

# BALSAS Project

## Annex 7.c Stakeholder Engagement Plan

### Introduction

The stakeholder engagement plan for the BALSAS project aims to ensure meaningful and informed participation of relevant stakeholders and to establish and maintain a constructive relationship with them over time. It is based on the input provided by the various project stakeholders during the design phases of both the Concept Note and the Project Funding Proposal. The plan describes the measures and procedures that will be undertaken to ensure culturally appropriate and gender-sensitive stakeholder participation during implementation. The measures include project stakeholder analysis and planning, information and communication, consultation, participation in general and in particular stakeholder participation in monitoring and evaluation.

### Project stakeholders

During the preparation of the BALSAS Project, stakeholders have been identified and characterised to ensure that their needs and interests are taken into account both in the project design and during the implementation phase. Table 1 provides an overview of the main stakeholders in the project.

Stakeholders	Description and main role in the Project
International Fund for Agricultural Development (IFAD)	The International Fund for Agricultural Development is a specialised agency of the United Nations whose objective is to provide funds and mobilise additional resources to promote the economic advancement of the rural poor, mainly by improving agricultural productivity.
Ministry of Finance and Public Credit (HACIENDA)	The Ministry of Finance and Public Credit (HACIENDA) is the ministry of the Mexican federal government that is responsible for the administration of public finances, fiscal and economic policy, as well as regulating and supervising the financial system in the country.
Nacional Financiera (NAFIN)	NAFIN is a National Credit Institution, a development banking institution with its own legal personality and assets. Its objective is to promote savings and investment, as well as to channel financial and technical support to industrial promotion and national and regional economic development in the country.
National Forestry Commission (CONAFOR)	CONAFOR is a Decentralised Public Body of the Ministry of Environment and Natural Resources SEMARNAT responsible for the implementation of the country's public forestry policy and with extensive

	experience in the operation of projects with international funding. Its objective is to develop, promote and encourage productive, conservation and restoration activities in forestry, as well as to participate in the formulation of plans, programmes and the application of sustainable forest development policy.
BALSAS High Level Project Steering Committee (CDAL)	The CDAL is the committee to facilitate the inter-institutional coordination of the federal institutions involved in the implementation of the project. It will be chaired, sponsored and convened by CONAFOR, with equal participation of SEMARNAT, CONAFOR, CONAGUA, AGRICULTURA and CAP. IFAD and HACIENDA will be permanent guests, with voice but no vote, while FAO will play a technical advisory role when invited to participate. Depending on the needs and issues to be addressed, other institutions, representatives of the administrations of the Federated States or other guests may be invited.
Project Coordinating Unit (UCP)	The UCP will be based at CONAFOR headquarters and will be under the supervision of the Technical Project Team (ETP) of CONAFOR. The UCP will be composed of 10 people, of which only 4 will be hired by the Project: the Chief Technical Advisor, a financial and a procurement specialist, and a Monitoring and Evaluation (M&E) Specialist.
Regional Committees for Integrated Territorial Management (RCIMT)	The RCIMTs are multi-sectoral bodies for participation and consultation at the Forest Management Unit (FMU) level. Committee representatives will be selected by state governments, municipalities, agrarian communities, indigenous communities, farmers' organisations, private companies and other relevant sectoral representatives and stakeholders.
CONAFOR Promotorías Forestales (PFs)	CONAFOR operates 26 regional and local offices in the Balsas Basin called "Promotorías forestales", of which 7 are responsible for supporting sustainable forest development and forest landscape restoration in the prioritised basins, sub-basins and indigenous territories. The project will strengthen their capacity through the hiring of 26 additional local technicians, who will be trained and supported by the thematic specialists hired by the project. Merit, but also affirmative action should be practised by hiring more women and local indigenous people who speak indigenous languages and are active in their

