, the measures adopted by the authorities have contributed negatively to productive activities and associated businesses.

Hurricanes Eta and Iota also had a major impact on the population's livelihoods, causing large losses in the productive sector, road infrastructure, social facilities, water and sanitation, communications network, and land and air transportation. COPECO estimates that more than 2.7 million people and 27,000 homes were directly affected by these events. DICTA-SAG reported agriculture losses of up to 51,000 *manzanas* (1 manzana is equivalent to ~2.5 acres) of basic grains.

The pandemic will increase the vulnerability of the Honduran population. Remittances to the country will drop (IDB 2020), which represent around 20% of the national GDP. For each percentage point the North American economy contracts (with a projected contraction between -1.8% and -3.5% as an effect of the pandemic), remittances are estimated to drop 10%. This will have a direct impact on hunger and violence in Honduran society. The economic contraction resulting from the Covid-19 quarantine measures will hit the micro, small and medium enterprises especially hard. The loss of jobs, reduction of remittances and contraction of the economies linked to the international economy, is generating tensions in a sector that employs 70% of the population. The economic contraction of the tourism industry is estimated at around 8% of GDP. The economic contraction of the main export destinations of Honduras (US 54% and Europe 17%) is affecting purchase volumes and prices of raw materials and supply chains.

The fall in GDP and the increase in unemployment, under a conservative scenario, will increase the total poverty level in the country by at least 4.0 percentage points. More people will experience relative poverty, and 34% of households that experienced relative poverty before COVID-19 will experience extreme poverty. Some cases resulting from the pandemic, the economic downturn and the reduction in remittances will be temporary. Total poverty levels will increase from 64.3% to 68.3%, and extreme poverty will rise from 40.7% to 48.7%. This will have the most severe impact on already vulnerable households in Dry Corridor, small and medium-sized enterprises, and those who are self-employed, many of whom work in the agri-food sector. This project aims to mitigate the impact of higher levels of total and extreme poverty.<sup>14</sup>

**3.2 How will the proposed project address medium-to long-term COVID-19 response and recovery of the agriculture and food sectors in a changing climate and support the principle of 'building back better'?** What lessons have been learned from the pandemic over the past year and how will the project improve resilience to future disruptions? If

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<sup>14</sup> [https://utsan.scgg.gob.hn/wp-content/uploads/2021/06/Estrategia-agro-COVID-19\\_Honduras.pdf](https://utsan.scgg.gob.hn/wp-content/uploads/2021/06/Estrategia-agro-COVID-19_Honduras.pdf)



available, provide hyperlinks to relevant research or studies used in your analysis. Has the PO taken concrete actions to date to address the impact of COVID-19? If yes, describe lessons from that experience. Then, highlight how the project will build on that to address specific medium- to long-term issues highlighted by the pandemic to 'build back better', limiting environmental degradation, promoting climate resilience and social wellbeing, and ensuring future preparedness

Food is a basic need, biological necessity and a human right. The COVID-19 pandemic highlighted the weaknesses inherent within our current agricultural model, exposing the underbelly of food system strategies that prioritize profit over all else and failed to ensure food security during the global crisis. Covid-19 has also provided an opportunity to reset and consider an alternative model that protects the food sovereignty of all people, whilst allowing us to care for our natural resources and the environment.

Undoubtedly, the pandemic has provided us with important lessons. We learned that the country's economic recovery must be accompanied by the transformation of the agri-food sector to a more inclusive, intelligent, resilient and sustainable model. Another important lesson is that more investment is needed in the agricultural sector, especially for family farmers and smallholder producers. It was this sector that guaranteed the supply of food to the population during the pandemic's lengthy quarantines. More diversified (less monocultures) agriculture and a more dynamic local market, results in more resilient economies and stronger families better able to defend against shocks, stresses, diseases and pandemics, such as Covid-19. It is critical that our agricultural systems establish policies around gender equality, increased productivity, innovation, value addition, diversification, and respect for the environment.

COMAL has carried out various activities to address the impacts of COVID-19. These include biosafety protocol creation and training as well providing emergency relief to the most affected families and taking steps to rebuild and protect livelihoods impacted by the pandemic. These experiences taught us that organized communities are more resilient and have greater capacity to respond to shocks, stresses and emergencies. These communities were stronger because of the investments that were made to improve smallholder farms through crop diversification. Our alternative financing systems, community granaries and community stores were able to meet the basic needs of the community during this period of crisis. Fundamental in this emergency were the communication channels and coordination established between the technical team, managers and community leaders, as well as people's proactive attitude and commitment to their community and to COMAL.

To promote the value chains of avocado, vegetables and honey, this project will build on the deep experiences and knowledge of the producer organisations. Climate-smart agriculture will be implemented, elements of which smallholder farmers have utilized many times in the past. With additional resources, investments can be made in technologies to support environmentally friendly climate change adaptation, such as screen structures, greenhouses, reservoirs and water harvesting structures, construction



of sewage filters and the installation of drip irrigation systems. In addition, investments will be made in the productive infrastructure, such as collection centers and product processing facilities, which are critical to market access.

In the medium term, this project will strengthen inclusive financing and empower civil society actors to influence decision-makers in favor of territorial development policies that ensure the well-being of rural families and communities.

### **3.3 What are the linkages between the proposed project activities and the strategic priorities that are relevant for the involved PO(s)?**

The proposed activities are linked to priorities established in COMAL's Strategic Plan (2021-2025). Priorities include investments aimed at guaranteeing food and nutritional security and sovereignty and implementation of strategies that contribute to climate justice, which implies the protection of water, soils, forests and promotion of renewable energy, among others. In addition, COMAL seeks to encourage initiatives that add value to farmers' products supporting their livelihoods.

COMAL is committed to accompany agricultural producers' organisations in their agro-transformation processes. Promotion of business skills development and support to managerial and operational efforts for community organisations is a key element of the approach. Accompaniment and technical advice to access markets is also provided in order to promote commercial alliances between community organisations / producers and consumers. Promotion and support to Savings and Credit Companies in the formulation and implementation of strategies and tools will enable the growth of their savings funds and the use of their credit services. It will also support risk management, through the implementation of actions to strengthen the resilience of families and communities to reduce the impact of climate change on their livelihoods.

COMAL's approach is to promote inclusivity in all of our processes and seeks the active participation of women, men and young people, as well as older adults and people with disabilities. This approach is also employed in our political advocacy efforts. We support community efforts that advocate for local and municipal governments to create and implement policies, programs and publicly funded projects that strengthen smallholder capacities and livelihoods and support community services and local markets. We will accompany community organisations in advocacy processes so their voices can be heard and citizens' rights are respected in an inclusive manner.

### **3.4 Are the proposed project activities aligned with national priorities (the country's agriculture and food security strategies, national COVID-19 Response Plan, or other approved development plans) and are any linkages to government programs proposed?**

This project's activities contribute to and are aligned with national priorities and policies of the agri-food sector, notably the National Strategy for Family Farming of Honduras (2017-



2030)<sup>15</sup>. Priorities are to generate development opportunities, use sustainable practices to increase the production, productivity and quality of products and services, improve smallholder access to value chains, build equitable relationships and promote the fair distribution of benefits among the actors. These objectives and activities are integrated into this proposal.

The National Strategy of the Agri-food Sector in the face of COVID-19 (2020)<sup>16</sup> is aimed at promoting food security and mitigating the fall in GDP and the increase in poverty by maintaining and strengthening the country's agri-food sector to face the new reality of COVID-19. The strategy seeks to establish the bases that will support the economic recovery of the country, moving towards the transformation of a more inclusive, intelligent, resilient and sustainable agri-food sector. This proposal also seeks to improve food security through sustainable production models and economic empowerment.

The project is also linked to the COVID-19 Response Plan of the Food and Nutrition Security Sector of Honduras PLAN SAN. The post-emergency phase targets the reactivation of family farmers' livelihoods.

FAO priorities in the country established in the Country Programming Framework (MPP)<sup>17</sup> / pertinent government priority, aligning with Priority Area "A" of the Country Programming Framework (MPP): Food and Nutritional Security and Family Farming; results #1 and #3 state: R1. Improved livelihoods of families supported by FAO projects, to increase the availability and access to food in an environmentally sustainable way and R3: Food and Nutritional Security Institutionalities strengthened to achieve national goals and objectives.

In addition, Priority Area B commits to sustainable rural business and financial development with a gender perspective; R1. Producer organisations supported by FAO project, improve their capacities to insert themselves in value chains, participate in productive alliances and link to markets. In addition, it is aligned with goal 52652 of the target setting (SP3): -The Government has an interministerial and multisectoral strategy for the generation of opportunities, the strengthening of social capital and local governance in territories of strong migratory expulsion.

The project will also contribute to many of the Sustainable Development Goals, but most notably SDG1 and SDG2 as it promotes sustainable food production, inclusive markets, innovation and participation of vulnerable groups (women, youth and ethnic groups), and contributing to food security and income generation through productive initiatives.

#### Section 4. Cross-cutting Themes (weighting 20%) (suggested 2-3 pages)

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<sup>15</sup> <http://www.fao.org/in-action/mesoamerica-sin-hambre/noticias-eventos/detail-events/es/c/1030171/>

<sup>16</sup> [https://utsan.scgg.gob.hn/wp-content/uploads/2021/06/Estrategia-agro-COVID-19\\_Honduras.pdf](https://utsan.scgg.gob.hn/wp-content/uploads/2021/06/Estrategia-agro-COVID-19_Honduras.pdf)

<sup>17</sup> [https://drive.google.com/file/d/19IrBh9\\_OfBp9IU3fyejuUEwqBh7vMywH/view?usp=sharing](https://drive.google.com/file/d/19IrBh9_OfBp9IU3fyejuUEwqBh7vMywH/view?usp=sharing)



It is expected that projects will address some, or all, of the cross-cutting themes to a certain degree. A cross-cutting theme should only be selected below if it is a significant additional focus of the proposed project with specific activities that address these themes directly.

