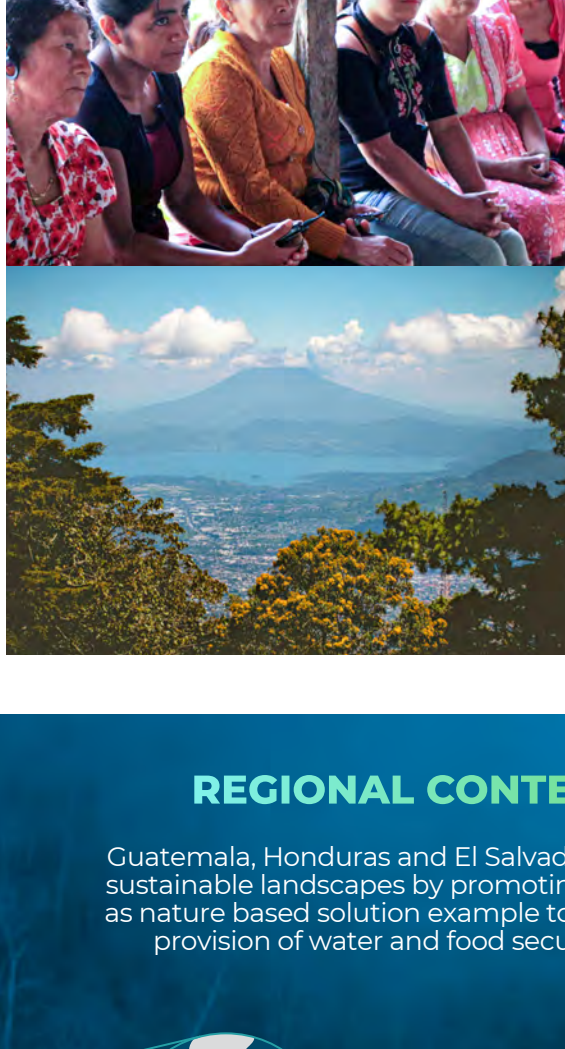


## THE IDB GROUP PROMOTES NATURE-BASED SOLUTIONS IN GUATEMALA, HONDURAS AND EL SALVADOR



## CONTENT

REGIONAL CONTEXT:  
BARRIERS & CHALLENGES

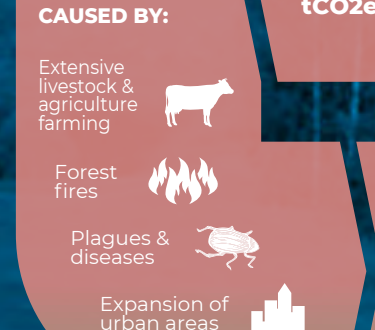
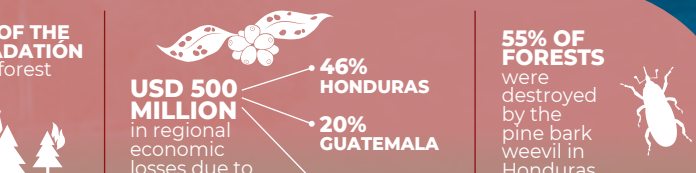
## IDB GROUP FOCUS

## PROJECT EXAMPLES

IDB Group supports Guatemala, Honduras and El Salvador through nature-based solutions in the forestry sector to address development challenges exacerbated by climate change. With a portfolio of some USD 200 million, The Bank is supporting the construction and implementation of REDD+ strategies focused on reducing emissions and enhancing climate resilience to improve local livelihoods, generate jobs, reduce poverty and migration, among others. This will allow countries to meet not only commitments under their NDCs, but also national development priorities.

## REGIONAL CONTEXT: BARRIERS &amp; CHALLENGES

Guatemala, Honduras and El Salvador, the IDB Group is leading the transformation towards sustainable landscapes by promoting the protection and sustainable management of forest as nature based solution example to improve climate resilience in strategic territories for the provision of water and food security, and the reduction of greenhouse gas emissions.

