ADAPTATION FUND

REGIONAL PROJECT PROPOSAL

PART I: PROJECT INFORMATION

Title of Project:	Strengthening the adaptive capacities of climate-vulnerable communities in the Goascorán watershed of El Salvador and Honduras through integrated community-based adaptation practices and services
Countries:	El Salvador, Honduras (Central America)
Thematic Focal Area:	Food security
Type of Implementing Entity:	Multilateral Implementing Entity (MIE)
Implementing Entity:	World Food Programme (WFP)
Executing Entities:	El Salvador: Ministry of Environment and Natural Resources (MARN) Honduras: Secretariat of Natural Resources and Environment (MiAmbiente+)
Amount of Financing Requested:	$12,048,300 (in U.S Dollars Equivalent)

Project Background and Context:

Geography and climate

This project is a regional initiative focused on the transboundary watershed of Goascorán which lies between eastern El Salvador and south-western Honduras. The Goascorán watershed flows into the Gulf of Fonseca and consists of 36 sub-basins, covering 13 municipalities in the Salvadoran departments of La Unión and Morazán and 16 municipalities in the Honduran departments of La Paz, Valle, Comayagua and Francisco Morazán (see Figure 1). The watershed falls within the Central American Dry Corridor, which stretches from southern Mexico to Panama, and which has recently experienced multiple years of severe drought. Being far from the main cities, it is one of the areas with the least rural development in both countries.

According to a management plan prepared in 2007, the watershed covers an area of 2,345 km^2 with 52 percent in Honduras and 48 percent in El Salvador (IUCN, 2016). Data generated in 2013 by the Honduras Millennium Account calculates an area of 2,613.89 km 2 of which 61.2 percent lies in Honduras and 38.8 percent in El Salvador.

The Goascorán watershed can be divided into three main areas i) a mainly mountainous upper basin with slopes greater than 50 percent and steep ravines consisting mainly of pine forests that grow in rounded mountains of high relief; ii) a middle basin, constituted by rugged hills with slopes varying from 20 to 50 percent; and irregular hills of high relief reaching 750 metres above sea level[1] and iii) a lower basin, mostly constituted by plains, ancient valleys, slopes with less than 10 percent gradient, inland wetlands, estuaries and the delta in the Fonseca Gulf that lies between El Salvador, Honduras and Nicaragua. The headwaters of the river Goascorán are found in Loma de Peñas in Honduras, and the river borders three municipalities in El Salvador until it reaches the Gulf of Fonseca.Comparing the different areas in the watershed, precipitation and seasonal temperature regimes differ depending on the altitudes with Honduras presenting higher altitudes than El Salvador. At the same altitudes, climate patterns are similar in both countries.

There are four climatic zones in the Goascorán watershed:

i) tropical hot savannah: rising from sea level to 800 metres with average annual temperatures of 20 -

[1] Global Water Partnership (GWP), 2016, Gestión integrada de los recursos hídricos en Centroamérica.

27º C, and annual rainfall of 1,700 mm

ii) tropical warm savannah: between 800 to 1,200 metres with annual average temperatures of 20 - 22º C and rainfall of less than 2,000 mm per annum.

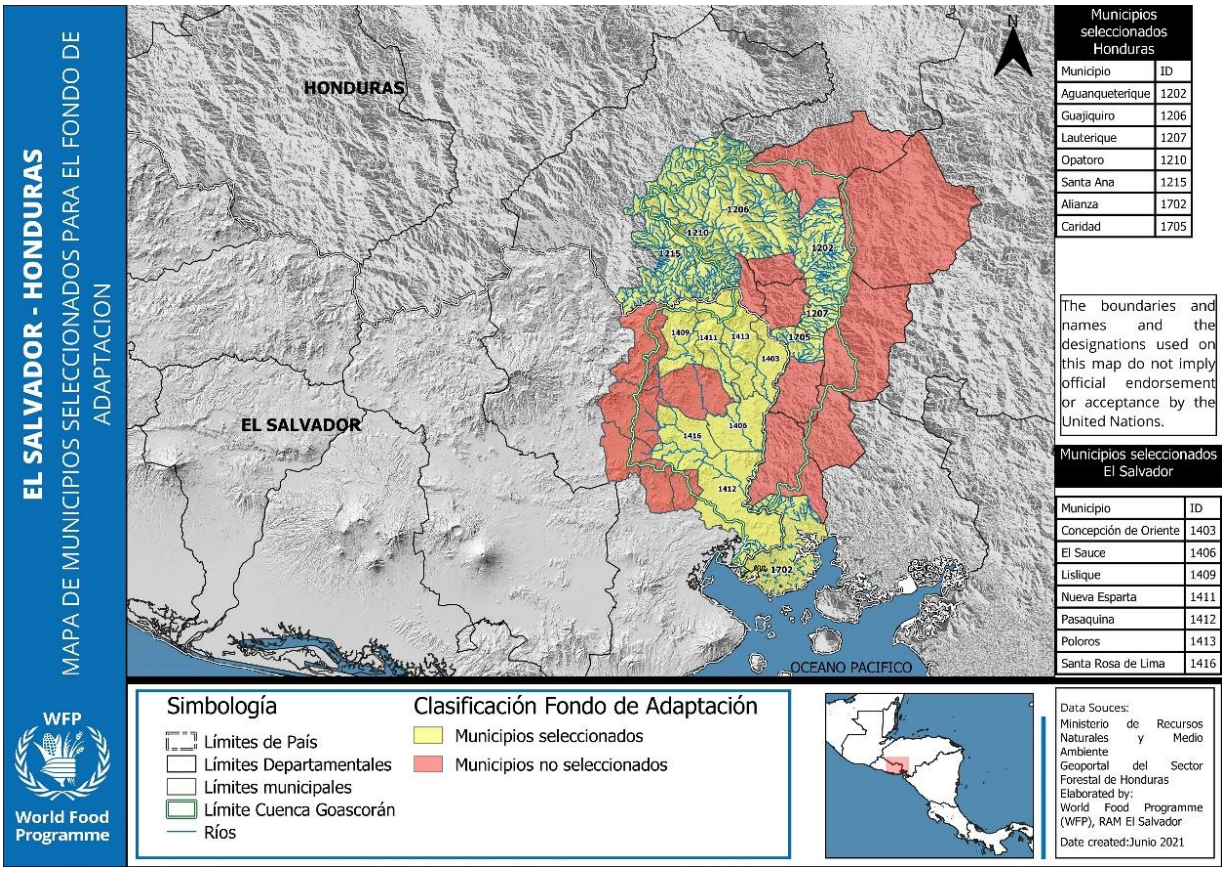
iii) high-altitude tropical climate: between 1,200 to 1,800 metres with average annual temperatures of 16 - 20º C and maximum variations of 20.6 to 22. 4º C in the rainy season and rainfall exceeding 2,000 mm per annum.

iv) highland climate: from 1,800 to 2,700 metres with temperatures between 10 to 16º C and a three-month dry season.

In both countries, the agricultural calendar and food availability is determined by the rainfall regime. In a normal year, the rainy season runs from mid-April until October, interrupted by the *canicula,* a dry period, typically occurring between mid-July and mid-August. The dry season normally lasts between November and mid-April. Compared to other areas in the Central American isthmus, this dry period is slightly less pronounced in the Goascorán watershed. Occasional moist periods in the winter months are associated with cold frontal passages from the north.[2] Figure 2 provides an overview of the seasonal calendar.

Due to the elevational gradients, there are some ecological differences between the Honduran and Salvadorian parts of the watershed. While Honduras has more dense forested landscapes in the higher part of the watershed with water recharge areas, El Salvador has more middle to lower degraded landscapes analogous to those found in Honduras at similar altitudes.

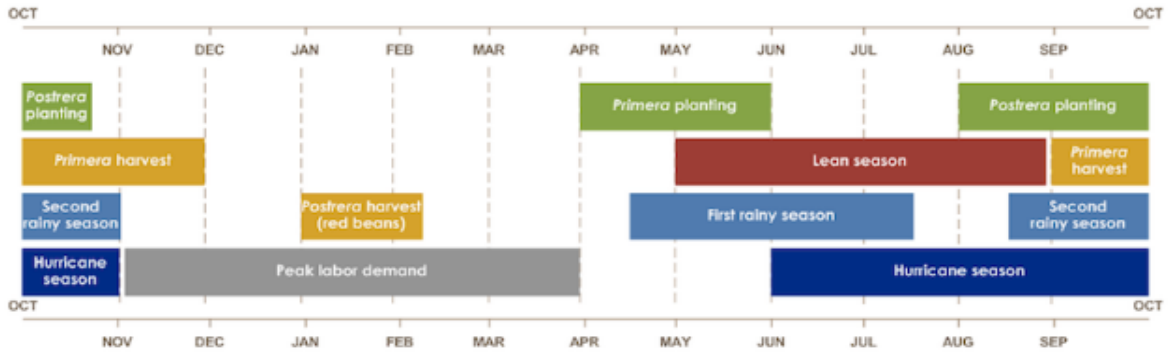
Figure 1. Map of the Goascorán watershed and its municipalities. As the border demarcation remains under dispute, this map does not delineate the frontier between the two countries.[1] (WFP VAM Team, 2021)



[2] USAID,2014, Vulnerability and Resilience to Climate Change in Western Honduras

[3] El Centro Agronómico Tropical de Investigación y Enseñanza (CATIE), 2007, *Plan de manejo de la cuenca binacional del río Goascorán*

Figure 2. Seasonal calendar for Goascorán watershed, including agricultural practices and periods of food insecurity. Due to consecutive droughts since 2012, farmers have begun to only plant once a year, skipping the *primera* planting period.