#### **4.1 Does the proposed project address any of the GAFSP priority crosscutting themes?**

(The Proposal will only be evaluated against the themes selected. Select only themes that the project addresses directly, and for which it will measure and report on impacts/outcomes in the project monitoring framework such as the logframe or Results Framework.)

- ✓ Gender and empowerment of women and girls
- ✓ Climate resilience
- ✓ Improved nutritional outcomes

**4.2 Describe how the project will address the identified thematic focus area(s).** Be specific (go beyond the use of buzz words like “nutrition sensitive agriculture” or “climate resilient varieties”) on how the project activities will address the thematic focus area(s) in the local context. Identify specific issues (and include supporting data) related to the selected themes that the project will address, and what target outcomes related to the theme are expected to be achieved.

##### **✓ Women and girl’s empowerment**

The project ensures the equitable participation of women and men in providing technical assistance, capacity building and financing. At least 40% of resources will be provided to women, 30% to youth and 30% to support indigenous participants. The project will identify the particular needs and interests of:

- i)** women and young people in smallholder agriculture in terms of technical assistance and access to productive resources; and
- ii)** women and young microentrepreneurs involved in the development of value chains for agricultural products.

It will also build rural women’s income-generating capacity and productive resilience to economic shocks related to COVID-19.

To contribute to gender equality and women's empowerment the project will:

- Support gender analysis and collect and use sex- and age-disaggregated data to monitor gender-related impacts and inform the design of measures that adequately consider and address the differentiated needs and priorities of rural women and men;
- Provide tailored, targeted information and support to women and men;
- Consider the role of women in agrisystems and respond to their specific needs.
- Adopt special measures to support the participation of rural women in agrisystems and value chains;
- Design and implement gender-sensitive social protection measures to reduce risks and ensure that rural women can benefit equally from such interventions;
- Identify the most vulnerable women and girls (as well as men and boys) and develop



- measures to reduce their exposure to risks and increase their access to support services;
- Engage rural women and their organisations in the design and implementation of response and recovery strategies to ensure that their needs are considered;

### ✓ **Climate resilience**

The project aims to increase climate adaptation capacities in a context where climate effects cause frequent hazards. Resilience is defined as the propensity of a system to retain its organizational structure and productivity after a disturbance. Resilience has two dimensions: resilience to shocks (extreme events) and the resilience of the system (Lin 2011). Based on this theoretical concept, COMAL has been promoting technologies and practices such as crop diversification, the reintroduction and use of native seeds, soil management with organic products, phytosanitary protection of crops that contribute to the resilience of productive systems, particularly in the Dry Corridor of the country. By increasing the climate resilience of agricultural systems, producers can continue producing food after extreme weather events that cause drought or floods among others<sup>18</sup>.

Given the interlinked nature of socio-economic and cultural factors in the development of agricultural systems, the engagement, participation and leadership of producers is key to achieving effective implementation and sustained outcomes. Revaluing and rescuing ancestral knowledge and techniques that are effective in the face of climate change is a key strategy of the project to build climate resilience. To achieve this, regional roundtables will be organised to discuss and share best practice on resilient agricultural practices, as well as community-level processes of Climate Linkage and Crop Phenology. The project will establish climate stations at community level, promote technologies to mitigate greenhouse emissions through reduced fossil fuel use and increased carbon sequestration, provide solar photovoltaic panels for irrigation systems, build reservoirs to feed the water table and for small-scale irrigation use, as well as build medium-scale greenhouses for vegetable production. COMAL will continue to promote with greater emphasis the diversification of crops and the creation of seed banks to secure genetic material in case of extreme events, all of this employing an agroecological approach.

### ✓ **Improved nutritional outcomes**

As of September 2021, 3.9 million people are considered to be food insecure in Honduras.<sup>19</sup> This means that, compared to 2019 data, food insecurity increased by almost one million people due to the pandemic and the effects of tropical storms Eta and Iota. Also, malnutrition in children under 5 years of age, has increased and by 2021 affects 5.6% of children<sup>20</sup>.

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<sup>18</sup> According to Holt-Jimenez (2002), on average agroecological systems are more resilient to climate shocks and stresses. After hurricane Mitch, surveyed plots had more topsoil, higher field moisture, more vegetation less erosion and lower economic losses than control plots on conventional farms.

<http://www.fao.org/agroecology/database/detail/es/c/443455/>

<sup>19</sup> <https://www.efe.com/efe/america/sociedad/casi-cuatro-millones-de-personas-en-inseguridad-alimentaria-honduras-segun-fao/20000013-4606391>

<sup>20</sup> Assessment and statement made by Dennis Latimer, FAO representative in Honduras in a press



The situation is aggravated in regions such as the Dry Corridor, which have a history of water scarcity. Its geographical and geological characteristics, coupled with the effects of climate change, have recurrently negatively affected local agricultural production and decreased basic grains production due to the scarcity or absence of rainfall.

Food production in the country did not stop during COVID-19 country-wide imposed lockdowns, but a large part of the Honduran population lost their jobs and sources of income. Since a great part of the population is self-employed and depend on informal activities, the economic and livelihood effects of the pandemic were particularly noticeable in rural and already food insecure communities. According to the Honduran Council of Private Enterprise (COHEP),<sup>21</sup> 8 out of 10 Hondurans are food insecure and live in precariousness due to the loss of income during the pandemic. This is more noticeable in rural areas.

Food security and nutrition monitoring reports conducted by the World Food Program (WFP, April 2021), reveal a 51% employment rate reduction which affects the ability of households to meet urgent basic needs. The same report shows that the Honduran population is currently highly vulnerable and at risk of suffering high levels of food insecurity and deteriorating the health of communities. Food insecurity, social and environmental issues in Honduras are directly linked to prevailing levels of poverty, violence and migration. Inconsistent public policies and a disabling environment for small producers have not been effective in addressing these realities.

The project aims to improve the food security and nutrition of producer households through the diversification of crops of high nutritional value at the household level, by providing technical assistance to increase the production of basic grains with high-yielding native seeds, and engaging in nutritional education processes (Component 2).

In addition, the development of value chains for avocado, vegetables (green pepper, broccoli and lettuce) and honey will contribute to meeting the demands for these products at local and national levels (Component 1). At the same time, households will be able to use part of the products for their own consumption and, through income generated from commercial activities, they will have greater access to other basic foods and be able to meet different household needs, such as education for their children and healthcare.

**4.3 Specify how the participation and role of women smallholder producers will be increased in POs and smallholder producer groups as a result of the proposed project (complete this question even if the gender theme was not selected).**

COMAL recognizes that gender equality is a fundamental principle for building a common understanding and comprehensive commitment on the part of its male and female affiliates. The organization is committed to capacity building and implementing a gender-sensitive and adapted

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statement on August 11, 2021. See: [www. ntn24.com](http://www.ntn24.com)

<sup>21</sup> <https://www.efe.com/efe/america/sociedad/casi-cuatro-millones-de-personas-en-inseguridad-alimentaria-honduras-segun-fao/20000013-4606391>



knowledge generation and management process among its affiliates to develop actions that promote the empowerment of women, men, and youth in all its areas of intervention. The operational strategy for the project will include and build on a gender mainstreaming approach based on COMAL's Gender and Youth Policy and its Implementation Strategy. Within the project, gender and youth issues are mainstreamed under both the first and second specific objectives, and will be measured under the Monitoring and Evaluation Plan. Special attention is paid to the organizational and community dynamics that affect gender and youth under the second objective.

The project will integrate, in a transversal manner, elements of safe, accessible, dignified and inclusive programming (SADI). This framework, developed by CAFOD, incorporates safeguarding and protection concerns, as framed under the Age and Disability Capacity Program (ADCAP), the Basic Humanitarian Standards (CHS) and other relevant efforts from the protection community.

The project proposes an inclusive and cross-cutting approach to gender and hopes to have a positive impact on participating women's groups. Specifically, the project proposes to sensitize men and empower women in producer organisations so they can effectively participate in leadership and decision-making in organizational governance structures and in knowledge management. For instance, revising credit and marketing statutes and regulations so that they are gender sensitive. The project will also work with women as key agents in all the added value phases of the identified value chains.

In summary, the project will build the following **resilience capacities**:

**(1) Absorptive capacities:** As a result of increased production and commercialisation activities in selected value chains, producers (particularly women) will have greater control over their resources and surplus. Target producer organisation members will develop resilient behaviors at household, community and productive level. Producers will effectively plan their savings and their investments and better manage their enterprises, developing strategies to face shocks and stressors when they occur. The project is expected to have a positive impact on the well-being of women and youth, reducing the risks of abuse and exploitation. Access to climate information will support communities to plan accordingly increasing their capacity to manage climate related shocks and stresses.

**(2) Strengthening adaptive capacities:** As a result of project activities, producers, particularly women, will develop greater leadership skills to influence the organisations they belong to. With increased resources and improved leadership and management capacities, women and young producers will be able to overcome the economic obstacles that prevent them from advancing. Since the project works to improve risk identification (e.g through climate predictors), risk management and the application of resilient approaches, the project will improve the producer's capacity to employ diverse strategies to adapt to an ever changing environment, particularly one affected by COVID-19.

**(3) Strengthening transformational capacities:** Through economic and organisational empowerment, producer organisations, and the producers themselves (particularly women) will become agents of change and create a more favourable and enabling environment. This





cannot be achieved in isolation, and as key agents of change, men will play a crucial role in challenging prevailing norms and behaviours and promoting women's inclusion in decision-making processes. Furthermore, the project will create spaces for women to inform and influence the producer organisations they are part of and the broader policies that affect them as small producers. The voice and agency of smallholders will be enhanced in an effort to inform the business environment under which they operate, allowing them to transform it and make it more enabling for small producers.

