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ANNEX I

to the Commission Implementing Decision on the financing of the annual action plan part II in favour of the Americas and the Caribbean for 2022

Action Document for Five Great Forests of Mesoamerica

ANNUAL

This document constitutes the annual work programme within the meaning of Article 110(2) of the Financial Regulation, within the meaning of Article 23(2) of the NDICI-Global Europe Regulation.

1 SYNOPSIS

1.1 Action Summary Table

1. Title CRIS/OPSYS business reference Basic Act	Five Great Forests of Mesoamerica OPSYS number: ACT-61449 Financed under the Neighbourhood, Development and International Cooperation Instrument (<u>NDICI-Global Europe</u>)
2. Team Europe Initiative	Yes.
3. Zone benefiting from the action	The action shall be carried out in Mexico, Belize and the Central American region.
4. Programming document	<ul style="list-style-type: none"> ○ The Americas and the Caribbean Regional Multi-Annual Indicative Programme 2021-2027¹ <ul style="list-style-type: none"> ○ Mexico Chapter ○ Central American sub-window ○ Belize Multi-Annual Indicative Programme 2021-2027 ○ Republic of Costa Rica Multi-Annual Indicative Programme 2021-2027 ○ Republic of El Salvador Multi-Annual Indicative Programme 2021-2027 ○ Republic of Guatemala Multi-Annual Indicative Programme 2021-2027 ○ Republic of Honduras Multi-Annual Indicative Programme 2021-2027 ○ Republic of Nicaragua Multi-Annual Indicative Programme 2021-2027
5. Link with relevant MIP(s) objectives / expected results	<ul style="list-style-type: none"> ○ Americas and the Caribbean Regional Multi-Annual Indicative Programme 2021-2027 <ul style="list-style-type: none"> ○ Priority area 1 - Green Transition. Specific Objective 2: To strengthen protection and conservation of land/forest and marine ecosystems and their biodiversity, including through Earth observation and digital data. ○ Central American sub-window. Area a - Green and Blue recovery. Specific objective 1: To increase resilience of livelihoods and ecosystems in Central America. ○ Mexico Chapter. Priority area 2 - Green Global challenge. Objective: to promote the main concepts of the European Green Deal and Green Recovery contributing to Mexico's increase in ambition and effectiveness of its NDCs

¹ C(2021)9356, 13.12.2021

	<p>(Nationally Determined Contributions), while ensuring adaptation and increased resilience to climate change.</p> <ul style="list-style-type: none"> ○ Belize Multi-Annual Indicative Programme 2021-2027 <ul style="list-style-type: none"> ○ Priority area 1 - Green growth and sustainable socio-economic development. Specific Objective A: Socio-economic development of the southern districts of Belize fostered by promoting a green model of development. ○ Republic of Costa Rica Multi-Annual Indicative Programme 2021-2027 <ul style="list-style-type: none"> ○ Priority area decarbonisation and climate change ○ Republic of El Salvador Multi-Annual Indicative Programme 2021-2027 <ul style="list-style-type: none"> ○ Priority Area 2. Green Transition ○ Priority Area 3. Good Governance and Human development ○ Republic of Guatemala Multi-Annual Indicative Programme 2021-2027 <ul style="list-style-type: none"> ○ Priority area 1. Green Deal. Specific Objective 2: Guatemala fulfils its international obligations and addresses its sustainable development needs with regard to climate change and environmental protection. SDG 5 “Gender Equality”, 13 “Climate Action”, SDG 15 “Life on Land”, SDG 16 “Peace, Justice and Strong Institutions” ○ Republic of Honduras Multi-Annual Indicative Programme 2021-2027. <ul style="list-style-type: none"> ○ Priority area 1. Sustainable Management of Natural Resources and Climate Change. SO 1: Land Use, Land-Use Change and Forestry (LULUCF) emissions reduced and carbon absorbed compared to Business as Usual (BAU) ○ Republic of Nicaragua Multi-Annual Indicative Programme 2021-2027 <ul style="list-style-type: none"> ○ MIP Nicaragua: Priority area 1. Environment and climate change adaptation/mitigation. Specific Objective 1: To increase environmental and biodiversity protection for a sustainable ecological development and as a response to climate change
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	Green Transition
7. Sustainable Development Goals (SDGs)	Main SDG: 15 (Life on Land) Other significant SDGs: SDG 5: Gender Equality SDG 12: Sustainable Production and Consumption SDG 13: Climate Action SDG 16: Peace, Justice and Strong Institutions
8 a) DAC code(s)	31210 – Forestry policy and administrative management 31110 – Agricultural policy and administrative management 41030 – Biodiversity
8 b) Main Delivery Channel	Third Country Government (Delegated co-operation) 1300 Non-Governmental Organisations (NGOs) and Civil Society 2000
9. Targets	<input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input checked="" type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input checked="" type="checkbox"/> Human Rights, Democracy and Governance

10. Markers (from DAC form)	General policy objective @	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Climate change adaptation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	11. Internal markers and Tags:	Policy objectives	Not targeted	Significant objective
Digitalisation @		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
digital connectivity digital governance digital entrepreneurship digital skills/literacy digital services		YES <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	NO <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	
Connectivity @		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
digital connectivity energy transport health education and research		YES <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NO <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	
Migration @ (methodology for tagging under development)		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reduction of Inequalities @ (methodology for marker and tagging under development)		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BUDGET INFORMATION				
12. Amounts concerned	<p>Budget lines:</p> <p>14.020140 – EUR 25 000 000</p> <p>14.020141 – EUR 500 000</p> <p>Total estimated cost: EUR 25 500 000</p> <p>Total amount of EU budget contribution EUR 25 500 000²</p> <p>This action may be co-financed by perspective implementing partners (including agencies of Spain and Germany). EU Member States fund complementary actions that might become part of a TEI including France, Sweden, Luxembourg and Italy.</p>			
MANAGEMENT AND IMPLEMENTATION				
13. Type of financing	<p>Direct management through:</p> <p>Grants</p> <p>Procurement</p> <p>Indirect management with entities to be selected in accordance with the criteria set out in section 4.3.2</p>			

1.2 Summary of the Action

There is a growing recognition among countries and stakeholders that joining efforts around the sustainable management and conservation of the Five Great Forests of Mesoamerica presents a unique opportunity for a paradigm shift; in which, climate, biodiversity, sustainable forestry, and human development are addressed jointly to ensure a better future. There are several very relevant initiatives from Mesoamerican countries, indigenous peoples and local communities, NGOs, EU cooperation, other donors and private sector that contribute to this ambition. However, efforts are scattered and disconnected, weakening their effectiveness.

The Action aims to enhance the protection and sustainable use of the Five Great Forests of Mesoamerica and other relevant forest areas such as Trifinio³. It will follow a multi-pronged approach, simultaneously strengthening forest governance, improving sustainable forest management, protecting biodiversity, addressing climate change, fostering sustainable livelihoods and trade, reducing inequalities, and benefitting local people – especially those living in the most vulnerable situations. The action will focus on four components: 1) Data for Transparency and Decision Making, 2) Forest Governance and Biodiversity, 3) Sustainable Production and Trade, and 4) Environmental Rights and Defenders.

It will contribute to the establishment of multi-country multi-actor partnerships for the exchange of experiences and cross-learning among countries, as well as a harmonised approach in the identification and scale up for solutions to the common problems that affect these transboundary forests. These partnerships include governments, indigenous peoples and local communities, NGOs and the private sector, among other relevant stakeholders. In particular, this action seeks to catalyse EU and EU Member States' support to scale up and further alliances with key actors that have already been built with EU support⁴ around the Five Great Forests' Initiative, with the Central American Commission for Environment and Development (CCAD), Wildlife Conservation Society, and Mesoamerican Alliance of Peoples and Forests. These actors have actively engaged with Central American governments to seek financing for the Five

² The distribution of contributions is: Belize EUR 0.5 M, Central American sub-window EUR 12 M, Costa Rica EUR 0.5 M, El Salvador EUR 1.5 M, Guatemala EUR 3 M, Honduras EUR 5 M, Mexico EUR 2 M and Nicaragua EUR 1 M.