At least two indigenous communities live in the region: In Honduras, Lenca communities live in the municipalities of Opatoro, Santa Ana and Guajiquiro in the upper watershed area. In El Salvador, descendants of the Kakawira People live in the Morazán department and the Lenca People live in Morazán and La Unión in the middle and lower area of the watershed.[4,5] The majority of inhabitants in the lower and middle watershed, however, are *mestizo*[6], no longer maintaining Lenca traditions. See Box 1 for a summary of the Social, cultural, ecological and livelihood differences in the Goascorán River basin.

Eighty-five percent of the watershed population lives in rural areas. Households depend on cultivation of maize, sorghum and beans, and livestock raising including small-scale aviculture. Because of the limited agricultural potential of soils, cattle raising remains the primary option to generate income for smallholder producers in the upper and middle parts of the watershed. Communities' dependence on livestock and rainfed agriculture renders them more vulnerable to climate variability and shocks including higher temperatures and irregular and reduced precipitation. On both the Honduran and El Salvadoran sides of the watershed, the incidence of malnutrition ranges from moderate to high. In El Salvador, the department La Union has the highest rates (23 percent) of households having to use crisis or emergency livelihood coping strategies and food consumption coping strategies.[7] Sixty percent of the population on the Honduran side of the watershed lives in extreme poverty while among the El Salvadoran inhabitants of the watershed the percentage ranges from 24.8 percent to 65.1 percent.[8] As such, the vulnerability of livelihoods in the watershed constrains investments in and adoption of climate adaptative capacities. There is limited research available for the watershed on migration levels due to climatic shocks and stressors. A recent study by WFP highlights, however, the complex relationship between economic and climate-related factors making it difficult to isolate a single cause of migrants' decision-making behaviour as climate-related factors impact income-generating activities and livelihoods especially for smallholder farmers.[9]

Land tenure is a major challenge to achieve food security and strengthen livelihoods' resilience in the watershed. Women are particularly vulnerable due to lower access to productive assets. In the Salvadorian

[4] Mariella Hernández Moncada, 2016, Pueblos Indígenas de El Salvador: La visión de los invisibles. URL: https://www.upo.es/investiga/enredars/wp-content/uploads/2017/03/138-157.pdf

[5] In El Salvador, the Indigenous communities are organized internally in councils, as well as in Communal Development Associations, and at the level of the departments, they are integrated in the Council of Lenca and Kakawira Peoples "COPULENKA". In the Honduran territory, indigenous communities have various organizational structures such as the National Lenca Indigenous Organization of Honduras (ONILH), the Civic Council of Popular and Indigenous Organizations of Honduras (COPINH), the Lenca Indigenous Movement of Honduras (MILH), the Honduran Federation of Lenca Indigenous People (FHONDIL), and the Council of Lenca Indigenous Women of Honduras (CONMILH). These indigenous councils at the municipal level participate in the Goascoran River Basin Council, in the Trustees (patronatos) and in the Rural Solidarity Funds (Cajas Rurales Solidarias).

[6] The term *mestizo* is used to describe people with a European and Indigenous American ancestry.

[7] IPC/CIF/ MINSAL/PROGRESAN-SICA, 2021, Analisis de inseguridad alimentaria aguda de la CIF, Julio 2021.

[8] Information provided to WFP by MAG, El Salvador and MiAmbiente+, Honduras

[9] WFP/Civic Design Data Lab/ MPI/ IDB/ OAS, 2021, Charting a New Regional Course of Action. The Complex Motivations and Costs of Central American Migration. An agricultural worker whose earnings decreased due to diminished crop yields resulting from climate change or climate variability, might be migrating for economic reasons that are based on underlying environmental or climatic causes. Moreover, violence and natural disasters may prompt immediate displacement with less advanced planning and preparation, leading them to be underrepresented in the survey. In addition, among respondents who reported that economic conditions in their area of residence were getting worse, 48 percent reported experiencing some type of extreme weather event in the three years prior to data collection.

Dry Corridor, 72 percent of the interviewed households for the latest WFP Emergency Food Security Assessment (EFSA), reported they do not own land to cultivate[10]. Due to the international political trend, the area is also expecting a high number of returning migrants. This will increase existing pressures on natural resources, reduce the amount of remittances and consequently contribute to increased levels of poverty.[11]

Water supply is another challenge in the watershed with less than 50 percent of the population having access to running water[12] and water quality affected by solids.[13] Water supply across the watershed depends on pumping, even in the urban areas where water is extracted from the Goascorán river through an infiltration gallery and pumped to the distribution network without prior treatment[14]. High electricity expenditures for water supply are not recovered by the local municipalities because most of users are unable to pay bills, even though electricity fees are low.[15]

Box 1. Social, cultural, ecological and livelihood differences in the Goascorán River basin

Like every basin, the Goascorán River has three well-defined areas, namely the Upper, Middle and Lower area. Each of these areas has distinctive environmental, social, cultural and productive characteristics.

- **Upper area of the basin (mostly applicable to the Honduran part of the watershed):** Inhabited mainly by families of the indigenous people Lenca; the headwaters and major tributaries of the watershed are located here; the population is mainly engaged in the cultivation of coffee (generating a large share of income), basic staple food crops and fruit; affected by drought and water stress; its indigenous population has a more prone aptitude for the conservation and protection of its micro-watersheds, as well as the adoption of adaptive nature-based practices and technologies including agroecological practices and silvopastoral activities; limited access of water; Potential for ecotourism as income generating activity
- **Middle area of the basin:** Inhabited mainly by latino-mestizo population with high migration rates to the United States; communities are engaged livestock pasture and staple food production (maize, gama grass and beans); to some small shops, crafting and rural tourism with towns such as Goascorán; remittances are also important household revenue source; affected by drought and water stress.
- **Lower area of the basin**: plainlands and coastal area; arable land is scarce; inhabited mainly by latino-mestizo population; mainly staple food (grains) and livestock production some cotton production; tourism and artisanal fishing are practiced along the coasts[1]; Inflow of remittances is especially; potential to develop aquaculture and beekeeping value chains; high often affected by drought and floods.

Rural women in both countries face fundamental challenges. At national level, 39.3 percent of women in Honduras and 41.6 percent in El Salvador are economically dependent on men[16]. Data from the latest EFSA in the Dry Corridor from El Salvador, in biparental households headed by men, 80.4 percent of men are the main bread winners. The national illiteracy rate in El Salvador is 12.2 percent for women while for men is 8.5 percent[17] and in Honduras is 11.07 percent for women and 11.01 percent for men[18]. Sixty percent of the illiterate population in rural areas are women[19]. Agriculture represents an important source of livelihoods for both men and women but only 12 percent of producers are women. At national level, only 12 percent of women in Honduras and 13 percent in El Salvador own land and, typically, their parcels are

[10] WFP, 2018, Emergency Food Security Assessment (EFSA), El Salvador.
[11] Migration Policy Institute, 2019, Effec*tive Reception & Reintegration Services for Returning Mexican, Central American Migrants Reduce Re-Migration Pressures, Improve Outcomes* https://www.migrationpolicy.org/news/effective-reception-reintegration-services-returning-mexican-central-american-migrants-reduce
[12] Centro Agronómico Tropical de Investigación y Enseñanza (CATIE), 2007, Plan de Manejo de la Cuenca Binacional del Río Goascorán
[13] Informe de clasificación de ríos por calidad del agua, 2017, Ministerio de Medio Ambiente y Recursos Naturales
[14] Aída Gloria Echeverría, 2011, Propuesta de Política Municipal para el Sector Agua Potable y Saneamiento. CONASA
[15] Ibid.
[16]United Nations Economic Commission for Latin America and the Caribbean (CEPAL), 2017, https://oig.cepal.org/es/indicadores/poblacion-sin-ingresos-propios-sexo
[17] Department of Statistics and Censuses (DIGESTYC), 2017, Multiple Purpose Household Survey, El Salvador
[18] Permanent Multiple Purpose Households Survey, 2016, National Statistics Institute (INE), Honduras
[19]DIGESTYC, 2014, Multiple Purpose Household Survey, El Salvador
www.digestyc.gob.sv/index.php/temas/des/ehpm/publicaciones-ehpm.html?download=559%3Apublicacion-ehpm-2014014

smaller and less fertile.[20] Less than five percent of women have access to credit and technical assistance.[21] Women generally lack awareness of their personal rights and empowerment opportunities. Women and girls face disadvantages in access to health, education, political representation and formal employment. Rural families living in the Dry Corridor of both countries report women are mainly in charge of the non-remunerated care and domestic work (90 percent in El Salvador5) but women also participate in the family agricultural work as well as informal income-generating activities. In Honduras, the control and use of financial resources is reflected in decision-making. While house expenditures and food purchase are often decided jointly as a couple, decisions related to what products to cultivate and sell is mainly dominated by men, showing women are still excluded, perpetuating gender inequalities and prevailing the social norm that a man "brings money home, works and supports the family".[22] The situation in El Salvador is similar.

