INTERNATIONAL TROPICAL TIMBER ORGANIZATION

ITTO

PROJECT DOCUMENT

TITLE	PROMOTION AND SUSTAINABLE MANAGEMENT OF LESSER-USED TIMBER SPECIES (LUTS) IN THE MOIST FORESTS OF THE DEPARTMENTS OF ATLANTIDA, COLON AND NORTHERN OLANCHO IN HONDURAS
SERIAL NUMBER	PD 770/15 **Rev.1** (I)
COMMITTEE	FOREST INDUSTRY
SUBMITTED BY	GOVERNMENT OF HONDURAS
ORIGINAL	SPANISH

SUMMARY:

This project has been designed with the primary purpose of implementing promotion, marketing and sustainable management actions for 12 lesser-used timber species (LUTS), which are located in national public moist forest areas managed by ICF's Social Forestry System (SFS)beneficiary organizations, forest owners and forest producers (public forest users and dwellers), among others. These species are mainly found in the departments of Atlantida, Colon and Northern Olancho (Municipalities of San Esteban and Dulce Nombre de Culmi).

By the late 18th century, Honduras started to develop a forest culture focused on the harvesting and utilization of highly valuable, traditional timber species such as: big-leaf mahogany (*Swietenia macrophylla*), cedar (*Cedrela odorata*) and red granadillo (*Dalbergia retusa*), among others. However, there are other lesser-used timber species that have excellent physical-mechanical properties and are found in national public areas of moist forests managed by community organizations that are beneficiaries of the country's Social Forestry System. These species include piojo rojo (*Tapirira guianensis*), rosita (*Hieronima alchorneoides*), marapolán (*Guarea grandiflora*), santa María (*Simphonia globulifera*), san Juan areno (*Ilex tectónica*), huesito (*Macrohasseltia macroterantha*), paleto (*Dialium guianensis*) and san Juan colorado (*Vochysia ferruginea*), among others. It is expected that through the implementation of this project, these species will become more visible and significant in the country and will be promoted and marketed in national and international markets. The project is also expected to improve biodiversity and ecosystems in the target area, thus improving the regeneration of traditional species, which have been more intensively logged in the past.

The **development objective** of the project is to promote the sustainable management and harvesting of LUTS and other timber species of commercial value in public national forests managed by ICF's SFS beneficiary organizations in the target area. **Impact indicators** are that by 2017, this initiative will have contributed to the sustainability and social and economic welfare of communities that depend on LUTS and non-timber forest products for their livelihood, through the promotion of natural moist forest harvesting, utilization, management and marketing on a sustainable basis. The proposal's **primary and secondary stakeholders** include ICF, forest producers, SFS beneficiary forest owners and agroforestry groups, consultative councils and timber processing companies, among others.

Based on the above, expected outputs can be summarized as follows:

- Output 1: Promotion and marketing of 12 LUTS from moist forests;
- Output 2: Development of business plan for 12 LUTS;
- Output 3: Capacity building at the national and local levels to promote the harvesting, management, conservation and sustainable utilization of these timber species; and
- Output 4: Institutional strengthening in areas associated with the promotion of LUTS silviculture, management and conservation.

EXECUTING AGENCY: NATIONAL INSTITUTE FOR FOREST CONSERVATION AND DEVELOPMENT, PROTECTED AREAS AND WILDLIFE - ICF

DURATION: 24 MONTHS

PROPOSED BUDGET AND SOURCES OF FUNDING:

Source	**Contribution in US$**
ITTO	**196,224**
Government of Honduras- ICF	52,400
TOTAL	**248,624**

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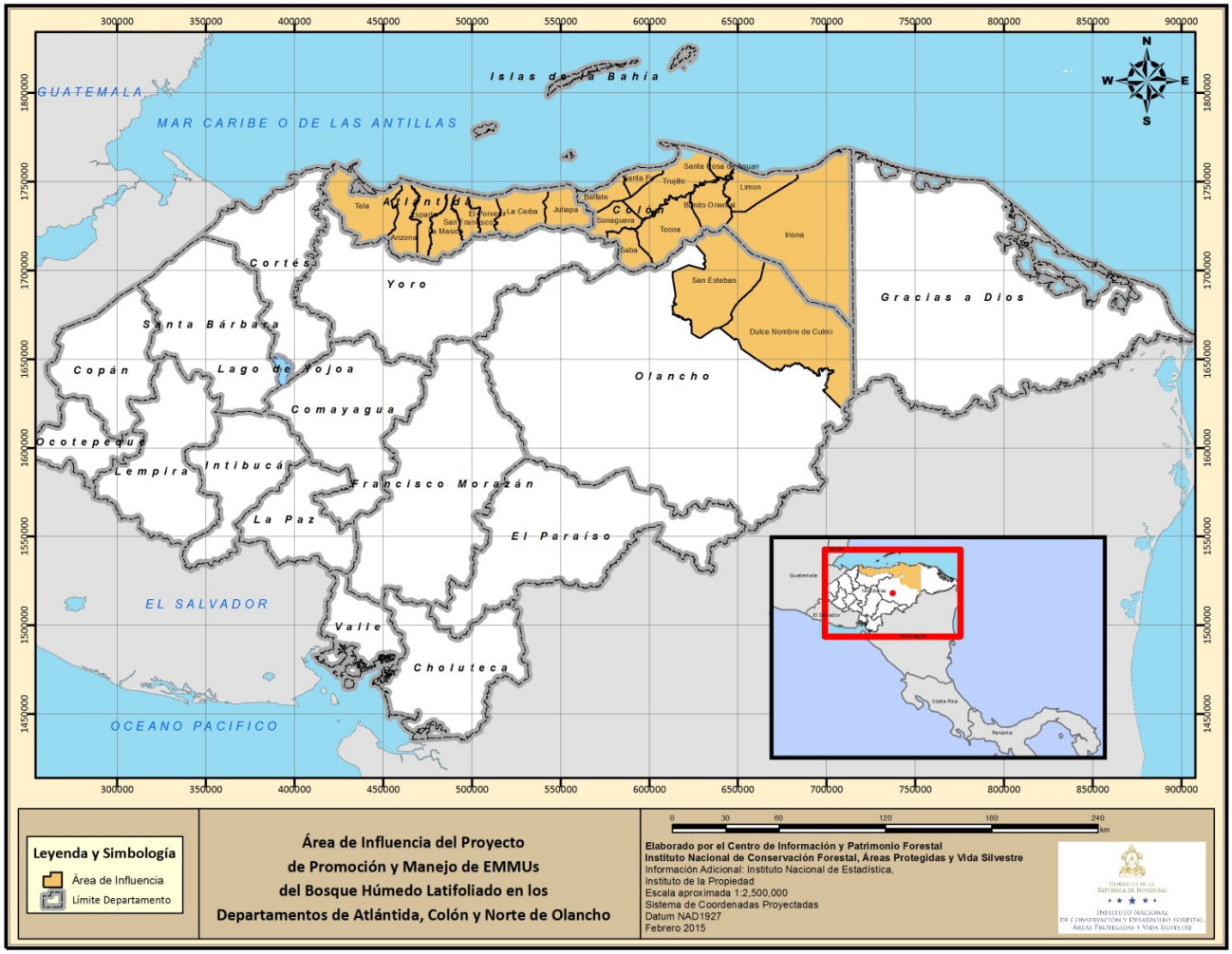
List of Acronyms

CBD:	Convention on Biological Diversity
C&I:	Criteria and Indicators
CITES:	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CURLA:	Centro Universitario Regional del Litoral Atlántico (*Regional Atlantic Coast University Centre*)
EGS:	Environmental goods and services
ENCTI:	Estrategia Nacional contra la Tala Ilegal (*National Strategy to Combat Illegal Logging*)
ESNACIFOR:	Escuela Nacional de Ciencias Forestales (*National Forestry School*)
FAO:	Food and Agriculture Organization of the United Nations
FLEGT:	Forest Law Enforcement, Governance and Trade
FS:	Forest Sector
GDP:	Gross Domestic Product
HCVS:	High Commercial Value Species
ICF:	Instituto Nacional de Conservación y Desarrollo Forestal (*National Institute for Forest Conservation and Development*)
INA:	Instituto Nacional Agrario (*National Agricultural Institute*)
INE:	Instituto Nacional de Estadísticas (*National Institute of Statistics*)
IP:	Instituto de la Propiedad (*Real Estate Institute*)
ITTA:	International Tropical Timber Agreement
ITTO:	International Tropical Timber Organization
IUCN:	International Union for the Conservation of Nature
LFAPVS:	Ley Forestal, Areas Protegidas y Vida Silvestre (*Forest, Protected Areas and Wildlife Law*)
LUTS:	Lesser-used timber species
PEI:	Plan Estratégico Institucional (*Institutional Strategic Plan*)
PRONAFOR:	Programa Nacional Forestal (*National Forest Programme*)
SERNA:	Secretaría de Recursos Naturales y Ambiente (*Secretariat for Natural Resources and the Environment*)
SFS:	Social Forestry System
UPEG:	Unidad de Planificación y Evaluación de la Gestión (*Management Planning and Evaluation Unit*)
VTTS:	Valuable Traditional Timber Species

Map of Project Area: Departments of Atlantida, Colon and Northern Olancho (Municipalities of San Esteban and Dulce Nombre de Culmi)



The project on “Promotion and Sustainable Management of Lesser-Used Timber Species from Moist Forests in Honduras” will be located in the Caribbean region of Honduras, specifically in the departments of Atlantida, Colon and Northern Olancho (Municipalities of San Esteban and Dulce Nombre de Culmi).

PROJECT BRIEF

Current status

1. According to ICF's 2012 Forest Statistical Yearbook, Honduras has 5.98 million hectares of natural forests, and out of this total 47% is owned by the national government, with 30% by the private sector and 23% by ejidos. From 1974 to 2010 the broadleaved timber volume harvested ranged from 16,000 m^3 to 50,000 m^3 with an average of 29,264 m^3 per year. Some 24 species are harvested in moist forests, of which 15 account for 95% of the total volume reported. High-value traditional species such as **mahogany, cedar** and **redondo** are the most sought after, while lesser-used species such as **rosita, marapolán, cedro piojo, san juan areno, huesito, sangro, santa maría, laurel negro, san juan colorado, san juan rojo, paleto, bellota** and **celillón** are scarcely known even though they are found in significant volumes in national public forest areas under management plans and agreements with community forest organizations that are beneficiaries of ICF's Social Forestry System (SFS), and the demand is only focused on the former eight lesser-used timber species.
2. Broadleaved forests are socially, economically and environmentally significant in Honduras due to their rich biological diversity and water resources for the supply of water. The deforestation rate in these forests has been estimated at 40,000-50,000 hectares per year. This is due to factors such as i) the expansion of the agricultural frontier for subsistence purposes; ii) forest fires; iii) coffee growing; and iv) illegal logging, among others.
3. National broadleaved forest ecosystems have been subject to selective logging based on four high-value timber species i.e. mahogany, cedar, granadillo and redondo. Because of this selective logging, the natural economic value of broadleaved forests has been lost at an accelerated rate, as it has limited the harvesting and utilization of potentially valuable lesser-used timber species (LUTS) in Honduras.

Problems:

1. The project target area is mainly dominated by moist broadleaved forests, where there is very limited lesser-used timber species (LUTS) promotion, management and harvesting due to the fact that there is poor knowledge and information available on the use, silviculture and economic potential of these species.
2. The degradation of moist broadleaved forests has resulted from the natural regeneration imbalance caused by the non-harvesting of all the species found in these forests.
3. The degradation of moist broadleaved forests is also caused by the limited promotion of timber production from legal sources (certified timber) and poor promotion of the use of LUTS. Finally, there are no sustainable forest management incentives for both SSF (Social Forestry System) beneficiary agroforestry groups and the local communities.
4. The high cost of LUTS management and harvesting threaten the income of ICF's SSF beneficiary agroforestry groups, leading to a number of inefficiencies in forest harvesting activities.
5. Due to the lack of an integrated forest management plan together with the lack of technical services in the project area to improve timber hauling and transport operations, a major part of the timber logged is left in the forest to rot.
6. Illegal logging and trade of high-value species such as cedar, mahogany, granadillo and redondo.
7. Land use changes in the project area such as shifting agriculture, among others.
8. Low competitiveness of the forest sector in the national economy.

2. Development and specific objectives

Development objective and impact indicators:

Promote the sustainable management and harvesting of LUTS and other timber species of commercial value in national public forest areas managed by ICF's SFS beneficiary organizations.

Impact indicator:

By 2017, the project will have contributed to sustainability and the social and economic well-being of local communities whose livelihoods depend on the production of LUTS and other non-timber products by promoting the sustainable harvesting, utilization, management and marketing of natural moist forest species in Honduras.

Specific objective and outcome indicators

Specific objective:

Launch agreed participatory processes to promote the protection, management, conservation, harvesting and sustainable use of LUTS from moist broadleaved forests.

Indicator:

By 2017, ICF will have an updated database, including parameters for conservation, management and promotion of best silvicultural practices for LUTS.

3. Stakeholders, outcomes and outputs

Primary and secondary stakeholders:

Primary stakeholders:
ICF (administrator of national public forests and protected areas), forest producers (public forest users and dwellers), forest producers that are beneficiaries of ICF's Social Forestry System, other agroforestry groups (forest groups with public forest management agreements), municipalities.

Secondary stakeholders:
Community and municipal forest consultative councils, IHCAFE, timber processing companies, other farmer organizations, academia (CURLA, ESNACIFOR, UNA and Zamorano) located in the project area, professional forest associations of Honduras and international cooperation agencies in the forestry field.

Expected outcomes:

1. Improved sustainable utilization of species that are currently not being harvested because of a lack of preservation treatments and a lack of technologies and/or management techniques that are suitable for these species.
2. LUTS marketing and promotion activities were key elements in the formulation of the project proposal, and it is expected that project outcomes will include improved data and knowledge, business prospects, prices and competitiveness of the target species and of the timber products developed in national and international markets.
3. Increased supply of tropical timber sourced from forests under sustainable management, resulting from the development of a national strategy for the promotion of LUTS silviculture, management and conservation.
4. ICF will have an updated database on managed public forest areas with marketing potential at the national and international levels.
5. Public and private forest areas and sites with LUTS trees will be identified and selected for the purposes of management, conservation and use of good silvicultural practices.
6. ICF technical staff and forest professionals will be trained in the fields of LUTS and high commercial value timber species silviculture, management and conservation.
7. Agroforestry groups that are beneficiaries of the Social Forestry System (SFS) will be strengthened and supported in the management and harvesting of valuable and lesser-used species.

Outputs:

Output 1. Management and use of LUTS from Honduras' moist forests promoted.
Output 2. Business plan developed for the promotion and management of LUTS with economic potential.
Output 3. 100 forest producers and 25 local forest technicians trained to promote the harvesting, management, conservation and sustainable utilization of LUTS.
Output 4. National strategy to promote LUTS silviculture, management and conservation developed.