³ References to the Five Great Forests in this Action Document should be understood to include other relevant forest areas such as Trifinio. While they do not officially form part of the Five Great Forests, they are relevant to achieving the objectives of the action.

⁴ EUR 4.15M grant to Wildlife Conservation Society funded by DeSIRA programme.

Great Forests' initiative from other sources, including philanthropic organisations and from the Green Climate Fund, that is currently considering a proposal with strong complementarities with this action.

The added value of this initiative lies in integrating and complementing EU-funded bilateral actions in order to create a more visible and broadened engagement with the region, facilitating a more integrated geographic and sectorial approach, a closer coordination with EU Member States, and a more structured support to civil society and environmental defenders. This approach will create the conditions for a strengthened policy dialogue engagement with the region, the national governments and the private sector on the core principles of the EU Green Deal, leveraging the platforms of the Association Agreements with Central America and Mexico, the draft EU regulation on deforestation-free products, and complementing other climate diplomacy, finance and forest initiatives.

The Action is fully aligned with the priority area 1: Green Transition, of the regional MIP 2021-2027. It will be executed applying a multi-country approach, in which funds from the Central American sub-window of the LAC MIP are combined with funds from bilateral MIPs of the countries concerned by the action. Thus, its design will maximise synergies with other bilateral, continental and thematic programmes (such as EUROCLIMA+, Global Europe Human Rights and Democracy, Green Development Fund for SICA Region, etc.).

The Action will provide a coherent framework to align and highlight EU's global contribution to the protection of the region's last remaining large forests, which are essential to achieving the region's commitments on climate change, biodiversity and sustainable development. Hence, it will directly contribute to SDG 5 (Gender Equality), SDG 15 (Life on Land), and will make a significant contribution to SDG 12 (Sustainable Production and Consumption), SDG 13 (Climate Action) and SDG 16 (Peace, Justice and Strong Institutions). It is aligned with DAC markers on participation development/good governance, aid to environment and trade development. And contributes to Río Convention Markers on biological diversity, climate change mitigation and climate change adaptation. It also contributes to the internal marker on digitalisation. The action will contribute to the implementation of the Gender Action Plan III, particularly to its thematic area of engagement "Addressing the challenges and harnessing the opportunities offered by the green transition".

2 RATIONALE

2.1 Context

Political Context

- The Central America sub-region is at a very difficult juncture where vulnerability to climate change and economic cycles combine with increasing inequalities as well as a worrying deterioration of democratic checks and balances and rule of law in a number of countries. In this context, a scenario of no further integration or no investment in the regional agenda will exacerbate many of these negative trends. There are areas in which the integration process has not stopped in spite of high-level political differences, and that have a potential to deliver in the future. Economic integration, climate change and environment are clear examples, others such as digital transformation are at a more nascent stage. The EU is in a privileged position to combine its political and trade leverage with Global Europe financial resources, to nurture these positive forces to reinforce their projection in the region and internationally.
- The proposed action fully responds to high-level commitments and priorities identified by the countries involved, which are reflected in the Five Great Forests of Mesoamerica Initiative, the AFOLU 2040 Strategy⁵ and the Mechanism for Dialogue and Concertation of Tuxtla – specifically the Mesoamerica Project⁶.
- All countries involved have identified reduced deforestation as a priority in the context of NDC implementation and/or national REDD, climate and biodiversity strategies. Moreover, improving the well-being of inhabitants is a key and cross-cutting element of national and regional public policies. The NDC Partnership's Gender Strategy supports the inclusion and implementation of gender-responsive actions in NDCs. The actions and

⁵ The AFOLU initiative aims to build regional resilience in SICA countries with a synergistic approach between mitigation and adaptation. It is key to ensure the sustainable management of forests and sustainable agricultural production as strategic development resources for Central America and the Dominican Republic.

⁶ <http://www.proyectomesoamerica.org/index.php/ejes-de-trabajo/eje-social/medio-ambiente>

targets included in the updated NDC for Belize, for example, have undergone a gender and vulnerable group scoring analysis.

- The EU global leadership on fighting climate change, deforestation and biodiversity loss is widely recognised in the region. In different forms, all of the countries in Mesoamerica will receive support under NDICI-Global Europe to contribute to objectives related to the Green Deal, and in particular to the fight against biodiversity loss, deforestation and forest degradation.
- Countries have recognised the EU as a partner of reference in regional processes. The EUROCLIMA+ pavilion at UNFCCC COP25, for example, hosted the launch of the Five Great Forests Alliance and in the following years, the programme has held other bi-regional dialogues among authorities on climate change and biodiversity issues. Another example is that of Honduras, the first country in Central America (and Latin America) to sign and ratify a Forestry Law Enforcement Governance and Trade (FLEGT) Voluntary Partnership Agreement (VPA) in 2021.
- The Escazú Agreement is so far the only agreement derived from the Conference of Nations on Sustainable Development and the first treaty on environmental matters in Latin America and the Caribbean. Five Central American countries have signed the agreement (Guatemala, Belize, Nicaragua, Panama and Costa Rica) but only two have ratified it (Nicaragua and Panama). Its importance lies in the fact that it guarantees the full and effective implementation of the rights of access to environmental information, supports public participation in decision-making processes on environmental issues, favours access to justice in environmental matters, and supports the creation of instruments that allow the protection and security of environmental defenders.
- In the spirit of Global Gateway, the proposed action seeks to support connectivity between ecosystems, and very importantly, also between initiatives implemented at national and local level. This brings substantial advantages in terms of developing a common and easily identifiable narrative for EU support to biodiversity in the region, increasing its impact and generating spaces for policy dialogue. The proposed action is carefully designed to be complementary and generate value added for EU-supported activities at national level.

EU Political Priorities

- This action is fully aligned with the 2019 EU communication on stepping up EU action to protect and restore the world's forests. The objective of the communication is to protect and improve the health of existing forests, especially primary forests, and significantly increase sustainable, biodiverse forest coverage worldwide.
- It is also in line with the EU Forest Law Enforcement Governance and Trade (FLEGT) Action Plan (2003), which constitutes the key EU policy against illegal logging and associated trade. The FLEGT Action Plan includes a wide range of measures aimed at bringing together governments and stakeholders to address jointly illegal logging and its associated trade. The keystone of this approach are the Voluntary Partnership Agreements (VPAs). VPAs are legally binding trade agreements concluded between the EU and interested Partner countries that aim at a transformational change by addressing the root causes of illegal logging and ensuring trade in legally and sustainably harvested timber. The VPA Honduras was ratified by both Parties in 2021 and is the first VPA in Central and Latin America.
- The EU has committed to the promotion and use of the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forest in the Context of National Food Security (VGGT). The VGGT Guidelines set out principles and standards for practices in the responsible governance of tenure of land, fisheries and forests, with respect to all forms of tenure: public, private, communal, indigenous, customary, and informal.
- These high ambitions on forests are coherent with the European Green Deal and they call for implementing actions such as the new EU Forest Strategy for 2030 and for increasing EU engagement with partner countries to achieve its ambitious climate change and biodiversity objectives. The proposed action also supports the EU Global Forests Finance Pledge of the UNFCCC COP 26 and the Fit for 55 Package.
- In addition, the action components are fully aligned with EU priorities on:
 - Digitalisation, by applying a Digital4Development approach for a transformational effect on achieving the UN Sustainable Development Goals and aligned to the Global Gateway.
 - Biodiversity, by contributing to the external dimension of the EU Biodiversity Strategy 2030, which contains specific commitments and actions to be delivered in the next decade, especially in the field of protected areas and ecosystems restoration.
 - Farm to Fork food systems, by contributing to reduce the environmental and climate impact of primary production whilst ensuring fair economic returns for farmers. As well as to the objectives of the proposed regulation on deforestation-free products.