These factors lead to negative consequences for development of women's capabilities and their autonomy. In the 2019 Gender Inequality Index (GII), El Salvador is ranked 124st and Honduras 132nd out of 189 countries (see Table 1).[23]

Table 1. 2019 Gender Inequality Index (GII) (UNDP 2020)

	Gender Inequality Index		SDG 3.1 **Maternal mortality ratio**	SDG 3.7 **Adolescent birth rate**	SDG 5.5 **Share of seats in parliament**	SDG 4.4 **Population with at least some secondary education**		**Labour force participation rate**	
			(deaths per 100,000 live births)	(births per 1,000 women ages 15-19)	(% held by women)	(% ages 25 and older)		(% ages 15 and older)	
	Value	Rank				**Female**	**Male**	**Female**	**Male**
HDI rank	2019	2019	2017	2015-2020	2019	2015-2019	2015-2019	2019	2019
124 El Salvador	0.383	85	46	69.5	31.0	39.9	46.4	45.3	75.7
132 Honduras	0.423	100	65	72.9	21.1	32.2	29.6	52.0	85.9

The impact of COVID-19 on the national and regional economy has been remarkable in terms of contraction of the GDP and downsized economic growth in 2020. Prior to the COVID-19 health situation, the national outlook remained moderately favorable, with a projected economic growth of about 3.5-4 percent for both countries. Following the impacts of tropical storms Amanda, Cristobal, Eta and Iota, the slowdown in trade and consumption, COVID-19 containment measures and reduction in remittances sent to households, GDP in El Salvador contracted significantly by 8 percent in 2020 and by 9 percent in Honduras. In 2021, the economy in El Salvador rebounded to 10.7 percent growth (and expected to grow by 2.9 percent in 2022) and in Honduras rebounded to a 11.9 percent growth (and expected to grow a 3.1 percent in 2022).[24,25]

The impact of COVID-19 pandemic in the agricultural sector in El Salvador and Honduras has been significant, affecting food security, livelihoods and agribusiness development. Major value chains have been disrupted along with staple food production and distribution. Urban areas have been the most affected for being cut off from food production zones due to sanitary travel restrictions.

The pandemic has also unleashed the escalation in the prices of construction materials, transportation and food, mainly maize. In April 2022, the Consumer Price Index (CPI), and which shows an overall change in consumer prices over time based on a representative basket of goods and services, has shown a year-on-year inflation of 8.35 percent in Honduras, and in El Salvador of 4.26 percent; for the month of April 2022 the largest influencing factors for the increases in both countries have been food and non-alcoholic

[20] Oxfam America, 2016, Desterrados: Tierra, Poder y Desigualdad en América Latina, p. 28. https://www-cdn.oxfam.org/s3fs-public/file_attachments/desterrados-full-es-29nov-web_0.pdf. Other statistics for Honduras provide even lower favorable land tenure figures for women: 8.2 percent compared with 86.4 percent men and 5.4 perent co-owned. See: We Effect, 2020, *Estudio sobre mujeres y tierra en Honduras*, November 2020. It should be noted that national statistics (census, agricultural and households surveys) do not usually provide gender-disaggregated data; therefore, data are provided by specific assessments and surveys that have time and area limitations.

[21] Oxfam Internacional, *How rural women are adapting to climate change in Latin America and the Caribbean* https://www.oxfam.org/en/peru-brazil-nicaragua-cuba-mexico-bolivia-el-salvador-dominican-republic/how-rural-women-are

[22] WFP, 2019, Food for Peace Project Preliminary Assessment (EFSA), Honduras

[23] UNDP, 2020, Human Development Report 2020: The Next Frontier. https://hdr.undp.org/sites/default/files/hdr2020.pdf

[24] World Bank, 2022, El Salvador. Overview. El Salvador Overview: Development news, research, data | World Bank, last updated 22nd April 2022

[25] World Bank, 2022, Honduras. Overview. Honduras Overview: Development news, research, data | World Bank, last updated 25th April 2022

beverages, housing and utilities, and transport)[26]. This situation will likely worsen due to the ongoing Ukraine war that has an impact on global grain and energy markets. Globally, agricultural inputs, food and fuel prices have increased sharply since the onset of the conflict; this will ultimately affect local food prices and food security.

Climate change vulnerabilities and impacts

The Goascorán watershed, like other areas within the Central American Dry Corridor, is highly vulnerable to climate variability and change, with exposure to extreme weather events and high poverty rates creating specific challenges.[27] The main climatic factors in the region are delayed onset of the rainy season, erratic rainfalls, increasing frequency and intensity of droughts during the growing season, excessive rains and severe flooding. Historic climate trends based on the last 30 years of observation in Goascorán watershed show an increase of temperature and a decrease of rainfall with increasing interannual rainfall variability. Recent years have seen shifts in rainfall seasonality in the Dry Corridor, exacerbated by climate change. 2015 to 2020 have been the driest on record affecting the security of people's livelihoods within watershed communities.[28] Extreme weather events aggravate the fragility of vulnerable communities' lives and livelihoods in the transboundary Goascorán watershed, especially in environmentally degraded areas. This leads to high levels of poverty, food insecurity, malnutrition and out-migration. Box 2 provides more detail of the climatic impacts for different parts of the watershed.

Box 2. Impacts of climate variability and change on the Goascorán watershed

Lower area: Lower and low areas are highly vulnerable to droughts with negative impacts to productive activity, especially agriculture. On the other hand, during rainy periods the low-lying areas are vulnerable to flooding and sea level rise (especially municipalities such as: Alianza and Goascorán) with negative impacts to infrastructure and crop harvests. Increased incidence of pests and diseases affects crops. Climate impacts are exacerbated by deforestation: destruction of mangroves for logging purposes affect coastal areas and downstream soil erosion is caused by droughts and heavy rains as well as high level of deforestation upstream. The mismanagement of resources in the middle and upper region has a strong impact on the lower/low part of the watershed.

Middle area: The middle area is vulnerable to prolonged droughts, rainfall variability, higher temperatures heavy floods and increased incidence of pests and diseases affecting basic grains. Land cover losses and mismanagement of livestock contribute to degraded soils, making communities more vulnerable to excessive rains and floods due to low water infiltration and soil runoff. Extreme events further exacerbate deforestation and poor soil management.

Upper area: The upper area is affected by long periods of drought including the *canicula*, excessive rains and extreme weather events including frost with hail and hurricane-force affecting agricultural production in the region. Similar to the lower areas, deforestation is affecting the quality of soils and the availability of water, increasing aridity and reducing productivity. Inappropriate use of the land, slash and burn agriculture/ migratory agriculture and settlement expansion further impact soil degradation and water resources.

Due to recurrent droughts since 2012, the majority of communities have reduced their planting cycle from twice to once a year, skipping the *primera* planting season. There are some differences depending on the elevational gradients. In Honduras, in the middle and lower area of the Goascorán watershed, small-scale producers, especially of rainfed basic grain farmers, cultivate through two production cycles, however, they reduce planting areas in the first productive cycle due to the irregularity of the first rainy period and the duration of the canícula. On the other hand, in the upper area, most producers sow only one production cycle due to the agroclimatic conditions. In El Salvador, seasonal farming calendars have been adjusted and farmers focus on the main planting season, the *postrera*. Very few producers risk cultivating during the *primera* given the erratic rainfall pattern in the first months of the rainy season.