4. Methodological approach ad stakeholder involvement

ICF has two operational departments relevant to the implementation of this project. The Forest Management and Forest Development Department has technical representation in the country's 12 forest regions (including the departments of Atlantida, Colon and Northern Olancho) to enforce Forestry Law provisions regarding the approval, supervision and monitoring of Forest Management Plans (FMPs) and Operational Management Plans (OMPs) in national and private forests, as well as the registration of timber industries, certification of plantations, reforestation through the planting of traditional and non-traditional species, and approval,

supervision and monitoring of forest management contracts with Agroforestry Groups of the Social Forestry System (SFS) in national forests.

In addition, for the implementation of the proposal, ICF has a Community Development Department, which also has technical representation in the 12 forest regions of the country. The role of this Department is to organize, train and develop SFS beneficiary forest groups settled in national forests throughout the country.

ICF has good coordination links with local governments (municipalities) in the project target area. As stipulated by law, the area has 64 Consultative Councils (including community, municipal and departmental councils), which propose social monitoring and supervision actions on public and private forest management.

Based on the above, ICF infrastructure [central offices (Comayagüela, M.D.C., Offices in Atlantic Forest Regions (La Ceiba)] will be used to coordinate and implement project activities at the local, regional and national levels (see attached ICF organizational chart).

5. Sustainability of project outcomes:

Sustainability of outcomes after project completion:
Sustainability of outcomes after project completion will be ensured through: a) ICF capacity building; b) improved capacity of the national forest framework, in particular personnel directly involved in the project, to deal with the various requirements and needs of owners and users of public and private agroforestry lands; c) participation of communities and indigenous peoples: besides promoting sustainable forest management with cultural relevance, instruments will be developed to facilitate the work of forest technicians in the areas managed by forest and agroforestry groups that are beneficiaries of the SFS. Since this is part of ICF's mission and of the mission of other forest sector organizations, the continuity of project outcomes is ensured.

Organizational structure:
ICF will be the executing agency in charge of project administration and implementation through its Forest Management and Development Department at the central level and the Regional Forest Office of Atlantida based in La Ceiba, in close cooperation with the Community Development Department and the Management Planning and Evaluation Unit (UPEG), and will also be responsible for ongoing coordination with ITTO. ICF will identify and appoint a National Coordinator for the project, whose main role will be to lead and coordinate actions and activities to achieve the intended outcomes of the project.

6. Key assumptions, risks and mitigating measures

Assumptions and risks
The project does not involve any major risks. The proposal is based on various experiences and needs identified for the implementation of different actions related to the management and utilization of timber species from moist natural forests in Honduras. The timber species to be analyzed are major resources for the owners, producers and processors. Promoting the use of LUTS and the costs involved in forest management are the main challenges in the implementation of this project.

Mitigation of risks:

Risk associated to the assumption	Comments on Actions
Some private forest land owners may not be interested in LUTS management and harvesting.	It is possible to have the support of both national and ejido public forest owners and users who have management agreements with ICF.
The owners, producers and traders of timber forest products have civil society participation and organization mechanisms to access forest resources in community and municipal areas.	Under the Social Forestry System, ICF encourages beneficiary forest and rural groups to be involved in the harvesting and management of national forests.
Additional resources are available to provide incentives for the protection and management of public and private natural forests.	ICF has and manages two national funds: the fund for reinvestment and promotion of forest plantations and the fund for the conservation and management of wildlife areas, which can allocate financial resources to this project.
Communities may not recognize the economic benefits that can be derived from incentives for reinvestment in and promotion of forest plantations, as well as the benefit of the protection and use of forests.	Promote communication and involvement in project results.

7. Financial contributions:

Funding source	Contribution (US$)	Personnel (%)	Capital items (%)
ITTO	196,224.00	46.4	0.0
Gov't/ICF	52,400.00	43.0	46.4
Total	**248,624.00**		

PART 1. PROJECT CONTEXT

1.1 ORIGIN

Over the last four decades, broadleaved forests have been socially, economically and environmentally significant in Honduras due to their rich biological diversity and water resources for the supply of water. The deforestation rate in these forests has been estimated at 40,000-50,000 hectares per year (according to Honduran forest assessments by FAO and COHDEFOR in 2006). The loss of these forest resources is caused by the expansion of the agricultural frontier for subsistence purposes, forest fires, coffee growing and illegal logging, among other factors. It should also be stressed that these ecosystems have been subject to selective logging based on four high-value timber species (including mahogany and cedar). Because of this selective logging, the natural economic value of broadleaved forests has been lost at an accelerated rate, as it has limited the harvesting and utilization of potentially valuable lesser-used timber species (LUTS).

Thus, between 1997 and 2004, the PROINEL Project was implemented in Honduras with funding from ITTO (Japan) and the governments of the United States, Norway and Honduras, and with AFE-COHDEFOR as executing agency. The aim of this project was to carry out ecological and industrial research as well as marketing and training activities in order to promote the utilization of 25 lesser-used timber species (LUTS) from Honduras. The studies implemented covered an area of approximately 110,000 hectares of tropical forests located in northwestern Honduras, near the town of Ceiba (Department of Atlantida). It is important to point out that the PROINEL Project implemented several studies and publications on the physical properties and potential uses of LUTS in the country. Many of these species showed positive results as compared to traditional species such as mahogany, cedar and redondo, among others. Today these traditional species are still being logged for domestic and external consumption; therefore, if not sustainably managed, their harvesting may endanger the country's ecosystems and biodiversity.

According to ICF's 2012 Forest Statistical Yearbook, Honduras has 5.98 million hectares of natural forests, and out of this total 47% is owned by the national government, with 30% by the private sector and 23% by ejidos. From 1974 to 2010 the broadleaved timber volume harvested ranged from 16,000 m^3 to 50,000 m^3 with an average of 29,264 m^3 per year. Some 24 species are harvested in moist forests, of which 15 account for 95% of the total volume reported. High-value traditional species such as **mahogany, cedar** and **redondo** are the most sought after, while lesser-used species such as **rosita, marapolán, cedro piojo, san juan areno, huesito, sangro, santa maría, laurel negro, san juan colorado, san juan rojo, paleto, bellota** and **celillón** are scarcely known even though they are found in significant volumes in national public forest areas under management plans and agreements with community forest organizations that are beneficiaries of ICF's Social Forestry System (SFS), and the demand is only focused on the former eight lesser-used timber species.

1.2 RELEVANCE

1.2.1 Conformity with ITTO's objectives and priorities

1.2.1.1 Conformity of the project with the objectives provided in Article 1 of the ITTA 2006 and the ITTO Action Plan 2008-2011

The project is consistent with the objective of "promoting the sustainable management of tropical timber producing forests" in that it will strengthen tropical moist forest management mechanisms and instruments so that regional governments are able to take over the management of forests within the framework of national governance with the participation of local communities implementing management plans in public and private forests.

It will also promote forest management and the involvement of local communities and national institutional authorities in the pursuit of sustainability in forest management through innovative mechanisms. The outcomes expected in the project will significantly contribute to sustainable forest management, timber forest product utilization, generation of rural employment, alleviation of rural poverty, and maintenance of ecosystem services derived from sustainable tropical forest management. Project outputs and results will contribute to the achievement of ITTA 2006 objectives in the following context:

Strategic priorities

In general, this project proposal is consistent and compliant with ITTO's strategic priorities (1), (2), (3), (4), (5) and (6) as stipulated in the ITTO Strategic Action Plan 2013-2018. A description of this project's compliance with these strategic priorities is given below:

Strategic priority 1: The project will promote good governance and enabling policy frameworks for strengthening SFM and related trade, and enhancing SFM financing and investment. The proposal envisages the introduction of high-value and potential timber species into the national and international markets, benefiting in particular the local and rural communities in the management, production and processing of timber for commercial purposes.

Strategic priority 2: The project seeks to increase the contribution of tropical forests to national and local economies, including through international trade. With the promotion and introduction of lesser-used forest species for their use in the processing industry and rural constructions, the forest production field will be increased in terms of both area and timber volume, thus improving the economy of forest-dependent producers.

Strategic priority 3: The project is aimed at enhancing the conservation and sustainable use of biodiversity in tropical timber producing forests. Through the implementation of this proposal, it will be possible to identify and promote lesser-used forest species for non-traditional production purposes (large dimension roundwood, planks and boards), which will enhance the economic and ecological value of national public forest areas designated to community forest management.

Strategic priority 4: The project will help reduce tropical deforestation and forest degradation and enhance the provision of environmental services. This proposal envisages the use of fast-growing species of short harvesting cycles, which will facilitate the diversification of species used in forest plantation programs, including in the management of natural forests and promotion of plantations for reforestation and degraded area rehabilitation purposes.

Strategic priority 5: The project envisages improving the quality and availability of information on tropical forests, forest product markets and trade. This project proposal includes research and database development activities to improve the growing, management and harvesting of tropical forest species.

Strategic priority 6: The project will build and develop human resource capacity to implement SFM and increase trade in forest goods and services from sustainably managed forests. If approved, the proposal will lead to the development of capacity-building actions for the training of human resources involved in forestry activities, including technicians, students and decision-makers in operational and regulatory institutions in the submitting country's region.

Objectives

In general terms, this project proposal is consistent with the main objective set out in the International Tropical Timber Agreement (ITTA, 2006), which is to "promote the expansion and diversification of international trade in tropical timber from sustainably managed and legally harvested forests" and "promote the sustainable management of tropical timber producing forests". Furthermore, it contributes to objectives (a), (c), (d), (e), (h), (i), (k), (l), (n), (o), (p), (r) and (s) of ITTO as set out in Article 1 of the ITTA 2006. A description of the relevance of this proposal to ITTA 2006 objectives is given below:

Objective a. The project will provide technical and scientific information on national and international economic, social, cultural and environmental aspects of logging and use of valuable timber forest species, and promote best silvicultural practices; furthermore, it will encourage consultation and dialogue processes, field tours and experience-sharing for technicians, producers and farmers promoting forest and agroforestry plantations.

Objective c. The project will contribute to sustainable development through capacity building at the national level and for other ITTO members who will benefit from the enforcement of strategies and actions for the conservation and management of timber species of current and potential commercial value, as well as mechanisms and actions to supply the market with resources from sustainably managed and economically, socially and environmentally viable forests and forest areas.

Objective d. *In situ* monitoring, evaluation and inventory of target timber species by the project will strengthen institutional and ITTO members' capacity to implement actions that ensure that exported tropical timber and timber products are sourced from sustainably managed forest resources.

Objective e. The project will promote conservation and integrated management, including the identification of managed forest areas, water and soil conservation production zones, where there is certainty about the presence of high-commercial value timber species and other non-timber products. Forest owners, forest and agroforestry producers, water management boards, and local communities will use and adopt suitable methodological guides and technologies resulting from the research and development of valuable timber species

Objective h. The project will improve and provide market intelligence and encourage information sharing on the international timber market with a view to ensuring greater transparency and better information on markets and market trends, including the gathering, compilation and dissemination of trade related data, in particular, data relating to species being traded.

Objective i. The project will promote increased and further processing of tropical timber from forest areas and resources sustainably managed by forest producers, with a view to promoting their industrialization and thereby increasing their employment opportunities and earnings from sustainable harvesting and utilization of high-commercial value timber species.

Objective n. The project will strengthen the capacity of forest owners/users and forest producers to improve forest law enforcement and governance, and address illegal logging and related trade in valuable tropical timber species at the national and local levels.

Objective r. The project will encourage members to recognize the role of valuable forest resource dependent indigenous peoples and local communities in achieving the sustainable forest management of remaining natural forests and develop strategies to enhance the capacity of these communities to sustainably manage tropical timber producing forests.

Finally, the project has implicit links with ITTO's **Thematic Programme on Community Forest Management and Enterprises**, since it aims to strengthen the forest sector so that it can improve its competitiveness and comply with international standards and procedures related to the biodiversity conservation of forest species of commercial value.

1.2.2 Relevance to the submitting country's policies

This project proposal will contribute to the promotion of the objectives and priorities provided in the following national programmes, plans, policies and strategies: the National Plan and Country Vision; the National Forest Programme; the National Forest, Protected Areas and Wildlife Policy; ICF's Institutional Strategic Plan; the National Strategy to Combat Illegal Logging; and the International Tropical Timber Agreement.

The Country Vision (2010-2038) and National Plan (2010-2022) are the national goals in terms of social, political, economic and environmental features that the country should achieve by 2038, through the implementation of national and government plans under participatory regional schemes.

The National Forest Programme (PRONAFOR 2010-2030) is aimed at sustainable forest management and sustainable forest resource and wildlife management and utilization with a view to promoting rural development, addressing the shortage of bio-energy resources, reducing environmental vulnerability, and ensuring food production and security.

Decree No. 98-2007 - **Forest, Protected Areas and Wildlife Law**, adopted by the National Congress of Honduras on 28 December 2007, created the **Forest Sector** and the **National Institute for Forest, Protected Areas and Wildlife Conservation and Development (ICF)**, with a view to sustainable development, in accordance with the country's social, economic, environmental and cultural interests.

The **National Forest, Protected Areas and Wildlife Policy** defines a set of principles, objectives, legal and institutional framework, guidelines, strategies and policy instruments implemented by the State of Honduras to ensure the continuous and ongoing supply of environmental goods and services from natural and planted forests and from natural protected areas.

In addition, Honduras has a **National Biodiversity Strategy** through which the Honduran State, aware of its natural assets and of the need to protect and conform to sustainable use of biological diversity and forest species, fulfils its commitments under the Convention on Biological Diversity, which it has ratified.

In 2011, through Decree No. 54-2011, Honduras ratified the **International Tropical Timber Agreement** (ITTA)[1]. The ITTA provides Honduras with a forum for political cooperation and dialogue among tropical timber producer and consumer countries, to enhance and diversify international trade in tropical timber and promote the adoption of actions and policies to improve the management, utilization and conservation of tropical forests and their genetic resources.

This project proposal seeks to follow up on the Action Plan for Broadleaved Forest Management in Honduras so as to promote the marketing of lesser-used and traditional timber species. The project aims to promote national synergies among producer countries, fostering the management and harvesting of LUTS and validating or checking forest user reports, including regular ecological and growth dynamics studies.

1.3 TARGET AREA

1.3.1 Geographic location

The target area of the project proposal "Promotion and Sustainable Management of Lesser-used Timber Species (LUTS) in Moist Broadleaved Forests of the Departments of Atlantida, Colon and Northern Olancho (municipalities of San Esteban and Dulce Nombre de Culmi)" is located along the Caribbean coast of Honduras, with special emphasis on public forest areas managed by forest organizations that are beneficiaries of the Social Forestry System (Sistema Social Forestal – SSF) of the ICF (Forest Statistical Yearbook, ICF, Honduras, 2012-2013).

Physical and ecological characteristics

a) Department of Atlantida

The department of Atlantida is made up of two distinct physiographic regions – a flat region and a mountainous region. The flat region is made up of eight municipalities, with the most important town being the municipal capital of Ceiba. The department has **a total area of 4,251 km^2** and a total population of 344,099 with a population density of 72.1 inhabitants/km^2. The mountainous region is made up of the Nombre de Dios mountain range, which contains Pico Bonito, the highest peak in the department.