## **Section 5. Project Implementation, Sustainability and Budget (weighting 25%) (suggested 5-6 pages)**

**5.1 What are the risks to achieving the proposed project's objectives and what are the potential negative externalities or spillovers that could result from the proposed project activities and targeting?** How likely are they to occur, what impact would they have, and what mitigation measures are proposed? Include a detailed assessment under *Annex 3, Tables E and F*.

Key risk areas have been identified in the implementation process as per assessment completed in Annex 3:

- **Technical design risks:** Risks related to the **technical design** are considered to be *low probability* but could have a *medium impact* in the project if they occur. Project design has taken place in consultation with all technical partners involved who understand the context and the methodologies that the project seeks to implement. The contribution of FAO, IICA and CAFOD has been essential to identify the most appropriate value chains according to market gaps and opportunities, strengthening technical and organisational capacity and accessing finance for COMAL's producers. The project has been formulated based on the learnings and application of technologies in similar projects led by FAO, COMAL, IICA and CAFOD. This learning has been incorporated into this project proposal. To address potential risks related to design, technical advisors will support the implementation of the project. Whilst FAO will keep the overall technical oversight, IICA will provide support in the application of new technologies and innovation, and CAFOD will provide capacity and accompaniment towards organisational strengthening and gender empowerment. Additionally, technical staff will be recruited for the project to ensure best practice is applied on a day-to-day basis. The project will also empower and build the capacity of producers so they are able to detect and prevent potential risks in this area.
- **Institutional capacity risks:** Risk related to **institutional capacity for implementation** are considered *low probability* and *low impact*. COMAL has extensive experience implementing complex projects and has retained over the years key capable staff. Furthermore, COMAL is already receiving capacity-building support from IICA and CAFOD. In capacity and financial assessments conducted in 2019, CAFOD determined that COMAL's capacity was very high. The following areas of planning and budgeting, basic accounting systems, financial reporting, internal controls, grant management, staffing and supply chain management. Comal obtained a score of **318** out of a 340 maximum score. Nonetheless, it is important to stress that the implementation of the project falls under the responsibility of the civil society,



notably the POs with the support of state and non-state partners under the technical and administrative supervision of the FAO. The impact of this risk is considered to be low, since FAO will be acting as the main risk taker and closely supervising project implementation.

- **Security risks:** Due to the high level of insecurity in the country related to drug trafficking, organised crime and common crime, the likelihood of these risks is considered *medium*, and the potential impact on the project is considered *medium*. Insecurity may have implications on the safety of staff and the communities in which the project is implemented. As a mitigation measure, COMAL will implement a security protocol and work with project organisations to ensure acceptance and build strong relationships with key local leaders and stakeholders that may be able to influence and promote safety and security.
- **Economic, financial and fiscal risks:** Macro-economic fluctuations and particularly those related to the impact of COVID-19 may affect market conditions in Honduras, thereby having an impact in demand and supply dynamics. Added to this, national policies, and financial instability as a result of the deficit generated by COVID-19 may continue disestablishing the national economy. As a result, prices could increase, therefore increasing production costs and potentially affecting some of the results of the project. Due to the socio-political and economical instability in the region, this risk is considered *high*, and its impact on the project could also be *high*. To mitigate this risk, COMAL and FAO will coordinate with other agencies to monitor prices and any market changes that may affect the project. The project will also connect producers with legal and technical services, thereby ensuring these risks are assessed and monitored on a case-by-case basis.
- **COVID-19 risks:** There are risks of transmission within the local communities that could affect the achievement of project objectives. To mitigate the risk, throughout the project cycle, the project will raise awareness of the risk related to COVID-19 and the importance of protocols including the use of PPE (e.g. masks, hand washing, safety distances in-group activities). Other types of risk linked to COVID-19 are related to possible restrictions that authorities might put in place, which could cause implementation delays. The project will monitor and incorporate Ministry of Health guidelines and coordinate with local health authorities to promote preventive measures and vaccination campaigns in the implementation areas.
- **Environmental risks:** The project is located in an environmentally vulnerable area, which means that the project will be exposed to possible extreme weather events such as hurricanes, floods, and droughts. Whilst this probability is *medium*, its impact on the project could be high or very *high*. More specifically, the project is at risk of: **i)** Landslides in large cultivated and uncultivated areas. **ii)** Hurricanes and floods that cause soil water-logging, resulting in total or partial crop losses, among other effects due to water excess in some areas and/or water scarcity in other areas. **iii)** Drought caused by a prolonged shortage of rainwater. As a mitigation measure, the project



will seek coordination with local authorities, emergency committees, health brigades, and the community's board of trustees. Adaptation measures will be established depending on the specific conditions of the area, category, and type of risk and vulnerability. The project will incorporate climate prediction and monitoring measures and will also support producers to find and interpret climate information through rain gauges, climate predictors and hydro thermometers. The project will also address this risk by incorporating climate resilient agroecological practices that the project will promote such as soil conservation, living barriers, diversification, forests, as well as the use of tolerant varieties and protected systems (e.g. net houses, micro and macro tunnels, greenhouses in the case of vegetables).

- **Socio-political risks:** Possible risks of violent scenarios following the 2022 elections or policy changes that could lead to social instability encourage migratory phenomena and provoke the abandonment of producers' initiatives. Other social or political events could delay the implementation of project activities. For this reason, the likelihood of this risk is considered to be *high*, although the impact could be *medium*. As mitigation measures, the project will focus on market informed profitable productive activities that will curb unemployment and prevent migration. The project will work to integrate returned migrants and vulnerable families into viable and sustainable livelihoods.
- **Other social risks:** Other social dynamics constitute a risk for the project. As such, limited **participation of youth and women** due to legal, social and cultural barriers, women and youth. Whilst this risk is *low*, their impact could be *medium*, given that the project will particularly target women and youth. To mitigate these risks, the project will seek to involve youth and women in the design of activities and promote youth and women's leadership in decision-making spaces. Furthermore, the project will work with key local leaders and engage them as champions to promote women and youth participation. The project will seek to create formal and informal spaces seeking their representation in the activities.

There are some important **potential negative externalities or spillover effects** that could arise from the project implementation:

- **Environmental negative externalities:**

Among the potential spillover environmental effects could be that the project leads to an **overexploitation of the natural resources** in the area. An example of this could be that the project will strengthen avocado value chains that require significant amounts of water in an already dry area. Its likelihood is considered *medium* and the risk rating is *medium* since the project will mitigate this by using 2 strategies: 1) The project will support producers to work with water catchment and efficient water use systems. 2) The project will support producers to apply water recycling strategies as well as other agroecology strategies that will mitigate against this risk.

Possible environmental negative externalities will be mitigated with the use of agroecological approaches that will protect and *work with* the natural environment.

Among the agroecological practices<sup>22</sup> the project will employ are: the production of biofertilizer for crop nutrition, use of natural fungicides for the control of pests and fungal diseases and bocashi fertilizer. In addition, the productive diversification of family farms will be promoted which have a variety of soil enhancing benefits. Technologies for efficient water management and use will also be implemented such as water storage tanks, wastewater recycling and drip irrigation systems.

- **Biodiversity negative externalities:** As a result of value chain strengthening and commercialisation activities, producers could tend to prefer monoculture farming activities that could be more profitable than crop diversification as a result of greater efficiency and increased productivity. Consequently, the biodiversity in the area could be reduced and the resilience of producers will be put at risk as there are greater economic risks for them, and it could progressively have a negative impact on food security and nutritional outcomes achieved by the project. Whilst the probability is *Medium*, the impact could be *High*. Mitigation measures will include strong sensitization and specialised technical trainings with producers to understand the importance of biodiversity to the broader ecosystem and the soil food web.
- **Social negative externalities:** Whilst the project will have positive impact on producer organisations, given that this is a food insecure area with high levels of migration, there is a *low risk* of dependency could be generated as a result of the intervention and could have a *medium negative impact* during and beyond project implementation. To address this, the project will particularly focus on building organisational capacities, strengthening producers' capacities in analysis and decision making to reduce dependencies once the project has finished. A key strategy of the project is to offer accompaniment and link producer organisations to other networks. The project will rely on local and market partnerships to ensure its sustainability and reduce dependency.
- **Protection and safeguarding risks:** Safeguarding and gender-based violence risks could emerge as a result of the project's operations and implementation. Given the COVID-19 pandemic, there could be interruptions in monitoring plans and therefore increasing safeguarding risks for vulnerable adults and children as more unsupervised activities will be carried out.

