



April 22, 2008

Dear Ms. Arias,

**Subject: Project Preparation Grant: Honduras: Conservation of biodiversity in the
Indigenous productive landscapes of the Moskitia, PIMS NO.: 3989
Atlas BU: HND10, Proposal ID: 00049765, Project ID.:00060976**

I am pleased to delegate to you the authority to sign the Initiation Plan for the above-mentioned Project Preparation Grant on behalf of UNDP and to commence implementation of the preparation of the project. As per Rule 116.05 of the UNDP Financial Regulations and Rules (Executive Board Decision 2005/1), this document becomes effective when signed by the Resident Representative. The Initiation Plan, which amounts to a total of US\$141,000 has received its final approval in accordance with the established GEF procedures (CEO approval letter for the PPG attached for ease of reference).

Prior to the signature of the Initiation Plan, the *Annual Work Plan (AWP)* should be generated through ATLAS based on the *Total Budget and Annual Work Plan* in the attached document. A copy of the project Initiation Plan's signed cover page and the AWP extracted from ATLAS should be sent to Mr. Santiago Carrizosa, Regional Technical Advisor, Regional Coordination Unit in Panama and to Ms. Xiumei Zhang, Finance Officer at Headquarters, with a request for issuance of an Authorization of Spending Limit (ASL). Comments on the AWP will be provided within 5 working days by the GEF Regional Technical Advisor as relevant.

Budget revisions should be forwarded to the GEF Regional Coordination Unit with an explanation of the changes proposed. In this connection, please note that UNDP-GEF is not in a position to increase the budget above the amount already approved by the GEF CEO. Therefore, any over-expenditure during this initiation phase will have to be absorbed by TRAC or other resources.

Ms. Rebeca Arias
Resident Representative
UNDP
Tegucigalpa, Honduras



We take the opportunity to draw your attention to the following mandatory requirements for all GEF-funded projects:

- ❖ Any changes contemplated with respect to the project objectives and outcomes will have to be discussed with and approved by the UNDP-GEF Regional Coordination Unit, as they will have to be reported to GEF.
- ❖ The final FSP must be ready by April 2009 as recorded in the Initiation Plan. The Regional Technical Advisor will be communicating to you the expected timeline for submission of the final proposal for the purpose of internal UNDP clearance prior to submission to the GEF Secretariat.
- ❖ The final submission of the FSP that is prepared with this preparation grant, must be accompanied by a “GEF PPG Status Report”, whose template can be obtained from the UNDP-GEF Programming Manual <http://intra.undp.org/gef>

In case you need clarification on the GEF Project Cycle and requirements, please consult the UNDP-GEF Programming Manual at <http://intra.undp.org/gef>.

In concluding, I would like to assure you of the GEF Team’s and my personal commitment to a successful implementation of the project. The Regional Coordination Unit in Panama City is at your disposal for advice and technical support. Should you have any concerns or questions, please do not hesitate to contact me with your feedback on the quality of our services and suggestions for improvements.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Bo Lim', is positioned below the text 'Yours sincerely,'.

Bo Lim
Officer-in-Charge

cc: Ms. Rebeca Grynspan, Assistant Administrator and Regional Director, RBLAC
Mr. Santiago Carrizosa, GEF Regional Technical Advisor, Panama City, Panama
Mr. Antonio Perera, Environment Focal Point, Honduras Country Office



Annex 1 CEO approval letter for PPG



Monique Barbut
Chief Executive Officer
and Chairperson

Global Environment Facility

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February 14, 2008

Mr. Yannick Glemarec
GEF Executive Coordinator
United Nations Development Programme
One United Nations Plaza
New York, NY 10017

Dear Mr. Glemarec:

After reviewing the Project Identification Form (the "PIF") and the Request for Project Preparation Grant (PPG) submitted for *Honduras: Conservation of Biodiversity in the Indigenous Productive Landscapes of the Moskitia*, I am pleased to clear the PIF for an indicative amount of \$2,018,300 for possible inclusion in the next work program scheduled for review by the GEF Council in April 2008. I am also approving your request for \$141,000 as a PPG to be funded under the GEF Trust Fund (GEFTF) authorizing you to begin preparation of the project proposal and taking into account the attached comments made by the GEF Secretariat based on the project concept's eligibility for funding and conformity with GEF strategies. The final GEF grant amount, however, will be confirmed at the time of CEO endorsement, taking into account the Secretariat's review of the final project document's consistency with GEF policies and procedures, including the cost-effectiveness of the financing plan.

All PIFs cleared for inclusion in the work program will be posted on the GEF website for four weeks prior to GEF Council approval.

Should Council Members raise significant policy or strategic concerns about the concept, the Secretariat will undertake consultations with the beneficiary country and your Agency about revisions to address the Council Members' concerns or whether to cancel the project proposal from the GEF pipeline and to recommend that the associated PPG be cancelled.