Having only one harvest per year creates food and income shortages, thus compromising food security and aggravating poverty. The El Niño/Southern Oscillation (ENSO) phenomenon has contributed to these challenges. During the 2014-2016 El Niño years, significant drought was experienced throughout the Dry Corridor leaving more than 2.5 million people in need of humanitarian assistance and reducing the flow of water in the river by up to 90 per cent. Water shortages significantly affected vegetable and staple food production that are mainly grown near river-fed irrigated perimeters. In Honduras, it led to a loss of 96 percent of maize yields and 87 percent of beans, while in El Salvador it led to an estimated agricultural

[26] CPI for April 2022 in El Salvador and Honduras respectively reported from: http://www.digestyc.gob.sv/index.php/temas/ee/ipc/indice-de-precios-al-consumidor.html and https://www.bch.hn/estadisticos/GIE/LIBIPC/%C3%8Dndice%20de%20Precios%20al%20Consumidor%20Abril%202022.pdf

[27] German Watch, 2018 and 2021, Global Climate Risk Index.

[28] Based on WFP, 2021, Consulta de Medios de Vida para la Resiliencia y Adaptación en la Cuenca Binacional del rio Goascorán, Mayo 2021.

economic loss of over US$ 200 million.[29] The prolonged drought, one of the longest in history, has also affected sugar cane, coffee, fish farming, aviculture and livestock and raised prices by up to 20 percent. Given this, families, especially from rural areas, have been forced to reduce both their number of meals and their quality, thus increasing rates of malnutrition in the countries as well as in the watershed.[30]

In the second half of 2018 the Dry Corridor suffered a 40-day severe and a 20-day moderate drought during the rainy season. This affected the food security of thousands of households, caused a loss of around US$ 100 million in grain production and reduced water flow in the Goascorán River by 70-75 percent.[31] Given the severe impacts of El Niño, Dry Corridor countries closely monitor the possibility of new events.

Looking at longer-term climate change trends, climate projections indicate increasing temperature. The temperature could rise above current levels from between 0.7°C and 1.5 C during the 2020s and 2030s, and between 1.5°C and 2°C in the 2040s (with the highest rise above current values in the east of El Salvador and in central and south-western Honduras). By the end of the century the rise is estimated to be between 1.5°C to 4.5°C.[32]

As regards rainfall, projections show a decreasing trend in both countries. In El Salvador there could be a decrease in rainfalls between 15 - 25 percent during the 2020s, between 10 and 20 percent in the 2030s and 2040s, 15-25 percent in 2070s and increasing to 20 - 30 per cent in 2080s with a further decrease in the 2090s.[33] In Honduras, the entire country is expected to experience, in the short, medium and long term, decreasing precipitation during the most humid quarter of the year. During the second quarter of the year there will be increased precipitation, suggesting that future rains could commence earlier in the year. Rainfall projections suggest a fall of between 10 and 20 percent below 1981- 2010 levels, with an increase in central and southern Honduras and deficits towards the Caribbean Coast.[34]

The impacts of climate change on agriculture were examined by the Economic Commission for Latin America and the Caribbean (ECLAC). The ECLAC study[35] foresees a severe food production decrease in various agriculture sectors in El Salvador, Nicaragua, Honduras and Guatemala. For example, it projects a decrease in bean production of 12 percent by 2020 and 19 percent by 2050. Maize production is predicted to drop between four percent and 21 percent by 2050. It also foresees that the increase in temperature will decrease the production capacity and varieties of Arabica coffee and displacing productive areas to higher elevation.

Further, there are specific climatic impacts for youth and women. Reduced agricultural production and thus household incomes have affected the ability of families to afford school fees, triggering a rise in school dropout rates in recent years. Children are having lower food intake quality and quantity, affecting their nutritional needs and consequent physical and intellectual development. Women, charged with family health and food security, are experiencing a heavier and more difficult workload, but are now expected to provide the same outcomes but with less resources. Commonly women are now forced to walk longer distances or pay higher prices to get water.

Loss and damages from extreme weather events like tropical storms and hurricanes affect communities in the watershed. On May 31, 2020, amidst the country-wide lockdown due to the COVID-19 pandemic, Tropical Storm Amanda hit El Salvador, causing damage and loss of human life on a nationwide level. This Tropical Storm is estimated to be the most devastating weather disaster in El Salvador since Hurricane Mitch struck the country in 1998. Post-storm assessments revealed USD 101.4 million in damages and losses, 22,476 small-scale producer households affected and 336,000 people in food insecurity.[36] Although, the storm also affected parts of Honduras, the destructive impact remained low and did not require humanitarian actions.

On November 4, 2020, Hurricane Eta caused persistent rains in different zones of El Salvador, especially in Santa Ana, Ahuchapán, La Unión (lying within Goascaran watershed) affecting crop production and rural infrastructure. Harvests of maize and beans were lost adding economic losses to COVID-19 impacts. In El Salvador, the lower area of the Goascorán watershed was affected by floods, in particular in the Pasaquina

[29] Information provided to WFP by MAG, El Salvador and SAG, Honduras.
[30] WFP, 2018 and 2019, Emergency Food Security Assessment (EFSA), El Salvador and Honduras
[31] Information provided to WFP by MAG and MARN, El Salvador and SAG and MiAmbiente+, Honduras
[32] MARN/ CMNUCC, 2018, Third National Communication to the Conference of Parties under UNFCCC, El Salvador. https://unfccc.int/documents/182973
[33] MARN, 2018, Third Communication on Climate Change, El Salvador.
[34] National Directorate of Climate Change, 2018, National Climate Change Strategy, Honduras
[35] ECLAC, 2018, *Climate Change in Central America. Potential Impacts and Public Policy Options* https://repositorio.cepal.org/bitstream/handle/11362/39150/7/S1800827_en.pdf
[36] OCHA, 2020, Panorama de Impactos: Tormentas Tropicales Amanda and Cristobal: Panorama de impacto: Tormenta Tropical Amanda y Tormenta Tropical Cristobal Al 8 de junio 2020 - El Salvador | ReliefWeb

Municipality, while communities in the La Unión Department (middle watershed) were affected by landslides. In the same month of November 2020, Tropical Storm Iota affected El Salvador including Goascorán's municipalities by damaging food production assets and infrastructure. Both hurricanes, had an even more devastating impact on Honduras in both social and economic terms. More than 4 million people were affected with 2.5 million people in need and 62,000 houses entirely or partly destroyed. Eta and Iota have wiped out livestock and destroyed over 700,000 hectares of crops which are a critical source of livelihood and food security for many families already facing social exclusion and pre-existent poverty levels. Overall, the impact of the Hurricanes represented a loss of approximately USD 1.86 billion in Honduras alone.[37] Although the northern departments were the ones most affected, heavy rainfalls also destroyed crops and livestock in the Goascorán municipalities.

Apart from ETA and IOTA, Goascorán watershed communities have already suffered floods in 2011 due to the 12-E Tropical Depression, in 2010 due to the Agatha Tropical Storm and in 2009 due to Hurricane Ida.

Findings from rural communities' consultations have provided further insights about the urgent needs to implement adaptation measures in watershed areas and integrate climate-resilient practices and technologies in their food production systems.

Key factors of vulnerability and barriers to adaptation

Interventions to facilitate climate change adaptation need to address key barriers and vulnerability factors to ensure that societies are resilient in the face of a changing climate. The following are the main factors of vulnerability and barriers identified in the watershed:

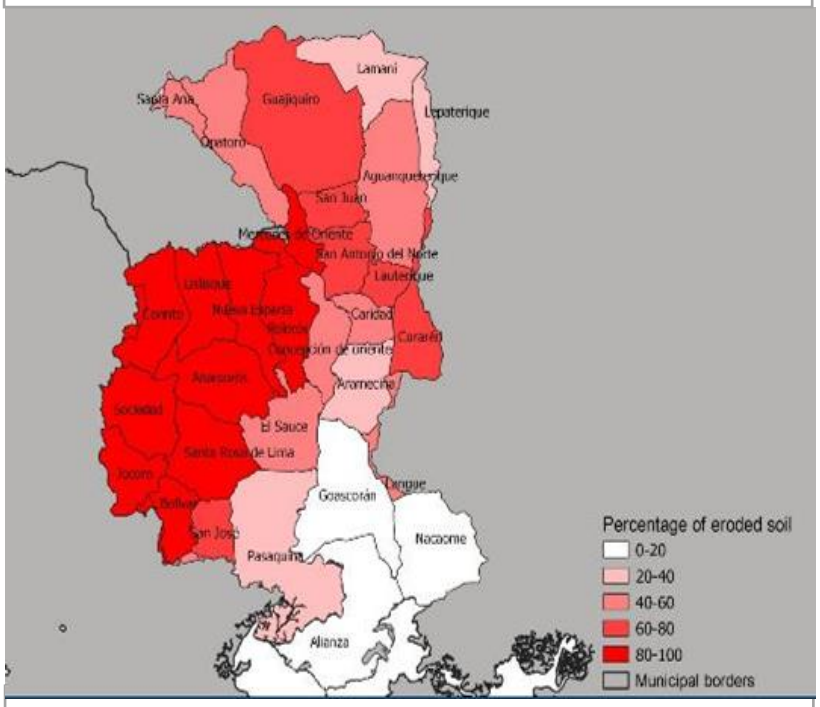
1. Environmental degradation

Already extensive environmental degradation in El Salvador and Honduras is being aggravated by climate change. It is also a major barrier to climate change adaptation because natural capital is being lost (water supplies, soil stocks, biodiversity) and provision of ecological services (soil formation, supply of food and water, climate and floods regulation, cultural benefits) is threatened.