The predominant forest types in the region are mainly moist tropical forests (38.6% of the total area of the department) and a small area of coniferous forests (1% of the total area). There are 18 agroforestry organizations in the department that are part of ICF's Social Forestry System, which benefits 237 people from these organizations (data from ICF's Forest Statistical Yearbook, 2013). The region has a tropical, rainy and temperate climate along the coastal plains and the hydrological system is made up of the Ulua, Lean, Cangrejal, Danto, Cuero, Salado, Papaloteca and San Juan rivers.

The main economic activities of the department include cattle-ranching, forestry, trade, fishing, tourism, port services and agriculture, including crops of bananas, African palm, pineapple, cacao, coconut, sugar cane, coffee and citrus fruits (Source: Data from the 2001 INE census, Honduras).

[1] Adopted by ITTO in 2006 within the framework of the United Nations Conference on Trade and Development (UNCTAD). Honduras ratified the ITTA in its capacity as tropical timber producer and consumer.

b) **Department of Colon**.

The department of Colon has **a total area of 8,875 km^2** and a total population of 304,603 with a population density of 29.9 inhabitants/km^2. The department is made up of 10 municipalities and the departmental capital is the city of Trujillo. This mountainous region includes the Esperanza mountain range, which constitutes the natural border between this department and the department of Olancho, and the Agalta mountain range, which branches out into two formations: the Rio Tinto range and the Punta Piedra range.

The predominant forest types in the region are mainly moist tropical forests (48.6% of the total area of the department) and a few small areas of sparsely populated coniferous forests (0.18%% of the total area of the department). There are also 12 agroforestry organizations in the department that are part of ICF's Social Forestry System, which benefits 286 people from these organizations (ICF's Forest Statistical Yearbook of Honduras, 2013).

The hydrological system of the department includes the Aguan or Romano river, the Tinto or Negro river, the Patuca river and the Segovia river, among others. The main economic activities of the department include cattle-ranching, forestry, trade, port services and agriculture, including crops of African palm, bananas, citrus fruits, corn, sugar cane, rice, beans, yucca and plantain (Source: Data from the 2001 INE census, Honduras).

c) **Northern Part of the Department of Olancho (**Data from the 2001 INE census, Honduras and ICF's Forest Statistical Yearbook, 2013).

The department has a total area of 23,905 km^2 (Honduras has 18 departments with Olancho being the largest of these), and a total population of 777,670.

The department has a total of 23 municipalities including San Esteban and Dulce Nombre de Culmi. The physical and ecological characteristics of these two departments are detailed below.

Dulce Nombre de Culmi
The municipality has a total area of 2,925.09 km^2 and a population of 35,674, and it stands at 444 m.a.s.l. The department is located next to the Platano River Biosphere Reserve (a UNESCO World Heritage Site). The predominant forests in the area are moist tropical forests with some pastures/farming areas.

The economic activities in the area include coffee crops, forestry and cattle-ranching, among others, and the municipality is located in a mountainous area. There are 7 agroforestry organizations in the region that are part of the ICF's Social Forestry System, which benefits 251 people from those organizations.

San Esteban
The municipality has a total area of 1,962.34 km^2 and a population of 26,245, and it stands at 454 m.a.s.l. The predominant forests in the area are moist tropical forests with some pastures/farming areas.
The main economic activities are agriculture and cattle-ranching.

Target area of the project in the departments of Atlantida, Colon and the northern part of the department of Olancho. Map prepared by UPEG/ICF, using data from the ICF's CIPF, Honduras, February, 2015.

1.3.2 Social, cultural, economic and environmental aspects

The target area of the project proposal covers the departments of Atlantida, Colon and the northern part of the department of Olancho (municipalities of San Esteban and Dulce Nombre de Culmi), which is dominated by moist tropical forests and rainforests. In order to promote community forest activities in this area, ICF has about 37 community forest organizations that are part of its Social Forestry System (Sistema Social Forestal (SSF), comprising indigenous communities (Garifunas and Pech) and farmers who have been allocated national public forest areas under management (see table below).

Department	Number of ICF's SSF Organizations	Gender		Beneficiaries of ICF's SSF	Comments
		Men	Women		
Atlantida	18	216	21	237	In Atlantida and Colon there are 35 CCCF; 4 CCMF; 1 CCDF
Colon	12	238	48	286	The area of national forest that has been allocated to the 37 SSF Organizations of the ICF covers a total of 84,800 hectares.
Northern Olancho (San Esteban and Dulce Nombre de Culmi)	7	183	68	251	In Olancho there are 19 CCCF and 5 CCMF.
Total	37	637	137	774	

Source: Prepared by UPEG/ICF based on data from ICF's Statistical Yearbook 2013.
Note: CCCF: Forest Community Consultative Council; CCMF: Forest Municipal Consultative Council; CCDF: Forest Departmental Consultative Council.

It is also important to point out that at present the main economic activities of the 37 SSF organizations are sawmilling (mainly in Atlantida and Colon), and agroforestry activities, logging/sawmilling and resin tapping in northern Olancho.

Timber harvesting is an important local activity as the timber is later marketed by SSF forest organizations in local markets. Harvesting and utilization activities by these organizations are clearly focused on traditional timber species such as redondo, mahogany, cedro (cedar), cedro espino, cedro piojo, marapolán, laurel, carreto negro, guanacaste and pine.

In addition to their forest management and harvesting activities, these forest producers are involved in traditional agriculture for the production and consumption of staple grains such as maize (*Zea mays*), beans (*Phaseolus vulgaris*), rice (*Oryza sativa*), sugar cane (*Saccharum officinarum*), plantains and bananas (*Musa paradisiaca*), as well as poultry and small animal farming.

1.4 EXPECTED OUTCOMES AT PROJECT COMPLETION

Expected project outcomes

It is envisaged that the implementation of this project on the promotion and sustainable management of lesser-used timber species (LUTS) from moist tropical forests will improve the sustainable utilization of species that are currently not being harvested because of a lack of preservation treatments and a lack of technologies and/or management techniques that are suitable for these species.

Marketing and promotion activities were key elements in the formulation of the project proposal, and it is expected that project outcomes will include improved data and knowledge, business prospects, prices and competitiveness of the target species and of the timber products developed in international markets with these species, thus ensuring a better quality control of LUTS in the project area.

Another important outcome to be achieved with the implementation of the project is a greater supply of tropical timber sourced from forests under sustainable management, resulting from the development of a national strategy for the promotion of LUTS silviculture, management and conservation.

ICF will have an updated database on managed public forest areas with marketing potential at the national and international levels.

Public and private forest areas and sites with LUTS trees will be identified and selected for the purposes of management, conservation and use of good silvicultural practices.

10 agroforestry groups that are beneficiaries of the Social Forestry System (SFS) will be strengthened and supported in the management and harvesting of valuable and lesser-used species.

ICF technical staff and forest professionals will be trained in the fields of LUTS and high commercial value timber species silviculture, management and conservation.

PART 2. PROJECT RATIONALE AND OBJECTIVES

2.1 RATIONALE

2.1.1 Institutional set-up and organizational issues

According to the Forest, Protected Areas and Wildlife Law (Decree No. 98-2007), ICF is responsible for implementing the national policy for forest conservation and development, protected areas and wildlife in national, ejido and private forests, in order to develop programs, projects and plans. Thus, according to the legislation, ICF is at the top of the forest institutional framework, which, in addition to ICF, includes other agencies such as SERNA, SAG, IHT, INA, IP, ESNACIFOR, IHCAFE and IHDECOOP.

ICF, as the highest forest sector authority, is responsible for enforcing forest standards and regulations regarding forest management and development in the country, under an integrated, inter-institutional approach, including for this project on "promotion and sustainable management of lesser-used timber species (LUTS) in moist broadleaved forests". For this approach to work, it will be necessary to address existing problems regarding governance and inter-institutional coordination with institutions such as SAG (shifting agriculture, cattle-ranching, etc.), IP (national, ejido and private ownership), INA (land reform beneficiary rural groups) and IHCAFE (coffee producers and exporters), among others.

ICF has two operational departments relevant to the implementation of this project[2]. The Forest Management and Development Department has technical representation in the country's 12 forest regions (including the departments of Atlantida, Colon and Northern Olancho) to enforce Forestry Law provisions regarding the approval, supervision and monitoring of Forest Management Plans (FMPs) and Operational Management Plans (OMPs) in national and private forests, as well as the registration of timber industries, certification of plantations, reforestation through the planting of traditional and non-traditional species, and approval, supervision and monitoring of forest management contracts with Agroforestry Groups of the Social Forestry System (SFS) in national forests.

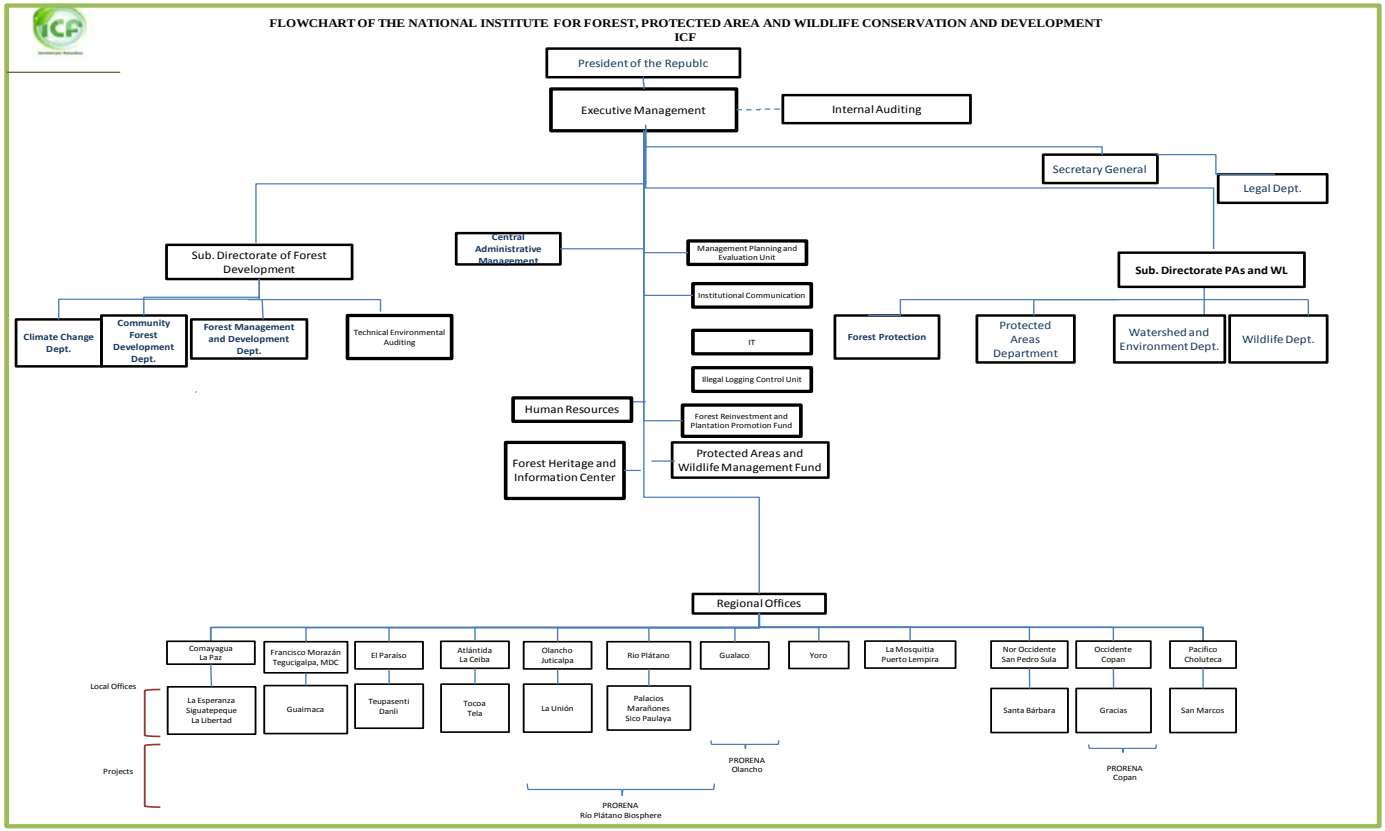
In addition to the above department, ICF, for the implementation of this proposal, has a Community Development Department, which also has technical representation in the 12 forest regions of the country. The role of this Department is to organize, train and develop SFS beneficiary forest groups settled in national forests throughout the country.

ICF has good coordination links with local governments (municipalities) in the project target area. As stipulated by law, the area has 64 Consultative Councils (including community, municipal and departmental councils), which propose social monitoring and supervision actions on public and private forest management.

Based on the above, ICF infrastructure [central offices (Comayagüela, M.D.C., Offices in Atlantic Forest Regions (La Ceiba)] will be used to coordinate and implement project activities at the local, regional and national levels (see attached ICF organizational chart).

[2] ICF's technical departments at the central level are: **a) Forest Management and Development**; b) Watersheds and Environment; **c) Forest Community Development**; d) Protected Areas; e) Wildlife; f) Forest Protection; g) Technical Forest Auditing; h) Climate Change and Forests; i) It also has a Forest Heritage Information Center and a Technical Unit against Illegal Logging.

2.1.1.1 Institutional Flowchart



2.1.2 Stakeholder analysis

Stakeholder group	Characteristics	Problems, needs, interests	Potential	Involvement in the project
PRIMARY STAKEHOLDERS				
ICF	Administrator of national public forests and protected areas	Problems associated to land tenure, legal security and illegal occupation of public forest lands.	Regulation of forest management on private lands and administration of national forests and protected areas under management agreements.	Direct beneficiary
Forest producers	Users and occupiers of public forests, forest producers that are beneficiaries of the SFS	Limited stocks of high commercial value timber species and support to management, afforestation and reforestation plans	Interest in establishing high yield plantations of valuable timber species	Direct beneficiaries
Private forest owners	Timber producers in private forests with potential to use valuable timber species	Resource holders for protection and management under management plans	Potential for forest business	Direct beneficiaries
Other agroforestry groups	Forest groups with forest management agreements in public forests	Improve competitiveness for valuable timber species business	Availability of local labour and creation of rural jobs	Direct beneficiaries
SECONDARY STAKEHOLDERS				
Community and Municipal Forest Consultative Groups	Support institutions for the implementation of forest management and natural resource protection plans	Support from local governments and donor agencies through capacity building at the local level.	Mechanisms to support ICF in the monitoring of forest management plans, natural protected areas and watershed areas.	Indirect beneficiaries
IHCAFE	Supports and strengthens coffee producers and marketing	Promotes the establishment of valuable timber species plantations in coffee production systems	Promotes and provides guidance on timber tree cultivation in association with coffee	Intermediaries in forest crop diversification processes
Timber processing companies	Association of companies processing and marketing timber and furniture for export	Legally sourced timber needs	Provides assistance and management of resources for its members	Intermediaries in forest resource harvesting and use processes
Other farmer organizations	Local institutions of small and medium-scale agricultural and forest producers	Opportunities to embark on forest business	Production of staple grains on forest lands	Intermediaries in project management processes for primary stakeholders

Stakeholder group	Characteristics	Problems, needs, interests	Potential	Involvement in the project
TERTIARY STAKEHOLDERS				
Academia (CURLA, ESNACIFOR, UNA, El Zamorano Agricultural School)	Training of professionals in forestry and related disciplines	Availability of resources to promote research in forest and social forestry areas	Experience in teaching, extension, research, extension and technical training	Technical assistance
Professional forest associations of Honduras	Professional associations with the technical skills to support the forest sector	Expertise in the forest sector and protected areas	Substantial input to national forest sector policy	Technical assistance and support to studies
International cooperation agencies in the forest field	Donor agencies providing technical, financial and logistic support	Support to emerging issues for the conservation and management of forests and the environment	Sources of funds to support improved living standards for the population of Honduras	Technical assistance and support for forest management

Participatory stakeholder approach:

Primary stakeholders such as the ICF, forest producers, private forest owners and agroforestry groups that are beneficiaries of ICF's Social Forestry System through public forest management agreements will be the main beneficiaries of this LUTS project proposal. Based on the above, ICF will be the executing agency of this project as it is the administrator and regulator of national forests subject to harvesting (area of influence) for aspects such as the promotion of LUTS management and utilization, among others. To this end, **ICF** has technical staff in the Atlantida (headquarters in the city of La Ceiba) and Olancho forest regions. Furthermore, ICF and the municipalities, professional foresters' associations, SERNA, coffee growers' associations and the representatives of associations of private forest owners, are all part of the **municipal and departmental Community Consultative Councils**, which will provide support for decision-making and for the implementation of this project.