The project aims to empower women and youth economically, which will challenge gender dynamics at household and community level. Whilst this aspect intends to have a positive effect on women and youth who will gain economic empowerment and agency, it could be put at risk as men lose control and power over resources, challenging their roles. To mitigate against these risks, the project will work to identify focal points in producer organisations and to strengthen reporting lines. The project will also work to identify men who will become champions for women as they

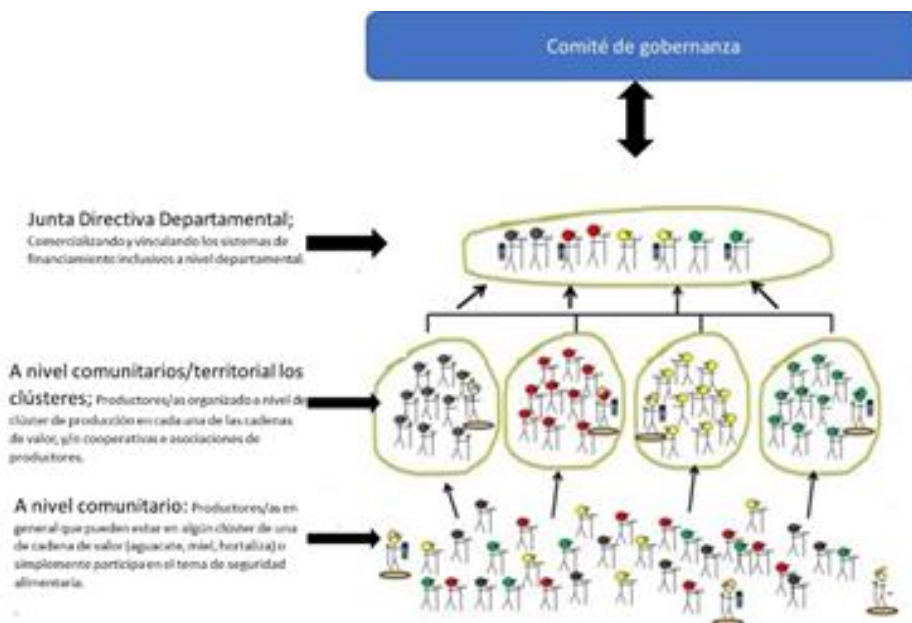
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<sup>22</sup> [https://drive.google.com/drive/folders/1KkmQ7FXrSoG7t\\_Tn0kN0A5MHDCh9gF3i?usp=sharing](https://drive.google.com/drive/folders/1KkmQ7FXrSoG7t_Tn0kN0A5MHDCh9gF3i?usp=sharing)

are promoted in organisational structures and decision making processes. The project will also work to generate accompaniment and reporting measures by identifying organisations and associations to manage cases when they are identified. COMAL has a Gender and Youth Policy and a Child Protection Policy to prevent abuse in its different forms by the organization. In addition, the project will incorporate training and application of the SADI protection and safeguarding framework developed by CAFOD.

**5.2 What are specific design measures that will be incorporated to increase the likelihood of sustainability of the project activities or outcomes?** Provide specific examples of how the project will build in sustainability. For example, who will be responsible for maintenance and operations of equipment, facilities, etc.? What capacities would need to be developed and how? Have recurrent costs been factored into assets and programs? How are users/beneficiaries expected to share in the cost of any works or goods provided by the project?

The sustainability of the project depends on the organized producer organisations COMAL works with. This structure, which already exists, includes a Governance Committee, a Departmental Boards of Directors, and clusters at the community level.



The Governance Committee is made up of producers, FAO, IICA, COMAL, CAFOD and representatives of the municipal governments. COMAL producers will be chosen by the organizational base that already exists. It can be the president of the board of directors or someone designated by this governing body. In this case there will be

two participants, one from the technical management team and one trade union representative. One member of each institution (FAO, IICA and CAFOD) will be designated in accordance with the mechanisms of each institution. Municipal representatives will be chosen in accordance with mechanisms of the municipalities themselves. This body will be responsible for making decisions to ensure the project has a solid organizational base for future interventions and will be fundamental for strategic decision-making during and after the project.

There are regional structures known as Departmental Boards of Directors in the three departments of Lempira, Intibucá and La Paz. These structures bring together the entire



membership of the Comal network, including associations, agricultural and service companies, cooperatives, rural banks, and others. These Boards of Directors will lead marketing and financial linkage operations, in addition to playing a role in articulation with the other actors involved. They will maintain close coordination with the Governance Committee.

*At Community/territorial level:* Clusters will be established and producers organized in each of the value chains will have legal status established to ensure effective sustainability and alignment with government policies. *At the community level:* Participating producers may be part of a value chain cluster (avocado, honey, vegetables) or simply may participate in food and nutritional security related interventions.

The effective sustainability of these organizational entities will depend on the members of the different COMAL guilds making contributions and/or having savings. This gives them a sense of ownership and recognition that the initiative provides profitable services, such as credit where there is no default. Economic diversification makes it easier for the members to contribute, as they will spread their income over time and will not be pressured to withdraw their savings/contributions. Sustainability at the cluster level includes several organisations in the same geography working together. Some, such as the rural savings banks, specialize in financing, others in marketing and others in technical support and accompaniment. The interdependence between them maximises efficiency, enables synergies and ensures future sustainability. Joining the departmental committee, will allow project participants to generate greater ownership and enable a degree of sustainability beyond the life of the project.

This project directly addresses the need to strengthen the structures of producer's organisations. A needs analysis was carried out to inform project design, and priority actions cited included, strengthening good governance practices, training in marketing and accounting, improvement of analysis systems for financing, among others technical topics.

It is essential that the participants are protagonists in the intervention. They will contribute to the costs of the inputs and goods supplied by the project, in such a way that does not exclude any participant. The project will accommodate multiple ways to participate and contribute, such as financially or with voluntary labor. Organizational and economic empowerment will be achieved by strengthening the productive capacities and financial stability of the organisations that make up the COMAL Network.

**5.3 Who has been involved or consulted in the development of the Proposal?** Specify who (e.g., local government agencies, private businesses, civil society, other POs, research organisations, public health and nutrition workers, women's groups), where, when and through which modality stakeholders were consulted or involved in developing the Proposal. State how these consultations changed or specifically affected the design or selection of the proposed project activities. How would stakeholders continue to be engaged and consulted during project preparation and implementation if the proposal was approved? Applicants are strongly encouraged to involve civil society during Proposal development and subsequent Project design and implementation.

COMAL has led the development of this proposal according to the priorities defined in our current institutional strategic plan 2021-2025. These priorities came out of consultation



processes with the smallholder farmers and producers that belong to the 40-affiliate organisations who make up the COMAL network.

This project will promote the participation of men, women and youth from the smallholder farmers and producer organisations in the 9 municipalities where we will work. The food value chains such as honey were chosen because they encourage women and youth participation at all levels and are economically profitable.

Other participants in proposal development included staff from the Inter-American Institute for Cooperation on Agriculture - IICA, staff from the Food and Agriculture Organization of the United Nations - FAO, staff from the Catholic Agency for International Development Cooperation of England and Wales - CAFOD, and of course staff from the Alternative Community Marketing Network - COMAL.

**5.4 Provide a description of the PO's structure, including membership, and services offered by the PO.** For example, the number of members and dues-paying members, average number of users for services offered by the PO (by year for most recent 2-3 years), membership fees, assets, office locations, number and roles of paid employees, as well as any financial data that indicates the scale and depth of the business venture supported by the PO (such as sales data by its members).

COMAL is a producer's organisations (PO) network that has been working for more than 26 years. COMAL is specialised in sustainable agricultural production and alternative marketing with great emphasis on "Solidarity Economy<sup>23</sup>" approaches.

Through this approach, COMAL has acquired vast experience in supporting the self-organizing efforts of agricultural small producers' organisations.

This approach has allowed COMAL to develop its niche in strengthening the capacities of grassroots organisations and good governance, which will be a key asset towards the sustainability of the project.

COMAL's methodologies are fully participatory, which means that participants will be engaged in all decision making processes. They will not only be consulted during the entire implementation process, but will effectively lead in the decisions relevant to their productive and organisational choices. Furthermore, as a network, the producer organisations that make up COMAL fully understand the opportunities and challenges they face in their context, which will guarantee that project activities are designed taking into account their needs and priorities.

COMAL is a nonprofit organization made up of 1,406 smallholders farmers and producers and their families from 62 community organisations. In 2019 we provided services to 1,105 users and 1,390 users in 2020. To join the network, producers must be part of a community cooperative or organization. Each cooperative pays an initial membership fee of 2,000 Lempiras

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<sup>23</sup> According to ILO, 'Solidarity Economy' is a concept designating enterprises and organisations, in particular cooperatives, mutual benefit societies, associations, foundations and social enterprises, which have the specific feature of producing goods, services and knowledge while pursuing both economic and social aims and fostering solidarity" [https://www.ilo.org/global/topics/cooperatives/projects/WCMS\\_546299/lang--en/index.htm](https://www.ilo.org/global/topics/cooperatives/projects/WCMS_546299/lang--en/index.htm)



(\$83 USD) to join. When an organization leaves, their contribution and any interest accumulated is returned to them.

COMAL’s National Assembly oversees the organization and is the maximum authority. Assembly members elect members to the Board of Directors and Supervisory Board, who are charged with managing the organization for two years. There are five Board of Directors members and three Supervisory Board members.

Operations are led and carried out by the Executive Director 10 employees. COMAL is structured around three priority areas:

1. Institutional Strengthening: administration and accounting, and services and communications units.
2. Community Organizing and Development: Business and technical assistance, organizational strengthening, market access and political advocacy units.
3. Production and Industrialization - agroecology and agroindustry units.

Total assets held by COMAL as of December 31, 2020: L. 24,037,998.70 or U\$1,003,279.

**COMAL producer affiliates participating in the project**

Region	Number of organisations	Women	Men	Total	Existing agricultural producers work with
La Paz	20	257	138	395	Coffee, vegetable, honey, basic grains
Intibucá	10	115	161	276	Vegetables, basic grains
Lempira	10	61	168	229	Coffee and basic grains
Total Affiliates	40	433	467	900	
<b>Total participants</b>		<b>4,500 total participants (5 household members per household)</b>			

**5.5 Describe the proposed project implementation arrangements, including the lead and other POs, and other partners (e.g., private businesses, development partners, civil society**





organisations, or women's groups) that will be involved in the implementation of the project and their roles. What is the intended implementation arrangement within the lead PO? Provide a clear overview of roles and responsibilities of different entities involved

COMAL's role in this project is as follows:

- Implementation and management leadership of all project activities, according to the principles of the GAFSP call for Producer organisations.
- Communication and coordination with producers and their community organisations.
- Preparation of technical and financial reports and presentation to the supervising entity according to agreed deadlines.