	communities, guaranteeing the presence of women in all the promoters as a mechanism to facilitate the approach of the Project's initiatives to the female target population.
Ministry of the Environment and Natural Resources (SEMARNAT)	SEMARNAT is the Federal Government ministry in charge of designing, planning, executing and coordinating public policies on natural resources, ecology, environmental sanitation, water and urban sustainability. It is in charge of leading government strategies to combat climate change; establishing limits and bans on the exploitation of natural resources; promoting the use of renewable energies and technologies that harmonise the use of natural resources and economic development. It seeks to incorporate in the different spheres of Mexican society and the public sector criteria and instruments that ensure the protection, conservation and sustainable use of the country's natural resources, thus shaping an integral and inclusive environmental policy that allows for the achievement of sustainable development.
National Water Commission. (CONAGUA)	CONAGUA is a decentralised administrative body of the SEMARNAT, whose responsibility is to manage, regulate, control and protect national waters in Mexico. Within its structure is the National Meteorological Service. Within the project intervention area, CONAGUA operates two main Administrative Offices (Regions RHA IV; RHA V), each with its own units that contribute to the implementation of PROAGUA and other programmes.
Ministry of Agriculture and Rural Development (SADER - Agriculture)	It is the Ministry of Agriculture and Rural Development SADER leads the formulation, implementation and evaluation of the overall rural development policy.
Coordination of Advisors to the Presidency of the Republic (CAP)	The Coordination of Advisors attends cabinet meetings, advises and supports the President in the matters he entrusts to it, carrying out studies, analyses, opinions and recommendations. One of its duties is to monitor economic, social and political indicators in order to provide the President with the necessary information for his activities, decision-making and message formulation.
State Forest Councils (CFEs)	The CFEs are consultative bodies promoted by CONAFOR in conjunction with state administrations, as relevant instances to share information and seek

	synergies. State authorities, forestry organisations and municipalities are represented in the CEF.
Forest Management Unit (FMU)	Territorial units delimited by CONAFOR based on physical, environmental, social and economic aspects, with the purpose of managing forest landscapes in a sustainable manner, ensuring an orderly planning of activities and an efficient management of natural resources. It is the statutory unit for the management of natural resources and watersheds in each basin, sub-basin and ethnic territories prioritised by the Project.

**Mechanism to enable disadvantaged and vulnerable groups to participate in project stakeholder engagement activities.**

The project strengthens local watershed governance and the participation of women, youth and indigenous peoples at the sub-basin level to create incentives, strengthen inter-institutional coordination and foster a bottom-up approach to the sustainable use, management and conservation of crucial ecosystems and ecosystem services that will be tested in the Balsas project area and replicated at the national level.

The project's bottom-up approach will also strengthen the participation of agrarian communities ACs and producer organisations in timber and non-timber forest product value chains, with the aim of increasing the incomes of the most vulnerable households, thereby strengthening their livelihood resilience.