SSF's agroforestry groups will also play a major role in the implementation and achievement of project objectives as they are mainly based in national production forests and, therefore, these groups will improve the competitiveness of lesser-used timber species (LUTS) in the market.

The remaining stakeholders, such as IHCAFE, timber processing companies, other farmer organizations and academia (CURLA, ESNACIFOR and ENA) located in the project area, will provide support in the evaluation, implementation and development of local capacities, the establishment of forest businesses based on non-traditional timber species, etc.

Finally, after project completion, both primary and secondary stakeholders will be provided with information about the outputs and activities implemented in the communities involved in the whole process.

2.1.3 Problem Analysis

The main problem to be addressed in this project proposal is that there is very limited lesser-used timber species (LUTS) promotion, management and harvesting being carried out in the departments of Atlantida, Colon and northern Olancho. This is mainly due to the fact that there is poor knowledge and information available on the use, silviculture and economic potential of these species and, as a result, these forests are not being managed in a sustainable and rational manner.

One of the main causes of forest degradation is considered to be the natural regeneration imbalance caused by the non-harvesting of all the species found in these forests. Furthermore, this degradation is compounded by the limited promotion of timber production from legal sources (certified timber) and poor promotion of the use of LUTS. Finally, there are

no sustainable forest management incentives for both SSF beneficiary agroforestry groups and the local communities.

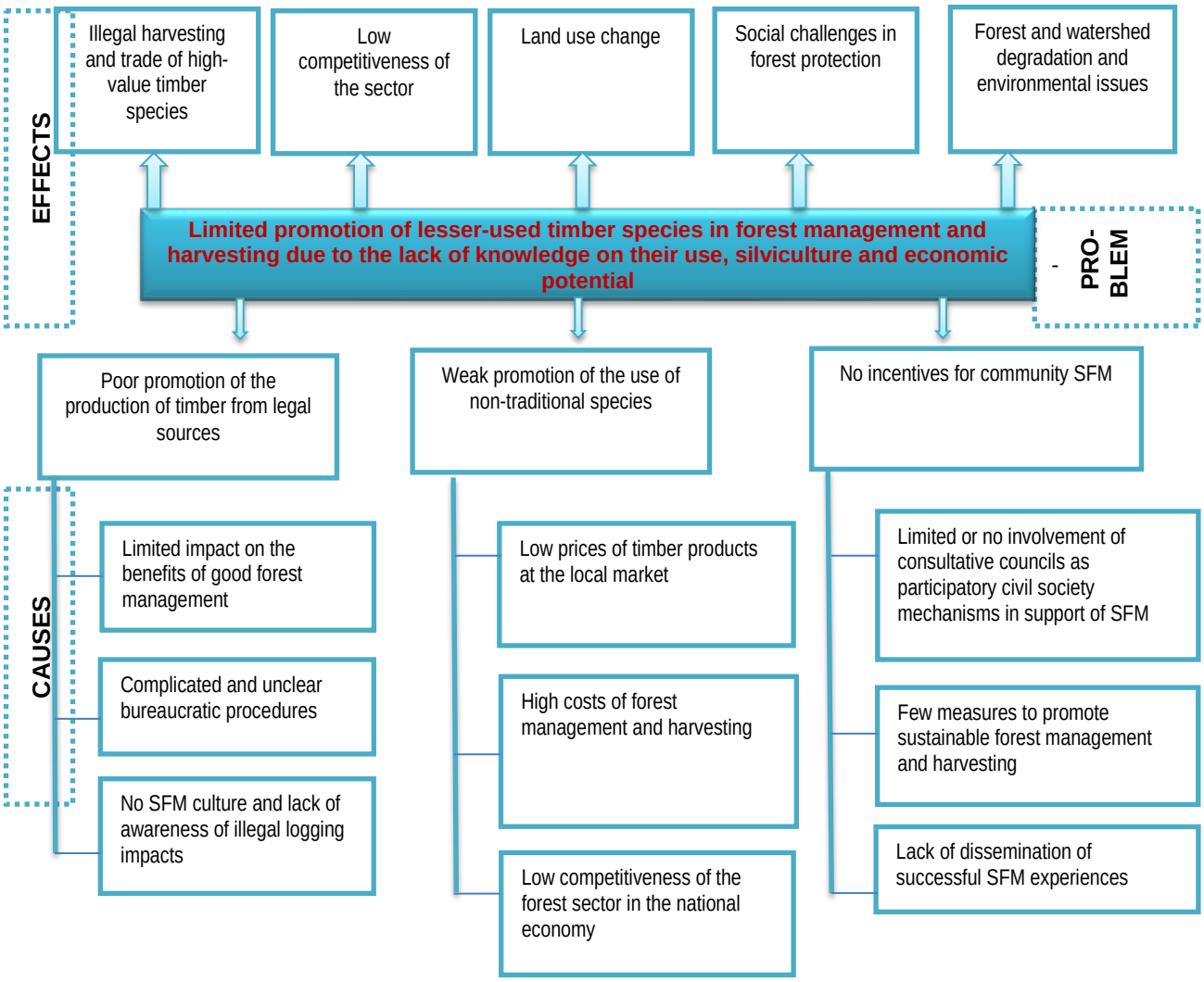
It is important to emphasize that in addition to the above there are also other secondary causes. For example, the high cost of LUTS and the threats to the income of ICF's SSF beneficiary agroforestry groups are due to a number of inefficiencies in forest harvesting activities, among other things. The most serious problem in this regard is the lack of an integrated forest management plan together with the lack of technical services in the project area to improve timber hauling and transport operations, which often lead to a major part of the timber logged being left in the forest to rot.

Based on the above, it can clearly be stated that the limited promotion of LUTS management and harvesting activities in the departments of Atlantida, Colon and northern Olancho in Honduras has the following negative effects on tropical moist forests: i) illegal logging and trade of high-value species such as cedar, mahogany and granadillo, among others; ii) degradation of forests, watershed areas and micro-basins as well as environmental issues; iii) land use changes (shifting agriculture, etc.) and social challenges in forest protection.

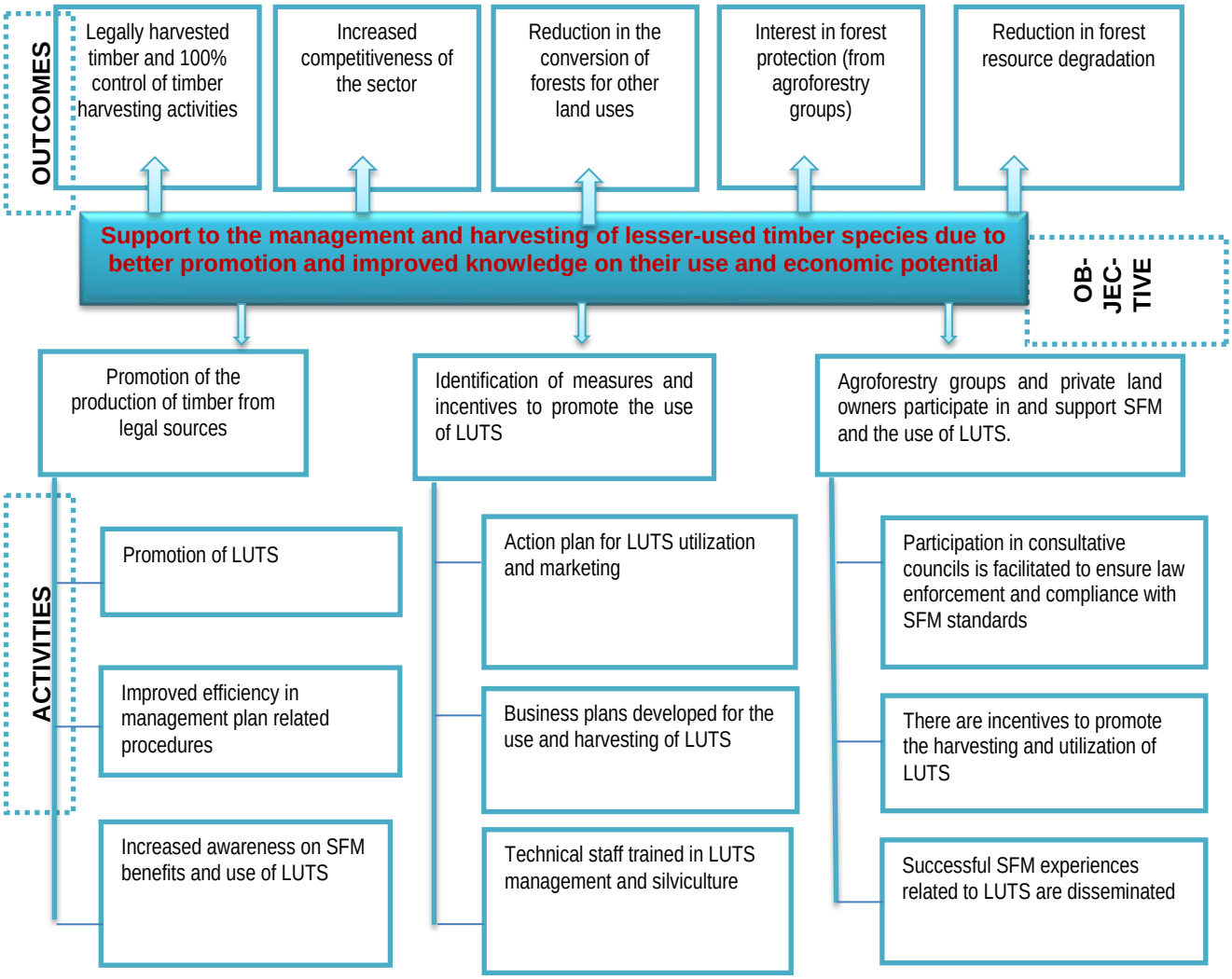
It should also be pointed out that Honduras has allocated 480,000 hectares of natural pine forests and natural moist evergreen forests to production, of which a total of 60,000 hectares is covered by broadleaved forests located in the Caribbean region of the country (including the project area). Approximately 9 valuable timber species are harvested in these forests, including mahogany, cedar, granadillo, redondo and lesser-used forest species such as rosita (*Hieronima alchorneoides*), cedro piojo (*Tapirira guianensis*) and marapolan (*Guarea grandiflora*).

The use and marketing of other lesser-used species, such as san juan colorado (*Vochysia ferruginea*), san juan rojo (*Vochysia guianensis*), paleto (*Dialium guianensis*), laurel negro (*Cordia megalantha*), huesito (*Macrohasseltia macroterantha*), santa María (*Calophyllum brasilensis*) and varillo (*Shymphonia globulifera*), is still minimal in spite of their qualities and potential. The physical and mechanical characteristics of these LUTS were studied by the PROINEL (Marketing and Processing of Promising Broadleaved Forest Species in Honduras) and PROECEN (Silvicultural Study of Native Broadleaved Forest Species in Honduras) projects, both funded by ITTO over the past decade.

PROBLEM TREE



OBJECTIVES TREE



2.1.4 Logical framework matrix

Intervention strategy	Measurable Indicators	Means of verification	Sustainability assumptions
Development objective	Impact indicators		
Help strengthen the forest sector so that it can improve its competitiveness and efficiency, and can comply with national and international standards and procedures related to the management and utilization of LUTS.	By 2017, the production and use of lesser-used timber species (LUTS) will have been promoted.	Forest inventories Satellite forest images Management and operational plans	Lesser-used forest species are included in forest management and reforestation plans
Specific Objective	Outcome indicators		
Launch agreed participatory processes to promote the protection, management, conservation, harvesting and sustainable use of LUTS from moist broadleaved forests.	By 2017, ICF will have an updated database, including parameters for conservation, management and promotion of best silvicultural practices for LUTS.	Satellite images Restoration of deforested areas Best silvicultural practice manuals	Contribution to the conservation and management of Honduras' moist forests
Outputs	Output Indicators	Means of Verification	Operational assumptions linking outputs to the objective
O1. LUTS from Honduras' moist forests promoted.	By 2017, the use of 2 LUTS will have been promoted and increased, and information on their silvicultural management will be available	Management and operational plans approved by ICF	The forest sector encourages forest management and use of LUTS
O2. Business plan developed for the promotion, management, harvesting and marketing of LUTS.	By 2017, there will be business plans available for LUTS	• Report document • Studies and diagnoses • Business plans	Support tool for LUTS management and conservation
O3. 100 forest producers and 25 local forest technicians trained to promote the harvesting, management, conservation and sustainable utilization of LUTS.	100 forest and agroforestry producers and 25 forest technicians have been trained in LUTS silviculture, management and conservation.	Training plan and reports Reports of training sessions and workshops	SFS organizations and forest producers are involved in LUTS harvesting and marketing
O4. National strategy to promote LUTS silviculture, management and conservation developed.	Ongoing updating of the national forest information system.	Strategic plan for LUTS protection and management.	

2.2 OBJECTIVES

2.2.1 Development objective and impact indicators

Promote the sustainable management and harvesting of LUTS and other timber species of commercial value in national public forest areas managed by ICF's SFS beneficiary organizations.

Impact indicator

By 2017, the project will have contributed to sustainability and the social and economic well-being of local communities whose livelihoods depend on the production of LUTS and other non-timber products by promoting the sustainable harvesting, utilization, management and marketing of natural moist forest species in Honduras.

2.2.2 Specific objective and outcome indicators

Specific objective

Launch agreed participatory processes to promote the protection, management, conservation, harvesting and sustainable use of LUTS from moist broadleaved forests.

Indicator

By 2017, ICF will have an updated database, including parameters for conservation, management and promotion of best silvicultural practices for LUTS.