A major factor contributing to degradation is erosion which is primarily driven by inappropriate uses and management of land and forest for agricultural and livestock practices (see Figure 3). Agricultural practices such as slash and burn, shorter fallow periods, excessive use of agrochemicals, intensive pasture and crop production on open slopes combined with land use changes such as illegal logging, settlement expansions, loss of vegetation coverage and charcoal production are leading to erosion.

During field assessments and community consultations, advanced and progressive soil erosion was reported as major problem across the watershed. A soil erosion map produced by the International Food Policy

Figure 3. Erosion map of the Goascorán watershed and its municipalities. Data from the two national WFP´s Integrated Context Analysis (ICA)



Map produced by: VAM WFP HON-SVL

Sources: SINIT, ICF, WFP HON, MARN, CNR, RREE, WFP SVL

The limits and names used in this map do not imply an official endorsement or acceptance by the United Nations or the governments of El Salvador and Honduras

[37] CEPAL, 2021, Assessment of the effects and impacts of Tropical Storm Eta and Hurricane Iota in Honduras

Research Institute (IFPRI) shows that more than 66 percent of soils of the Goascorán watershed are eroded.[38]

Fifty-four percent of the annual rainfall regime in the watershed is concentrated in the months of June, September and October with intensities that vary from 80 to 100 mm per hour. These precipitation regimes are classified as erosive mainly in the months of September and October, because in that period, soils have reached 80 percent of saturation and become susceptible to water erosion. This situation is aggravated by the type of soils that are found in the watershed. Most of them are reddish clay latosols and lithosols and lithic groups, characterized by being shallow and superficial soils with low capacity to retain water, and with moderate to low fertility that impacts agricultural production.[39] Both in El Salvador and Honduras, 38.74 percent and 44.55 percent respectively, are classified as lumpy soils suitable for natural pastures but inappropriate livestock practices like overgrazing of livestock have led to soil compaction further reducing the capacity of soils to receive and store water.

In the higher part of the watershed, mostly referring to the Honduran part of the watershed, there are mountainous areas with little forest cover, high surface runoff and low infiltration, which is aggravated by deforestation, inappropriate use of the land and settlement expansion. In the lower part of the watershed, runoff is relatively low. Combined, however, with tidal forces in the Fonseca Gulf and erosion deposits from higher areas, it increases the likelihood of flooding in this area.

2. Barriers at household/community level

Communities in the Goascorán watershed are challenged by low adaptive capacities, including a lack of access to knowledge, skills, tools, assets, and services, all of which further increase their vulnerability to climate variability and change. Women tend to be more vulnerable to the effects of climate variability and change. Current agriculture practices combined with insufficient technical assistance, inefficient or absent irrigation systems, and poor soil and water conservation practices, reduce people's abilities to adapt to climatic impacts. As mentioned above, depletion of natural resources has further increased negative impacts on soil erosion and fertility, deforestation, increased frequency of mudslides and landslides, and river sedimentation. Some of the most common negative practices are slash-and-burn agriculture or fire-fallow cultivation prior to sowing. Others are unregulated deforestation, abandonment of parcels of still productive land due to lack of resources and poor management of solid and liquid wastes due to the lack of regulations. Also, the common use of chemical inputs in agricultural and livestock production affects biodiversity.

In order to gain a deeper understanding of current communities' constraints, in October 2018 Seasonal Livelihoods Planning (SLP) consultations with relevant stakeholders in La Union, El Salvador as well as in Valle and La Paz, Honduras were conducted. As follow-ups to those SLP consultations, in March and April 2021 WFP organised further consultations and visits with community representatives in the Goascorán watershed areas. Findings from consultations outlined strong concerns of communities about historic and projected climatic impacts in the watershed. Communities acknowledged the fact that weather events are becoming more unpredictable, variability is higher compared with previous decades, and that this is impeding a proper planning for agricultural seasons. Moreover, farmers indicated that local farming practices are becoming inadequate or ineffective and advocated for innovative adapted measures to cope with climate shocks. Capacity-building focused on strengthening livelihood resilience was considered an important priority to achieve food and water security and improve household revenues. Technical assistance and outreach from rural advisory services was identified as a needed service in view of increased use, adoption and dissemination of climate-resilient practices and technologies. Community leaders advocated for more updated and adapted techniques for soil and water conservation and land restoration in order to preserve natural resources for the next generation, and to incentivize youths to be involved in digital technologies and services that would support climate-resilient food production.

As a consequence of climate variability and shocks in the last few years, rural communities' livelihoods are increasingly challenged to meet basic food and nutritional needs, further exacerbating poverty and capacities to adapt. In 2015, WFP's Cost of the Diet analysis[40] in the Dry Corridor showed that 40 percent of the population cannot afford all the necessary nutrients for a healthy diet due to low incomes. The percentage drops to 21 percent at the national level. Negative coping strategies that people are adopting

[38] International Food Policy Research Institute (IFPRI), 2016, Agricultural Typology Report, Market Trade and Institution Division, June 2016.
[39] Centro Agronómico Tropical de Investigación y Enseñanza (CATIE), 2007, Plan de Manejo de la Cuenca Binacional del Río Goascorán
[40] Based on findings from WFP's analysis in El Salvador and Honduras in 2015.

as a result include the sale of key assets such as livestock, withdrawing children from school, as well as migration (with further reduction of family workforces). Households which lose their harvest and have their food reserves depleted have to increase the proportion of resources spent on food to the detriment of other investments including agricultural inputs before the next farming season. All these factors increase household vulnerability and reduce community resilience.

Moreover, the consultations highlighted that communities in the watershed lack timely and locally accurate climatic and weather information which would help them make well-informed decisions to protect their livelihoods and boost their resilience. Findings from stakeholder and community consultations pointed out that gaps existed between climate and weather analysis produced by national meteorological organizations and the information that reaches vulnerable smallholder communities in order to increase their preparedness and planning capacity. The information gap is mostly concerning vulnerable smallholder farmers that would greatly benefit from regular, timely, simple and tailored agrometeorological advisories that would support their planning and decision-making capacities. The service should cover information on both climate variability and extreme weather events. Initiatives on setting up and strengthening the early warning system in the Goascorán watershed are implemented by national authorities, led by the Civil Protection Unit (Dirección General De Protección) of El Salvador and Comisión Permanente de Contingencias (COPECO) of Honduras as well as the Ministry of Environment and Natural Resources (MARN) of El Salvador and the Secretariat of Natural Resources and Environment (MiAmbiente+) of Honduras with international support provided by financial and technical partners.

In addition, agricultural producers typically do not have access to formal savings or credit to finance purchases of agricultural inputs. Low financial inclusion is due to inadequate access to information and negative perceptions of financial instruments. Most cultivators do not protect their crops nor their productive investments through either conventional indemnity-based agricultural insurance or innovative (weather or vegetation index-based) insurance products due to a lack of suitable insurance products. Insurance is also often required by financial institutions or input-providers for farmers to access loans for inputs, which is an additional barrier for rural smallholder farmers to access loans or high-quality inputs due to its high costs. To confront these barriers, in 2021 WFP El Salvador launched a microinsurance product against the business interruption caused by drought, excess rain and earthquake and is gathering experiences that can be used to enable beneficiaries in the Goascorán watershed to access insurance.

An additional complication is the COVID-19 pandemic. In 2020 and 2021, the Governments have implemented a variety of actions to reduce the spread of the disease. These measures have significantly impacted economic, food and nutrition security at national and local levels, including for the most vulnerable populations in the Goascorán transboundary watershed. These challenges have seen food production and remittances reduce, and migration increase, and have exacerbated negative coping strategies of vulnerable populations. For rural communities living in the Goascorán watershed during the COVID-19 pandemic, social distancing, movement restrictions, and market and border closures that have had significant repercussions on people's livelihoods and food security. Since 2022, communities are slowly recovering from the economic impacts of these measures, however there are concerns over the impact of the Ukraine crisis, with the results of a WFP remote assessment have confirmed a deteriorating trend of the food security situation in Latin America.[41]

3. Barriers at the institutional level

Both countries have adopted policies and regulatory frameworks to collect and produce information to enable climate change adaptation. Honduras presented its National Adaptation Plan in 2018 and since then consultations started for its implementation. El Salvador´s National Adaptation Plan was published in 2019 and is currently being updated by the new Government. While both countries promote the inclusion of a climate change adaptation focus in municipal planning, linkages between implementation mechanisms from national to local levels remain weak. On both sides of the Goascorán watershed, national governments require the elaboration of Municipal Development Plans. Due to lack of financial resources, local plans are not available for all municipalities and those instruments developed do not include concrete climate change adaptation measures due to limited awareness, knowledge and capacity.