## **Project Stakeholder Engagement Plan**

<b>Project stakeholders</b>	<b>Topics</b>	<b>Frequency and methods</b>	<b>Detailed description of how it is ensured to promote participation</b>
Project beneficiaries, mainly vulnerable small rural producers, poor households that are members of an Agrarian or and Indigenous Community (ACs) present in the project intervention area.	<p>Project information - scope, rationale.</p> <p>E&amp;S risks and impacts and management procedures.</p> <p>Grievance redress processes</p> <p>Demand and access to the project and its technical assistance and incentives, progress in project implementation, comments on project activities and project implementation.</p> <p>Capacity needs.</p>	Quarterly/bi-annually through quarterly progress reports and monitoring missions. Focus group discussions, surveys and community meetings.	To ensure that the paradigm shift is achieved at a decentralised rather than top-down level, Regional Committees for Integrated Land Management (RCIMT) will be established at the Forest Management Unit level to engage local communities and all levels of government (municipal, state and national) to raise awareness of climate change impacts and co-develop adaptation solutions. In addition, the project will support existing and create new groups of local facilitators, including women and youth, to strengthen community-based adaptation and mitigation initiatives and monitor ecosystem health. This bottom-up approach at the local level will promote more flexible procedures for channelling development finance into climate change adaptation and mitigation initiatives. Agrarian communities and producer organisations will prepare climate change project profiles that will be reviewed for approval for funding by the RCIMTs and CONAFOR. Once approved, the Project will provide technical assistance to beneficiaries to design their own climate-sensitive land use and investment plan. Promoting capacity building and convergence of actions among the institutions and programmes involved is important to achieve the desired transformational change.
Regional Committees for Integrated Territorial Management (RCIMT)	Participatory multi-sectoral and multi-actoral platforms for regional coordination, transparency and accountability.	They will meet at least once a quarter to: (i) discuss the project's intervention strategy in the FMU; (ii) approve the prioritisation of micro-watersheds; (iii) identify the necessary financial and technical support and federal or state programmes to meet their demand; and (iv) guide the	The RCIMTs are multi-sectoral bodies for participation and consultation at Forest Management Unit (FMU) level. They will advise CONAFOR and enable the participation of local actors in the formulation of local strategies, the prioritisation of the most vulnerable areas and the monitoring of progress. In addition, the RCMITs will support better coordination of interventions between institutions at federal, state and municipal levels. Groups of women, non-governmental organizations, Agrarian and Indigenous Communities and the private sector will be invited, among other relevant stakeholders. Specific functions are to contribute to the effort of

		action plans to ensure that the different actors coordinate their intervention and mobilise resources.	identifying and communicating risks and alternatives related to climate change and social vulnerability in the basins (including local and traditional knowledge). Actively participate in the elaboration of participatory territorial plans and in the identification of priority micro-basins. Participate in the elaboration of regional studies for the preparation of Regional Forest Investment Programmes. Provide advice on project profiles and concept notes presented by the Agrarian Communities and grassroots organisations to receive support from CONAFOR, CONAGUA, AGRICULTURA; as well as from state, municipal or private programmes. Contribute to monitoring project progress in the field.
State Forest Councils (CFEs)	Participatory multi-sectoral platforms for regional coordination at the level of the Federal State to improve intersectoral coordination, transparency and accountability	In the state administrations of Oaxaca, Guerrero and Michoacán, the project will promote the inclusion of the objectives of the Balsas project in the State Development Plans.	The CEF, in which state authorities, forestry organisations and municipalities are represented, will serve to establish specific collaboration and co-investment agreements, facilitating, in the prioritised municipalities, the possibility for state and municipal governments to participate financially in the project's initiatives, such as the Local Mechanisms of Payment for Environmental Services, the restoration of micro-watersheds, or the implementation of PROAGUA.
Private initiative (PI)	Participation of non-governmental economic actors that use environmental goods and services for co-investment	It will be proposed to develop participation schemes in concurrent funds, or local mechanisms of payment for environmental services, based on the experience and instruments developed by CONAFOR, with the aim of promoting the participation of users of environmental services. Through this project, it will be sought to raise awareness among new stakeholders of the IP so that the Concurrent Funds and the adaptation to the impacts of climate change of the population located in the prioritised areas of the Basin can be promoted.	Some private initiative organisations were identified as having the potential to participate, such as the Telmex-Telcel, Fomento Cultural Banamex, Gonzalo Rio Arronte, Ejido Verde, the shipping company Mearks Sealand and the steel company Arcelor Mittal. The latter two are based at the mouth of the Balsas River in the port of Lázaro Cárdenas, Michoacán. The project will strengthen ongoing and new initiatives between producers of industrial raw materials and private investors in value chains related to adaptive forest management, such as resins for various uses, agaves for the production of sugars and traditional beverages, or coffee. The purpose will be to promote the integration of medium and long-term investment plans that provide greater certainty to the actors in these forest product chains. Considering the constant and growing flow of remittances from Mexico's migrant population in the United States, the project will offer certainty conditions for investment in productive processes with profitability in the medium term. Productions such as agroforestry and other agroforestry systems, articulated with public investments, could attract those who send remittances to their families, offering to build with them retirement plans in their community of origin, where they