GUATEMALA  
HONDURAS  
EL SALVADORFACE STRONG DEVELOPMENT  
CHALLENGES SUCH AS:

## THESE CHALLENGES ARE EXACERBATED BY CLIMATE CHANGE AND OTHER FACTORS SUCH AS:

Deforestation and degradation of forests:  
Main source of emissions in the region

Millions of  
tCO2e per year:

18

GUATEMALA

5.5

HONDURAS

3

EL SALVADOR

Deforestation also impacts loss of biodiversity and services ecosystems and land degradation

THE LOSS OF  
FORESTS IS  
MAINLY  
CAUSED BY:

Extensive  
livestock &  
agriculture  
farming

Forest  
fires

Plagues &  
diseases

Expansion of  
urban areas

55% OF THE  
DEFORESTATION in  
Guatemala (2006-2016)  
was due to extensive  
livestock and agriculture  
farming

8 32% OF THE  
DEGRADATION  
due to forest  
fires

USD 500  
MILLION  
in regional  
economic  
losses due to  
coffee rust  
(2015-2017)

46%  
HONDURAS

20%  
GUATEMALA

15%  
EL SALVADOR

55% OF  
FORESTS  
were  
destroyed  
by the  
pine bark  
weevil in  
Honduras  
(2015)

IN ADDITION TO BEING A SECTOR WITH A HIGH POTENTIAL FOR EMISSIONS REDUCTION, FORESTS PLAY  
A CRITICAL ROLE IN IMPROVING CLIMATE RESILIENCE SINCE THEY:

Ensure the  
provision of  
water and  
conservation  
of biodiversity

Increase the  
resiliency of  
agriculture  
crops and  
livestock

Improve the resiliency of  
local livelihoods (generate  
timber and non-timber  
products resilient to  
climate extremes)

Reduce  
disaster  
risks  
related to  
climate  
events

Regulate climate  
& protect soils

Climate resiliency  
improves urban  
areas

"THE PROTECTION &  
SUSTAINABLE  
MANAGEMENT OF  
FORESTS AS A  
SOLUTION"

## IDB GROUP FOCUS

At the IDB Group we focus and align our work on climate change according to the priorities established in the commitments in the countries' NDCs. The initiatives on forests and climate change in Guatemala, Honduras and El Salvador are not the exception and contribute directly to the fulfillment of goals for the reduction of emissions and enhancing climate resilience under a sustainable development approach:

| COUNTRY     | PRIORITIZED GOALS / ACTIONS  |
|-------------|--|
| Honduras    | <ul style="list-style-type: none"> <li>Forestation and/or Reforestation of 1 million ha of forest before 2030*</li> </ul>  |
| Guatemala   | <ul style="list-style-type: none"> <li>Implementation of the National REDD+ Strategy</li> <li>Expansion of forest incentive programs, PINPEP and PROBOSQUE</li> </ul>  |
| El Salvador | <ul style="list-style-type: none"> <li>Implementation of the REDD+ Program</li> <li>Establishment &amp; management of 1 million hectares of forest</li> <li>Conservation of current forest cover (27% of the territory)</li> <li>Increase in forest cover in 25% of the territory</li> </ul> |

To achieve this, we provide these countries with support to build their REDD+ strategies by developing the platform necessary to comply with REDD+ social and environmental safeguards:



Articulation  
of forestry &  
agricultural  
policies



Dialogues  
& engagement  
with approx. 6,000  
concerned parties



Strengthening of  
local governance & participation with approx. 400  
grassroots and indigenous  
community organizations



Incorporation  
& addressing of  
considerations pertaining to gender &  
cultural relevance



Development of  
monitoring &  
reporting systems  
of emissions  
& safeguards

In addition, we contribute to the implementation of REDD+ through inclusive interventions with significant potential for climate mitigation and adaptation in the sector, including:



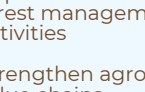
Strengthening of  
public forestry  
systems and services



Restoration of public  
and private forests

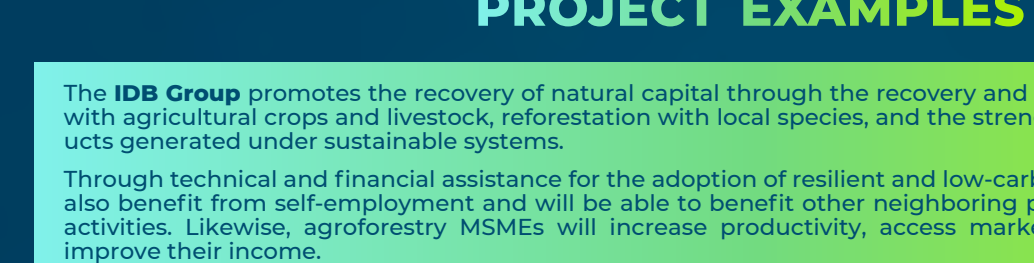


Forest management alternatives  
adapted to the impacts of climate  
change & climate variability