Findings from consultations with climate and weather information producers in both countries and communities in the Goascorán watershed have indicated that there are institutional capacities to produce

[41] WFP, 2022, *Food security implications of the conflict in Ukraine in Latin America,* https://fscluster.org/sites/default/files/documents/food_security_implications_of_the_conflict_in_ukraine_in_latin_america_en_final_1.pdf

accurate weather and climate information. Important initiatives have been undertaken[42] and organizations involved in supporting access and use of climate information have been operating in the watershed since 2017. However, a lack of financial resources, technical capacities and mechanisms prevent such information being tailored and shared at the necessary scale with end-user communities in the watershed. Community representatives highlighted that the only available information are national weather forecasts. These are neither easily accessible nor always trusted since they are not tailored to the specificity of different areas. Agricultural extension services and other rural advisories are also often lacking. In addition, the information currently produced and disseminated comes from different national institutions (either as climate information producers[43] or as communication intermediaries[44]) without close collaboration to ensure efforts are complementary and address information gaps. Within institutions there is some recognition of the importance of co-producing climate information, however, feedback mechanisms between communities and information producers (to ensure the information meets community needs) were so far not created.

Consultations with financial institutions (insurance companies, banks, credit unions and NGOs involved in risk finance) as well as watershed communities have confirmed that vulnerable populations in El Salvador and Honduras lack adequate access to financial products such as savings and insurance to support their resilience to climate shocks. The financial sector lacks incentives, capacity and knowledge regarding the target market, and skills to extend financial services to these populations. The populations are often remotely located, work in informal markets, and have very limited incomes, financial and general literacy levels. An important obstacle for financial service providers is that markets are not at scale and thus provide less lucrative returns than traditional and higher income market segments.

Innovative approaches for financial services that can overcome some of these challenges with administrative costs and coverage are worth exploring. These include the digitalisation of financial services and insurance approaches such as index (or parametric) insurance products[45]. In both countries, there has been some progress regarding Digital Financial Services, Financial Technology and the transformation of the banking sector in the last five years, which was accelerated by the COVID-19 pandemic[46]. Nevertheless, index insurance is relatively new to Central American markets, and experience has highlighted challenges in rolling out such products due to factors such as the need to build capacities of insurance providers to offer these products and structure sustainable distribution schemes, and in building awareness with regulators and other public stakeholders about the potential of this modality of insurance. Notably the availability of such products in the Goascorán watershed is lacking.

At a wider binational level, both governments recognise that climate change challenges and solutions in the Goascorán watershed require a regional response to effectively encompass the socio-ecological needs across the watershed area. Presently, communities, local institutions, civil society, the private sector and other stakeholders lack coordination, planning and knowledge sharing of adaptation practices across the watershed. This makes it challenging to adopt a coordinated approach to climate change and mainstream adaptation measures that are transformative, despite similar natural environments in both countries. Efforts have been made from the perspective of watershed management governance, including some success within Honduras with the Goascorán Watershed Council as well as the 14 micro-watershed management councils. Binationally, attempts with integrated watershed management led to the establishment of the Binational Management Group of the Goascorán River Basin in 2006.[47] Unfortunately, despite investments (including the BRIDGE programme in 2011-2015)[48], this group continues to face challenges with inclusivity of community and gender considerations, representation across the whole watershed (priority lies with upper and middle areas of the watershed) and establishing a consolidated vision with management and

[42] In El Salvador, WFP has strengthened the capacities of the Environmental Observatory through the technological renewal of its data management and display systems, the provision of equipment for data collection in the field and the development of the climate information service called "Green Station" https://estacionverde.marn.gob.sv/

[43] Climate information producers are institutions (typically public) that analyse weather and climatic data and convert it into climate information products; typically they include meteorological organisations but can also involve institutions that produce advisories such as ministries of agriculture.

[44] Communication intermediaries are organisations (public or private) whom disseminate climate information through communications channels they manage, such as agricultural extension workers, mobile phone or radio companies.

[45] Index insurance has emerged to help overcome some of the challenges of indemnity insurance products, such as high administrative costs which increases the probability of providing an affordable risk solution to vulnerable farmers.

[46] For instance: https://www.laprensa.hn/economia/dineroynegocios/en-crecimiento-el-ecosistema-fintech-del-pais-EN7953644 and https://nearshoreamericas.com/fintech-regulation-el-salvador-bitcoin/

[47] Fundacion Vida, 2008, Transboundary: Trans-Border Management Group for the conservation of the environment of the Goascoran River, Honduras and El Salvador, https://www.gwp.org/globalassets/global/toolbox/case-studies/americas-and-caribbean/transboundary.-trans-border-management-group-for-the-conservation-of-the-environment-of-the-goascoran-river-honduras-and-el-salvador-320-english.pdf

[48] International Union for Conservation of Nature and Natural Resources (IUCN), 2016, The Goascorán River Basin: Honduras and El Salvador, https://www.iucn.org/sites/dev/files/content/documents/bridge_goascoran_english.pdf

government commitment. Based on the positive experiences in the Goascorán watershed, the Central American Commission for Environment and Development (CCAD) requested the Watershed Community management to strengthen the coordination and exchange of experiences between El Salvador and Honduras. Efforts on improving coordination, planning and knowledge sharing at the watershed level, would increase the ability for communities and local governments to have adaptive capacities that are transformative in addressing the impacts of climate change (and long-term sustainable development).

Project Objectives:

The project's main goal is to strengthen the climate change adaptive capacity of vulnerable households in the degraded transboundary watershed of Goascorán across El Salvador and Honduras by providing communities with integrated climate risk management tools and services that enhance their resilience to climate variability and change.

The Project will promote climate change adaptation strategies in the transboundary watershed by:

1. Enabling climate-vulnerable communities to practice community-based adaptation (CbA) within an integrated watershed management approach; and

2. Connecting climate-vulnerable populations in the Goascorán watershed to access innovative services that increase their climate risk management capacities.

Project Components and Financing:

Project Components	Expected Outcomes	Expected Outputs	Countries/ Beneficiaries	Amount (US$)
1. Enabling climate-vulnerable communities to practice community-based adaptation within an integrated watershed management approach.	**1.1** Vulnerable households and communities have strengthened capacities to adopt community-based adaptation measures to manage climate risks within the Goascorán watershed.	**1.1.1** Goascorán's integrated watershed management approach is linked to community-based adaptation processes to support vulnerable communities and households.	El Salvador and Honduras	$879,867
		1.1.2 Well-proven climate adaptation practices are introduced, applied and scaled up for vulnerable smallholder farmer households in the Goascorán watershed.	El Salvador and Honduras	$3,682,466
		1.1.3 Ecosystem-based adaptation (EbA) and disaster risk reduction approaches are introduced, applied and scaled up across communities in the Goascorán watershed.	El Salvador and Honduras	$1,925,867
2.Connecting climate-vulnerable populations in the Goascorán watershed to access innovative services that increase their climate risk management capacities.	**2.1** Climate-vulnerable communities in the Goascorán watershed have enhanced capacity to make well-informed decisions based on quality climate information	**2.1.1** Strengthened access to timely, tailored and co-produced climate and weather information for smallholder farmers and communities (enhanced decision-making).	El Salvador and Honduras	$1,189,365
	2.2 Climate-vulnerable households in the Goascorán watershed have more resilient	**2.2.1** Strengthened access to risk transfer mechanisms (insurance) for smallholder farmers and communities.	El Salvador and Honduras	$1,373,868

	(improved) self-management of climate risks through enhanced and inclusive access to financial products and services			
		2.2.2 Strengthened access to financial risk reserve and prudent risk-taking mechanisms (savings and credit) for smallholder farmers and communities**.**	El Salvador and Honduras	$905,867
1. Project Execution cost				$995,700
1. Total Project Cost				$10,953,000
2. Project Cycle Management Fee charged by the Implementing Entity				$1,095,300
Amount of Financing Requested				**$12,048,300**

Projected Calendar:

Milestones	**Expected Dates**
Start of Project Implementation	01/2023
Mid-term Review (if planned)	2025
Project Closing	12/2027
Terminal Evaluation	2028

Following extensive consultations with government officials and communities among other stakeholders and beneficiaries, the timeline has been adjusted to integrate implementation considerations related to adequate sequencing and scaling up periods. A project workplan is provided in Annex 6.