			want to return one day. To promote this co-investment opportunity, Mexican migrant clubs and associations abroad, particularly in the United States, and diplomatic representations in that country, will be approached.
CONAFOR's Promotorías Forestales (local offices)	<p>Local and Regional Representation of the Executing Entity CONAFOR</p> <p>E&amp;S risks and impacts and management procedures.</p> <p>Grievance redress processes.</p> <p>Capacity needs.</p>	The location of the existing local promotorías in the Balsas Basin will allow one to be assigned to each sub-basin. The team of forestry promoters will assist the UCP Project lead advisor in facilitating RCIMT meetings to improve coordination with other institutions and programmes operating in the sub-basin.	The main functions of the promotorías are to promote the PADFSB, identify priorities in the state; develop coordination mechanisms with the state administration and its environment-related entities; and participate in the selection of PADFSB incentive applications submitted by agrarian communities and other forestry organisations. At the local level, forestry promoters are located close to the agrarian communities where the PADFSB can potentially be implemented. In each of these small entities, there is a team of forestry facilitators hired by CONAFOR, whose functions are to disseminate information about the PADFSB and other environmental sector initiatives. They are also responsible for providing technical support to agrarian communities in their efforts to plan and implement sustainable forest management, ecosystem restoration, the provision of environmental services and the development of agrarian and productive structures.
Project Coordination Unit (UCP)	<p>Effective project management, coordination, implementation and monitoring</p> <p>E&amp;S risks and impacts and management procedures.</p> <p>Grievance redress processes.</p> <p>Capacity needs.</p>	The Project Coordination Unit (UCP) will be based at CONAFOR headquarters and will be under the supervision of the Technical Project Team (ETP) of CONAFOR. The UCP will prepare the reports that CONAFOR will submit to CDAL for periodic feedback on project implementation. The UCP will be composed of 10 people, of which only 4 will be hired by the Project: the Chief Technical Advisor, a financial and a procurement specialist, and a Monitoring and Evaluation Specialist.	The main functions of the UCP will be to ensure effective project management, coordination, implementation and monitoring through effective AWPB implementation, support and supervision of field staff and experts, quality assurance and safeguards compliance. The UCP will also contribute to the financial management of GCF and IFAD financial resources in accordance with CONAFOR and IFAD regulations and procedures. The UCP will be in charge of (i) integrating the PTAP to be submitted to CONAFOR and CDAL, based on the investment plans developed in prioritized sub-basins and territories; (ii) following up on the support to the RCIMTs; (iii) contributing to the capacity building of CONAFOR's Promotorías and extensionists; (iv.) facilitate access to technical assistance to communities and ensure technical supervision of all project activities; (v) facilitate the contribution of the different Technical Divisions of CONAFOR, including the GreenMex project team to project activities in the prioritised project areas, and the alignment of activities with the PADFSB; (vi) prepare quarterly technical and financial reports; (vii) monitor project indicators in accordance with the logical framework; (viii) ensure the development of the project baseline, mid-term review and final evaluation; (ix) ensure close collaboration between project activities and other relevant partners at national, state and municipal