- Environmental Rights, in line with European Parliament resolution of 19 May 2021 on the effects of climate change on human rights and the role of environmental defenders on this matter (2020/2134(INI)). And to the commitment to support actions that facilitate the implementation of initiatives that correspond to the spirit and the letter of the Escazú Agreement on access to information, public participation, justice in environmental matters protection and security of environmental defenders. As well as to complement actions of governments and the civil society on the ground.
- Indigenous Peoples' rights, in line with the 2017 Council Conclusion on Indigenous Peoples and the Joint Staff Working document on implementing EU External policy on Indigenous Peoples.
- The UNFCCC recognises the link between gender and climate since 2001 (Decision 36/CP.7), focusing on formally addressing representation and participation of women. The five-year Enhanced Lima Work Programme on Gender (LWPG) and its gender action plan (Decision 3/CP.25), build further on these engagements. The Paris Agreement and its implementation guidelines also recognise gender equality and women's empowerment as guiding principles for climate action.
- The action is also aligned with the EU-Central America and EU-Mexico Association Agreements, especially its Trade and Sustainable Development provisions. The EU partnership with Central America supports intra-regional integration, cooperation with key partners and bi-regional dialogue, focusing on the processes with the greatest potential to deliver on the SDGs through a multi-country approach. The Action will directly contribute to SDG 12. Sustainable Production and Consumption, SDG 13. Climate Action, SDG 15. Life on Land and SDG 16 Peace, Justice and Strong Institutions.

2.2 Problem Analysis

Although the Mesoamerican biodiversity hotspots cover less than 0.5% of the land on the planet, it contains 7-10% of all known life forms, including 17% of all terrestrial species (CEPF 2004)⁷. The region is among the most biologically diverse on the planet. The Five Great Forests of Mesoamerica (covering south-east of Mexico, Belize, Guatemala, Honduras, Nicaragua, Costa Rica, and Panama) hold about half the region's forest carbon stocks, helping to curb climate change, and are also critical for wildlife and people. They provide water, clean air, food security timber and non-timber products, and other vital natural resources to 5 million people. Indigenous and local communities occupy 48% of the forests of Central America, the presence of these communities has allowed the conservation of these ecosystems. Two of the environmental services generated by indigenous and Afro-descendant communities are the conservation of critical points or hotspots of threatened global biodiversity in Central America and the maintenance of carbon stocks generated by forests within their territory; Both services are essential for the strategies to combat climate change and the conservation of biodiversity.

Nevertheless, Mesoamerica is highly exposed, vulnerable and strongly impacted by climate change, a situation amplified by inequality and gender discrimination, poverty, population growth and high population density, land use change (particularly deforestation and forest degradation with the consequent biodiversity loss), soil degradation, and high dependence of national and local economies on natural resources for production of commodities (IPCC 2022)⁸. This is compounded by weak capacities to enforce environmental legislation in order to stop illegal deforestation and invasion of lands, the presence of organised crime (connected to drug trafficking), the migration crisis and increased violence against human rights and environmental defenders. Moreover, women are often impacted disproportionately by the effects of vulnerabilities (in areas such as agriculture, biodiversity, forest, etc.) and are prevented from participating equally in related governance processes and decision-making for multiple reasons, including harmful gender norms, inadequate legal frameworks, low access to education and land ownership.

As a result, the last remaining forests are being destroyed at an alarming rate; three of Mesoamerica's Five Great Forests were reduced by more than 23% since 2000, mostly as a result of agricultural activities and especially illegal cattle ranching for export. Moreover, Mesoamerican countries have the highest per capita rate of violence against environmental defenders in the world (Global Witness 2021)⁹.

⁷ https://www.cepf.net/sites/default/files/final.mesoamerica.northernmesoamerica.ep_.pdf

⁸ <https://www.ipcc.ch/srccl/chapter/summary-for-policymakers/>

⁹ <https://www.globalwitness.org/en/>

Nevertheless, there is a growing recognition among countries and stakeholders that joining efforts around the sustainable management and conservation of the Five Great Forests of Mesoamerica presents a unique opportunity for a paradigm shift; in which, climate, biodiversity, sustainable forestry, and human development are addressed jointly to ensure a better future. There are several and very relevant initiatives from countries, indigenous peoples and local communities, NGOs, EU cooperation, other donors and private sector that contribute to this ambition. However, efforts are scattered and disconnected, weakening their effectiveness.

The Action aims to enhance the protection and sustainable use of the Five Great Forests of Mesoamerica through the establishment of multi-country multi-actor partnerships for the exchange of experiences and cross-learning among countries, as well as a harmonized approach in the identification and scale up for solutions to the common problems that affect these transboundary forests of Mesoamerica. These partnerships include governments, indigenous peoples and local communities, NGOs, women's organisations, private sector, among other relevant stakeholders. It will focus on four key areas: 1) Data for Transparency and Decision Making, 2) Forest Governance and Biodiversity, 3) Sustainable Production and Trade, and 4) Environmental Rights and Defenders.

Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:

The ongoing Five Great Forests project is implemented by Wildlife Conservation Society (WCS) with the Central American Commission for Environment and Development (CCAD) and Mesoamerican Alliance of People and Forests (AMPB). They have promoted the initiative at local and international level, including at the UNFCCC COPs in Glasgow and Madrid, and are also the driving force behind a complementary proposal that is now under consideration by the Green Climate Fund. These organisations have been part of the identification and formulation of this action since the onset and it is expected that they will continue to play a key role within their respective mandates as part of the different components of this action.

Other key stakeholders include:

- Ministries or agencies of Environment, Agriculture, Forestry, Climate Change, Trade and Finance. Due to its legal mandate on environmental data, biodiversity, sustainable production and trade.
- National Agencies, Academic Institutions and Research Centres related to environmental data management.
- Other regional bodies such as, Central American Agricultural Council (CAC), Central American Economic Integration System (SIECA) and International Regional Organization for Agricultural Health (OIRSA) and *Proyecto Mesoamerica* (high-level political dialogue mechanism).
- Indigenous peoples and respective organisations, important partners in biodiversity conservation, as their territories, can be considered as “Other Effective Conservation Measures” (OMEC). For example, Central American Indigenous Council (CICA), Central American Indigenous and Peasant Coordinator of Communal Agroforestry (ACICAFOC) and national and local indigenous organisations.
- Civil society organisations working on biodiversity, sustainable production, environmental rights, women participation, etc. Including international environmental NGOs and investigation centres such as the International Union for Conservation of Nature (IUCN), Alliance of Bioversity International and CIAT, ReWild, Forests of the World, etc.
- Chambers of commerce and private sector organisations representing producers and exporters.
- Development Banks and International Financial Institutions.
- EU key stakeholders include MS agencies as described above, but also line DGs TRADE, AGRI, ENV, DEFIS and JRC through the EU Space programme for Earth Observation.

The participation of these stakeholders is critical in information and knowledge-gathering, cross learning, harmonisation and decision-making to ensure effective implementation of actions for the protection and sustainable use of the forests of Mesoamerica.

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The Overall Objective (Impact) of this action is to enhance the protection and sustainable use of the Five Great Forests of Mesoamerica.

The Specific Objectives (Outcomes) of this action are to:

1. Strengthen evidence-based decision-making and transparency in the Five Great Forests of Mesoamerica.
2. Improve governance mechanisms and capacities for biodiversity conservation and sustainable production and trade in the Five Great Forests of Mesoamerica, fostering a more equitable and gender-balanced involvement of all stakeholders.
3. Ensure a more safe and supportive environment for those who defend the environment, land rights and indigenous people's rights in the Five Great Forests of Mesoamerica.

The Outputs to be delivered by this action contributing to the corresponding Specific Objectives (Outcomes) are

- 1.1 Strengthened multi-country multi-actor partnerships on the availability and use of data for evidence-based decision-making and transparency in the Five Great Forests of Mesoamerica.
- 2.1 Upscaled transformative multi-country multi-actor initiatives for forest governance, conservation and restoration of biodiversity and ecological connectivity of the Five Great Forests of Mesoamerica.
- 2.2 Upscaled transformative multi-country multi-actor initiatives for deforestation-free and low carbon production and sustainable trade in the Five Great Forests of Mesoamerica.
- 3.1 Strengthened multi-country multi-actor mechanisms for a safe and supportive environment for those who defend the environment, land rights, women's environmental rights and indigenous people's rights in the Five Great Forests of Mesoamerica.