PART 3. DESCRIPTION OF PROJECT INTERVENTIONS

3.1 OUTPUTS AND ACTIVITIES

The project will develop silvicultural actions and best practices for the protection, management, sustainable utilization and conservation of lesser-used timber forest species (LUTS) from Honduras' moist forests. These species are:

Common Name	Scientific Name	Family	Wood Type	Colour
Areno blanco	*Ilex tectonica*	Aquifoliaceae	Hardwood	White
Bellota	*Quercus*	Fagaceae	Hardwood	Reddish brown
Cedro piojo	*Tapirira guianensis*	Anacardiaceae	Premium	Reddish brown
Huesito	*Macrohaseltia macroterantha*	Sterculiaceae	Hardwood	Yellowish brown
Laurel negro	*Cordia megalantha*	Boraginaceae	Premium	Brownish
Marapolan	*Guarea grandiflora*	Meliaceae	Premium	Light reddish brown
Paleto	*Dialium guianensis*	Mimosaceae	Hardwood	Brownish
Rosita	*Hieronima alchorneoides*	Euphorbiaceae	Premium	Dark red
Santa María	*Calophylum brasiliensis*	Clusiaceae	Premium	Reddish brown
San Juan rojo	*Vochysia guianensis*	Vochysiaceae	Premium	Reddish brown
San Juan colorado	*Vochysia ferruginea*	Vochysiaceae	Premium	Light reddish brown
Selillón	*Pouteria izabalensis*	Sapotaceae	Hardwood	Reddish brown
Varillo	*Shymphonia globulifera*	Clusiaceae	Premium	Yellowish brown

In order to ensure that the implementation of silvicultural practices and measures have a positive impact on the protection, management, sustainable utilization and conservation of LUTS, the following activities and outputs are envisaged:

3.1.1 Outputs

Output 1. Management and use of LUTS from Honduras' moist forests promoted.

Activities

1.1. Monitoring and silviculture of management plans in natural broadleaved forests

1.1.1. Situational diagnostic study and inventory of volume stocks.

1.1.2. Development of best practice guides on LUTS management and silviculture.

1.1.3. Meetings and consultation fora with forest producers that are beneficiaries of ICF's SFS.

Output 2. Business plan developed for the promotion and management of LUTS with economic potential.

Activities

2.1 *In-situ* diagnostic study on LUTS with economic potential

2.1.1 Implementation of 3 local studies on LUTS management and harvesting measures and actions.

2.1.2 Meetings with land owners, forest producers and community representatives to agree on actions and practices for the protection, management and utilization of LUTS.

2.2 Supply and demand studies on high commercial value forest species

2.2.1 Support one (1) market survey with one (1) business plan to strengthen small family enterprises involved in harvesting LUTS and processing value-added products from these species.

2.2.2 Develop a business plan based on the promotion, management, harvesting and marketing of LUTS.

Output 3. 100 forest producers and 25 local forest technicians trained to promote the harvesting, management, conservation and sustainable utilization of LUTS.

Activities

3.1 Training plan

3.1.1 Design a holistic training plan with inter-institutional and community involvement for the management, harvesting, utilization and marketing of LUTS.

3.1.2 Develop at least twelve (12) methodological guides on best silvicultural practices and technical fact sheets for LUTS.

3.2 Capacity building

3.2.1. Organize six (6) training days targeting agroforestry technicians, forest owners and forest producers, to promote LUTS management and harvesting.

3.2.2. Organize four (4) demonstration field tours with processors of traditional and non-traditional valuable timber species (industrialists, joiners, carpenters) that may contribute to the utilization and marketing of LUTS.

Output 4. National strategy to promote LUTS silviculture, management and conservation developed.

Activities

4.1. Preparation of studies and strategic actions for LUTS harvesting and marketing

4.1.1. Provide support at the national level for the production of LUTS with land owners and forest producers that are beneficiaries of ICF's SFS.

4.2 Publication and dissemination of materials on LUTS silviculture and management

4.2.1 Development, publication and distribution of technical guides on forest plantations, fact sheets and leaflets.

4.2.2. Project systematization study.

3.2 IMPLEMENTATION APPROACHES AND METHODS

Since its inception approximately 8 years ago, ICF has always used a **participatory approach** with different forest sector stakeholders (forest producers, owners of private forests, SSF agroforestry groups and timber processing companies, among others) in the implementation of various project proposals financed with international cooperation funds (ITTO, IADB, GIZ, WB, USAID, among others).

To this end, this project proposal on the "promotion and management of lesser-used timber species (LUTS)" is designed to further extend the close cooperation with all stakeholders involved in the tropical forest management and harvesting value chain. All relevant stakeholders were consulted for the formulation of this project proposal and the same participatory approach

will be used in the implementation of the project so as to ensure an improvement in the management and utilization of tropical forests in the departments of Atlantida, Colon and northern Olancho in Honduras.

Thus, throughout the implementation period, the project will seek to broaden and deepen the participation of relevant institutional and community stakeholders in the project area by providing training in the management, harvesting and marketing of LUTS, and developing methodological guides of good silvicultural practices and technical fact-sheets for LUTS. Field trips will also be organized for traditional and non-traditional timber processors (industrialists, carpenters, etc.) so that they will also contribute to the utilization and marketing of these species. The objective of this approach is to ensure the achievement of project objectives and to raise awareness and change schemes that are detrimental to the environment.

The direct participation of primary beneficiaries in the project will be ensured through the promotion and sustainable management of LUTS that are currently underutilized and are not providing benefits through their harvesting.

The project executing agency will work in close cooperation with primary and secondary stakeholders in all project activities. A social audit approach will be implemented in the monitoring and follow-up of all planned activities.

The project has defined an approach for the management and harvesting of LUTS of commercial value. For these species and others that may come to light during the implementation of the project, it will be necessary to implement user-friendly mechanisms and actions to contribute to their protection, management, conservation, harvesting and sustainable utilization.

3.3 WORK PLAN

	Outputs /Activities	Responsible Party	Year 1				Year 2			
			I	II	III	IV	I	II	III	IV
1	Output 1. Management and use of LUTS from Honduras' moist forests promoted									
1.1	Monitoring and silviculture of management plans in natural broadleaved forests									
1.1.1	Situational diagnostic study and inventory of volume stocks	ICF		X	X					
1.1.2	Development of best practice guides on LUTS management and silviculture.	ICF			X	X				
1.1.3	Meetings and consultation fora with forest producers that are beneficiaries of ICF's SFS	ICF, land owners and forest producers			X	X				
2	Output 2. Business plan developed for the promotion and management of LUTS with economic potential									
2.1	*In-situ* diagnostic study on LUTS with economic potential			X	X					
2.1.1	Implementation of 3 local studies on LUTS management and harvesting measures and actions	ICF				X	X			
2.1.2	Meetings with land owners, forest producers and community representatives to agree on actions and practices for the protection, management and utilization of LUTS	ICF, land owners, forest producers and SFS groups				X	X	X		
2.2	Supply and demand studies on high commercial value forest species									
2.2.1	Support one (1) market survey with one (1) business plan to strengthen small family enterprises involved in harvesting LUTS and processing value-added products from these species.	ICF					X	X	X	
2.2.2.	Develop a business plan based on the promotion, management, harvesting and marketing of LUTS					X	X			
3	Output 3. 100 forest producers and 25 local forest technicians trained to promote the harvesting, management, conservation and sustainable utilization of LUTS									
3.1.	Training plan	ICF								
3.1.1	Design a holistic training plan with inter-institutional and community involvement for the management, harvesting, utilization and marketing of LUTS	ICF and forest organizations				X	X			
3.1.2	Develop at least twelve (12) methodological guides on best silvicultural practices and technical fact sheets for LUTS	ICF			X	X	X	X		
3.2.	Capacity building	ICF								
3.2.1	Organize six (6) training days targeting agroforestry technicians, forest owners and forest producers, to promote LUTS management and harvesting	ICF		X	X	X	X	X	X	
3.2.2	Organize four (4) demonstration field tours with processors of traditional and non-traditional valuable timber species (industrialists, joiners, carpenters) that may contribute to the utilization and marketing of LUTS	ICF, land owners and forest producers			X	X	X	X		
4	Output 4. National strategy to promote LUTS silviculture, management and conservation developed	ICF								
4.1	Preparation of studies and strategic actions for LUTS harvesting and marketing	ICF								
4.1.1	Provide support at the national level for the production of LUTS with land owners and forest producers that are beneficiaries of ICF's SFS	ICF, land owners and forest producers		X	X	X	X	X	X	
4.2	Publication and dissemination of materials on LUTS silviculture and management	ICF								
4.2.1	Development, publication and distribution of technical guides on forest plantations, fact sheets and leaflets	ICF					X	X	X	X
4.2.2	Study for the systematization of project learning	ICF							X	X

3.4 BUDGET

3.4.1 Master budget schedule by component and by funding source

Outputs /Activities	Description	Quantity		Unit	Unit Cost	Total Cost	ITTO	ITTO	EA	EA
		Year 1	Year 2				Year 1	Year 2	Year 1	Year 2
Output 1	Management and use of LUTS from Honduras' moist forests promoted									
1.1	Monitoring and silviculture of management plans in natural broadleaved forests									
1.1.1	Situational diagnostic study and inventory of volume stocks	1	0	Study	6000	6000	6000	0	0	0
1.1.2	Development of best practice guides on LUTS management and silviculture	1	0	Guide	7000	7000	7000	0	0	0
1.1.3	Meetings and consultation fora with forest producers that are beneficiaries of ICF's SFS	4	4	Meetings and fora	800	6400	3200	3200	0	0
	Sub-total /Output 1					19400	16200	3200	0	0
Output 2	Business plan developed for the promotion and management of LUTS with economic potential									
2.1	*In-situ* diagnostic study on LUTS with economic potential									
2.1.1	Implementation of 3 local studies on LUTS management and harvesting measures and actions	1	2	Studies	5000	15000	5000	10000	0	0
2.1.2	Meetings with land owners, forest producers and community representatives to agree on actions and practices for the protection, management and utilization of LUTS	1	2	Meetings	600	1800	600	1200	0	0

Outputs /Activities	Description	Quantity		Unit	Unit Cost	Total Cost	ITTO	ITTO	EA	EA
		Year 1	Year 2				Year 1	Year 2	Year 1	Year 2
2.2	Supply and demand studies on high commercial value forest species									
2.2.1	Develop one (1) market survey and three (3) business plans to strengthen small family enterprises involved in harvesting LUTS and processing value-added products from these species: Market survey - $3000; Business plans - $2000 ea.	1	3	Studies		9000	3000	6000	0	0
	Sub-total /Output 2					25800	8600	17200	0	0
Output 3	100 forest producers and 25 local forest technicians trained to promote the harvesting, management, conservation and sustainable utilization of LUTS									
3.1	Training plan									
3.1.1	Design a holistic training plan with inter-institutional and community involvement for the management, harvesting, utilization and marketing of LUTS		1	Training plan	2000	2000	0	2000	0	0
3.1.2	Develop at least twelve (12) methodological guides on best silvicultural practices and technical fact sheets for LUTS. (12*200= 2400*8=19200)		12	Guides	200	19200	0	19200	0	0
3.2	Capacity building									
3.2.1	Organize six (6) training days targeting agroforestry technicians, forest owners and forest producers, to promote LUTS management and harvesting		6	Workshops	800	4800	0	4800	0	0

Outputs /Activities	Description	Quantity		Unit	Unit Cost	Total Cost	ITTO	ITTO	EA	EA
		Year 1	Year 2				Year 1	Year 2	Year 1	Year 2
3.2.2	Organize four (4) demonstration field tours with processors of traditional and non-traditional valuable timber species (industrialists, joiners, carpenters) that may contribute to the utilization and marketing of LUTS		6	Field tours	1000	6000	0	6000	0	0
	Sub-total /Output 3					32000	0	32000	0	0
Output 4	National strategy to promote LUTS silviculture, management and conservation developed									
4.1	Preparation of studies and strategic actions for LUTS harvesting and marketing									
4.1.1	Provide support at the national level for the production of LUTS with land owners and forest producers that are beneficiaries of ICF's SFS	0	2	Study and strategy	3000	6000	3000	3000	0	0
4.2	Publication and dissemination of materials on LUTS silviculture and management									
4.2.1	Development, publication and distribution of technical guides on forest plantations, fact sheets and leaflets	0		Sundry	Publications and guides	5000	0	5000	0	0
4.2.2	Study on systematization of project learning	0		1	Study	2000	0	2000	0	0
	Sub-total /Output 4					13000	3000	10000	0	0

Outputs /Activities	Description	Quantity		Unit	Unit Cost	Total Cost	ITTO	ITTO	EA	EA
		Year 1	Year 2				Year 1	Year 2	Year 1	Year 2
5	Project management team									
5.1	Coordination, monitoring and evaluation									
	Project Coordinator	12	12	M/M	2000	48000	24000	24000	0	0
	Project Administrator	12	12	M/M	1000	24000	0	0	12000	12000
	Technical Officers	0	0	M/M						
	Local Technical Officers	0	0	M/M						
	Executive Secretary	12	12	M/M						
	Driver/Caretaker	0	0	M/M						
5.2	Logistics									
	Transport, mobility and DSA	20	20	Tours	100	4000	2000	2000	0	0
	Purchase of 4x4 vehicle	1		0	Vehicle	22000	0	0	22000	0
	Office space	4	4	Utilities /month	500	4000	0	0	2000	2000
	Utilities	12	12	Sundry	100	2400	0	0	1200	1200
	Sub-total /Project management					104400	26000	26000	37200	15200
	Grand Total					194600	53800	88400	37200	15200

ITTO	142200
ITTO Admin. costs (12%)	21024
ITTO monitoring and review	18000
Final evaluation	15000
ICF/Gov't	52400
Total	248,624

3.4.2 Consolidated Budget by Component

Item	Description	TOTAL	YEAR 1	YEAR 2
10	Personnel			
11.1	National Project Coordinator	48,000.00	24,000.00	24,000.00
12	Project Administrator	24,000.00	12,000.00	12,000.00
19	Sub-total 1	72,000.00	36,000.00	36,000.00
20	Sub-contracts			
21	Consultants for Output 1	6,000.00	6,000.00	0
	Consultants for Output 2	24,000.00	8,000.00	16,000.00
	Consultants for Output 3	2,000.00	2,000.00	0
	Consultants for Output 4	8,000.00	3,000.00	5,000.00
29	Sub-total 2	40,000.00	19,000.00	21,000.00
30	Duty Travel			
31	DSA for coordinator and tours	4,000.00	2,000.00	2,000.00
31.3	DSA			
39	Sub-total 3	4,000.00	2,000.00	2,000.00
40	Capital Items			
43	Purchase of 4x4 vehicle	22,000.00	22,000.00	0
44	Capital equipment (computers, chairs, desks, data, printer, etc.)	4,000.00	2,000.00	2000.00
.49	Sub-total 4	26,000.00	24,000.00	2,000.00
50	Consumable Items			
54.1	Office materials and supplies (1) and other services	2,400.00	1,200.00	1,200.00
59	Sub-total 5	2,400.00	1,200.00	1,200.00
60	Miscellaneous			
61	Sundry			
61.1	Development of best practice guides on LUTS management	7,000.00	7,000.00	
61.2	Meetings and consultation fora with forest owners and ICF's SFS beneficiaries	6,400.00	3,200.00	3,200.00
61.3	Outreach meetings on the protection, management and utilization of LUTS	1,800.00	600.00	1,200.00
61.4	Development of 12 guides on LUTS	19,200.00	0.00	19,200.00
61.5	Organization of 6 training days to promote LUTS management and harvesting	4,800.00	0	4,800.00
61.6	4 field tours with high-value timber processors	6,000.00	0.00	6000
61.7	Development, publication and distribution of technical guides on forest plantations, technical fact sheets and leaflets	5,000.00	0.00	5000
69	Sub-total 6	50,200.00	10,800.00	39,400.00
	SUB-TOTAL	194,600.00	93,000.00	101,600.00
80	Project monitoring and administration			
81	ITTO monitoring and review	18,000.00	9,000.00	9,000.00
83	ITTO final evaluation	15,000.00	0.00	15,000.00
85	ITTO programme support costs (12%)	21,024.00	21,024.00	0.00
89	Sub-total	50,064.00	30,024.00	24,000.00
100	GRAND TOTAL	248,624.00		