**Collaborating entities:**

CAFOD is the development agency of the Catholic Church in England and Wales, and was established in 1962 by the Bishops of England and Wales. CAFOD is a non-profit, non-governmental entity whose vision is to see a world transformed in accordance with the principles of the Kingdom of God, where all communities and individuals can flourish as agents of their own development. CAFOD has a long history of working with institutional donors in development, humanitarian aid and emergencies. CAFOD has accompanied COMAL since 2001. CAFOD can offer support in the following areas of the project:

- Technical support for online monitoring with SIMAS, impact indicators (e.g. income, expenses, agroecological farms, farm map).
- Capacity building: Accountability, governance, protection (including AWIS framework), and practice of quality standards in the project.
- Facilitate e-learning and regional learning exchanges linked to knowledge management.
- Support and accompaniment advocacy around policies that are favorable to smallholder farmers and producers.

IICA is the Inter-American Institute for Cooperation on Agriculture, the specialized agriculture agency of the Inter-American System that supports the efforts of the Member States to achieve agricultural development and rural well-being. Since its creation in 1942, its vision has been to be a platform of human resources and processes capable of mobilizing the knowledge available in the region and the world to achieve a competitive, inclusive and sustainable agriculture that takes advantage of opportunities to contribute to economic growth and development and that promotes greater rural well-being and sustainable management of natural capital.

IICA can provide support in the following areas:

- Technical training around food safety, quality control, territory management, and agroforestry systems.
- Intermediate and final evaluation of the project
- Technical support in documentation and capitalization of experiences.
- Strengthening to community organisations around use of instruments (e.g. management, evaluation and improvement of CRAC management for sustainability).
- Advice on e-commerce, local fairs and market development.



The Food and Agriculture Organization of the United Nations (FAO), founded in 1945, is one of the largest specialized agencies of the United Nations.

FAO will be the Supervisory Entity of this project. In this regard, its role will be:

- Submit the proposal to the GAFSP Coordinating Committee.
- Receive and manage grant funds allocated by GAFSP.
- Make disbursements to COMAL, according to the disbursement schedule.
- Review quarterly technical and financial reports submitted by COMAL and forward to the GAFSP Coordination Committee
- Ensure compliance with project objectives, results and indicators.
- Provide overall technical oversight and monitoring

**5.6 Describe the proposed financial and implementation arrangements between the SE and the PO**, including breakdown of funds and how funds are transferred from SEs to POs as well as the financial and progress reporting system to be put in place.

Based on its role as supervising entity, FAO will be entitled to 7% of the project funds executed by COMAL. A budget and disbursement schedule will be established. The first disbursement will be with the inauguration of the project, the second disbursement after the first quarterly technical and financial report.

**5.7 Present the overall project budget using the Tables A, B and C in Annex 1.** Please respond in Annex 1. Do not include a table here.

**5.8 PO's readiness:** Provide information regarding the PO's: Previous experience in working in partnership with the preferred SE;

Previous experience managing funds from the preferred SEs and/or other international entities such as development agencies or international NGOs;

Main activities carried out by the PO in the past 5 years and external funders for those activities; and Experience in managing contracts, not limited to grant agreements.

COMAL has worked in coordination with FAO representing small farmers on advocacy for the creation of the Seed Law and the Family Farming Law of Honduras. COMAL currently participates in the FAO's Family Agriculture Committee, a space for civil society organisations to participate.

Since its founding in 1995, COMAL has implemented several projects with international development cooperation funds. The period of the most growth and project implementation was from 2002 to 2009. Many large-scale projects were executed with institutional donors such as the European Union, United Nations/UNDEF, Irish Aid, BMZ, AECID, among others. Projects financed by entities such as CORDAID, CODESPA, ICCO, Christian Aid, Progressio, VECOMA, STROHAL, La Caixa, ActionAid Denmark, APN, ASB, Acción Verapaz, Communitas/EcoViva, FLM, COMRURAL and CAFOD were also executed.

COMAL has a track record of success in the implementation and management of projects. During



this period, COMAL's annual organizational budget exceeded US\$ 2.5 million. Many members of the management and administrative staff at that time are still with the organization, giving COMAL experienced management and administrative capacity. Unfortunately, following the coup d'état in Honduras in 2009, many international donors changed their strategic priorities.

Currently, COMAL is supported and funded by Lutheran World Federation- LWF, Communitas/EcoViva, IICA/IFAD and CAFOD. COMAL has internal policies for management, governance and accountability, including Manuals of Administrative and Internal Control Functions and Procedures, Code of Conduct, Gender and Youth Justice Policies, Child Protection Policy, among others.

During the latest organizational check-up (Mango Health check) conducted by CAFOD, COMAL earned a rating of 318 points (the highest rating being 340 points). The rating classifies COMAL as a low financial risk organization according to the seven areas assessed which are i) Planning and budgeting, ii) Basic accounting systems, iii) Financial reporting, iv) Internal controls, v) Grants management, vi) Personnel, vii) Supply chain management.

## Annex 1 – Project Budget Tables

Provide comprehensive budget information for the proposed project. All figures should be in US\$ and rounded to the nearest '000.

**Tabla A: Resumen de la financiación general del proyecto**

Funding Source	Amount	¿Has this funding been secured (Yes/No)?
GAFSP grant amount requested	US\$ 2.496.792	n/A
PO co-financing <sup>17</sup>		
Other Funding Sources (SE, ODA, international NGOs, etc.		
- [Specify source]		
- [Specify source]		
- [Specify source]		
<b>Total Project Funding</b>	<b>US\$ 2.496.792</b>	

**Table B: Detailed project budget** (for each component, indicate who will administer funds and manage procurement: SE or PO)

**Table B: Detailed project budget** (for each component, indicate who will administer funds and manage procurement: SE or PO)

Components Activities	Components Activities	GAFSP Funding Requested		Other Funding Sources Amount (US\$)
		Amount Requested (US\$)	Fund management and procurement (SE or PO)	
<b>Component 1: Value chain development</b>	1.1.1 Market analysis and development of commercial strategies for COMAL in selected value chains	9.000,00	COMAL	
	1.1.2 Training 900 farmers in farmer field schools for three value chains ( avocados 300, honey 300, vegetables 300)	67.500,00	COMAL	

	1.1.3 Support 600 farmers with inputs for the promotion of agroecological practices in selected value chains of vegetables and avocado.	90.000,00	COMAL	
	1.1.4 Install 250 tanks with system of drip irrigation + solar panels	400.000,00	COMAL	
	1.1.5 Support 800 farmers the purchase and supply of planting materials (seedlings and seeds) : 400 farmers receive 80 avocado seedlings and 400 farmers receive one package of vegetables ( chili , broccoli, lettuce ) for .25 ha / farmer	460.000,00	COMAL	
	1.1.6 Support 30 groups of women for the establishment of apiaries and drelated protection systems (30 boxes, hives, 5 suits , smokers , centrifuges , tools )	105.000,00	COMAL	
	1.1.7 Construction of 40 reservoirs (1400 meters cubic ) to support the water tables	100.000,00	COMAL	
	1.1.8 Promotion and marketing for value chain development ( business fairs, labels, sensibilisation , radio, brochures , pamphlets , digital marketing and creating a website, etc) and associated health and environmental licenses	30.000,00	COMAL	
	1.1.9. Invest in 40 greenhouse production systems	80.000,00	COMAL	
	1.1.10 Participation in national and international roundtables for relevant value chains .	10.000,00	COMAL	
	1.1.11.Support for the installation of a digital market and production monitoring systems	8.000,00	COMAL	
	1.1.12 Design and build three collection centers	90.000,00	COMAL	
<b>Component 2: Food Security and nutrition</b>	2. 2.1 Support 400 producers with water filters for recycling water in the area of Lempira.	80.000,00	COMAL	

	2.2.2 Training 250 producers on nutrition and hygiene.	16.000,00	COMAL	
	2.2.3 Support 400 farmers with 10 fruit trees per farmer to diversify their diet	17.200,00	COMAL	
	2.2.4 Support 400 farmers with seeds to establish an equal number of orchards	24.000,00	COMAL	
	2.2.5 Design of app for climate digitalisation and supporting digital tool box	20.000,00	COMAL	
	2.2.6 Participation in climate change roundtables at regional level, linking climate and crop phenology - 10 stations	5.000,00	COMAL	
	2.2.7 Create and improve 40 native seed banks including equipment, 2 barrels per group for storing basic grain seeds	12.000,00	COMAL	
<b>Componente 3: Organisational capacity strengthening</b>	3.3.1 Training of 900 producers on issues of financial education , Leadership and Gender	13.500,00	COMAL	
	3.3.2 Lobby at municipal levels to impact policy on livelihoods and environmental stewardship in nine municipalities , 54 meetings 10 participants	8.100,00	COMAL	
	3.3.3 40 organisations trained to improve management capacities, in clusters ( centers operating department ) eg record keeping/ accounts, good governance, admin systems and accounting ( system accounting , computers ), 3 systems	9.000,00	COMAL	
	3.3.4 Strengthening and development of financial inclusion models for participant producer organisations in La Paz, Intibuca and Lempira Departments.	5.000,00	COMAL and FAO	
	3.3.5 Training processes for 40 organisations for improved operations and good governance in 3 clusters, participation in 18	11.700,00	COMAL	

	meetings in the committee of family farming in Honduras			
	3.3.6 Inclusion, security , transparency and dignity workshops addressed to the boards of directors of the conglomerates. Also includes consultant cost	12.000,00	COMAL	
	3.3.7.Two regional and national exchanges of experience with producers to share/ showcase successful experiences linked to the project	10.000,00	COMAL	
	3.3.8 Recording and editing of 9 videos on agroecological practices and technologies and testimonials/ life stories of the participants.	13.000,00	COMAL	
	3.3.9 Socialization and visibility of the project ( banner, hats , masks , stickers ) and materials of biosafety	8.000,00	COMAL	
	3.3.10 Baseline activities	5.000,00	COMAL	
	3.3.11 Systematization of experiences to harvest learning (plus its publication)	10.000,00	COMAL	
	<b>Activities subtotal</b>	<b>1.729.000,00</b>	COMAL	
Monitoring and Evaluation	Monitoring and evaluation costs	86.450,00	FAO y COMAL	
Staffing costs	Staff directly involved in the project	318.000,00	COMAL	

Operational costs (computers, office materials, etc)	Office costs, communications (internet, telephone, etc), office consumables (stationary, photocopy), office rent, maintenance, electricity, vehicle maintenance and vehicle rent for field visits and coordination on specific activities	200.000,00	COMAL	
<b>Subtotal COMAL and collaborators</b>	<b>Total amount executed</b>			<b>U\$ 2.333.450,00</b>
<i>Indirect Costs (7%)</i>	<i>Supervising Entity (SE) Indirect cost recovery</i>			U\$ 163.341,50
<b>TOTAL BUDGET</b>				<b>U\$ 2.496.792,00</b>

Note: Do not include separate line items for contingencies. Instead factor contingencies into component costs.