3.2 Indicative Activities

Activities relating to Output 1:

- 1.1.1 Technical assistance and capacity building to develop quality and transparent data sets for specific applications at multi-country level (e.g. early warning systems for deforestation alerts; climate finance; forest fires; certify deforestation free territories; Agriculture, Forestry and Other Land Use Measurement, Reporting and Verification (AFOLU MRV); Nationally Determined Contributions (NDCs); supply chain transparency and traceability, etc).
- 1.1.2 Technical assistance to harmonise regional data on forest monitoring¹⁰ and making it available through existing platforms (e.g. CCAD Environmental Observatory and Mesoamerican Virtual Centre of Excellence in Forest Monitoring).
- 1.1.3 Capacity building and training on the use of this data by relevant stakeholders (ministries of environment and forestry, ministries of finance, indigenous communities, CSOs, etc.) for its widespread use in decision-making, policy advocacy and awareness raising.
- 1.1.4 Increasing capacity and co-producing knowledge with smallholders, women's organisations, local communities and Indigenous Peoples for forest monitoring.
- 1.1.5 Strengthening regional academic and government networks on forest monitoring using satellite data (e.g. Copernicus), remote sensing tools, machine learning and online processing resources.
- 1.1.6 Awareness raising and capacity building on the relevance of transparent, reliable and open data as well as information on laws and regulations relating to the forest sector.
- 1.1.7 Promote inter-institutional and multi-country agreements on transparent and open data on forests using common standards. And foster links to and coordination with global data sets, observation platforms and users (e.g. global forest watch, Trase, Forest500, RSPO, Tropical forest alliance 2020, etc.).

¹⁰ Among data to be monitored it should be included: description of the forests covered (area, forest condition, classified use), the harvesting operations and timber tracking, the location of concessions and property rights/ownership on forested area, etc.

Activities relating to Output 2:

- 2.1.1 Support governments/states and indigenous peoples and local communities (IPLCs) to improve and harmonise institutional and regulatory frameworks to discourage drivers of deforestation and forest degradation and encourage forest and biodiversity conservation and their sustainable use, favouring a landscape approach at transboundary level.
- 2.1.2 Promote solutions to address deforestation drivers such as illegal logging and the associated trade, unsustainable farming practices, illegal cattle raising and ranching, among others.
- 2.1.3 Identify, support and upscale multi-country initiatives for smart conservation and sustainable management of species of eco-systemic interest - threatened and in danger of extinction, and increasing wildlife protection measures.
- 2.1.4 Support multi-country multi-sector networks working on biodiversity in the Five Great Forests of Mesoamerica.
- 2.1.5 Awareness raising and capacity building to recover and protect ancestral knowledge in partnership and consultation with Indigenous Peoples, promoting its use towards effective conservation and contributing to a sense of ownership and the respect of free, prior and informed consent processes.
- 2.1.6 Awareness raising and capacity building on forest governance, biodiversity and ecosystems services sustainable management and monitoring.
- 2.1.7 Promoting girls' and women's participation and leadership in order to ensure gender-responsive strategies to sustainable management of natural resources, and related inter-sectional issues (especially underrepresented groups such as indigenous and Afro-descendant women)
- 2.1.8 Assess the role of protected areas in order to improve protected area management effectiveness, with an emphasis on transboundary approaches.

Activities relating to Output 3:

- 3.1.1 Improve institutional, regulatory and traceability frameworks to move towards bio economy, low carbon and deforestation-free supply chains in line with the AFOLU 2040 initiative and the proposed EU Regulation on deforestation-free products; with special attention to mitigating negative impacts on small-medium producers and consultation and engagement with indigenous peoples.
- 3.1.2 Identify, support and upscale existing experiences on sustainable production, low carbon production and deforestation free value chains, while protecting biodiversity and promoting women's active involvement.
- 3.1.3 Support (public-private) networks of producers and communities to establish deforestation free territories (in collaboration with jurisdictional governments) or deforestation free producers organisations (collaborating towards a "zero deforestation" landscape approach).
- 3.1.4 Policy dialogue, framed under Association Agreements, to promote multi-country private-public partnerships and cooperation along supply chains of deforestation-risk commodities for transparency and sustainability, as well as participatory approaches to forest management.
- 3.1.5 Capacity building to facilitate access to sustainable and inclusive markets that generate incentives for sustainable, deforestation-free and low-carbon production, framed under Association Agreements.
- 3.1.6 Promote sustainable financing mechanisms and attract investors to support activities that contribute to forest conservation and sustainable management.

Activities relating to Output 4:

- 4.1.1 Establish a regional mechanism for inclusive monitoring, safeguarding and protecting environmental defenders (based on existing models already used by EU Delegations or global EU mechanisms such as EU Protect Defenders). It will require a rapid response mechanism to provide urgent assistance, practical and financial support, risk analysis, elaboration of security and contingency protocols, etc.
- 4.1.2 Support and increase skills of local organisations, indigenous territories and NGOs on awareness raising and advocacy in environmental matters in line with the Escazú Agreement (ensuring gender and rights based approach).
- 4.1.3 Create regional network(s) of environmental defenders and organisations to raise awareness and advocate on environmental issues, strengthen access to environmental information and environmental justice.
- 4.1.4 Create a follow-up mechanism for the commitments of the countries of the region on the Escazú agreement that allow the development of a process of accountability, political influence, and participation in the Conference of the Parties and promote access to environmental justice.

Coordination and Cross-cutting activities:

- 0.1 Elaborate a gender sector analysis and a rights based analysis (considering indigenous peoples and local communities) to ensure mainstreaming across components.
- 0.2 Elaborate a conflict-sensitive analysis to ensure conflict sensitivity of ongoing actions and harness opportunities for conflict prevention and peacebuilding as appropriate.
- 0.3 Develop and implement a policy advocacy and sustainability strategy.
- 0.4 Develop and implement a knowledge management strategy.
- 0.5 Develop and implement a monitoring and evaluation system that allows to aggregate sex-disaggregated data from the Action and other EU interventions.
- 0.6 Ensure constant coordination among components and with other relevant EU and non EU funded interventions.

3.3 Mainstreaming

Environmental Protection & Climate Change

The main objective of the action is to enhance the protection and sustainable use of the Great Forests of Mesoamerica through simultaneously strengthening participatory forest governance, improving sustainable forest management, protecting biodiversity, addressing climate change, fostering sustainable livelihoods and trade, reducing inequalities and benefitting local people – especially the most vulnerable and marginalised, such as women, indigenous peoples and afro-descendants.

Outcomes of the SEA screening

The Strategic Environmental Assessment (SEA) screening concluded that no further action was required.

Outcomes of the EIA (Environmental Impact Assessment) screening

The EIA (Environment Impact Assessment) screening classified the action as Category C (no need for further assessment). However, based on the type of grant support provided for pilot projects or other activities, EIA will be undertaken based on the type of investments to be carried out.

Outcome of the CRA (Climate Risk Assessment) screening

The Climate Risk Assessment (CRA) screening concluded that this action is no or low risk (no need for further assessment). However, based on the type of grant support provided for pilot projects or other activities, climate risk will be addressed a part of an EIA.

Gender equality and empowerment of women and girls

As per the OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. Natural resources management has profound implications for social justice and gender equality, as women are often impacted disproportionately by the effects of vulnerabilities in areas such as agriculture, biodiversity, forest, etc. Furthermore, they are prevented from participating equally in related governance processes and decision-making for multiple reasons, including harmful gender norms, inadequate legal frameworks, low access to education and land ownership. Moreover they are at a higher risks to be threatened or targeted with SGBV (Sexual and Gender-Based Violence), and to experience multiple forms of discrimination

Nevertheless, women are powerful agents of change in shifting paradigms around the management of natural resources. Therefore, this action will conduct gender sector analysis to ensure mainstreaming across components and ensure:

- Promoting girls' and women's participation and leadership in order to ensure gender-responsive strategies to sustainable management of natural resources, and related inter-sectional issues (indigenous and Afro-descendant women, etc.)
- Supporting women networks and representation across the action components.
- Supporting women's entrepreneurship in activities under component three.
- Disaggregate data and indicators by sex, when applicable and ensure analysing gender specific context under each of the components.
- Integration of the gender dimension in the NDCs and national forestry policies.
- Inclusion of the gender machinery during implementation of the activities.