			levels; and (x) prepare the Terms of Reference (ToR) for the contracting of consultants and companies, which will be financed with GCF grant resources; (x) prepare the Terms of Reference (ToR) for the contracting of consultants and companies, which will be financed with GCF grant resources; and (x) prepare the Terms of Reference (ToR) for the contracting of consultants and companies, which will be financed with GCF grant resources.
Balsas Project Steering Committee (CDAL)	Inter-institutional coordination. Strategic guidance and oversight of project implementation.	The decisions of the CDAL will be taken by consensus. It will meet at least twice a year to (i) approve the Annual Work and Budget Plans (AWPB); (ii) monitor the results, approve the quarterly technical and financial reports of the project; (iii) follow up on the co-financing of the project by the institution and the contributions of the federal state governments; (iv) provide for the scaling up and replication of the project results; (v) provide strategic guidance to CONAFOR and the co-executing and implementing partners; (viii) approve the communication strategy of the Project. The meetings of the CDAL will be face-to-face, virtual or hybrid.	Within the CDAL, the co-chairing institutions will be represented at the highest level (National Commissioner, National Representative, Director General or Executive Director) or by a delegate, if the high-level responsible cannot attend. The CDAL will also be responsible for the coordination and technical and operational guidance of the Project among the priority programmes of the General Directorate of Climate Policy and Action of SEMARNAT, CONAFOR, CONAGUA and AGRICULTURE.
National Forestry Commission (CONAFOR)	Project Executing Entity  E&S risks and impacts and management procedures.  Grievance redress processes.  Capacity needs.	CONAFOR is empowered by the General Law of Sustainable Forest Development to administer the National Forest Fund (FFM), which administers all resources destined to the beneficiaries of the PADFSB (including PES) and other minor programmes of CONAFOR.	Sets up and operates the CONAFOR ETP Project Technical Team and the Balsas Project UCP. Selects and contracts implementing partners after CDAL approval. Signs project implementation agreements with co-executing partners (public, national and international). Transfers the financial resources of the project to the National Forest Fund and then to the beneficiaries, in accordance with the contracts concluded with them. Monitors and evaluates implementation results and safeguards compliance by implementing partners. Prepares and monitors AWPB implementation. Prepares and submits quarterly, semi-annual and annual monitoring and control reports to the EA. Prepares and submits specific reports at the request



		CONAFOR will create a sub-account in the Mexican Forest Fund (FFM) to transparently manage the GCF Grant resources.	of the EA. The FFM within CONAFOR: Prepares and submits quarterly, half-yearly and annual follow-up and monitoring reports to the EA for the GCF Grant. CONAFOR has an organisational structure and a Governing Board that oversees its institutional work. From its central structure in Guadalajara (Jalisco), CONAFOR has a wide network of representation in the states of Guerrero, Oaxaca and Michoacán. This will ensure the participation of the federal institutions active in the Balsas Basin, as well as its role in facilitating participation at the municipal level.
Ministry of Environment and Natural Resources (SEMARNAT)	Implementation partner	Semarnat and its agencies work on four priority areas: i) conservation and sustainable use of ecosystems and their biodiversity; ii) pollution prevention and control; iii) integrated management of water resources; and iv) combating climate change.	As leader of the Environment Sector, SEMARNAT advises and supervises the participation of CONAFOR and CONAGUA in the Balsas PA. Specifically, the General Directorate of Climate Policy and Action of SEMARNAT, the entity in charge of the National Institute of Ecology and Climate Change (INECC), will support CONAFOR in the assessment of climate change and perception, diagnosis and vulnerability in the prioritised areas of the Balsas PA, contribute to adaptation and monitoring in the intervened areas, train project stakeholders on climate change issues, provide climate change scenarios and support in the calculation of GHG emissions, and participate in technical groups of the RCIMT.
Ministry of Finance and Public Credit (HACIENDA)	Project Executing Entity Designated National Authority to the GCF	<p>Sign the Subsidiary Loan Agreement with EA (IFAD), on behalf of the Government of Mexico.</p> <p>Sign the Mandate and Implementation Contract with CONAFOR and NAFIN.</p> <p>Responsible for the management of the GCF Loans according to the Financial Agreement,</p> <p>Transfer resources from the Treasury of the Federation to CONAFOR, according to the annual budget approved by the National Congress.</p>	HACIENDA is the governmental political and operational focal point for international climate finance agencies. It also administers and defines the federal budget and expenditures for the implementation of public programmes, including climate-related ones. The mandate and implementation contract is a legal contract required by Mexican law whereby HACIENDA mandates a Development Banking Institution (in the case of Balsas: NAFIN), to act on behalf of the Federal Government as an Intermediary between the International Financial Institutions (in the case of Balsas: IFAD) and the agencies and entities executing programmes and projects (in the case of Balsas: CONAFOR) financed with external credit in terms of preparation, negotiation, monitoring and compliance with contractual commitments, verification of contracting processes, training and technical assistance, disbursement of eligible expenses, financial monitoring and debt servicing. Within HACIENDA, the International Financial Affairs Unit (UAIH) is in charge of: i) formulating and implementing public finance policy in its relations with foreign countries, as well as negotiations with international financial organisations; ii) exercising rights and managing the fulfilment of obligations with banks and international organisations; iii) advising on