Support to small agroforestry  
producers, municipalities,  
community water  
organizations and others to:

- Access public forestry systems & services
- Access public & private financing
- Implement sustainable forest management activities
- Strengthen agroforestry value chains
- Increase the value of forest products
- Access competitive markets



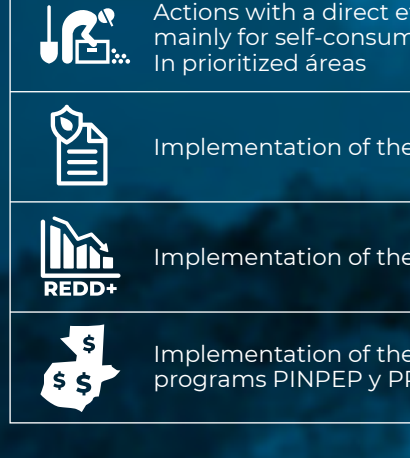
## PROJECT EXAMPLES

The IDB Group promotes the recovery of natural capital through the recovery and maintenance of forests combined with agricultural crops and livestock, reforestation with local species, and the strengthening of value chains for products generated under sustainable systems.

Through technical and financial assistance for the adoption of resilient and low-carbon practices, small producers will also benefit from self-employment and will be able to benefit other neighboring populations through maintenance activities. Likewise, agroforestry MSMEs will increase productivity, access markets for sustainable products and improve their income.

This work is led by governments with the support of the IDB Group through the Divisions of Climate Change (CCS), Environment, Rural Development and Disaster Risk Management (RND) and the IDB Lab.

## GUATEMALA

NATURAL RECOVERY OF THE DRY CORRIDOR & CLIMATE CHANGE ADAPTATION  
OF ITS POPULATION PROJECT GU-M1004. PERIOD OF EXECUTION: 2013-2018

The Climate Adaptation Model allowed some 6,000 Mayan-Chorti indigenous families to improve their livelihoods and local income, mainly impacting on food security and recovery of strategic areas for water production.

The recovery of ancestral practices and native species of animals and plants that are resilient to adverse climatic conditions, as well as agroforestry and livestock activities and the strengthening of participation and local governance, enabled these families to generate about USD 3.2 million annually from the production and sale of meat, eggs, basic grains and income from forest incentives.

## PROJECT SUPPORT TO THE COMPLIANCE OF GOALS IN GUATEMALA'S NDC:

| GUATEMALA'S NDC: AGRICULTURE, FORESTS & CLIMATE CHANGE GOALS  | PROJECT SUPPORT (PRODUCTS & IMPACTS)  |
|---|---|
| <p>Actions with a direct effect on food production mainly for self-consumption and subsistence in prioritized areas</p> | <p>Recovery of climate resilient native species and implementation of agroforestry and livestock activities focused on food production for self-consumption</p> |
| <p>Implementation of the Agricultural Policy</p>  | <p>Tenfold increase in the amount of forest area with incentives leveraging USD 1.5 million of public resources</p>   |
| <p>Implementation of the REDD+ Strategy</p>   | <p>24% increase in the participation of women receiving forestry incentives</p>   |
| <p>Implementation of the national forest incentive programs PINPEP y PROBOSQUE</p>                                      |   |

## RELEVANT ACHIEVEMENTS:

6,261 families generate USD 3.2 millions annually for the production and sale of meat, eggs, corn and beans with climate resilient native species, and income from forestry incentives



36% of girls increased 27% in weight & 23% in height through consumption of increased animal and vegetable proteins

5,000 ha of forest for protection and agroforestry systems entered into forestry incentives

5K

The project has been replicated twice and is being institutionalized by the Ministry of Agriculture, Livestock and Food (2020), which has allocated USD 8 million in public resources to replicate the Model to serve some 50,000 families.

The Model has the potential to be replicated and scaled in the rest of the Central American Dry Corridor where it is estimated that there are at least 5 million people living in similar conditions of poverty and extreme poverty, highly vulnerable to the effects of climate change.