Human Rights

The fourth component directly addresses environmental rights regarding access to environmental information and protection of environmental defenders. Activities under other components will ensure integration of consultations (and when applicable free, prior and informed consent protocols) with vulnerable and marginalised groups into the development and preparation of activities. Social safeguards and human rights due diligence will be systematically applied as well as safety and security risks assessments for the representatives of local communities and local authorities alike. The action will apply the working principles of the human rights based approach (HRBA): applying all human rights for all, meaningful and inclusive participation and access to decision-making, non-discrimination and equality, accountability and rule of law for all, and transparency and access to information supported by disaggregated data.

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D0. This implies that while this has not been identified as a significant objective, the action will seek to be inclusive in its communication with people with disabilities.

Democracy

Democratic participation in the formulation and development of climate change and biodiversity policies, plans and projects is key to ensuring that all stakeholders' needs are considered. This action will:

- Promote and encourage inclusiveness and broad participation in the design and monitoring of activities, and
- Prioritise countries and processes that take into consideration democratic principles and human rights.

Conflict sensitivity, peace and resilience

Conflict sensitivity and do-no-harm implications will be taken into account, possibly through a dedicated analyses, in an area affected by land and natural resources conflicts (for example related to mining activities, hydropower, recognition and titling of communal or indigenous lands) as well as illicit activities by organised crime, including drug trafficking, illegal logging, etc. Social safeguards and human rights due diligence will be systematically applied as well as safety and security risks assessments for the representatives of local communities and local authorities alike.

Disaster Risk Reduction

This action will consider societal, political, economic, environmental, security-related risks through the regular assessment of these factors in the identification, formulation, and implementation of activities. In terms of climate related disaster risk specifically, the Mesoamerica region is highly vulnerable to the effects of climate change, biodiversity loss and disasters. This action is precisely targeting the resilience and ability of Mesoamerican stakeholders to mitigate, respond and adapt to climate change and biodiversity loss.

3.4 Risks and Lessons Learnt

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
1.1 Macro-environment	Extreme climate events may affect the implementation process.	Low	Medium	All interventions at territorial level will include disaster risk screening and management.
1.2 Macro-environment	Resource-related conflicts and lack of recognition of	Medium	Medium	The Action will ensure the free, prior and informed consent (FPIC) of indigenous and afro descendent peoples, the constant

	indigenous rights might also undermine the viability of the activities in some locations.			<p>communication with the community, the use of local languages and methods.</p> <p>The multi-country nature of the partnership and its flexible design contribute to mitigate these risks by allowing the flexibility to choose sites where the minimum conditions for successful implementation are likely to be met.</p> <p>A conflict analysis or conflict sensitivity assessment might be carried out in relevant areas.</p>
2.1 Political decisions and priorities outside the Commission	Lack of political convergence among countries.	Medium	Medium	As a mitigation measure, the Action will leverage from existing regional and national commitments. In addition, it will have a permanent and effective dialogue with all stakeholders. And a governance mechanism which avoids veto and allows for continuous progress on territorial and supply chain level.
2.2 Political decisions and priorities outside the Commission	Political instability, worsening rule of law, corruption and collusion with illicit economies, as well as continued economic downturn undermine political will and will increase pressure on unsustainable exploitation of natural resources.	Medium	Medium	<p>Leveraging dialogue with governments and private sector under the Association Agreement and the new deforestation regulation proposal. The Action will early identify and integrate some influential private sector leaders of strategic supply chains that are “pro-forest”.</p> <p>Promoting sustainable livelihoods and its insertion in markets.</p>
3.1 Operational Processes	Complex working arrangements between implementing partners can generate delays	Medium	Medium	Design and implement efficient and flexible governance mechanisms.
3.2 Operational Processes	Neglect of the importance of mainstreaming gender equality and human rights	Medium	Medium	<p>Gender Sector Analysis to identify the pathways for transformative and sustainable change towards more gender equality and women’s empowerment.</p> <p>Awareness-raising and training where needed.</p>

Lessons Learnt:

- Design a governance mechanism that allows intersectoral dialogue with governments and regional institutions, but avoids blockages and veto power by any of the countries involved;
- Include linkages and both top-down and bottom-up mechanisms and feedback loops between regional, national and local levels;
- Gather support around a simple and understandable political messages and a strategic vision of what is needed to achieve the expected results;

- Improve coordination among the different projects, programmes and initiatives linked to the Great Forests Initiative to avoid duplication of efforts and promote a result-driven use of resources;
- Promote a more equitable and gender balanced cross-sector approach that fosters alliances between public, private sector and civil society on all levels, including the leverage of international trade and finance;
- Include a strong knowledge management component with all levels involved, and for the international positioning of the initiative.

3.5 The Intervention Logic

EU and EU Member State support to Mesoamerica has yielded tangible results in forest and biodiversity conservation at different levels of intervention, but the full extent of this contribution is not always recognised and leveraged to its full potential. This action provides an opportunity to build a more coherent framework to align, scale up and highlight the EU (and EU MS) global contribution around one clearly identifiable and communicable initiative and leverage its full policy dialogue potential: the protection of the region's last remaining large forests. The region cannot achieve its climate and biodiversity commitments without protecting its large forests, and the forests are also vital to buffering the impacts of climate change in one of the world's most climate-vulnerable regions.

The action's underlying intervention logic is that in order to enhance the protection and sustainable use of the Five Great Forests of Mesoamerica, and other relevant forest areas such as Trifinio (Overall Objective), it is necessary to build multi-country and multi-actor partnerships to identify and scale up solutions to the common problems that affect these transboundary ecosystems; to increase sustainable (private) investment in forest protection, sustainable forest management, and forest-based value chains; and to foster cross-learning and a harmonised approach among actors. These partnerships will not replace but rather complement existing regional and country level actions framing them into a more structured initiative. It will focus on four areas identified on the basis of common interests of the stakeholders involved: data for transparency and decision making (SO1); forest governance, conservation and restoration of biodiversity and ecological connectivity (SO2); deforestation-free and low carbon production and trade (SO2) and ensuring a safe and supportive environment for those who defend the environment, land rights and indigenous rights (SO3).

This broad and flexible approach will maximise the impact of EU contribution and the establishment of synergies with other EU and non-EU interventions taking place in the Five Great Forests of Mesoamerica¹¹. Across its four components, the design and implementation of the action will consider key enablers such as policy, capacity building, access to finance, digitalisation and innovation. Recognising that women are powerful agents of change in shifting paradigms around the management of natural resources, the action will appropriately mainstream gender and rights based approach to reduce inequalities and ensure that the action benefits local people – especially the most vulnerable. It will also include climate change considerations across its four outputs.

Output 1.1 stems from the premise that in Mesoamerica, there are good examples of advanced use of forest monitoring technologies and methodologies, including Earth Observation and other satellite-enabled technologies. These involve a wide range of stakeholders from academic and research institutions to space agencies, governments and service providers. However, unless common agreed standards are applied, they fail to provide complete and detailed information about the Five Great Forests of Mesoamerica. Therefore, the action aims to build multi-actor multi-country partnerships to provide periodic, standardised and strategic sectoral data on the state of the large forests for evidence-based decision-making and transparency. The Action will capitalise on the regional Copernicus data centre in Panama, and the EU Space Programme, which encompasses Copernicus, Galileo and EGNOS services, as well as existing academia and investigation networks. This output will feed into the processes generated by the other components of the action, such as accurate monitoring and reporting on the management of resources, access to climate finance, compliance with voluntary commitments related to climate change and biodiversity loss, endorsement of deforestation-free value chains and territories, and public access to information on the state of environment.

¹¹ There are synergies already identified under NDICI 2021-2027 with EUROCLIMA+ and bilateral interventions being designed in areas within the Five Great Forests of Mesoamerica. Furthermore, there are other non EU funded initiatives such as Selva Maya (BMZ Germany), Enlazando Paisajes (KfW), Strategic Regional Readiness to Enable Resilience of Mesoamerica's 5 Great Forests and Communities (Green Climate Fund), among others.