3.4.3 ITTO budget by component

Item	Description	TOTAL	YEAR 1	YEAR 2
10	Personnel			
11.1	National Project Coordinator	48,000.00	24,000.00	24,000.00
12	Project Administrator	0.00	0.00	0.00
19	Sub-total 1	**48,000.00**	**24,000.00**	**24,000.00**
20	Sub-contracts			
21	Consultants for Output 1	6,000.00	6,000.00	0
	Consultants for Output 2	24,000.00	8,000.00	16,000.00
	Consultants for Output 3	2,000.00	2,000.00	0
	Consultants for Output 4	8,000.00	3,000.00	5,000.00
29	Sub-total 2	**40,000.00**	**19,000.00**	**21,000.00**
30	Duty Travel			
31	DSA for coordinator and tours	4,000.00	2,000.00	2,000.00
31.3	DSA			
39	Sub-total 3	**4,000.00**	**2,000.00**	**2,000.00**
40	Capital Items			
43	Purchase of 4x4 vehicle	0.00	0.00	0.00
44	Capital equipment (computers, chairs, desks, data, printer, etc.)	0.00	0.00	0.00
49	Sub-total 4	**0.00**	**0.00**	**0.00**
50	Consumable Items			
54.1	Office materials and supplies (1) and other services	0.00	0.00	0.00
59	Sub-total 5	**0.00**	**0.00**	**0.00**
60	Miscellaneous			
61	Sundry			
61.1	Development of best practice guides on LUTS management	7,000.00	7,000.00	
61.2	Meetings and consultation fora with forest owners and ICF's SFS beneficiaries	6,400.00	3,200.00	3,200.00
61.3	Outreach meetings on the protection, management and utilization of LUTS	1,800.00	600.00	1,200.00
61.4	Development of 12 guides on LUTS	19,200.00	0.00	19,200.00
61.5	Organization of 6 training days to promote LUTS management and harvesting	4,800.00	0.00	4,800.00
61.6	4 field tours with high-value timber processors	6,000.00	0.00	6000.00
61.7	Development, publication and distribution of technical guides on forest plantations, technical fact sheets and leaflets	5,000.00	0.00	5000.00
69	Sub-total 6	**50,200.00**	**10,800.00**	**39,400.00**
	SUB-TOTAL	**142,200.00**	**55,800.00**	**86,400.00**
80	Project monitoring and administration			
81	ITTO monitoring and review	18,000.00	9,000.00	9,000.00
83	ITTO final evaluation	15,000.00	0.00	15,000.00
85	ITTO programme support costs (12%)	21,024.00	21,024.00	0.00
89	Sub-total	54,024.00	30,024.00	24,000.00
100	GRAND TOTAL	**196,224.00**		

3.4.4 Executing agency budget by component

Item	Description	TOTAL	YEAR 1	YEAR 2
10	Personnel			
12	Project Administrator	24,000.00	12,000.00	12,000.00
19	Sub-total 1	24,000.00	12,000.00	12,000.00
20	Sub-contracts			
21	Consultants for Output 1	0	0	0
29	Sub-total 2	0.00	0.00	0.00
30	Duty Travel			
31	DSA for coordinator and tours	0.00	0.00	0.00
39	Sub-total 3	0.00	0.00	0.00
40	Capital Items			
43	Purchase of 4x4 vehicle	22,000.00	22,000.00	0
44	Capital equipment (computers, chairs, desks, data, printer, etc.)	4,000.00	2,000.00	2000
49	Sub-total 4	26,000.00	24,000.00	2,000.00
50	Consumable Items			
54.1	Office materials and supplies (1) and other services	2,400.00	1,200.00	1,200.00
59	Sub-total 5	2,400.00	1,200.00	1,200.00
60	Miscellaneous			
61	Sundry			
69	Sub-total 6	0.00	0.00	0.00
	SUB-TOTAL	52,400.00	37,200.00	15,200.00
80	Project monitoring and administration			
81	ITTO monitoring and review	0.00	0	0
83	ITTO final evaluation	0.00	0	0
85	ITTO programme support costs (12%)	0.00	0.00	0.00
89	Sub-total	0.00	0.00	0.00
100	GRAND TOTAL	52,400.00		

3.5 ASSUMPTIONS, RISKS, SUSTAINABILITY

3.5.1 Assumptions and risks

The project does not involve any major risks. The proposal is based on various experiences and needs identified for the implementation of different actions related to the management and utilization of timber species from moist natural forests in Honduras. The timber species to be analyzed are major resources for the owners, producers and processors. Promoting the use of LUTS and the costs involved in forest management are the main challenges in the implementation of this project. The risks associated with non fulfilment of key assumptions presented in the logical framework matrix are shown in the following table.

Risks, Actions and Mitigation Factors:

Key assumption	Risk associated to the assumption	Comments on Actions
The Government of Honduras through ICF will take the necessary steps to ensure the sustainable management and harvesting of LUTS.	Some private forest land owners may not be interested in LUTS management and harvesting.	It is possible to have the support of both national and ejido public forest owners and users who have management agreements with ICF.
ICF and other forest sector institutions are interested in developing national plans and programs for the management and conservation of natural forests and promote the use of non-traditional timber species.	The owners, producers and traders of timber forest products have civil society participation and organization mechanisms to access forest resources in community and municipal areas.	Under the Social Forestry System, ICF encourages beneficiary forest and rural groups to be involved in the harvesting and management of national forests.
Other forest sector organizations may contribute resources for this project in accordance with incentive policies to promote afforestation, reforestation and natural forest protection.	Additional resources are available to provide incentives for the protection and management of public and private natural forests.	ICF has and manages two national funds: the fund for reinvestment and promotion of forest plantations and the fund for the conservation and management of wildlife areas, which can allocate financial resources to this project.
Communities and forest land owners are interested in participating in the establishment of commercial forest plantations.	Communities may not recognize the economic benefits that can be derived from incentives for reinvestment in and promotion of forest plantations, as well as the benefit of the protection and use of forests.	Promote communication and involvement in project results.

3.5.2 Sustainability

ICF will be responsible for the direct coordination of project activities in the Atlantic forest regions, in cooperation with land owners, timber processors and community forest organizations that are beneficiaries of the Social Forestry System, as well as other organizations related to forest management. In this context, ICF will use the network of regional and local offices to promote horizontal and vertical interaction among project activities.

The project will implement activities associated with the protection, management, conservation, harvesting and utilization of LUTS with marketing potential, seeking to promote sustainability and sound forest governance. These foundations include, in particular, ICF institutional

strengthening, inter-institutional coordination and participation of organized civil society groups that have signed agreements for the management of national public forests.

Sustainability will be ensured through: a) ICF capacity building; b) improved capacity of the national forest framework, in particular personnel directly involved in the project, to deal with the various requirements and needs of owners and users of public and private agroforestry lands; c) participation of communities and indigenous peoples: besides promoting sustainable forest management with cultural relevance, instruments will be developed to facilitate the work of forest technicians in the areas managed by forest and agroforestry groups that are beneficiaries of the SFS. Since this is part of ICF's mission and of the mission of other forest sector organizations, the continuity of project outcomes is ensured.

It is acknowledged that this is a medium to long term initiative. By the end of the two-year project implementation period, an evaluation will be carried out to fine-tune a post-project strategy based on the following lines of action:

Institutional coordination: ICF and its Atlantic Regional Forest Service will be responsible for leading the project coordination, in order to build the forest-related technical and administrative capacity of forest owners, rural communities and municipal councils (that have public ejido forests), so that they can contribute to improved living standards for their communities. The main activities will include to identify and prioritize the development of processes to strengthen forest management with a view to harvesting LUTS.

Local community involvement to promote and support the identification, localization and mapping of LUTS in their lands, to create and strengthen cooperation, negotiation and dialogue channels among forest sector authorities, community organizations, local development councils, forest consultative councils, water boards, and other stakeholder groups that will receive technical assistance and training from ICF in sustainable forest management with a view to the management and harvesting of LUTS.

Sharing experiences and lessons learned. The project will promote and facilitate the incorporation and sharing of experiences among stakeholders related to the sustainable utilization of LUTS forests, both at the local and national levels. ICF will provide support to the development and management of projects aimed at strengthening municipal and rural community involvement capabilities in the sustainable management of forest resources.

Capacity building. The project will promote capacity building and development through training and technical assistance processes targeting agroforestry land owners, forest producers, timber processors, family micro-enterprises (carpenters, joiners) and small businesses involved in the manufacturing of furniture and other timber items.

Strategic partnerships. The project will work together with other government institutions, national projects and international organizations related to natural resource management. Currently there is work in progress in ICF to enhance community organizations at the national level, as well as local management, and to promote the system of payment for environmental services, management of natural forests for production and protection, land management, establishment of forest plantations and agroforestry systems promoting the production of mahogany and cedar.

At the economic level, the project will develop producers' ability to add value to their resources and good forest management so that they can enter markets that demand sustainable forest management standards, a process that includes technological packages and legal advice, and will be a source of income at the local level. Furthermore, throughout the life of the project, technical personnel will work at identifying market contacts needed in the future. The market is secure and its sustainability is ensured by the development of business management skills.

Regarding environmental aspects, including forest management for the harvesting of LUTS, the project will promote the utilization of non-traditional species among local forest producers, who will implement forest management activities with technical, financial and social support to ensure the sustainable harvesting of forests and the environmental services provided by them.

With regard to social aspects, the project has been designed in a participatory manner and taking into account existing needs and expectations regarding the proposal, and this will ensure the commitment of producers to project activities. Project interventions are based on a facilitation strategy aimed at developing local capacities, technical assistance and empowerment with a view to commercial production.

At the institutional level, the project will promote the involvement of government and organizations in forest management as an aspect of development. It is expected that they will take over the leadership and promotion of the experience in close coordination with local organizations. Communities have a basic organizational structure that will be strengthened by the project´s executing agency, which will ensure institutional sustainability through its experience in forest management and its commitment to the consolidation of the proposal in the community. In other words, ICF is undertaking this project as a part of its vision and mission.

PART 4: IMPLEMENTATION ARRANGEMENTS

4.1 ORGANIZATIONAL STRUCTURE AND STAKEHOLDER INVOLVEMENT MECHANISMS

ICF will be the executing agency in charge of project administration and implementation through its Forest Management and Development Department, and will also be responsible for ongoing coordination with ITTO. ICF will identify and appoint a National Coordinator for the project, whose main role will be to lead and coordinate actions and activities to achieve the intended outcomes of the project.

The beneficiaries of the project include ICF, representing the Government of Honduras, forest communities that are beneficiaries of the Social Forestry System and have been allocated national public forest areas under forest management plans, and municipal councils that own public ejido forests and have forest lands under management plans or have lands with traditional and non-traditional timber species.

Timber processors are also considered to be beneficiaries of the project, in particular micro and small enterprises (carpentry workshops and joineries) using traditional and non-traditional timber species to make, process and market furniture for household purposes and general sale.

Other beneficiary institutions include:

a) Agroforestry producers that natural and planted forests of mahogany, cedar and granadillo in their production systems.
b) Forest and agroforestry producer associations involved in public forest management and conservation;
c) The timber processors' association grouping small and medium timber processing enterprises;
d) Rural organizations that are beneficiaries of the Social Forestry System;
e) Community Forest Consultative Councils that make a municipal and community level contribution to the protection and integrated management of forests and watershed areas;
f) Professional forest associations grouping more than 1000 forestry professionals.

4.1.1 Executing agency and partners

ICF will be the project executing agency as the institution in charge of forest resource administration and management in the country. ICF will appoint a Project Coordinator to organize, plan, coordinate, lead and execute project activities.

ICF's role will include providing guidance for the establishment of the administration and technical team of the project, and selecting and recruiting consultants; planning, monitoring and evaluation of project progress; financial management of the project; implementing project activities; coordinating with stakeholders and the Steering Committee; and submitting reports to ITTO.

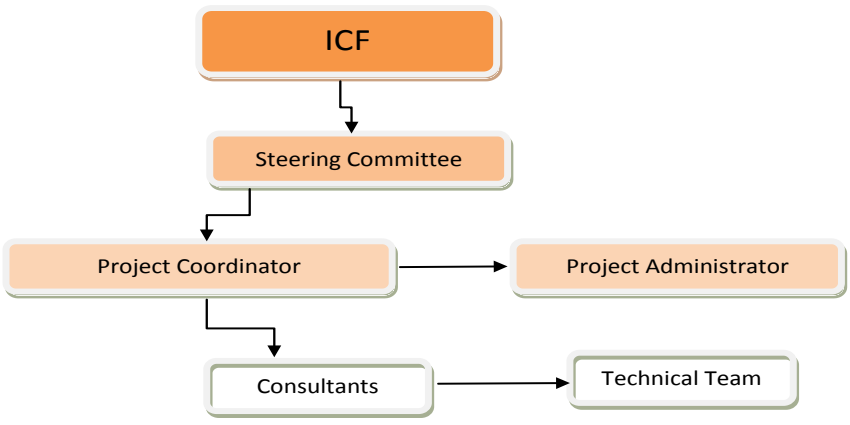
4.1.2 Project management team

Description	Position / role	Funded by	Work base
National Project Coordinator	Responsible for coordination and planning of all project activities	ICF/ITTO	Regional headquarters
Assistant Project Coordinator	Assisting in project coordination	ICF	Regional headquarters
Technician, Department of Forest Management and Development	Project follow-up, monitoring and evaluation	ICF	Regional headquarters
Project Administrator	Responsible for project finances	ICF	Regional headquarters
Executive Secretary	Supporting the Coordinator	ICF	Regional headquarters
Caretaker/Driver	Supporting the project	ICF	Regional headquarters
Local consultants	Providing technical support	ITTO	Regional headquarters

4.1.3 Project Steering Committee

The Steering Committee will issue the relevant invitations to participate in the selection of the National Project Coordinator, technicians and other professionals required by the project. It will also approve the work plan, progress reports, mid-term reports and the final completion report. The Steering Committee will be made up as follows:

- ICF, through the Executive Director who will chair the Committee, with voting rights;
- The Head of the Forest Management and Development Department, with voting rights;
- The Head of the Management, Planning and Evaluation Unit (UPEG) of ICF, with voting rights;
- A representative of the International Tropical Timber Organization (ITTO);
- The Project Coordinator will participate in the Committee but will have no voting rights, and will act as Committee Secretary;
- Two representatives of project beneficiaries, including forest owners and producers, with no voting rights.



