

	<ul style="list-style-type: none"> <li>• Call for Proposal to select the best partner for the implementation of Climate Smart Agriculture, and Technical Assistance</li> <li>• Procurement</li> </ul> <p><b>Indirect management</b> with the Government of Honduras, represented by the National Institute of Forest Conservation</p> <p>In the event that both Direct and Indirect Management failed to be implemented due to circumstances outside of the Commission's control, this action will be managed with a Direct Grant, without a call for proposal, with a European Member States organisation in the form of a Delegated Agreement.</p>
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## 1.2. Summary of the Action

This Action will assist Honduras in complying with its commitments under the Paris Agreement. As agricultural expansion is one of the main drivers of deforestation in Honduras, progress towards the country's NDC to restore 1 million hectares of forest cannot be envisaged without the participation of agricultural producers.

This Action will assist Honduras in complying with its commitments under the Paris Agreement by promoting climate-smart agriculture techniques, agroforestry and circularity models in key value chains linked to the country's agricultural<sup>12</sup> and timber<sup>13</sup> sectors

It will do so by linking assistance on Climate-Smart Agriculture (CSA)<sup>14</sup> practices with micro-credits to help finance loans for climate-friendly investments. Part of landscape approach, the action will seek to strengthen soil conservation and integrated water management measures, as forests are the main water catchers.

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In doing so, the EU hopes to capitalize on the Voluntary Partnership Agreement on Forest Law Enforcement, Governance, and Trade (VPA FLEGT) recently signed between the EU and Honduras in 2021. The VPA FLEGT stands out as the best tool for diversifying economic activities by engaging with local food producers in improving forest governance. It will also take advantage of the ongoing and past Disaster preparedness operations funded by the EU in the region, seeking complementarity with those seeking to foster resilience of vulnerable communities.

By promoting more sustainable and resilient value chains in the forestry and agricultural sectors, the Action intends to reduce greenhouses gas emissions from the Land Use, Land-Use Change and Forestry sector and enhance GHG sequestration.

The proposed Action intends to reduce greenhouses gas emissions caused by Land Use, Land-Use Change and Forestry depletion by promoting more sustainable and resilient value chains in the forestry and agricultural sectors. The expected outcome is the decrease of the rate of deforestation and restoration of forest areas due to improved value chain governance in these sectors. (Corresponds to Priority Area 1, Specific Objective 1, Expected Result 1, under the MIP (2021-2027).

The Action will contribute to address the interlinkages between the SDGs 11, 13, 5, 10 and 15<sup>15</sup>, and is supportive to the NDC of Honduras. The Action is aligned with the EU Green Deal and especially Biodiversity, Farm to Fork, Circularity aspects, and the Gender Action Plan III (2021-2025). Under the MIP 2021-2027, corresponds to Priority Area 1, Specific Objective 1, and Expected Result 1.

<sup>12</sup> Primarily coffee, but potentially also beans, corn

<sup>13</sup> Timber valued tree species, such as Mahogany, can provide shade to resilient crops, while also maintaining soil fertility and reducing erosion

<sup>14</sup> Climate-smart agriculture (CSA) is an approach that helps to guide actions needed to transform and reorient agricultural systems to effectively support development and ensure food security in a changing climate. CSA aims to tackle three main objectives: sustainably increasing agricultural productivity and incomes; adapting and building resilience to climate change; and reducing and/or removing greenhouse gas emissions, where possible.

<sup>15</sup> Main DAC codes: Biosphere Protection (41020).