The Project Preparation Grant Request is approved on the basis of the following understandings and milestones:



- (i) During preparation of the full-sized project proposal, the comments of the GEF Council, the GEF Secretariat, the STAP, the GEF Agencies and the relevant Convention Secretariat, will be taken into account;
- (ii) A final full-sized project document will be submitted for CEO endorsement no later than April 2009; and
- (iii) A report on the use of the GEF project preparation grant will be submitted to the GEF Secretariat when submitting the final project document for CEO endorsement.

If any of these understandings or milestones is not achieved, you are requested to inform me as early as possible so that I may consult with the beneficiary country and your agency. Thereafter, I may agree to revised milestones or take a decision to cancel the project proposal from the GEF pipeline and to recommend to the agency that the associated project preparation grant be cancelled.

Please ensure that your grant agreements continue to fully reflect these understandings.

I am attaching a copy of the project tracking sheet for your records.

Sincerely,

A handwritten signature in black ink, appearing to read 'Monique Barbut', is written over a faint, larger version of the same signature.

Monique Barbut
Chief Executive Officer and Chairperson

Attachments: GEF Project Tracking Sheet, Review Sheet

cc: Country Operational Focal Point, GEF Agencies, STAP, Trustee



Annex 2 : PROJECT IMPLEMENTATION ACTIVITIES FOR INITIATION PLAN

Unless otherwise stated, all activities should comply with the UNDP-GEF and the UNDP
Programming Manuals

Stage	Responsibilities of UNDP Country Office
Identification	<ul style="list-style-type: none"> ▪ Review, appraise and provide guidance to proponent on PIF/Concept/project idea ▪ Defend Concept/project idea eligibility as needed. ▪ Defend Proposal eligibility as needed. ▪ Participates in policy negotiations as needed. ▪ Support Co-financing negotiations.
Preparation	<ul style="list-style-type: none"> ▪ Support PPG request formulation ▪ Prepare PPG Status report at end of Initiation phase, showing use of funds ▪ Process UNDP signature of Initiation Plan. ▪ Process Implementing Partner signature of Initiation Plan cover page as relevant (only for projects that are either NGO or Agency executed)
Implementation	<ul style="list-style-type: none"> ◆ <i>Provide Management Oversight</i> ▪ Initiation Plan launch and Inception Workshop ▪ Steering committee meetings . ▪ Monitoring the implementation of the workplan and timetable. ▪ <u>Field visits</u>: ensure visit to the project site at least once a year; prepare and circulate reports no later than two weeks after visit completion. ▪ Problem identification and trouble shooting; risk management in ATLAS ▪ Initiation Plan revision ▪ Review, editing and response to reports ▪ Technical backstopping as needed



Implementation (cont'd)	<ul style="list-style-type: none"> ▪ Policy negotiations
	<ul style="list-style-type: none"> ▪ Prepare response to GEF Council comments for Project Document endorsement by GEF CEO.
	<ul style="list-style-type: none"> ▪ Operational completion activities in agreement with GEF RCU, determining when the Initiation Plan is operationally completed and advising all interested parties accordingly.
	<ul style="list-style-type: none"> ◆ <i>Financial Management & Accountability</i>
	<ul style="list-style-type: none"> ▪ Financial management (verifying expenditures, advancing funds, issuing combined delivery reports, ensuring no over-expenditure of budget).
	<ul style="list-style-type: none"> ▪ Ensuring annual audits of NEX Initiation Plans are completed and the audited financial statements together with the audit report reach UNDP headquarters (Office of Audit and Performance Review) as needed.
	<ul style="list-style-type: none"> ▪ Timely issuance of the initial Annual WorkPlan (AWP) and subsequent Budget Revisions.
Evaluation	<ul style="list-style-type: none"> ▪ Operational and financial completion of the activities in agreement with GEF RCU, ensuring that Initiation Plans are financially completed no more than 12 months after the date of operational completion by ensuring the final budget revision is promptly prepared and approved. Any PPG/PDF resources that remain after financial closure, will be returned to the GEF Trust Fund by UNDP/GEF HQ.
	<ul style="list-style-type: none"> ▪ Provide brief progress updates to GEF RCU on a quarterly basis (QOR)
	<ul style="list-style-type: none"> ▪ If requested by any party, organize and attend tri-partite review (TPR) meeting and ensuring that decisions are taken on important issues (TPRs are optional for PPGs). ▪ Ensure preparation and completion of the PDF/PPG Status Reports (replacing “Implementation Reports”) reflecting these commitments; the report must be signed by the CO and Implementing Partner, and approved by the RCU at the time of submission of an MSP for CEO Approval or an FSP for CEO Endorsement.