4.1.4 Stakeholder involvement mechanisms

The new project will be publicized nationally and, as a result, a consultative committee will be established to ensure the active involvement of stakeholders identified in this process, with a view to developing, throughout the life of the project, a sense of responsibility and empowerment among beneficiaries at every level, incorporating them into this committee, with the responsibilities described below.

The members of the committee will perform the following tasks *ad honorem:*

- Request and receive information on the project;
- All concerns expressed and observations made by this committee may be sent to the Chairperson of the Steering Committee, who in turn will convey them to the other members of the committee;
- Act in a participatory manner in all project processes.

4.2 REPORTING, REVIEW, MONITORING AND EVALUATION

The project will be subjected to ongoing improvement, monitoring and review in accordance with ITTO guidelines for project reporting, monitoring, review and evaluation.

These activities will include:

- Inception Report, once the Government of Honduras has signed the Agreement with ITTO through ICF; to this end, a work meeting will be held with the work team, stakeholders and beneficiaries of the project. The Inception Report for ITTO will be presented at this meeting to confirm the office, bank account, project personnel, and any changes that might be made to the project. This report will set the baseline for the information to be generated once the project has been launched.
- A YPO (Yearly Plan of Operation) will be prepared and submitted to ITTO together with the Inception Report.
- Progress Reports: six-monthly progress reports will be submitted, which will include both technical and financial progress details of the project.
- Technical reports: all technical reports, studies, and documents resulting from project activities will be submitted together with the project completion report.

The Project Coordinator will report to the Project Steering Committee at every stage of the project. The project will include and be the object of technical review missions. In this regard, ITTO will carry out annual reviews that will include field visits and meetings with the Project Steering Committee.

Furthermore, there will be regular financial audits of the project, i.e. audited financial statements of project implementation will be submitted regularly to ensure greater transparency in its implementation. If needed, evaluations can be carried out at any time to obtain information on project progress; in view of its duration and components, it is recommended that a preliminary or mid-term review be carried out in order to correct any unforeseeable occurrence in its implementation.

4.3 DISSEMINATION AND MAINSTREAMING OF PROJECT LEARNING

4.3.1. Dissemination of project results

The strategy for dissemination of project results will include:

- Ongoing involvement of ICF in technical spaces to provide support to project processes;
- Ongoing communication between the National Coordinator and the Project Steering Committee;
- Regular dissemination meetings with the communities in order to communicate project progress;
- Organization of a forum with public and private institutions on the importance of forest management and conservation, with special emphasis on LUTS;
- Publication and dissemination of project outcomes and distribution among key project stakeholders.

4.3.2 Mainstreaming project learning

This project has national relevance because of the importance of its outcomes, of the significant contribution it will make to the sustainable utilization, management and conservation of traditional and non-traditional (lesser used) timber species of commercial and cultural value in the country's forest ecosystems.

Mainstreaming project learning will target political decision-makers so that they can underline the importance of promoting programs and projects for the protection and conservation of forest resources, since the characteristics and direction of this project are in line with various treaties, including the International Tropical Timber Agreement (ITTA), which provides guidelines and commitments for the protection, conservation and sustainable management of natural resources and forests in particular.

Political impact is needed for this kind of project to be implemented in the country in the future, and to make a contribution to the Planning Law, the Country Vision and the National Plan, as indicated in objective 3 of the Country Vision, which defines: "A Honduras that is productive, generator of opportunities and employment, which makes the most of its resources and reduces environmental vulnerability in a sustainable way".

ANNEXES

ANNEX 1. Profile of the executing and collaborating agencies

PROFILE OF THE EXECUTING AGENCY

Under the new Forest, Protected Areas and Wildlife Law, the National Institute for Forest, Protected Area and Wildlife Conservation and Development (ICF) has become the central agency for the national forest sector. It comprises other interrelated institutions such as the Secretariat of Agriculture and Livestock (SAG), the Secretariat of Natural Resources and the Environment (SERNA), the National Agricultural Institute (INA), the Real Estate Institute (IP) and other non-governmental institutions in the environmental and forest sectors of the country.

Legal status

ICF was established through Legislative Decree No. 98-2007 – Forest, Protected Areas and Wildlife Law, passed by the National Congress of the Republic on 28 December 2007. ICF is the institution responsible for the protection, restoration, use, conservation and promotion of sustainable use of forest resources, with a view to promoting sustainable development in accordance with the social, economic, environmental and cultural interests of the country. Furthermore, it is responsible for the administration of public forests, regulation of private forests and the administration of the National Protected Areas and Wildlife System of Honduras (SINAPH). ICF is a decentralized body led by an Executive Director who is appointed by the President of the Republic, at the State Secretary level. ICF is the institution in charge of implementing national policy on forest, protected areas and wildlife conservation and development.

Mission
To ensure the conservation and sustainable use of ecosystems through the enforcement of policies and regulations and providing incentives for investment and involvement.

Vision
To gain national and international recognition as a leading and reliable institution in administration and sustainable management of ecosystems, fostering community involvement.

Overall objective
To develop a participatory, decentralized and efficient management model for forests, protected areas and wildlife, to stop ecosystem degradation processes and encourage investment in conservation, use and sustainable management of natural resources within the framework of current legislation, optimizing economic, social and environmental benefits for society in an equitable manner.

Project implementation
Currently ICF is implementing, coordinating and co-implementing projects in different fields with government and non-government funding, with a view to strengthening the forest sector. The most significant of these projects include:

- Promotion Programme for Sustainable Management of Natural Resources and Local Development in Honduras (PRORENA): Funding comes from the Government of Germany, with national counterpart funds, to support community forest processes.
- Upgrading of the Forest Sector Project (MOSEF): this project provides support to social programmes for forest production and conservation through organizational processes including management of natural resources, funded by the EU.
- Río Plátano Land Management and Environmental Protection Project (PROTEP): funded by German donors (KFW) with national counterpart funds, working on indigenous and Afro-descendant land title rights to the biosphere.
- Water Conservation and Sustainable Management of Natural Resources in the Trifinio Region Programme (CAMARENA) of the Tri-nation Border Development Plan (PLAN TRIFINIO) with a German grant. The Trifinio region strides over the

border between El Salvador, Guatemala and Honduras, and is highly significant for regional biodiversity and water supply; the programme provides support to the agroforestry model (with systems including (a) Special coffee grown in the shade; (b) Avocado and (c) Peaches) and is implemented in 180 small-scale farms in six micro-watersheds, two in each country.

- Programme for Sustainable Tourism Management and Development (PROTUR) in the Trifinio Region (PLAN TRIFINIO), funded by the Inter-American Development Bank.
- Transboundary Biosphere Reserve Project '*Corazón del Corredor Biológico Mesoamericano*' (Mesoamerican Biological Corridor Heart - Proyecto Corazón), funded by GEF/WB and counterpart funds from the Governments of Nicaragua and Honduras; implemented by CCAD, which works in the conservation and sustainable development of the Patuca National Park.
- Project 'Pino Encino' (*Pine-Oak*) to protect and conserve the national pine-oak forest ecosystem in the department of Olancho, within the framework of sustainable forest development and applying an active beneficiary community involvement approach; funded by UNDP.
- United Nations Adaptation Funds Project: incorporated into SERNA, this project consists of 3 major components: a) Incorporating climate change adaptation into national planning; b) pilot actions in the most vulnerable districts of Tegucigalpa; and c) generating climate change adaptation information that is easily accessible by the population. UNDP, Tegucigalpa green corridor, all the protected areas of the central district.

Institutional infrastructure
ICF has the central and regional technical and physical infrastructure needed for the project. It has 12 Forest Regions and 21 Local Offices, and employs 149 forestry professionals.

Budget
The Institution currently operates with a budget of HNL. 358,476.45 million.

Personnel	**Number of Employees**
Permanent	270
Temporary	44
Total	**314**

ANNEX 2. Terms of reference for personnel and consultants funded by ITTO

2.1 National Project Coordinator

General background

ICF is the Honduran institution in charge of implementing national policy on forest, protected areas and wildlife conservation and development; it has the power to develop plans, programmes, projects and technical units to strengthen and enhance forest and protected area administration.

It is in this context that ICF, with financial support from the International Tropical Timber Organization (ITTO), will implement the pilot project for the sustainable management and harvesting of lesser-used timber species in Honduras' moist broadleaved forests with special emphasis on promoting and developing their utilization and marketing.

Several forest and agroforestry development projects have promoted the utilization of high-commercial value timber species throughout the country, such as the Broadleaved Forest Development Project, the Native Broadleaved Forest Species Marketing and Processing project (PROINEL), the Project for the Study on Native Species Behaviour in Honduras' Moist Forests (PROECEN), and CATIE's Project for Human Resource Development in Forest Management (TRANSFORMA), among others.

Aim

To coordinate the pilot project for the sustainable management and harvesting of lesser-used timber species in Honduras' moist broadleaved forests.

Scope of the consultancy

Based on the project proposal, the consultant will have the following duties:

- Coordinate the project at the national level, including all processes throughout the life of the project;
- Ensure inter-institutional coordination between ICF and forest producers and agroforestry groups, as direct project beneficiaries, together with SAG, SERNA, INA and IP;
- Implement monitoring actions and prepare reports on project progress;
- Organize meetings with other consultants for project monitoring and follow-up;
- Coordinate the preparation of the project completion report to be submitted to the ITTO;
- Draft quarterly reports;
- Coordinate and record evaluations and reports as required by ITTO.

Outputs

- Quarterly, annual and final (technical and financial) reports for the project;
- Project evaluation document for the purpose of strengthening the process;
- Minutes/ reports of workshops and meetings.

Requirements

- Professional forest engineer or similar with higher university degree, preferably at the master's level in management of natural resources.
- A minimum of 10 years experience in management and conservation of forests and protected areas.
- Proven experience in management or co-management of forest projects.
- Experience and skill in working with multidisciplinary teams.
- Management of computer packages (Microsoft Office, Excel, etc.).
- Knowledge of ITTO standards and procedures for project implementation and evaluation.

- Ability to work as the leader of multidisciplinary teams and to plan and get results under pressure.
- Excellent public policy coordination and management skills at the national and local levels.
- Vehicle availability.

The Coordinator will be selected and recruited by ICF upon receipt of a no-objection statement from ITTO. She/he will work in close collaboration with UPEG/ICF and will lead the personnel assigned to the project.

Workplace

The consultant's work base will be Tegucigalpa, with travel to various regions in the country to coordinate project activities with the other consultants.

Duration

The appointment will be for (1) year, extendable to a second year.

2.2. Local Technical Officers

Aim
To provide support in all coordination processes of the pilot project for the sustainable management and harvesting of LUTS in Honduras' broadleaved forests**.**

Requirements

- Chartered forest engineer with a minimum of eight years experience in the preparation and monitoring of management plans for production forests,
- Proven 5 or more years experience in technical assistance roles for the management, administration and evaluation of projects.
- In-depth expertise in ITTO and other donor agency guidelines for project formulation, evaluation, monitoring and follow-up.
- Highly skilled in working with multidisciplinary teams and in coordination and management of monitoring and control actions of project cycles.
- Ability for result-based planning and management.
- Experience in the use of monitoring and administrative control tools and systems.

2.3. Project Administrator

Aim
Development and timely, effective and transparent monitoring of administrative, financial and accounting processes of the pilot project for the sustainable protection, management and conservation of forest resources in Honduras' broadleaved forests with an emphasis on threatened high commercial value forest species.

Requirements

- Professional with a university degree in project management, business administration, accounting and economics, specializing in business and accounting.
- Experience in administration and effective and efficient use of financial and economic resources in line with the current legal directives and provisions.

2.4. Executive Secretary

Aim
To provide support to all administrative processes in the pilot project for the sustainable management and harvesting of LUTS in Honduras' broadleaved forests.

Requirements

- Executive secretary with a minimum of five years experience.
- Experience in executive secretarial roles and in administration of development and development cooperation projects.
- Ability to work with multidisciplinary teams.
- Management of computer and accounting packages (Microsoft Word, PowerPoint, etc.).
- Excellent personal and public relations skills.

2.5. Forest consultants

Aim
To provide support to all technical processes in the pilot project for the sustainable management and harvesting of LUTS in Honduras' broadleaved forests.

Requirements

- Forest engineer with a minimum of five years experience.
- In-depth experience in forest management plans and in the monitoring, evaluation, inventory and census of traditional and lesser-used broadleaved forest species.
- Experience in sustainable forest management work.
- Ability to work with multidisciplinary teams.
- Management of computer and accounting packages (Microsoft Word, PowerPoint, etc.).
- Excellent personal and public relations skills.
- Own vehicle.

ANNEX 3. Evaluation of ITTO Expert Panel on ICF's project proposal PD 770/15 (I), Honduras

EVALUATION AND SPECIFIC RECOMMENDATIONS OF THE 49TH EXPERT PANEL	AMENDMENTS AND MODIFICATIONS MADE TO THE CATEGORY 1 PROPOSAL BY ICF-HONDURAS
1. Include the Project Brief	This project has been designed with the primary purpose of implementing promotion, marketing and sustainable management actions for 12 lesser-used timber species (LUTS), which are located in national public moist forest areas managed by ICF's SSF beneficiary organizations, forest owners and forest producers (public forest users and dwellers), among others. These species are mainly found in the departments of Atlantida, Colon and Northern Olancho (Municipalities of San Esteban and Dulce Nombre de Culmi). The **development objective** of the project is to promote the sustainable management and harvesting of LUTS and other timber species of commercial value in public national forests managed by ICF's SSF beneficiary organizations in the target area. **Impact indicators** are that by 2017, this initiative will have contributed to the sustainability and social and economic welfare of communities that depend on LUTS and non-timber forest products for their livelihood, through the promotion of natural moist forest harvesting, utilization, management and marketing on a sustainable basis. The proposal's **primary and secondary stakeholders** include ICF, forest producers, SSF's beneficiary forest owners and agroforestry groups, consultative councils and timber processing companies, among others.
2. Improve the project site map presentation. Delineate the specific project site in the map.	The map was designed based on the evaluation and recommendations of the Expert Panel.
3. In Section 1.1, add elaboration on the status of LUS utilization in the country and related previous work/projects, as well as general problems encountered.	Over the last four decades, broadleaved forests have been socially, economically and environmentally significant in Honduras due to their rich biological diversity and water resources for the supply of water. The deforestation rate in these forests has been estimated at 40,000-50,000 hectares per year (according to Honduran forest assessments by FAO and COHDEFOR in 2006). The loss of these forest resources is caused by the expansion of the agricultural frontier for subsistence purposes, forest fires, coffee growing and illegal logging, among other factors. It should also be stressed that these ecosystems have been subject to selective logging based on four high-value timber species (including mahogany and cedar). Because of this selective logging, the natural economic value of broadleaved forests has been lost at an accelerated rate, as it has limited the harvesting and utilization of potentially valuable lesser-used timber species (LUTS). Thus, between 1997 and 2004, the PROINEL Project was implemented in Honduras with funding from ITTO (Japan) and the governments of the United States, Norway and Honduras, and with AFE-COHDEFOR as executing agency. The aim of this project was to carry out ecological and industrial research as well as marketing and training activities in order to promote the utilization of 25 lesser-used timber species (LUTS) from Honduras. The studies implemented covered an area of approximately 110,000 hectares of tropical forests located in northwestern Honduras, near the town of Ceiba (Department of Atlantida). It is important to point out that the PROINEL Project implemented several studies and publications on the physical properties and potential uses of LUTS in the country. Many of these species showed positive results as compared to traditional species such as mahogany, cedar and redondo, among others. Today these traditional species are still being logged for domestic and external consumption; therefore, if not sustainably managed, their harvesting may endanger the country's ecosystems and biodiversity.
4. In Section 1.3.1, add more information on the geographic location and the project site which include a short description on area's major physical features and ecological characteristics.	The target area of the project proposal "Promotion and Sustainable Management of Lesser-used Timber Species (LUTS) in Moist Broadleaved Forests of the Departments of Atlantida, Colon and Northern Olancho (municipalities of San Esteban and Dulce Nombre de Culmi)" is located along the Caribbean coast of Honduras, with special emphasis on public forest areas managed by forest organizations that are beneficiaries of the Social Forestry System (Sistema Social Forestal – SSF) of the ICF (Forest Statistical Yearbook, ICF, Honduras, 2012-2013). **Physical and ecological characteristics**

a) Department of Atlantida

The department of Atlantida is made up of two distinct physiographic regions – a flat region and a mountainous region. The flat region is made up of eight municipalities, with the most important town being the municipal capital of Ceiba. The department has **a total area of 4,251 km^2** and a total population of 344,099 with a population density of 72.1 inhabitants/km^2. The mountainous region is made up of the Nombre de Dios mountain range, which contains Pico Bonito, the highest peak in the department.