			<p>new project proposals linked to external credit and; iv) negotiating and signing grants and non-reimbursable technical cooperation agreements with foreign organisations and institutions, as well as coordinating and following up on them.</p> <p>The Treasury of the Federation (TESOFE) is an administrative Unit of the HACIENDA in charge of the financial management of the Federal Government's resources and securities. In the Balsas project, TESOFE transfers budgetary resources to CONAFOR, which advances the expenses of the Project activities funded by the IFAD-GCF Loans. As such, HACIENDA will be an Executing Entity, but it will not implement any Funded Activity.</p>
Nacional Financiera (NAFIN)	Project Executing Agency and Financial Agent	<p>Ensures that the contractual terms of CONAFOR's operations are in line with both the GoM legal framework and the project financing agreement. Signs the Contract of Mandate and Execution of credit resources between HACIENDA, CONAFOR and NAFIN. Manages the disbursement of the GCF Loans to TESOFE, in accordance with the subsidiary agreement between IFAD and HACIENDA and the financial and administrative reports submitted by CONAFOR.</p>	<p>NAFIN will act as trustee of the Project Loans and will channel IFAD funds to TESOFE (within HACIENDA), which will then channel funds to CONAFOR, as CONAFOR cannot directly receive external loan financing. As such, NAFIN will be an Executing Entity, but will not implement any Financed Activities. It confirms the disbursement and ensures that the funds have been credited to its account. NAFIN then auctions the funds in the money market and, after the conclusion of the auction, transfers the equivalent amount in pesos to the Treasury of the Federation. This includes informing HACIENDA of the value date and the amount in pesos and dollars of the officially discounted disbursement request. The resources are disbursed in their dollar equivalent, notifying TESOFE of the expected date of receipt two days prior to deposit. The proceeds of the GCF Loan, disbursed by IFAD, pass to the Treasury of the Federation (TESOFE) through the Financial Agent (NAFIN); NAFIN will manage disbursements to IFAD using the IFAD Client Portal (ICP) already installed at IFAD.</p>
National Water Commission (CONAGUA)	Implementing Partner	<p>In each municipality, communities without access to piped water or suffering from irregular supply will be identified. Through the support of the RCIMTs, the Project team will seek synergy with state administrations, municipalities and the PROAGUA programme to facilitate the necessary co-financing.</p>	<p>CONAGUA performs functions related to national water policy and regulation for its use (concessions, permits and sanctions for non-compliance), as well as technical and financial support to states and municipalities in the development of urban and rural water infrastructure. Investment will consist of rainwater harvesting for households, the management of micro-watersheds for the construction of small water infrastructure and the development of irrigation systems.</p>