**B.1. Clarify the underlying assumptions for the proposed budget: For example, indicative unit costs for major investments including how derived, training and workshops, program coordination costs, additional budget notes, etc**

A detailed budget has been developed in collaboration with FAO that will be available upon request. Some key remarks and underlying budget assumptions are:

- **Participation and engagement:** There is an assumption that producers will opt in and participate in all the modules of the training in Farmer Field Schools (FFS), and that these learnings will then be applied in productive activities. There is also an assumption that 300 producers will be engaged in a specific value chain (300 vegetables, 300 avocado and 300 honey) which has been defined through a consultative process. Baseline activities, market analysis and further consultation will also support verifying this assumption, bringing light into product demand and preference of participants (Component 1). Similarly, there is an assumption that 400 vulnerable participants will engage in family gardens and agroforestry activities of the project. This group of participants will be consulted in advance identifying appropriate family gardens and fruit trees that may be appropriate in each case. Crops and fruit trees will be selected based on the particular needs of each household, including nutritional needs as well as access and mobility needs (Component 2).
- There are also some assumptions in relation to procurement related to **the availability and accessibility of required inputs, seeds, seedlings, materials and infrastructure** that will be supplied by the project. Previous experience with reliable suppliers in other projects led by COMAL, IICA and particularly FAO will ensure the project is able to procure





items on time and take advantage of economies of scale, therefore, obtaining greater value for money for the project.

- Unit costs in the budget have been included according to **current market conditions and prices**. The assumption is that costs will remain as budgeted during the project length. For example, barrels, plastic, sulfur, bocashi, boxes are part of the inputs included in agroecological packages at an estimated cost of \$ 150 / producer. Inflation rates (5%) have been taken into account in the development of the budget for the second and third year of implementation in key main budget lines. FAO and COMAL will monitor market prices to ensure project inputs and materials are purchased at favourable times to ensure better value for money.
- The assumption is that rate exchanges may not fluctuate in excess during the period of implementation. The exchange rate at the time of drafting the project document is around 24.04 Honduran Lempira = 1 USD. FAO and COMAL will monitor rate exchanges during implementation. The interim evaluations will allow a revision of the available budget on an annual basis. These revisions will be submitted to FAO for non-objection.
- There is an assumption that during the period of implementation, Employment Law will remain the same, therefore not affecting budget allocations for salaries and tax allocated to the project.
- **Major investments** that have been considered in the project budget are:
  - The training workshops for 900 farmers will be carried out using the Field School Methodology (FFS). One FFS will be developed for each value chain (avocados 300, honey 300, and vegetables 300.) Each FFS consists of 5 training modules and lasts 5 days. The daily unit cost of U\$ 5 p/partic \* 15 for a total cost of U\$ 67500
  - For the storage of water for irrigation, 250 will be supported with ferrocement tanks (U\$ 550 tank) and z with drip irrigation system at a cost of U\$ 670 + solar panels at U\$ 380 for a total per farmer of U\$ 1600).
  - To guarantee avocado and vegetable production, 800 producers will be supported with the purchase and supply of vegetative material, seedlings and seeds: 400 producers receive 80 avocado plants per farmer at a cost of U\$ 6, and 400 producers receive a vegetable package (green pepper, broccoli, lettuce) for a cultivation area of 0.25 ha/farmer at a cost of U\$ 575 per farmer.
  - Support will be provided to 30 women's groups for the establishment of apiaries with 30 beehives for honey production. Personal protection equipment and equipment for bee management will be provided at a cost of U\$ 3500 per group (30 boxes, hives, 5 suits, smokers, centrifuges, tools).
  - 40 reservoirs will be built (1,400 cubic meters each) to protect and replenish the water table in the avocado growing areas at a cost of US\$ 2,500 per reservoir.
  - Three collection centers will be built for processing value chain products, at a cost of US\$30,000 each.
  - In terms of personnel, a technician will be hired for each value chain and an advisor will also be hired. There will be a general project coordinator and an administrator.

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<sup>17</sup>Incluya solo las contribuciones financieras. Puede describirse información adicional sobre contribuciones financieras y en especie en la pregunta B.2.



**B.2. Will the PO provide any financial or in-kind contribution to the project?**

The contribution of the PO will be:

- Use of office space for the project
- 2 motorcycles and a 4x4 vehicle for field activities.
- Time dedicated by the producers in all project activities.

## Annex 2 – Proposal Stage Results Monitoring Matrix

**Review *Table D*** below for the list of GAFSP Tier 1 (impact) and Tier 2 (output and outcome) indicators and select the indicators that are relevant to the Proposal. The selected GAFSP Monitoring & Evaluation (M&E) indicators should be included in the Results Monitoring Matrix presented in *Table E* and should feed into the project Results Framework or Log Frame if the Proposal is approved.

**Present a Proposal stage Results Monitoring Matrix in *Table E*.** This should include indicators for the project as a whole and for all components, as well as indicative end-of-project target values. Refer to the [GAFSP M&E Plan](#) for requirements to be followed for any approved proposals. Refer to the list of Tier 1 and Tier 2 indicators in *Table D* and include those selected in *Table E*. **Note that the GAFSP M&E Plan is currently undergoing revision and there may be changes to the current set of core indicators. Specifically, there may be new indicators to be used by PO-led projects to capture results around the institutional capacity of the POs and access to financial services provided by POs for its members. These changes (once finalized) will be communicated to successful recipients for incorporation into the final Results Monitoring Matrix in the SE project design document.**

**Table D. GAFSP Tier 1 and Tier 2 Core Indicators**

#	Tier 1 impact indicators for all GAFSP projects	Check if Yes
1	Food and nutrition security ►Mandatory Food Insecurity Experience Scale (FIES) indicator and optional indicators are Food Consumption Score (FCS), Minimum Dietary Diversity-Woman (MDD-W) and Minimum Dietary Diversity -Children (MDD-C)	<input checked="" type="checkbox"/>
2	Household income	<input checked="" type="checkbox"/>
3	Crop yield (apply only to those projects with explicit productivity gain goals)	<input type="checkbox"/>
#	Tier 2 indicators for all GAFSP projects, Mandatory Breakdowns <sup>†</sup> (unit) ► Indicator notes	
1	Number of beneficiaries reached, gender disaggregated, percentage who have been helped to cope with impact of climate change <sup>††</sup> ►People receiving benefits from the project. ►Disaggregation for gender and those receiving Climate-Smart Agriculture (CSA)-specific support.	<input checked="" type="checkbox"/>

2	<p>Land area receiving improved production support, percentage of these that are climate smart (ha)</p> <ul style="list-style-type: none"> <li>▶ Area that adopted new inputs/practices, new/rehabilitated irrigation services, land registration, etc.</li> <li>▶ Disaggregation for climate-smart interventions.</li> </ul>	<input checked="" type="checkbox"/>
3	<p>Number of smallholders receiving productivity enhancement support, gender disaggregated, climate-smart agriculture support</p> <ul style="list-style-type: none"> <li>▶Number of end-users who directly participated in project activities.</li> <li>▶Includes technology/technique adoptees, water users with improved services, those who had land rights clarified, people offered new financing/risk management services.</li> <li>▶Using CSA approaches.</li> </ul>	<input checked="" type="checkbox"/>
4	<p>Number of producer-based organisations supported (number)</p> <ul style="list-style-type: none"> <li>▶ Relevant associations established or strengthened by project.</li> </ul>	<input checked="" type="checkbox"/>
5	<p>Volume of agriculture loans that are outstanding.</p> <ul style="list-style-type: none"> <li>▶ Volume of outstanding loans for agriculture and agribusiness in a financial institution</li> </ul>	<input type="checkbox"/>
6	<p>Percentage of beneficiaries with secure rights to land, property, and natural resources (percent of total beneficiaries) ††</p> <ul style="list-style-type: none"> <li>▶Measured as those with legal documentation or recognized evidence of tenure and those who perceive their rights are recognized and protected.</li> </ul>	<input type="checkbox"/>
7	<p>Roads constructed or rehabilitated, percentage resilient to climate risks (km)</p> <ul style="list-style-type: none"> <li>▶All-weather roads built, reopened, rehabilitated, or upgraded by project.</li> <li>▶Percentage that are designed to withstand changes in climate.</li> </ul>	<input type="checkbox"/>
8	<p>Number of post-harvest facilities constructed and/or rehabilitated (number)</p> <ul style="list-style-type: none"> <li>▶ Includes markets, agro-processing/storage/quality control facilities.</li> </ul>	<input checked="" type="checkbox"/>
9	<p>Volume of agricultural production processed by post-harvest facilities established with GAFSP support, by food group (tons)</p> <ul style="list-style-type: none"> <li>▶ Tons of total produce processed sorted by 10 major FAO food groups.</li> </ul>	<input checked="" type="checkbox"/>
10	<p>People benefiting from cash or food-based transfers, gender disaggregated (number of people)</p> <ul style="list-style-type: none"> <li>▶ Number of people who benefited from cash or food transfer interventions.</li> </ul>	<input type="checkbox"/>