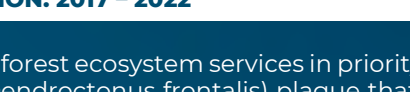
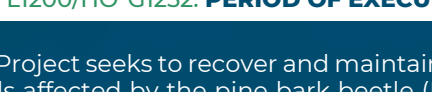
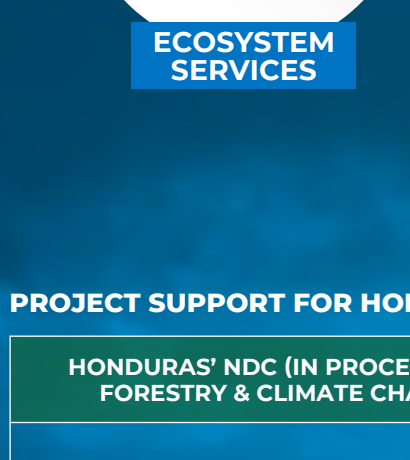


Photo credit: Andrea García

## HONDURAS



## ECOSYSTEM SERVICES

## SUSTAINABLE MANAGEMENT OF FORESTS PROJECT IN HONDURAS HO-T1179, HO-L1200/HO-G1252. PERIOD OF EXECUTION: 2017 - 2022

The Project seeks to recover and maintain forest ecosystem services in priority watersheds affected by the pine bark beetle (*Dendroctonus frontalis*) plague that during the 2014-2016 period destroyed 511,505 ha, equivalent to deforestation caused by human action that would have occurred in 102 years.

## THE INTERVENTIONS ARE FOCUSED ON:



Restore public and private forests



Strengthen the national forest sanitation system



Generate forest management alternatives adapted to the impacts of climate change and climate variability



Improve access to climate financing to promote sustainable forest management

## PROJECT SUPPORT FOR HONDURAS' NDC GOAL COMPLIANCE:

| HONDURAS' NDC (IN PROCESS OF ACTUALIZATION): FORESTRY & CLIMATE CHANGE SECTOR GOALS | PROJECT SUPPORT PRODUCTS AND IMPACTS   |
|---|--|
| <p>Forestation/afforestation of 1 million hectares of forest before 2030*</p>       | <p>270,000 ha of forest affected by pine bark weevil in process of restoration (product)</p> |
|   | <p>6,500 ha of private pine forest incentivized for SFM (product)</p>                        |

\* The NDC Subcommittee of the Inter-Institutional Technical Committee (CTICC) has proposed the modification of this goal (functional restoration of 1 million hectares of rural landscapes by 2030), pending approval by the Inter-Institutional Committee on Climate Change (CICC).

## RELEVANT ACHIEVEMENTS:

38 restoration plans prepared, of which 35 have been approved by ICF and 30 have an agreement signed with beneficiary organizations. Of these, 27 plans are in execution, covering 28,644 hectares (equivalent to 84% of the public forest restoration goal).

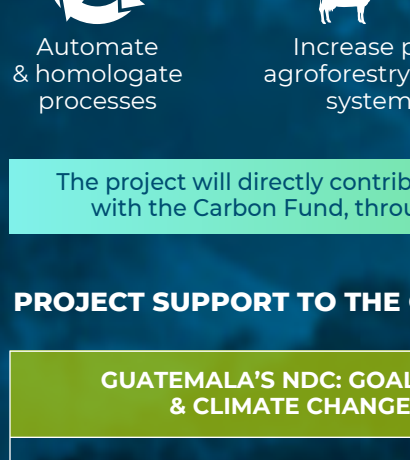
Transfers of USD 2.5 million to beneficiary organizations: municipalities, agroforestry groups, community water organizations, NGOs, among others, for forest fire fighting and prevention activities and forest restoration.

USD 35 million leveraged from the Green Climate Fund (GCF) to promote climate-resilient forest restoration and forestry for the sustainability of water-related ecosystem services, in areas close to those affected by the weevil infestation (HO-L1200 / HO-G1252).