Ministry of Agriculture and Rural Development (Agriculture)	Implementing Partner	Among other activities, AGRICULTURA operates programmes that benefit small farmers, through the transfer of subsidies and the provision of technical assistance. At the sub-regional level, AGRICULTURA operates through the Rural Centre for Rural Development (CADER).	As co-executing partners of the project, AGRICULTURA will support the following activities: (i) identification of interventions in the prioritized areas that are aligned with the project, (ii) exchange of information on agricultural production, soils, effects of climate change on agriculture and ongoing productive reconversion efforts; (iii) technical assistance to prioritized communities to strengthen capacities especially in agroforestry, silvopastoral systems and backyard production; (iv) coordination with CONAFOR to improve fire management and protection, and (vi) facilitate collaboration with sub-regional structures (CADER) and Research Centers that can provide technical assistance and financial support to producers.
Coordination of Presidential Advisors (CAP)	Guidance, coordination and counselling	The CAP will support CONAFOR in facilitating dialogue and coordination with other institutions at federal and state level, Formalisation of agreements with other institutions or secretariats.	The specific functions of the CAP are to provide technical and operational guidance to implement the Government of Mexico's priority programmes and to support the high-level discussions and decision-making process related to the government's long-term commitment to the Balsas PA. Facilitate the development of inter-institutional coordination mechanisms in the project area. Oversee the preparation of financial and implementation reports required by IFAD.
International Fund for Agricultural Development (IFAD)	Technical, financial and general administrative supervision.	Biannual Project monitoring and implementation support missions, and a mid-term and final evaluation of the project will be carried out in order to assess: (i) progress in relation to the achievement of results and disbursement outcomes; (ii) the effectiveness of institutional and financial arrangements; (iii) the financial procedures manual, suggesting revisions and updates; (iv) implementation and financial management results; and (v) the achievement of the Annual Work Plans and Budgets (AWBs).	As the GCF implementing entity, IFAD will be responsible for overall technical, financial and administrative supervision, and compliance with GCF reporting and safeguards requirements, as defined in the Accredited Framework Agreement (FAA) and the Funded Activity Agreement (FAA) to be signed. Project operations will conform to the following instruments: Subsidiary Loan Agreement and Subsidiary Grant Agreement; IFAD General Conditions for Agricultural Development Financing and its disbursements, financial reporting and audit procedures; Government of Mexico regulations for financing state entities with external resources, specifically on issues related to budget allocations and disbursements through the reimbursement mechanism, financial statements and external audits and external audits; and CONAFOR regulations on financial management systems. The GCF grant and loans will be made available to the Government of Mexico under two financing agreements, as described above. IFAD's Client Portal will be the online platform used by the Government of Mexico to submit disbursement requests to IFAD.

## Stakeholder engagement

### Planning processes

Based on the methodology of CONAFOR's "Regional Forest Management Programmes" (RFMPs) and taking into account relevant elements and lessons learned from the methodology of the "Action Plan for Integrated Watershed Management" (PAMIC) developed by SEMARNAT and the National Commission of Natural Protected Areas (CONANP), a participatory territorial planning process will be facilitated in which all relevant stakeholders will be involved, especially vulnerable groups, women and ethnic communities. This participatory prioritisation and planning process will incorporate climate change dimensions for the sustainable management and restoration of the forest landscape at basin and sub-basin level.

This participatory territorial planning tool covers the sustainable use, conservation and restoration of forests, their natural resources and environmental services at basin, sub-basin and ethnic territory levels. The project's technical assistance will enable different stakeholders to develop land use zoning plans based on socio-economic and climate change vulnerabilities, including increased rainfall intensity, flash floods, soil erosion and landslides, increased temperatures and droughts.

Through this participatory territorial planning approach, each basin, sub-basin and ethnic territory will be delimited into several prioritised micro-basins, where rural communities and municipal capitals share social and economic relations and together can make decisions related to the management of water, soil, forests and other natural resources.

This concept helps to identify areas of water supply and demand and connects them by working together with municipalities, Agrarian communities and other state and federal governmental entities. It also harmonises cultural and physical-natural areas that facilitate the social management of the micro-watersheds. In the Balsas Project area, these prioritised areas may include three to five municipalities, and several agrarian communities.

### Implementation, monitoring and evaluation

CONAFOR's forest promoters will support and facilitate the planning and execution of participatory territorial management plans. For the development of participatory territorial management plans in each basin, sub-basin and ethnic territory, CONAFOR, CONAGUA, local governments, research centres and other relevant institutional actors will collaborate through the corresponding RCIMTs to identify priority actions and work plans and promote the participation of Agrarian and Indigenous Communities, grassroots organisations, women, youth, indigenous peoples and the private sector.

The traditional knowledge of Agrarian communities and indigenous peoples for the sustainable management of forest landscapes and the adoption of good agro-ecological practices will be identified and incorporated. The private sector and public enterprises will also be approached and actively involved. Once the plan is developed, municipalities, agrarian communities and grassroots organisations will be invited to prepare and submit their investment proposals to CONAFOR and CONAGUA to develop more detailed investment plans to be financed by through the incentive schemes of the institutional programme PADFSB (CONAFOR) through sub-projects co-financed by the Balsas Project.

With the support and facilitation of the project, this collaborative and participatory planning process is expected to improve inter-institutional and multi-sectoral coordination, encourage the

active participation of grassroots organisations and agrarian communities, and lead to formal agreements and active participation of the private sector. The formulation of proposals by groups with broad participation of women and youth will be encouraged and supported. Private companies, municipalities and other state and non-state entities will be invited to participate in innovative financing mechanisms for forest landscape conservation, such as Local PES Mechanisms.

Local Measurement, Reporting and Verification (MRV) Brigades are a new initiative of CONAFOR that will be piloted through the Balsas project and then scaled up nationally. Within the project area, 18 brigades consisting of one local expert and two rural youth (male and female) will be recruited by CONAFOR to participate in data collection for the National Forest Inventory, estimation of deforestation rate, as well as monitoring of a sample of plots where the Project supports improved management of forest landscapes. These community MRV Brigades will report data to CONAFOR's MRV team through a new online application to be developed by the Project.

The project will also contract independent consultants who will assess the progress of the project in terms of main impacts, outcomes and output achievements, and verify whether the monitoring and evaluation system is correctly reporting on the objectives. These consultants will also participate in field visits to organise focus group discussions and assess the level of beneficiary satisfaction as well as the correct implementation of safeguards.

### Gender-sensitive engagement and training

Specific actions will be taken to engage with women and young people for the duration of the project, to strengthen their capacities to better analyse and articulate their needs in terms of economic activities or organisation, and to enable their better socio-economic integration. Various stakeholder consultations have already raised the need to identify specific activities to support women. Such actions will include the empowerment of women and youth through training in organisational development and leadership. There will also be exchange visits, forums and women's rights days with the participation of project stakeholders.

### Dissemination and dissemination of information

Dissemination of information and knowledge products is considered part of stakeholder engagement activities, recognising that lack of understanding and misconceptions about climate change and landscape restoration are common, and that engagement activities need to be complemented by processes to convey information in a culturally appropriate manner. Dissemination of information and knowledge products aims to complement capacity building activities by addressing knowledge gaps to strengthen stakeholder participation and decision-making.

CONAFOR and IFAD will disseminate relevant documentation developed through the GCF FP design process in a timely manner. IFAD will ensure the widest possible dissemination and disclosure of project information. Taking into account special needs and limited access to web content, special attention will be given to potential project participants: farmers, illiterate or technologically illiterate people, people with hearing or visual impairments, people with limited or no access to the Internet, and other groups with special needs. Special attention will be given to the disclosure of the project's environmental and social safeguards. Assessments and plans developed throughout the project will be disclosed upon completion. Stakeholders will be notified of the availability of draft and final documents. The project team will develop and publish regular

project updates to provide stakeholders with information on the status of the project. Updates will be made through various media (e.g. press, radio, social media, formal reports).

Relevant safeguards-related documentation will be disclosed in a timely manner. For Category B projects, disclosure will be made at least 30 days prior to the expected date of GCF approval, in accordance with the requirements of the GCF Disclosure Policy. State level sub-projects will disclose all relevant documentation, including ESMPs for category B sub-projects, at least 30 days prior to the expected date of approval by CONAFOR. Disclosed documents will be presented in an accessible and culturally appropriate manner, taking into account the specific needs of indigenous and community groups that may be affected by project implementation (such as literacy, gender, linguistic differences, accessibility to technical information or connectivity). Safeguards documents will be shared with IFAD as relevant.