11	<p>People receiving improved nutrition services and products, gender disaggregated, age disaggregated (number of people)</p> <ul style="list-style-type: none"> <li>▶ Number of people who received nutrition counseling/education, recipients of Ready-to-use- Therapeutic Foods, bio-fortified foods, and Vitamin A and micronutrient supplements.</li> <li>▶ Number of people receiving extension support for nutrition-relevant techniques (e.g., homestead gardens, Farmer Field School support, etc.).</li> </ul>	<input type="checkbox"/>
12	<p>Direct employment provided; gender disaggregated (full-time equivalent)</p> <ul style="list-style-type: none"> <li>▶ Number of direct employees in a client company.</li> <li>▶ Part time jobs aggregated to full-time equivalent.</li> </ul>	<input checked="" type="checkbox"/>
13	<p>Persons receiving capacity development, gender disaggregated, organization type (number of people)</p> <ul style="list-style-type: none"> <li>▶ Agricultural and non-agricultural rural training and capacity building support provided.</li> <li>▶ Distinguishes between individual producers/household members, civil society organization staff, and government officials.</li> </ul>	<input checked="" type="checkbox"/>
14	<p>Number of substantive deliverables on food security processes completed (number)</p> <ul style="list-style-type: none"> <li>▶ Measures “soft support” for institutional development provided through discrete deliverables.</li> <li>▶ Deliverables include policy studies, strategies and plans, best practices, and lessons learned, among others.</li> </ul>	<input checked="" type="checkbox"/>

**Note:** The definitions for the Tier 2 indicators can be found on pgs. 24 – 27 of the [GAFSP M&E Plan](#).

† Reporting on the indicator requires reporting all mandatory breakdowns for the indicator.

†† Climate-related language is included for indicators #1, 2, 3, and 7. In view of discussion and some concerns expressed by the GAFSP Steering Committee, it is noted that the experience of gathering such data at the SE/project level will be tracked and reviewed to assess the ease/feasibility of application and resulting “meaningfulness” of the data that are gathered. Please also see earlier footnote #6 on the use of the term ‘climate-smart’ in the GAFSP M&E Plan.

‡‡ GAFSP projects have not traditionally supported land-ownership reform, although both the Technical Advisory Committee and most SE project preparation processes currently evaluate project readiness against a criterion that includes land access and land user rights, and they typically verify such aspects through their respective “safeguards” and appraisal policies. There was demand from SC members to see a standalone indicator, however, that can capture a focus on land use rights.

**Table E. Proposal Stage Results Monitoring Matrix(Add rows as needed)**

<i>Indicators<sup>18</sup></i>	Unit of measurement	Baseline <sup>19</sup>	End-of project target	Data sources (Data collection instruments)
<i>Project's highest-level indicator</i>				
<i>Number of families with increased household income, dietary diversity and resilient productive systems.</i>	<i>Household incomes, products</i>	<i>TBD</i>	<i>80%</i>	<i>Baseline, Reports, evaluations, M&amp;E registers</i>
<i>Component level indicators<sup>20</sup></i>				
<b>Component 1: Value Chain Development</b>				
<b>Output 1.1. 900 producers improve agroecological knowledge and practices in prioritised value chains (avocado, honey and vegetables) [300 avocado and 300 vegetable producers; and 300 women honey producers]</b>				
<b>Output Indicator 1</b> <i>Number of producers (gender disaggregated) that acquire new knowledge about agro ecological practices and markets</i>	<i>Producers (gender and age disaggregated)</i>	<i>TBD</i>	<i>75%</i>	<i>Baseline, periodic and M&amp;E reports, register cards, evaluations</i>

<p><b>Performance Indicator 1</b></p> <p><i>Number of producers (gender disaggregated) that implement better production and commercialisation practices in selected value chains</i></p>	<p><i>Producers (gender and age disaggregated)</i></p>	<p>TBD</p>	<p>80%</p>	<p><i>Baseline, periodic and M&amp;E reports, register cards, evaluations</i></p>
<p><b>Component 2. Food Security and nutrition</b></p>				
<p><b>Output 2.1.</b> 400 households will improve their knowledge on agroecology and agroforestry practices to improve household food security and nutrition</p>				
<p><b>Output indicator 2:</b></p> <p><i>Number of producers (gender and age disaggregated) that have been trained on productive diversification, agroecological and agroforestry practices resilient to climate change and in access to climate information</i></p>	<p><i>Producers (gender and age disaggregated)</i></p>	<p>TBD</p>	<p>80%</p>	<p><i>Baseline, periodic and M&amp;E reports, register cards, evaluations</i></p>
<p><b>Performance Indicator 2:</b></p> <p><i>Number of households using different techniques to improve nutrition at home, adding other foods to the diet</i></p>	<p><i>Households</i></p>	<p>TBD</p>	<p>80%</p>	<p><i>Baseline, periodic and M&amp;E reports, register cards, evaluations</i></p>
<p><b>Component 3: Organisational capacity strengthening</b></p>				

**Output 3.1.** 900 producers will improve their management and leadership capacities, strengthening good governance and financial inclusion

<p><b>Output Indicator 3:</b>  <i>Producer organisations are organised in networks to advocate at municipal and national level to promote territorial development</i></p>	<p><i>Organisations</i></p>	<p><i>TBD</i></p>	<p><i>75%</i></p>	<p><i>Baseline, periodic and M&amp;E reports, register cards, evaluations</i></p>
<p><b>Performance Indicator 3:</b>  <i>Good governance and financial inclusion models operating in project locations in the three territories</i></p>	<p><i>Municipalities/Finacial Centre for Development(Municipios/Centro financiero para el desarrollo - CFD) and Rural Saving and Credit Banks (Cajas Rurales de ahorro y Crédito - CRAC)</i></p>	<p><i>TBD</i></p>	<p><i>100%</i></p>	<p><i>Baseline, periodic and M&amp;E reports, register cards, evaluations</i></p>

8 If any cross-cutting themes were selected in Section 3.1, this table must include some indicators that correspond to the selected theme(s). 19 If this is unknown, write TBD (to be determined). 20 Please identify indicators that can clearly represent the causal links in the results chain that bridge the gap between the current status and the objectives (desired high-level indicator). Ideally, under each component there is at least one outcome indicator and correspondent output indicator(s).



### Anexo 3 - Riesgos y externalidades negativas

**F. Describe important potential risks to achieving the project's development objective(s)** based on the scale, complexity, duration, and magnitude of proposed project activities and operations. Provide an assessment of the likelihood (probability) and risk rating (severity, impact) of the risks, and proposed mitigation measures. Add additional rows to the table for additional risks, if needed.

**Tabla F: Project Risk Assessment**

Risk	Likelihood (L, M, H)	Risk rating (L, M, H)	Risk description	Proposed mitigation measures
<p><b>Technical design<sup>21</sup>:</b> Risk that technical design could affect the project from reaching its objectives</p>	L	M	<p>Risks related to the <b>technical design</b> are considered to be <i>low probability</i> but could have a <i>medium impact</i> occur. Project design has taken place in consultation with all technical partners involved who understand the context and the methodologies that the project will implement. The contribution of FAO, IICA and CAFOD has been essential to identify the most appropriate value chains according to market gaps, strengthening technical and organisational capacity and access to finance of COMAL's producers. The project has been formulated based on the learnings and application of</p>	<p>To address potential risks related to design, technical advisors will support the implementation of the project. Whilst FAO will keep the overall technical oversight, IICA will provide support in the application of new technologies and innovation, and CAFOD will provide capacity and accompaniment towards organisational strengthening and gender empowerment. Additionally, technical staff will be recruited for the project to ensure best practice is applied on a day to day basis. The project will also empower and build the capacity of producers so they are able to detect and prevent potential risks in this area.</p>

			technologies in similar projects led by FAO, IICA and CAFOD has been incorporated in the approaches of this project proposal.	
<p><b>Institutional capacity for implementation</b></p> <p>22: Risk that there is insufficient capacity to implement the project</p>	L	L	<p>Risks related to <b>institutional capacity for implementation</b> are considered <i>low probability</i> and <i>low impact</i>. COMAL has extensive experience implementing complex projects and has retained over the years key capable staff. Furthermore, COMAL is already receiving capacity building support from IICA and CAFOD. In capacity and financial assessments conducted in 20219 , CAFOD determined that COMAL's capacity was very high. The following areas of planning and budgeting, basic accounting systems, financial reporting, internal controls, grant management, staffing and supply chain management. Comal obtained a score of <b>318</b> out of a 340 maximum score. Nonetheless, it is important to stress</p>	<p>Highly trained and experienced technical staff will be hired to implement the project. In addition, the project will be accompanied and advised by the Supervisory Entity, FAO and the partner institutions CAFOD and IICA.</p>

			that the implementation of the project falls under the responsibility of the civil society, notably the POs with the support of state and non-state partners under the technical and administrative supervision of the FAO. The impact of this risk is considered to be low, since FAO will be acting as the main risk taker and closely supervising project implementation.	
<b>Security risks:</b> Risk related to violence and organised crime.	M	M	Due to the high level of insecurity in the country related to drug trafficking, organised crime and common crime, the likelihood of these risk is considered <i>medium</i> , and the potential impact on the project is considered <i>medium</i> . Insecurity may have implications on the safety of staff and the communities in which the project is implemented.	As a mitigation measure, COMAL will implement a security protocol and work with project organisations to ensure acceptance and build strong relationships with key leaders that may be able to influence and promote safety and security.
<b>Economic and fiscal risks</b>	H	H	Macro-economic fluctuations and particularly those related to the impact of COVID-19 may affect market conditions in	To mitigate this risk, COMAL and FAO will coordinate with other agencies to monitor prices and any market changes that may affect the project. The project