Output 2.1 derives from the fact that the region is among the most biologically diverse on the planet. While the region ranks 8th among global biodiversity hotspots in terms of the area covered, it is 4th for the diversity and endemism of species. However, according to the International Union for Conservation of Nature (IUCN) red list evaluation criteria, most of the region's forests are vulnerable, endangered or critically endangered. This demands urgent action to address the conservation of the Five Great Forests with a comprehensive approach, taking into account the multi-functionality of forests and the scale of landscapes, as well as biodiversity and climate commitments. There are a multitude of local actions to support specific habitats and endangered species but they have so far failed to form broader networks. The action will incorporate the strategic orientations provided by the EU report “Larger than Jaguars” (2021), will favour transboundary governance processes, and promote exchange of experiences and cross-learning among local, national and regional stakeholders. It will also seek for synergies with other EU programmes such as EL PACCTO and ICRIME, in order to consider patrimony protection and security-related aspects in the design and implementation of its activities.

Output 2.2 is based on the notion that some of the most powerful drivers of deforestation operate in transboundary/regional/global markets and supply chains. Therefore, they have to be addressed with a multi-actor and multi-country supply-chain-logic in order to harmonise agricultural and environmental policies and practices, reduce pressures on forests, and support climate-resilient, forest-friendly livelihoods, including sustainable cattle ranching and alternatives to cattle ranching. Another element to consider is the expected adoption of the draft regulation on deforestation-free products¹², which is likely to cover cattle, cocoa, coffee, oil palm, soy, and wood imported to the EU. Compliance with the EU regulation and its traceability requirements will most likely be challenging for operators in Latin America. More so for those value chains that rely heavily on small holder producers such as coffee and cocoa, with Guatemala, Honduras and Nicaragua amongst the most affected¹³. This component will benefit from the monitoring and information systems with specific applications at multi-country level supported by SO1. For example, traceability systems for cattle-ranching and processes supporting deforestation-free value chains and territories. It will also catalyse the bi-regional dialogue around sustainable production and development of new market opportunities framed under the EU-Central America and EU-Mexico Association Agreements (AA), and the proposed EU regulations on deforestation-free products and Corporate Sustainability Due Diligence.

Output 3.1 is rooted in the commitment of the EU to support initiatives that correspond to the spirit of the Escazú Agreement on Access to Information, Public Participation and Justice in Environmental Matters. Mesoamerican countries have the highest per capita rate of violence against environmental defenders in the world (Global Witness 2021), provoking an increasing need to rapidly respond by safeguarding and protecting those who defend the environment, land rights and indigenous people's rights. Therefore, the action will seek to support the implementation of the Escazú Agreement pillars related to Access to Environmental Information and Environmental Defenders, through multi-country multi-actor mechanisms that ensure a safe and supportive environment.

¹² Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the making available on the Union market as well as export from the Union of certain commodities and products associated with deforestation and forest degradation and repealing Regulation (EU) No 995/2010 <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52021PC0706>

¹³ Study on Initial assessment of Latin American countries and value chains potentially affected by the future Deforestation-Free Products regulation. TPSDE Facility. Final version. April 28th, 2022

3.6 Logical Framework Matrix

Results	Results chain (a): Main expected results (maximum 10)	Indicators (a): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	To enhance the protection and sustainable use of the Five Great Forests of Mesoamerica	<p>1. Forest extent of Mesoamerica's Five Great Forests (ha).</p> <p>2. Proportion of land that is degraded over total land area (ha).</p> <p>3. Number of documented killings of environmental defenders.</p>	<p>1. 2023. Value to be determined in the inception phase.</p> <p>2. 2023. Value to be determined in the inception phase.</p> <p>3. 2023. Value to be determined in the inception phase.</p>	<p>1. 2027. Value to be determined in the inception phase.</p> <p>2. 2027. Value to be determined in the inception phase.</p> <p>3. 2027. Value to be determined in the inception phase.</p>	<p>1. Baseline and endline surveys conducted and budgeted by the EU-funded intervention</p> <p>2. 1. SDG Goals UN statistics / UNCCD. intervention</p> <p>3. Global Witness report</p>	<i>Not applicable</i>
Outcome 1	1. Evidence-based decision-making and transparency in the Great Forests of Mesoamerica have been strengthened.	<p>1.1 Number of countries participating in regional processes and commitments using forest data supported by the EU funded intervention*¹⁴.</p> <p>1.2 Number of ongoing forest monitoring initiatives at multi-country level supported by the EU funded intervention, taking into account sex-disaggregated data.</p>	<p>1.1 2023. 0</p> <p>1.2 2023. 0</p>	<p>1.1 2027. Value to be determined in the inception phase.</p> <p>1.2 2027. Value to be determined in the inception phase.</p>	<p>1.1 Baseline and endline surveys conducted and budgeted by the EU-funded intervention</p> <p>1. 2 Baseline and endline surveys conducted and budgeted by the EU-funded intervention</p>	Access to information on the state of the Great Forests remains a priority for regional stakeholders.

¹⁴ Indicators with * are part of the Americas and the Caribbean Regional Multi-Annual Indicative Programme 2021-2027.

Outcome 2	2. Improved governance mechanisms and capacities for biodiversity conservation and sustainable production and trade in the Great Forests of Mesoamerica, fostering a more equitable and gender-balanced involvement of all stakeholders.	<p>2.1 [Areas of terrestrial and freshwater ecosystems (b) sustainable management with EU support (km2)] (GERF 2.9)*</p> <p>2.2 Number of deforestation-free supply chains/territories created or supported by the EU funded intervention*.</p> <p>2.3 Market value of certified zero deforestation commodities sourced in territories supported by the EU funded intervention.</p> <p>2.4 [Number of Micro, Small and Medium Enterprises applying Sustainable Consumption and Production practices with EU support] (GERF 2.6)</p>	<p>2.1 2023 0</p> <p>2.2 2023 0</p> <p>2.3 2023. Value to be determined in the inception phase.</p> <p>2.4 2023. Value to be determined in the inception phase.</p>	<p>2.1 2027 Value to be determined in the inception phase</p> <p>2.2 2027. Value to be determined in the inception phase</p> <p>2.3 2027 Value to be determined in the inception phase</p> <p>2.4 2027 Value to be determined in the inception phase</p>	<p>2.1 Baseline and endline surveys conducted and budgeted by the EU-funded intervention</p> <p>2.2 Baseline and endline surveys conducted and budgeted by the EU-funded intervention</p> <p>2.3 Baseline and endline surveys conducted and budgeted by the EU-funded intervention</p> <p>2.4 Baseline and endline surveys conducted and budgeted by the EU-funded intervention</p>	Conservation and sustainable use of the Great Forests of Mesoamerica remains a priority in the region.
Outcome 3	3. More safe and supportive environment for those who defend the environment, land rights and indigenous people's rights in the Great Forests of Mesoamerica has been ensured.	3.1 [Number of victims of human rights violations (disaggregated by sex and ethnic group) directly benefitting from assistance funded by the EU] (GERF 2.30)	3.1 2023. 0	3.1 2027. Value to be determined in the inception phase.	3.1 Baseline and endline surveys conducted and budgeted by the EU-funded intervention	There is a high demand in Mesoamerica to protect environmental defenders and facilitate access to environmental information
Output 1.1 relating to Outcome 1	1.1 Strengthened multi-country multi-actor partnerships on the availability and use of data for evidence-based decision-making and transparency in	1.1.1 Number of multi-country multi-actor networks on the availability and use of data for evidence-based decision-making and transparency	1.1.1 2023. 0	1.1.1 2027. Value to be determined in the	1.1.1 Baseline and endline surveys conducted and budgeted	Academic, research and government institutions are