PART II: PROJECT JUSTIFICATION

A. Describe the project components, particularly focusing on the concrete adaptation activities of the project, and how these activities contribute to climate resilience, and how they would build added value through the regional approach, compared to implementing similar activities in each country individually. For the case of a programme, show how the combination of individual projects would contribute to the overall increase in resilience.

This Adaptation Fund project aims to strengthen the adaptive capacity of people within the Goascorán watershed by incorporating into an integrated watershed management approach the approaches of community and ecosystem-based adaptation, disaster risk reduction and climate risk management services. The initiative is regional due to its focus on addressing climate-related challenges shared by vulnerable communities on both sides of the watershed in El Salvador and Honduras, with a set of activities adapted to specific environmental and socio-economic conditions found in the higher, middle and lower parts of the watershed. Consultations with community and local stakeholder have allowed the identification of a range of activities that will be further developed during the early phases of the project and where further analyses, consultations and participatory processes will be undertaken to ensure that different people's needs within the watershed are addressed. Adaptation Fund resources will be invested to allow adaptive capacities to be built at the community level that are sustainable and scalable, with lessons learnt to also be shared to allow for wider adoption and replication within the watershed and similar contexts.

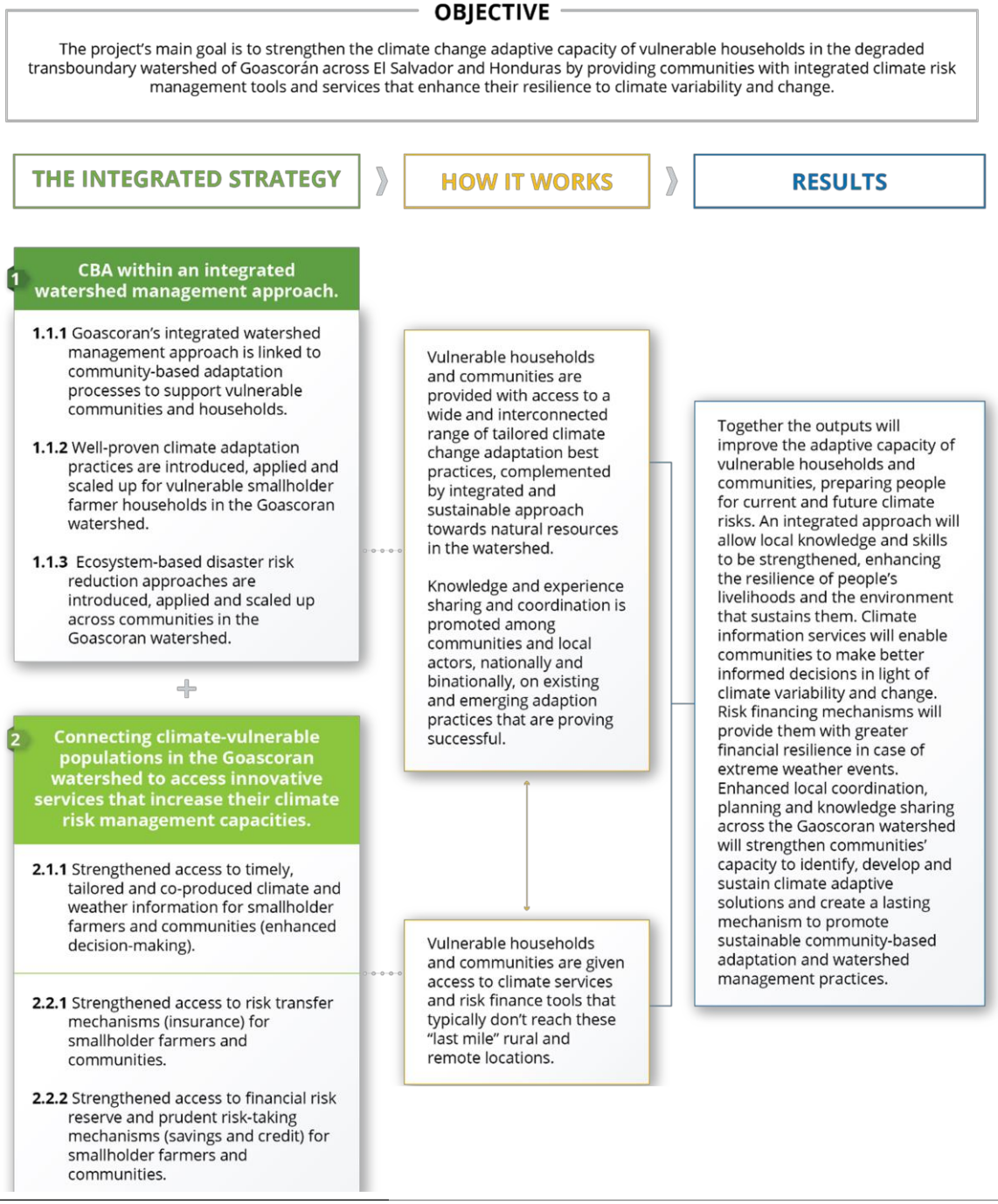
The project will support the adoption and dissemination of traditional and innovative climate-resilient practices and technologies within a gender-transformative integrated approach. As such, the project has been designed so that all activities create synergies and complement each other to augment their contribution and sustainability in building people's adaptive capacities with livelihood and community that benefit the watershed ecosystems and encourage risk preparedness, risk reduction, risk transfer and prudent risk-taking measures.

In strengthening the integrated watershed management approach and incorporating community-level adaptation considerations in local planning and coordination processes, the project is expected to benefit approximately 245,000 people (75 percent of the total watershed population). Approximately the same number of people are expected to access tailored climate and weather information, thus being able to make better informed decisions on agricultural livelihoods. In addition, the project will target 6,000 vulnerable households (30,000 smallholder farmers and their family members) as direct beneficiaries of a set of climate-smart livelihood, community- and ecosystem-based adaptation and ecosystem-based DRR practices, along with providing people access to insurance and other financial services. A Training of Trainer (ToT) approach of the project will allow these activities to reach approximately 30,000 people through the replication of training and championing of best practices. The proposed integrated strategy and how each component and activity interlinks with expected results is displayed below in Figure 4.

Beneficiaries will include smallholder farmers that typically grow basic grains (corn, rice, beans, and sorghum) and/or cash crops (tomatoes, peppers, paprika, among others) along with other vulnerable rural communities. Groups that will be targeted include smallholder agricultural cooperatives involved in food production and processing, small and medium-sized enterprises (SMEs), Local Development Committees, community leaders, technicians and extension agents, intermediaries in agriculture value chains, participants in farmer field schools, along with educational centers and schools and members of communities in the prioritized municipalities. The project will also pay attention to ensuring activities are tailored to address the needs and preferences of women, indigenous peoples, youth and the elderly.

Based on the vulnerability assessment conducted by WFP and complemented by community consultations, the municipalities prioritized for the proposed project are shown in Table 2, with Annex 5 providing details on how for details):

Figure 4: The strategy for the proposed project: Strengthening the adaptive capacities of climate-vulnerable communities in the Goascorán watershed of El Salvador and Honduras through integrated community-based adaptation practices and services.



Within each municipality, specific micro- and sub-watersheds and communities will be identified upon project inception for the implementation of CbA. EbA and Eb-DRR interventions. The selection criteria of prioritized community sites and micro-watersheds will include the following aspects:

1. Findings from existing WFP Integrated Context and Livelihoods Analyses
7. High risk of climate-related disasters
8. Presence of indigenous peoples
2. Presence of water recharge areas

3. Livelihood linkages with water resources
4. Communities with water management committees
5. Micro-watersheds with organized or structured watershed committees
6. Micro-watersheds with water action plans completed or under elaboration
9. Micro-watersheds with high community participation
10. Climate-resilient practices and technologies implemented
11. Presence of national / private natural protected areas, in different categories.

Table 2: Selected municipalities where the project will operate

Country	Department	Municipality		
El Salvador	La Unión	Lislique Polorós Nueva Esparta	Concepción de Oriente El Sauce Pasaquina	Santa Rosa de Lima
Honduras	La Paz	Santa Ana Opatoro	Guajiquiro Aguanqueterique	Lauterique
	Valle	Caridad	Alianza	

The main activities of the project, according to the products for each component, are described under each outcome and output below. In addition to the executing entities involved in this Adaptation Fund project, partnerships will be sought with local organizations for the implementation of field activities, while some technical work will be contracted out to expert institutions. A detailed description of how each project component, outputs and activities will be undertaken during the project duration is found in Annex 6.

COMPONENT 1

Component 1. Enabling climate-vulnerable communities to practice community-based adaptation within an integrated watershed management approach

This component focuses on strengthening and scaling up household and community adaptive capacities through the implementation of a range of interconnected climate change adaptation measures. A cross-cutting element that bridges all activities (including under component 2), is to enable Goascorán's integrated watershed management approach to be better linked to community-based adaptation processes so that climate-vulnerable communities and households can be better supported (output 1.1.1). Much of the component focuses on enabling tangible grassroot level adaptative capacities, by helping people to adopt well-proven climate adaptation practices (output 1.1.2) and communities to establish ecosystem-based adaptation and disaster risk reduction and adaptation assets (output 1.1.3).