Photo credit: Proyecto Manejo Sostenible de Bosques

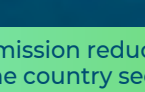
## GUATEMALA



## REDUCE CO2

## SUSTAINABLE FOREST MANAGEMENT PROJECT IN GUATEMALA GU-L1165/GU-G1005, GU-T1280. PERIOD OF EXECUTION: 2021 - 2026

THE PROJECT AIMS TO CONTRIBUTE TO REDUCING THE RATE OF DEFORESTATION & CO2 EMISSIONS IN 30 MUNICIPALITIES, THROUGH:



Improve the efficiency of public forestry services



Improve the effectiveness, rentability and social inclusion of incentives programs



Promote the Sustainable use of forests

## THE INTERVENTIONS ARE FOCUSED ON:



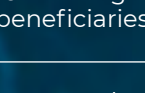
Automate & homologate processes



Increase participation in agroforestry and silvopastoral systems modalities



Increase the value of forestry products



Improve the industry and market



Guarantee fund for access to credits

The project will directly contribute to the emission reduction goal in the framework of the Emissions Reduction Program with the Carbon Fund, through which the country seeks to access USD 52.5 million in payments for REDD+ results.

## PROJECT SUPPORT TO THE COMPLIANCE OF GOALS OF THE NDC OF GUATEMALA:

| GUATEMALA'S NDC: GOALS IN FORESTRY & CLIMATE CHANGE SECTORS                           | PROJECT SUPPORT (PRODUCTS & IMPACTS)   |
|---|--|
| <p>Implementation of the National REDD+ Strategy</p>                                  | <p>Aprox. 8,000 small agroforestry producers beneficiaries</p>   |
|   | <p>15,000 hectares under agroforestry and silvopastoral systems</p>  |
|   | <p>400 MSMEs supported with entrepreneurship</p>   |
| <p>Implementation of PINPEP &amp; PROBOSQUE national forestry incentives programs</p> | <p>Leverage of approx. US \$100 million of public funds for forestry incentives</p>  |
|   | <p>Leverage of about USD 10 million from private banks for access to loans and financial products aimed at producers and producers</p> |



Photo credit: FEDECOVERA

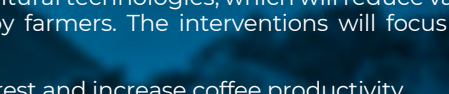
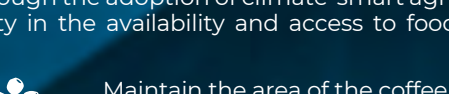
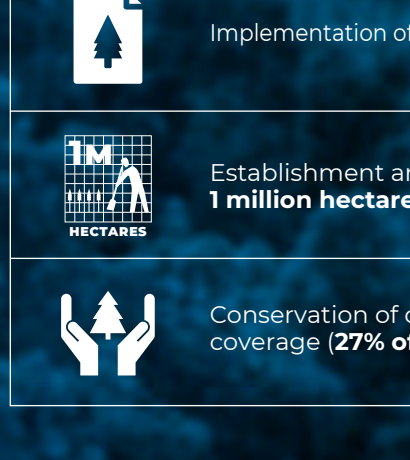


Photo credit: Andrea García

## EL SALVADOR



## FOOD SECURITY

## INNOVATION, RESEARCH AND DIFFUSION OF AGRICULTURAL TECHNOLOGIES PROJECT FOR CLIMATE CHANGE RESILIENCE IN THE COFFEE FORESTS OF EL SALVADOR ES-L1135\*

The project aims to maintain the ecosystem services provided by the coffee forest and improve food security of small producers through an increase of climate resilience through the adoption of climate-smart agricultural technologies, which will reduce variability in the availability and access to food by farmers. The interventions will focus on:



Maintain the area of the coffee forest and increase crop productivity in areas that maintain the climatic suitability for this crop



Encourage transformative adaptation to other agroforestry crops in areas that lose their ability to grow coffee

## THE BENEFICIARY POPULATION WILL BE SMALL PRODUCERS OF THE COFFEE FOREST LOCATED IN MUNICIPALITIES WITH HIGH VULNERABILITY TO CLIMATE CHANGE AND THAT HAVE LOW OR MEDIUM ADAPTIVE CAPACITY.

| EL SALVADOR'S NDC: GOALS IN FORESTRY & CLIMATE CHANGE                 | PROJECT SUPPORT (PRODUCTS & IMPACTS)  |
|---|---|
| <p>Implementation of the REDD+ Program</p>                            | <p>5,600 producers with complete renovation of agroforestry coffee systems and diversification of young plantations</p> |
| <p>Establishment and management of 1 million hectares of forest</p>   |   |
| <p>Conservation of current forest coverage (27% of the territory)</p> | <p>Modernization of coffee information</p>  |

\*This project has been recently approved.