	the Great Forests of Mesoamerica.	supported by EU funded intervention. 1.1.2 Number of specialized forest data applications at multi-country level (e.g. early warning systems for deforestation alerts; climate finance; forest fires; certify deforestation free territories; Agriculture, Forestry and Other Land Use Measurement, Reporting and Verification - AFOLU MRV-; Nationally Determined Contributions – NDCs-; etc.) supported by EU funded intervention. 1.1.3 Number of agreements to share data at intersectoral and multi-country level supported by the EU funded intervention* 1.1.4 Number of people (disaggregated by sex and ethnic group) trained or capacitated on the use of digital data* supported by the EU funded intervention	1.1.2 2023.0 1.1.3 2023.0 1.1.4 2023.0	inception phase 1.1.2 2027. Value to be determined in the inception phase 1.1.3 2027. Value to be determined in the inception phase 1.1.4 2027. Value to be determined in the inception phase	by the EU-funded intervention 1.1.2 Baseline and endline surveys conducted and budgeted by the EU-funded intervention 1.1.3 Baseline and endline surveys conducted and budgeted by the EU-funded intervention 1.1.4 Database of beneficiaries/participants	sensibilised and willing to favour coordination and cooperation to develop standardised data. Academic, research and government institutions count with human resources and capacities for forest monitoring.
Output 2.1 relating to Outcome 2	2.1 Upscaled transformative multi-country multi-actor initiatives for forest governance, conservation and restoration of biodiversity and ecological connectivity of the Great Forests.	2.1.1 Number of multi-country multi-actor networks on conservation and restoration of biodiversity and ecological connectivity supported by EU funded intervention 2.1.2 Number of ongoing biodiversity conservation projects at multi-country level supported by the EU intervention. 2.1.3 Number of strategies for effective conservation,	2.1.1 2023.0 2.1.2 2023.0 2.1.3 2023.0 2.1.4 2023.0 2.1.5 2023.0	2.1.1 2027. Value to be determined in the inception phase 2.1.2 2027. Value to be determined in the inception phase	2.1.1 Baseline and endline surveys conducted and budgeted by the EU-funded intervention 2.1.2 Baseline and endline surveys conducted and budgeted by the EU-funded intervention	Local organisations, NGOs and government institutions are sensibilised and willing to favour coordination and cooperation

		<p>enforcement of forest protection legislation and sustainable local economic development strategies are developed and implemented with EU support*</p> <p>2.1.4. Number of people (disaggregated by sex and ethnic group) trained or capacitated on forest governance capacities and landscape approaches *</p> <p>2.1.5 Number of people (disaggregated by sex and ethnic group) trained biodiversity and ecosystem services and their monitoring capacities*</p>		<p>2.1.3 2027. Value to be determined in the inception phase</p> <p>2.1.4 2027. Value to be determined in the inception phase</p> <p>2.1.5 2027. Value to be determined in the inception phase</p>	<p>2.1.3 Baseline and endline surveys conducted and budgeted by the EU-funded intervention</p> <p>2.1.4 Database of beneficiaries/participants</p> <p>2.1.5 Database of beneficiaries/participants</p>	on biodiversity.
Output 2.2 relating to Outcome 2	2.2 Upscaled transformative multi-country multi-actor initiatives for deforestation-free and low carbon production and sustainable trade.	<p>2.2.1 Number of smallholders (disaggregated by sex and ethnic group) reached with EU-supported interventions aimed to increase their sustainable production, access to markets and/or security of land (GERF 2.1)</p> <p>2.2.3 Number of processes related to partner country practices on trade, investment and business, or promoting the external dimension of EU internal policies or EU interest, which have been influenced (GERF 2.15)</p>	<p>2.2.1 2023. 0</p> <p>2.2.2 2023. 0</p> <p>2.2.3 2023. 0</p> <p>0</p> <p>0</p>	<p>2.2.1 2027. Value to be determined in the inception phase</p> <p>2.2.2 2027. Value to be determined in the inception phase</p> <p>2.2.3 2027. Value to be determined in the</p>	<p>2.2.1 Database of beneficiaries/participants</p> <p>2.2.2 Baseline and endline surveys conducted and budgeted by the EU-funded intervention</p> <p>2.2.3 Baseline and endline surveys conducted and budgeted by the EU-funded intervention</p>	<p>Local producers, SMEs and government institutions are sensibilised and willing to upscale deforestation-free and low carbon production.</p> <p>EU proposed regulation on deforestation free products</p>

				inception phase		triggers dialogue and capacity development processes with public and private sector.
Output 3.1 relating to Outcome 3	3.1 Strengthened multi-country multi-actor mechanisms that ensure a safe and supportive environment for those who defend the environment, land rights, women's environmental rights and indigenous people's rights in the Great Forests of Mesoamerica	3.1.1 Number of multi-country multi-actor networks supported by EU on environmental rights 3.1.2 Number of environmental human rights activists trained by the EU funded intervention with increased skills on environmental rights (disaggregated at by sex and ethnic group)	3.1.1 2023.0 3.1.2 2023.0	3.1.1 2027. Value to be determined in the inception phase 3.1.2 2027. Value to be determined in the inception phase	3.1.1 Baseline and endline surveys conducted and budgeted by the EU-funded intervention 3.1.2 Pre-and post training test reports	There is a high demand in Mesoamerica to protect environmental defenders and facilitate access to environmental information

4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

In order to implement this action, it is not envisaged to conclude a financing agreement with the partner sub-region.

4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 60 months from the date of adoption by the Commission of this Financing Decision.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3 Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.

4.3.1 Direct Management (Grant) – Specific Objective 3: Safer and supportive environment for those who defend the environment, land rights and indigenous people's rights in the Five Great Forests of Mesoamerica

(a) Purpose of the grant

The grant will contribute to achieving Specific Objective 3. The main focus will be on establishing a regional mechanism for monitoring, safeguarding and protecting environmental defenders (based on existing models already used by EU Delegations or global EU mechanisms such as EU Protect Defenders). This will require the development of a rapid response mechanism to provide urgent assistance, practical and financial support, elaboration of security and contingency protocols, risk analysis, etc.

Activities will also include support and capacity building of local organisations, indigenous territories and NGOs on awareness-raising and advocacy in environmental matters, in line with the Escazú Agreement (ensuring gender and rights-based approach). This grant will also seek to create regional network(s) of environmental defenders and organisations to raise awareness and advocate for environmental issues, strengthen access to environmental information and environmental justice. This support could possibly evolve into a structured mechanism for monitoring compliance with the Escazú Agreement, in order to allow the development of a process of accountability, political influence, participation in the Conference of the Parties and promote access to environmental justice. Other activities in line with SO3 may be considered.

(b) Type of applicants targeted

The applicants for funding may be international NGOs. The call for proposals will seek to attract organisations that have a proven track record and a high degree of specialisation in environment and human rights, including with capacity building of local organisations. They must have global public outreach, a proven capacity of lobby, fundraising and the capacity of working with the necessary security protocols in potentially sensitive issues and difficult environments. They must have proven experience in the region and internationally.

4.3.2 Direct Management (Procurement) - **Programme Secretariat**

The Action aims at providing a coherent framework to align and highlight EU's global contribution to the protection of the region's last remaining large forests, which are essential to achieving the region's commitments on climate change, biodiversity and sustainable development. The establishment of a Programme Secretariat is

essential to ensure coherence and proper coordination among components and with other interventions (funded by the EU and other donors).

The Programme Secretariat will be established under a service contract and its tasks will include (but are not limited to):

- 0.1 Elaborating a gender analysis and a rights-based analysis (considering indigenous peoples and local communities) to ensure mainstreaming across components.
- 0.2 Elaborating a conflict-sensitive analysis to ensure conflict sensitivity of actions and harness opportunities for conflict prevention and peacebuilding as appropriate.
- 0.3 Developing and implementing a policy advocacy and sustainability strategy.
- 0.4 Developing and implementing a knowledge management strategy.
- 0.5 Developing and implementing a monitoring and evaluation system that allows to aggregate data from the Action and other EU interventions.
- 0.6 Ensuring constant coordination among components and with other relevant EU and non EU funded interventions.

In consideration of the nature of its functions, it is essential that the Secretariat is in place from the onset of the implementation of the action and that it works in close coordination with other regional technical assistance and capacity building actions in Central America, especially on policy dialogue. The service contract supporting the Secretariat for this action will need to be aligned with the EU-Central America Partnership Facility.

4.3.3 Indirect Management with a pillar assessed entity – Specific Objectives 1 and 2.

A large part of this action may be implemented in indirect management with a limited number of suitably qualified EU Member State agencies (MSAs) that will be selected amongst those that have expressed interest through an open and transparent negotiation process. This will be guided by the ongoing discussions on the formalisation of a possible Team Europe Initiative (TEI) to which the action would contribute, and in any case through objective criteria.