			<p>Honduras, thereby having an impact in demand and supply dynamics. Added to this, national policies, and financial instability as a result of the deficit generated by COVID-19 may continue disestablishing the national economy. As a result, prices could increase, therefore increasing production costs and potentially affecting some of the results of the project. Due to the socio-political and economical instability in the region, this risk is considered <i>high</i>, and its impact on the project could also be <i>high</i>.</p>	<p>will also connect producers with legal and technical services, thereby ensuring these risks are assessed and monitored on a case by case basis.</p>
<p><b>Contagio comunitario de COVID-19</b></p>	M	H	<p>There are risks of transmission within the local communities that could affect the achievement of project objectives. To mitigate the risk, throughout the project cycle, the project will raise awareness of the risk related to COVID-19 and the importance of protocols and the use of PPE (e.g. masks, hand</p>	<p>The project will monitor and incorporate Ministry of Health guidelines and coordinate with local health authorities to promote preventive measures and vaccination campaigns in the implementation areas.</p>

			washing, social distancing in group activities). Other types of risk linked to COVID-19 are related to possible restrictions that authorities might put in place which could cause implementation delays.	
<b>Environmental and climate change related risks</b>	M	H	The project is located in an environmentally vulnerable area, which means that the project will be exposed to possible extreme weather events such as hurricanes, floods, and droughts. Whilst its probability is <i>medium</i> , its impact on the project could be high or very <i>high</i> . More specifically, the project is at risk of: <b>i)</b> Landslides in large cultivated and uncultivated areas. <b>ii)</b> Hurricanes and floods that cause soil water-logging, resulting in total or partial crop losses, among other effects due to water excess in some areas and/or water scarcity in other areas. <b>iii)</b> Drought that causes a prolonged shortage of rainwater.	As a mitigation measure, the project will seek coordination with local authorities, emergency committees, health brigades, and the community's board of trustees. Adaptation measures will be established depending on the specific conditions of the area, category, and type of risk and vulnerability. The project will incorporate climate prediction and monitoring measures and will also support producers to find and interpret climate information through rain gauges, climate predictors and hydro thermometers. The project will also address this risk by incorporating climate resilient agroecological practices that the project will promote such as soil conservation, living barriers, diversification, forests, as well as the use of tolerant varieties and protected systems (e.g. net houses, micro and macro tunnels,

				greenhouses in the case of vegetables).
<b>Socio politico</b>	H	M	<p>Possible risks of violent scenarios following the 2022 elections or policy changes that could lead to social instability, encourage migratory phenomena and provoke the abandonment of producers' initiatives. Other social or political events could delay the implementation of project activities. For this reason the likelihood of this risk is considered to be <i>high</i>, although the impact could be <i>medium</i>.</p>	<p>As mitigation measures, the project will work with profitable activities that will curb unemployment and prevent migration. The project will work to integrate returned migrants and vulnerable families in viable and sustainable livelihoods.</p>
<p><b>Other social risks:</b> Limited women and youth participation due to legal, social and political barriers</p>	L	M	<p>Other social dynamics constitute a risk for the project. As such, limited <b>participation of youth and women</b> due to legal, social and cultural barriers, women and youth. Whilst this risk is <i>low</i>, their impact could be <i>medium</i>, given that the project will particularly target women and youth.</p>	<p>To mitigate these risks, the project will seek to involve youth and women in the design of activities and promote youth and women's leadership in decision-making spaces. Furthermore, the project will work with key local leaders and engage them as champions to promote women and youth participation. The project will seek to create formal and informal spaces seeking their representation in the activities.</p>

For Likelihood: L (low probability), M (moderate probability), or H (high probability). For Risk rating: L (low risk or impact), M (moderate risk or impact), or H (high risk or impact)

1 Indicative list of risks to assess: the technical complexity of the project; the extent to which project design is informed by analytical work; adequacy of number of components and subcomponents; past experience in designing and implementing similar operations; whether the design incorporates or relies on untested or unfamiliar technologies and processes; the extent to which project benefits dependent on external factors beyond the scope of the project. 22 Indicative list of risks to assess: the complexity of the institutional arrangements (at central and local levels) such as number of implementing entities involved; geographical spread of project intervention areas and remoteness of these areas; experience of proposed implementing agency with similar scaled projects with international organisations.

**G. Describe important potential negative externalities or spillover effects that could arise from the project implementation** based on the scale, complexity, duration, and magnitude of project activities and operations, as well as an assessment of likelihood (probability) and risk rating (severity, impact) of the risks and proposed mitigation measures. Add additional rows to the table for additional potential negative externalities, if needed.

**Tabla G: Evaluación de externalidades negativas**

Potencial negativo Externalidades	Probabilidad(L, M, H)	Calificación de riesgo(L, M, H)	Descripción de potencial externalidades negativas	Propuesta de mitigación medidas
Environmental <sup>23</sup> (overexploitation of natural resources)	M	M	<ul style="list-style-type: none"> <li>Among the potential spillover environmental effects could be that the project leads to an overexploitation of the natural resources in the area. An example of this could be that the project will strengthen avocado value chains that require significant amounts of water in an already dry area.</li> </ul>	<ul style="list-style-type: none"> <li>The project will support producers to work with water catchment and efficient water use systems. 2) The project will support producers to apply water recycling strategies as well as other agroecology strategies that will mitigate the production of this. Water reservoirs will be built to feed the water table. Avocado crops will be in association with other crops</li> </ul>

				including coffee, basic grains and vegetables
Environmental (biodiversity negative externalities)	M	H	<ul style="list-style-type: none"> <li>As a result of value chain strengthening and commercialisation activities, producers could tend to prefer monoculture farming activities that could be more profitable than crop diversification as a result of greater efficiency and increased productivity. Consequently, the biodiversity in the area could be reduced and the resilience of producers will be put at risk as there are greater economic risks for them, and it could progressively have a negative impact on food security and nutritional outcomes achieved by the project.</li> </ul>	<ul style="list-style-type: none"> <li>To address this, the project will seek to continue raising awareness of the importance of biodiversity. By supporting households' food security and nutrition, the project will show the importance of biodiversity.</li> </ul>
Social <sup>24</sup> y político	L	M	<ul style="list-style-type: none"> <li>Whilst the project will have positive impact on producer organisations, given that this is a food insecure area with high levels of migration, there is a <i>low risk</i> of dependency could</li> </ul>	<ul style="list-style-type: none"> <li>To address this, the project will particularly focus on building organisational capacities, strengthening their capacities of analysis and decision making to reduce</li> </ul>



			<p>be generated as a result of the intervention and could have a <i>medium negative impact</i> during and beyond project implementation.</p>	<p>dependencies once the project has finalised. A key strategy of the project is to offer accompaniment and link producer organisations to other networks. The project will rely on local and market partnerships to ensure its sustainability and reduce dependency.</p>
<p>Protection and safeguarding risks</p>	<p>L</p>	<p>M</p>	<p>Safeguarding and gender-based violence risks could emerge as a result of the project. These are project risks that could emerge as a result of the operations and implementation. Given the COVID-19 pandemic, there could be interruptions in monitoring plans and therefore increasing safeguarding risks for vulnerable adults and children as more unsupervised activities will be carried out by project staff. Secondly, the project aims to empower women and youth</p>	<p>To mitigate these risks, the project will work to identify focal points in producer organisations and to strengthen reporting lines. The project will also work to identify men who will become champions for women as they are promoted in organisational structures and decision making processes. The project will also work to generate accompaniment and reporting measures by identifying organisations and associations to manage cases when they are identified. COMAL has a Gender and Youth Policy and a</p>

			<p>economically, which will challenge gender dynamics at household and community level. Whilst this aspect intends to have a positive effect on women and youth who will gain economic empowerment and agency, it could be put at risk as men lose control and power over resources, and their roles will be challenged.</p>	<p>Child Protection Policy to prevent abuse in its different forms by the organization. In addition, the project will incorporate training and application of the SADI protection and safeguarding framework developed by CAFOD.</p>
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Probability classification: L (low probability), M (moderate probability) o H (high probability).  
 Risk classification: L (low risk or impact), M (moderate risk or impact) o H (high risk or impact).

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3 This could include the potential effects on natural resources such as water sources, forests, and protected areas; potential effects on biodiversity; and where appropriate, potential impacts on the climate arising from unchecked anthropogenic emissions of greenhouse gases (GHGs) and short-lived climate pollution (SLCPs). 24 This could include the potential effects on human health and safety; the nature, scale and duration of social effects such as the need for land acquisition and/or involuntary resettlement; potential impacts on, equity, and indigenous peoples; and potential impacts on physical cultural resources.



Annex 4 - Prior GAFSP Grant(s)

Provide details about each prior GAFSP grant (from the GAFSP Missing Middle Initiative) the PO has received (if applicable). N/A

Project Name	
Country	
Responsible Implementing Entity	
Responsible Supervising Entity	
GAFSP Grant Amount and Amount Disbursed	Total Grant: US\$ Amount Disbursed (date): US\$
Grant Approval Date	
Project Status(active or closed)	
Project Closing Date	
Project Implementation Update (implementation progress, results, challenges, etc.)	
Most recent/last SE Implementation Rating for (i) achieving project objectives and (ii) implementation progress	
Will the project proposed under this proposal build on or be linked to this prior GAFSP grant? If so, in what way? (copy	



table in case of multiple prior grants	
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*(copy table in case of multiple prior grants)*

### Annex 5 - Proposal Preparation Team

Team List the names, titles, organisations and email addresses of the core members of the Proposal preparation team (including private consultants and Supervising Entity staff, if any, who directly contributed to completing the Proposal Template). Do not include individuals who participated in wider consultation meetings or workshops held as part of the preparation of the Proposal; their participation and influence in proposal development will have been described in 5.3.

<b>Nombre</b>	<b>Título</b>	<b>Organización</b>	<b>Correo electrónico</b>
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