The predominant forest types in the region are mainly moist tropical forests (38.6% of the total area of the department) and a small area of coniferous forests (1% of the total area). There are 18 agroforestry organizations in the department that are part of ICF's Social Forestry System, which benefits 237 people from these organizations (data from ICF's Forest Statistical Yearbook, 2013). The region has a tropical, rainy and temperate climate along the coastal plains and the hydrological system is made up of the Ulua, Lean, Cangrejal, Danto, Cuero, Salado, Papaloteca and San Juan rivers.

The main economic activities of the department include cattle-ranching, forestry, trade, fishing, tourism, port services and agriculture, including crops of bananas, African palm, pineapple, cacao, coconut, sugar cane, coffee and citrus fruits (Source: Data from the 2001 INE census, Honduras).

b) **Department of Colon**.

The department of Colon has **a total area of 8,875 km^2** and a total population of 304,603 with a population density of 29.9 inhabitants/km^2. The department is made up of 10 municipalities and the departmental capital is the city of Trujillo. This mountainous region includes the Esperanza mountain range, which constitutes the natural border between this department and the department of Olancho, and the Agalta mountain range, which branches out into two formations: the Rio Tinto range and the Punta Piedra range.

The predominant forest types in the region are mainly moist tropical forests (48.6% of the total area of the department) and a few small areas of sparsely populated coniferous forests (0.18%% of the total area of the department). There are also 12 agroforestry organizations in the department that are part of ICF's Social Forestry System, which benefits 286 people from these organizations (ICF's Forest Statistical Yearbook of Honduras, 2013).

The hydrological system of the department includes the Aguan or Romano river, the Tinto or Negro river, the Patuca river and the Segovia river, among others. The main economic activities of the department include cattle-ranching, forestry, trade, port services and agriculture, including crops of African palm, bananas, citrus fruits, corn, sugar cane, rice, beans, yucca and plantain (Source: Data from the 2001 INE census, Honduras).

c) **Northern Part of the Department of Olancho (**Data from the 2001 INE census, Honduras and ICF's Forest Statistical Yearbook, 2013).

The department has a total area of 23,905 km^2 (Honduras has 18 departments with Olancho being the largest of these), and a total population of 777,670.

The department has a total of 23 municipalities including San Esteban and Dulce Nombre de Culmi. The physical and ecological characteristics of these two departments are detailed below.

Dulce Nombre de Culmi

The municipality has a total area of 2,925.09 km^2 and a population of 35,674, and it stands at 444 m.a.s.l. The department is located next to the Platano River Biosphere Reserve (a UNESCO World Heritage Site). The predominant forests in the area are moist tropical forests with some pastures/farming areas.

The economic activities in the area include coffee crops, forestry and cattle-ranching, among others, and the municipality is located in a mountainous area. There are 7 agroforestry organizations in the region that are part of the ICF's Social Forestry System, which benefits 251 people from those organizations.

San Esteban

The municipality has a total area of 1,962.34 km^2 and a population of 26,245, and it stands at 454 m.a.s.l. The predominant forests in the area are moist tropical forests with some pastures/farming areas.
The main economic activities are agriculture and cattle-ranching.

5. In Section 1.3.2, explain more specifically the social, cultural, economic and environmental aspects of the target area.

The target area of the project proposal covers the departments of Atlantida, Colon and the northern part of the department of Olancho (municipalities of San Esteban and Dulce Nombre de Culmi), which is dominated by moist tropical forests and rainforests. In order to promote community forest activities in this area, ICF has about 37 community forest organizations that are part of its Social Forestry System (Sistema Social Forestal (SSF), comprising indigenous communities (Garifunas and Pech) and farmers who have been allocated national public forest areas under management (see table below).

Department	Number of ICF's SSF Organizations	Gender		Beneficiaries of ICF's SSF	Comments
		Men	Women		
Atlantida	18	216	21	237	In Atlantida and Colon there are 35 CCCF; 4 CCMF; 1 CCDF
Colon	12	238	48	286	The area of national forest that has been allocated to the 37 SSF Organizations of the ICF covers a total of 84,800 hectares.
Northern Olancho (San Esteban and Dulce Nombre de Culmi)	7	183	68	251	In Olancho there are 19 CCCF and 5 CCMF.
Total	**37**	**637**	**137**	**774**	

Source: Prepared by UPEG/ICF based on data from ICF's Statistical Yearbook 2013.

Note: CCCF: Forest Community Consultative Council; CCMF: Forest Municipal Consultative Council; CCDF: Forest Departmental Consultative Council.

It is also important to point out that at present the main economic activities of the 37 SSF organizations are sawmilling (mainly in Atlantida and Colon), and agroforestry activities, logging/sawmilling and resin tapping in northern Olancho.

6. In Section 1.4, reformulate the expected outcomes where the effect that will be gained by achieving the specific objective of the proposed project is discussed.	It is envisaged that the implementation of this project on the promotion and sustainable management of lesser-used timber species (LUTS) from moist tropical forests will improve the sustainable utilization of species that are currently not being harvested because of a lack of preservation treatments and a lack of technologies and/or management techniques that are suitable for these species. Marketing and promotion activities were key elements in the formulation of the project proposal, and it is expected that project outcomes will include improved data and knowledge, business prospects, prices and competitiveness of the target species and of the timber products developed in international markets with these species, thus ensuring a better quality control of LUTS in the project area. Another important outcome to be achieved with the implementation of the project is a greater supply of tropical timber sourced from forests under sustainable management, resulting from the development of a national strategy for the promotion of LUTS silviculture, management and conservation.
7. In Section 2.1.1, reformulate the institutional set-up and organizational issues in accordance with the ITTO manual for project formulation.	According to the Forest, Protected Areas and Wildlife Law (Decree No. 98-2007), ICF is responsible for implementing the national policy for forest conservation and development, protected areas and wildlife in national, ejido and private forests, in order to develop programs, projects and plans. Thus, according to the legislation, ICF is at the top of the forest institutional framework, which, in addition to ICF, includes other agencies such as SERNA, SAG, IHT, INA, IP, ESNACIFOR, IHCAFE and IHDECOOP. ICF, as the highest forest sector authority, is responsible for enforcing forest standards and regulations regarding forest management and development in the country, under an integrated, inter-institutional approach, including for this project on “promotion and sustainable management of lesser-used timber species (LUTS) in moist broadleaved forests”. For this approach to work, it will be necessary to address existing problems regarding governance and inter-institutional coordination with institutions such as SAG (shifting agriculture, cattle-ranching, etc.), IP (national, ejido and private ownership), INA (land reform beneficiary rural groups) and IHCAFE (coffee producers and exporters), among others. ICF has two operational departments relevant to the implementation of this project. The Forest Management and Development Department has technical representation in the country’s 12 forest regions (including the departments of Atlantida, Colon and Northern Olancho) to enforce Forestry Law provisions regarding the approval, supervision and monitoring of Forest Management Plans (FMPs) and Operational Management Plans (OMPs) in national and private forests, as well as the registration of timber industries, certification of plantations, reforestation through the planting of traditional and non-traditional species, and approval, supervision and monitoring of forest management contracts with Agroforestry Groups of the Social Forestry System (SFS) in national forests. In addition to the above department, ICF, for the implementation of this proposal, has a Community Development Department, which also has technical representation in the 12 forest regions of the country. The role of this Department is to organize, train and develop SFS beneficiary forest groups settled in national forests throughout the country. ICF has good coordination links with local governments (municipalities) in the project target area. As stipulated by law, the area has 64 Consultative Councils (including community, municipal and departmental councils), which propose social monitoring and supervision actions on public and private forest management.
8. In Section 2.1.2, add a paragraph on the participatory approach on analyzing the stakeholders.	Primary stakeholders such as the ICF, forest producers, private forest owners and agroforestry groups that are beneficiaries of ICF’s Social Forestry System through public forest management agreements will be the main beneficiaries of this LUTS project proposal. Based on the above, ICF will be the executing agency of this project as it is the administrator and regulator of national forests subject to harvesting (area of influence) for aspects such as the promotion of LUTS management and utilization, among others. To this end, **ICF** has technical staff in the Atlantida (headquarters in the city of La Ceiba) and Olancho forest regions. Furthermore, ICF and the municipalities, professional foresters’ associations, SERNA, coffee growers’ associations and the representatives of associations of private forest owners, are all part of the **municipal and departmental Community Consultative Councils**, which will provide support for decision-making and for the implementation of this project.

	SSF's agroforestry groups will also play a major role in the implementation and achievement of project objectives as they are mainly based in national production forests and, therefore, these groups will improve the competitiveness of lesser-used timber species (LUTS) in the market. The remaining stakeholders, such as IHCAFE, timber processing companies, other farmer organizations and academia (CURLA, ESNACIFOR and ENA) located in the project area, will provide support in the evaluation, implementation and development of local capacities, the establishment of forest businesses based on non-traditional timber species, etc. Finally, after project completion, both primary and secondary stakeholders will be provided with information about the outputs and activities implemented in the communities involved in the whole process.
9. In section 2.1.3, reformulate the problems analysis. In corresponding with the problem tree, explain more its major elements (core problem, causes and effects).	The main problem to be addressed in this project proposal is that there is very limited lesser-used timber species (LUTS) promotion, management and harvesting being carried out in the departments of Atlantida, Colon and northern Olancho. This is mainly due to the fact that there is poor knowledge and information available on the use, silviculture and economic potential of these species and, as a result, these forests are not being managed in a sustainable and rational manner. One of the main causes of forest degradation is considered to be the natural regeneration imbalance caused by the non-harvesting of all the species found in these forests. Furthermore, this degradation is compounded by the limited promotion of timber production from legal sources (certified timber) and poor promotion of the use of LUTS. Finally, there are no sustainable forest management incentives for both SSF beneficiary agroforestry groups and the local communities. It is important to emphasize that in addition to the above there are also other secondary causes. For example, the high cost of LUTS and the threats to the income of ICF's SSF beneficiary agroforestry groups are due to a number of inefficiencies in forest harvesting activities, among other things. The most serious problem in this regard is the lack of an integrated forest management plan together with the lack of technical services in the project area to improve timber hauling and transport operations, which often lead to a major part of the timber logged being left in the forest to rot. Based on the above, it can clearly be stated that the limited promotion of LUTS management and harvesting activities in the departments of Atlantida, Colon and northern Olancho in Honduras has the following negative effects on tropical moist forests: i) illegal logging and trade of high-value species such as cedar, mahogany and granadillo, among others; ii) degradation of forests, watershed areas and micro-basins as well as environmental issues; iii) land use changes (shifting agriculture, etc.) and social challenges in forest protection.
10. In Section 3.2, rephrase the paragraph to be more informative.	Since its inception approximately 8 years ago, ICF has always used a **participatory approach** with different forest sector stakeholders (forest producers, owners of private forests, SSF agroforestry groups and timber processing companies, among others) in the implementation of various project proposals financed with international cooperation funds (ITTO, IADB, GIZ, WB, USAID, among others). To this end, this project proposal on the "promotion and management of lesser-used timber species (LUTS)" is designed to further extend the close cooperation with all stakeholders involved in the tropical forest management and harvesting value chain. All relevant stakeholders were consulted for the formulation of this project proposal and the same participatory approach will be used in the implementation of the project so as to ensure an improvement in the management and utilization of tropical forests in the departments of Atlantida, Colon and northern Olancho in Honduras. Thus, throughout the implementation period, the project will seek to broaden and deepen the participation of relevant institutional and community stakeholders in the project area by providing training in the management, harvesting and marketing of LUTS, and developing methodological guides of good silvicultural practices and technical fact-sheets for LUTS. Field trips will also be organized for traditional and non-traditional timber processors (industrialists, carpenters, etc.) so that they will also contribute to the utilization and marketing of these

	species. The objective of this approach is to ensure the achievement of project objectives and to raise awareness and change schemes that are detrimental to the environment. The direct participation of primary beneficiaries in the project will be ensured through the promotion and sustainable management of LUTS that are currently underutilized and are not providing benefits through their harvesting. The project executing agency will work in close cooperation with primary and secondary stakeholders in all project activities. A social audit approach will be implemented in the monitoring and follow-up of all planned activities.
11. In Output 3, merge Activity 3.1.1 and Activity 3.1.2.	In order to ensure that the implementation of silvicultural practices and measures have a positive impact on the protection, management, sustainable utilization and conservation of LUTS, the following activities and outputs are envisaged:
12. Rearrange the budget by the inclusion of auditing costs and increasing costs for project monitoring and administration (ITTO monitoring and review= USD18,000; ITTO final evaluation= USD15,000).	ITTO 142200 ITTO Admin. costs (12%) 21024 ITTO monitoring and review 18000 Final evaluation 15000 ICF/Gov't 52400 Total 248,624
13. Include an Annex that shows the overall assessment and specific recommendations of the Forty-ninth Expert Panel and respective modifications in tabular form. Modifications should also be highlighted (bold and underline) in the text.	Annex included and modifications highlighted in red and bold.
Category 1: The Panel concluded that the proposal could be commended to the Committee with incorporation of amendments.	We hope the proposal will be approved and funded by ITTO so as to benefit moist broadleaved forests in Honduras, particularly in the departments of Atlantida, Colon and Northern Olancho (Municipalities of San Esteban and Dulce Nombre de Culmi).