In this context, Germany (GIZ) and Spain (AECID) have been particularly active, providing inputs during the design of the action and expressing interest in implementing and potentially co-financing the action. They have bilateral and regional projects with strong synergies with the action and also seek to further the involvement of Central American regional institutions such as CCAD, CAC, SIECA, and civil society actors such as WCS. Other MSAs have also been part of the consultations and expressed interest in aligning the action with their cooperation portfolio (KfW, LuxDev, Sweden, Expertise France).

4.3.3.1 Indirect Management with EU MSA(s) - Specific Objective 1

The entity (or entities) will be selected by the Commission's services using the below:

- 1 Specific expertise in forest management and monitoring, transboundary processes, policy support, digitalisation and capacity development.
- 2 Coherence with existing and planned cooperation programmes, and interest in co-financing.
- 3 Previous experience in Belize, Mexico and Central America.
- 4 Robust operational capacity, strategic planning, monitoring and knowledge management.
- 5 Operational capacity to work in several countries.
- 6 Capacity and track record in collaborating with other EU MSAs, UN agencies, EU Delegations and LAC partner governments.
- 7 Absence of (potential) conflicts of interest.

The implementation by this entity (or entities) entails strengthening evidence-based decision-making and transparency in the Five Great Forests of Mesoamerica. Among others, this includes technical assistance to develop quality and transparent data sets on forest monitoring at multi-country level, harmonising regional data and making it available through existing platforms. This needs to be accompanied by capacity-building on the use of this data for its widespread use in decision-making and policy advocacy. The entity is expected to promote inter-institutional and multi-country agreements on transparent and open data on forests using common standards. Activities will include awareness-raising, capacity-building and co-producing knowledge

with smallholders, women's organisations, local communities and Indigenous Peoples, and strengthening regional academic and government networks on forest monitoring using satellite data, remote sensing tools, machine learning and online processing resources. Implementation of activities will require strong partnerships with regional and international organisations working on forest monitoring; as well as with academic and investigation centres.

4.3.3.2 Indirect Management with EU MSA(s) – Specific Objective 2

The entity (or entities) will be selected by the Commission's services according to below criteria:

- 1 Specific expertise in biodiversity conservation, sustainable production and trade, climate change, forest management and monitoring, transboundary processes, policy support, and capacity development.
- 2 Coherence with existing and planned cooperation programmes, and interest in co-financing.
- 3 Previous experience in Belize, Mexico and Central America.
- 4 Robust operational capacity, strategic planning, monitoring and knowledge management.
- 5 Operational capacity to work in several countries.
- 6 Capacity and track record in collaborating with other EU MSAs, UN agencies, EU Delegations and LAC partner governments.
- 7 Absence of (potential) conflicts of interest.

The implementation by this entity (or entities) entails improving the governance mechanisms and capacities for biodiversity conservation and sustainable production and trade in the Five Great Forests of Mesoamerica, fostering a more equitable and gender-balanced involvement of all stakeholders. This will include supporting governments and IPLCs to improve and harmonise regulatory frameworks, promoting solutions to address drivers of deforestation, and identifying, supporting and upscaling relevant multi-country initiatives and networks. Among other activities, the entity will facilitate policy dialogue under the Association Agreements, promote sustainable financing mechanisms, and carry out capacity-building and awareness-raising on forest governance, sustainable production and deforestation-free value chains. The implementing entity (or entities) will establish close synergies with implementing partners of ongoing EU-funded projects in the Five Great Forests of Mesoamerica, such as WCS.

4.3.4 Changes from indirect to direct management mode (and vice versa) due to exceptional circumstances (one alternative second option)

The initiative will be implemented using a combination of direct and indirect management.

If, due to circumstances outside of the Commission's control, the component(s) originally foreseen to be implemented under indirect management cannot be implemented through this implementation modality, the Commission reserves the possibility to consider identifying an alternative implementation modality in direct management, through grants, and notably to entities which offer similar technical competences, capacities and/or experience as those entities originally foreseen for indirect management.

Similarly, either for strategic reasons or due to circumstances outside of the Commission's control, the Commission reserves the possibility to change all, or parts of, the implementation foreseen under direct management to indirect management by a pillar assessed entity, selected according to the following criteria: a) specific expertise in environment and human rights, b) previous experience in the region, and c) demonstrated operational capacity to implement EU-funded programmes.

4.5. Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions:

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other

duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.4 Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)	Third-party contribution, in currency identified
Objective 1. Strengthen evidence-based decision-making and transparency in the Five Great Forests of Mesoamerica (Output 1.1).		
Indirect Management with a pillar assessed entity	5 000 000	TBD
Objective 2. Improve governance mechanisms and capacities for biodiversity conservation and sustainable production and trade in the Great Forests of Mesoamerica, fostering a more equitable and gender-balanced involvement of all stakeholders (Outputs 2.1 and 2.2).		
Indirect Management with pillar assessed entities	13 500 000	TBD
Objective 3. Safer and supportive environment for those who defend the environment, land rights and indigenous people's rights in the Great Forests of Mesoamerica (Output 3.1).		
Grants (direct management)	5 000 000	TBD
Programme Technical Secretariat: Coordination and cross-cutting activities		TBD
Direct Management (procurement)	2 000 000	
Evaluation – cf. section 5.2 Audit – cf. section 5.3	covered by another Decision	TBD
Contingencies		
Totals	25 500 000	TBD

4.5 Organisational Set-up and Responsibilities

Management Committee:

The Management Committee is in charge of the oversight of the programme and ensuring dialogue and synergies among components and approving annual working plans. It will meet quarterly (on average) and will elaborate (with support of the Programme Secretariat) operating regulations. It will be comprised of representatives from: European Union in charge of the operational management, one representative from each implementing partner and the Programme Secretariat (as facilitator).

Consultative Committee:

The Consultative Committee will provide strategic orientations to the programme implementation. It will be convened by the Management Committee at least once a year. It will be comprised of representatives from: the EU Delegations involved and regional institutions actively involved in the implementation.

Programme Secretariat:

A programme secretariat will operate on a permanent basis to perform the day-to-day activities necessary to ensure its efficient and coordinated functioning. It will perform cross-cutting activities such as (not limited to):

- 0.1 Elaborate a gender analysis to ensure mainstreaming across components.
- 0.2 Develop and implement a policy advocacy and sustainability strategy.
- 0.3 Develop and implement a robust knowledge management strategy.
- 0.4 Develop and implement a monitoring and evaluation system that allows to aggregate data from the Action and other EU interventions.
- 0.5 Ensure constant coordination among components and with other relevant EU and non EU funded interventions.

5 PERFORMANCE MEASUREMENT

5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix.

All monitoring and reporting shall assess how the action is taking into account the human rights based approach and gender equality.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

The baseline and target data will be refined at the beginning of the implementation of this Action. Indicators shall be disaggregated at least by sex. All monitoring and reporting shall assess how the action is taking into account the human rights based approach and gender equality. The Programme Secretariat will establish the appropriate monitoring and reporting arrangements among implementers regarding responsibilities, timing, and source of funding.

5.2 Evaluation

Having regard to the nature of the action, mid-term and final evaluations will be carried out for this action or its components via independent consultants contracted by the Commission.

The mid-term evaluation will be carried out for problem solving and learning purposes, in particular with respect to adjust arrangements to ensure proper coordination among components and synergies with other EU funded interventions.

All evaluations shall assess to what extent the action is considering the human rights based approach, as well as how it contributes to gender equality and women's empowerment. Expertise on human rights and gender equality will be ensured in the evaluation teams.

The final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that this is the first multi-country intervention in Mesoamerica under NDICI 2021-2027.

The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

All evaluations shall assess to what extent the action is taking into account the human rights-based approach as well as how it contributes to gender equality and women's empowerment. Expertise on human rights and gender equality will be ensured in the evaluation teams.

The financing of the evaluation may be covered by another measure constituting a Financing Decision.

5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements. The financing of the audit may be covered by another measure constituting a Financing Decision.

6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

It will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective.