

for all, SDG #10: Reduction of inequalities, SDG # 11: Sustainable cities and communities, SDG # 12: Responsible consumption and production, SDG # 13 Take urgent action to combat climate change and its impacts, SDG # 17: Partnerships for the SDGs.

The Action is fully aligned with the MIP 2021-2027 for Honduras, the Global Gateway principles and objective to attract private funding to the green and inclusive agenda. It will directly contribute to the implementation of the Global Gateway Investment Agenda for Honduras approved at the 2023 EU-CELAC Summit and is in line with MIP Priority Area 1 “ sustainable management of natural resources and climate change and 2 “employment, decent work and growth”.

1.3. Zone benefitting from the Action

The component 1 ‘Technical Assistance’ of the Action shall be carried out in Honduras, included in the list of ODA recipients. Some products will primarily benefit the geographical areas of the Yojoa Lake Basin, Sula Valley and Choluteca Basin, where the corresponding GGIA projects will be implemented.

2. RATIONALE

2.1. Context

Honduras is one of the poorest and most unequal countries in the Western Hemisphere. The country is highly vulnerable to climate change and external shocks. According to the Germanwatch Global Climate Risk Index 2019⁴, Honduras ranks among the top three countries worldwide most affected by extreme climate events in the last two decades. The country suffers from recurrent climate-related hazards with high impact on already stressed natural ecosystems, such as forests. With an estimated contraction of 3% of its GDP per natural disaster (projected to rise up to approx. 5.4% of GDP and 6.2% increase in public debt by 2050), adaptation to climate change is a structural challenge for the development of the country, including resilient basic infrastructure and sustainable value chains⁵.

Climate change is a threat to the Honduran population and its means of production and life, such as housing, crops and infrastructure. Consequently, a severely damaged national economy has to cope with food insecurity, poverty and Honduran nationals migrating in search of security for their families. That is particularly difficult for women and girls, who often lack access to instruments for increasing their resilience.

The impacts of climate change disproportionately affect the poorest Hondurans, especially women and IPADs, as they often live in the most vulnerable areas, are more dependent on subsistence agriculture and other natural resources such as forest and marine assets, and have limited resilience, low levels of access to infrastructure, and low capacity for institutional adaptation⁶.

Moreover, the country faces great challenges in overcoming the high level of poverty of a significant segment of its population, a condition that affects rural women and youth in particular, as well as the need to improve human development and reduce socioeconomic vulnerabilities arising from the climate change phenomenon and further aggravated by the COVID-19 pandemic. The COVID-19 pandemic, coupled with two tropical storms —Eta and Iota— in 2020, led to a sharp GDP decline of 9%, while income and employment sank, with about 400,000 people losing their jobs⁷.

Unemployment and underemployment mainly affect women, youth and ethnic minorities. Together, they push such groups towards irregular migration. The share of employed working age men is 75.5%, while only

⁴ Eckstein, D., Hutflits M, & Wings M. (2019). Germanwatch Global Climate Risk Index 2019. sitio web de Germanwatch: Available from <https://www.germanwatch.org/sites/germanwatch.org>

⁵ World Bank Group. 2023. Honduras - Informe Sobre Clima y Desarrollo. CCDR Series. © World Bank. Available from <http://hdl.handle.net/10986/39820>

⁶ Ibidem

⁷ República de Honduras. (2021). Plan de Reconstrucción y Desarrollo Sostenible. Gobierno de la República de Honduras. [On-line]. Available from: <https://fonac.hn/wp-content/uploads/2021/05/Presentacio%CC%81n-PRDS-1-mayo-1.pdf>