The implementation of this component is built upon the experiences and lesson learnt of existing watershed, adaptation and ecosystem restoration initiatives such as *Nuestra Cuenca Goascorán*, *Climate Smart Family Agriculture for Resilient Food Production* (CSFA-RFP), *Rural Market Opportunities in the Gulf of Fonseca*), *Upscaling climate resilience measures in the dry corridor agroecosystems of El Salvador* (RECLIMA) and climate resilience projects led by WFP in both countries. This approach allows the integration and expansion of beneficiaries and locations, with consultations from the teams of these projects to ensure that initiatives complement each other, including in the choice of specific target sites, partners, activities as well as knowledge management platforms[49] for disseminating experiences into the community-based coordination and knowledge sharing mechanisms.

Outcome 1.1 Vulnerable households and communities have strengthened capacities to adopt community-based adaptation measures to manage climate risks within the Goascorán watershed.

Activities under this outcome aim to enable vulnerable households and communities across the watershed to have the knowledge, skills and assets that integrated together provide them with the capacities to be able to withstand by themselves current climate risks and slow-onset climate change. Capacity will include knowledge, skills, assets, community-tailored tools and approaches that allow smallholders to adopt, scale up and disseminate appropriate adaptation practices and technologies. It will also entail opportunities for livelihoods diversification as a way to strengthen climate resilience and to restore degraded ecosystems to

49 The main knowledge management model considered for this outcome is drawn from the AF funded Regional Project: Building adaptive capacity to climate change through food security and nutrition actions in vulnerable Afro and indigenous communities in the Colombia-Ecuador border area https://www.adaptation-fund.org/projects-document-view/?URL=en/324741568921945694/3066-WFP-Regional-Project-COL-ECU-10Apr-CLEAN.pdf

improve natural resilience to weather-related shocks and stressors. Community- and ecosystem-based adaptation approaches will also spearhead social cohesion and improved local governance structures as part of the enabling environment conditions to build adaptive capacities. Climate change adaptation will be mainstreamed into Goascorán watershed management planning, coordination and decision-making mechanisms, improving ecosystem and community positive response strategies under a changing climate.

Output 1.1.1 Goascorán's integrated watershed management approach is linked to community-based adaptation processes to support vulnerable communities and households

This output addresses the need to improve community-level knowledge of climate change impacts, to facilitate experience-sharing and improved local planning and coordination of appropriate adaptation measures that can be implemented in the Goascorán watershed. It considers an integrated community-based watershed management approach across both Honduras and El Salvador, centred on a general recognition that Goascorán is a shared transboundary watershed whose neighbouring countries face similar challenges related to the impacts of climate change, climate variability and environmental degradation affecting people and livelihoods that can benefit from similar solutions. Over the years Honduras and El Salvador have addressed climate change issues separately and differently within their territories, developing various but uneven capacities and experiences on a range of technical areas. Unfortunately, best practices were rarely shared at the local level and especially across countries. A regional approach was thus determined a fundamental way to encompass the entire watershed, with cross-border community-based cooperation offering the potential to avoid duplication, generate cost savings and allow more communities to be reached with adaptation measures.

Activities under this output aim to incorporate adaptation in local planning and watershed-based processes and share knowledge and experiences among communities and local actors for both existing and emerging climate-resilient measures that are proving to be successful best practices. The output will enable binational exchanges at the local level, to encourage a more sustainable and lasting coordination and connections among local stakeholders. In this vein, the proposed project will apply a community-based adaptation (CbA) participatory approach to strengthen communities' capacity to identify, develop and sustain solutions, and will ensure equitable involvement of youth, community elders, women and members of indigenous communities. Given the advanced ecological degradation of the watershed that amplifies its climate vulnerability, deliverables under this output include the identification of ecosystem-based adaptation (EbA) and disaster risk reduction (Eb-DRR) measures to restore and strengthen ecosystem resilience. Association of CbA and EbA practices with DRR measures aim to empower vulnerable communities to build preparedness capacity and cope with climate impacts in the short and long run, while also adopting processes to strengthen social cohesion and governance structures at the local level. Linkages to municipal, national and regional level capacities will be made where appropriate, but with an emphasis on their servicing concrete adaptation capacities at the local, territorial level. A training of trainers (ToT) approach will maximise the number of people benefitting from capacity development activities.

The three main activities that will be implemented to achieve this output are:

1.1.1.1 Identify adaptation options that address community vulnerabilities and adaptation gaps

At the outset of this project, a range of analyses will be reviewed and consolidated to serve as the basis of identifying adaptation options that governments, communities and individuals can invest in across the Goascorán watershed. Many of these analyses and assessments were presented in the background of this proposal, including climatic, hydrometerological, livelihood, agricultural, land use, food security, socio-economic, cultural and institutional, and will be reviewed with any additional analyses that have emerged since the project approval.

The contextual overview of the consolidation of this analysis will form the basis of consultations among a range of stakeholders across multiple sectors, disciplines and entities to produce a more detailed and multi-sectoral assessment of vulnerabilities and adaptation gaps for communities within the upper, mid and lower parts of the watershed. With this information, stakeholders will be consider the range of feasible adaptation options and investments that can be put in place to address these needs. The stakeholders will be further defined during the project's inception phase, but will include technical government experts, representatives from watershed management and local government committees, non-government organisations (including Comisión de Acción Social Menonita (CASM)) and the private sector, as well as representatives of community organisations (including sub-groups that include women, indigenous and youth, among others). These consultations will produce a set of recommended adaptation options that consider CbA, EbA, and Eb-DRR investments that suit the realities of the Goascoran watershed in its context. Cost effectiveness criteria will also be defined during the analysis and the consultations and recommendations for the

application of the criteria when defining the adaptation options during the community planning process will be included.

A gender strategy will also be developed to incorporate the recommendations of the gender assessment (Annex 3) in a comprehensive manner, including control mechanisms to ensure equal access of women, men, Indigenous Peoples, youth, the elderly and disadvantaged groups. Existing gender units of municipalities, governing entities of the National Gender Equality Policies of Honduras and El Salvador, and other institutions that promote the social and economic empowerment of women and groups in conditions of vulnerability, will also be invited to join workshops during project inception and the design of this strategy, to provide their expertise into the project and this gender strategy. Such discussions will also be used to identify points of synergy and expertise, tools and policy engagement that will augment the gender outcomes of the project. Likewise, and Indigenous participation plan will be developed to ensure consultations and activities are defined with the full engagement of Indigenous Peoples and mechanisms are put in place to capture and strengthen traditional knowledge and practices.

1.1.1.2 Integrate community adaptation needs into local development plans

A second and critical step for the project is to promote the incorporation of adaptation measures into local planning instruments to improve the enabling environment for local climate action within the Goascorán watershed. Deliverables will build on an initiative that the Honduran Secretariat of Natural Resources and Environment with the support of UNDP started in 2015 to design a Methodological Guide to Incorporate Adaptation to Climate Change in Development Planning - CdT 4H. This Guide informs local governments on how to plan and develop climate change and climate risk management interventions. Due to lack of resources, the Guide was initially introduced only in five municipalities in Honduras. However, subsequently the Honduran Secretariat of Agriculture and Livestock and the Institute of Forest Conservation and Development, Protected Areas and Wildlife have used the Guide as a planning tool, adapting it to their specific needs.

As the Guide speaks directly to the local needs of the targeted populations, the project will work with the Honduran Government to expand its use to all watershed areas, including introducing it to corresponding targeted municipalities within the watershed in El Salvador. The Guide will be adapted to the reality and needs of watershed communities, incorporating adaptation options identified under activity 1.1.1.1 and taking into account national climate adaptation policies and plans for alignment at the country-level. Key local actors from those Honduran municipalities in which the Guide is already being used will also be asked to share experiences and lessons learnt and to suggest how to further develop and update the Guide. It is also expected that the Guide will be a key tool in supporting the strengthening of the knowledge sharing, best practices identification and replication mechanisms driven by the project.

The gap and needs assessment developed under activity 1.1.1.1 will be used to support the preparation and update of local government planning instruments and relevant budgets by mainstreaming climate change adaptation considerations based on the reality of their specific areas. To enable a watershed-based approach, the participation of local representatives and delegates to local and regional fora will be facilitated to strengthen equitable planning and coordination processes.

1.1.1.3 Development of a *Handbook on Adaptation Options* for the Goascorán watershed.

The efforts undertaken with communities and national and local institutions to put in place activities 1.1.1.1 and 1.1.1.2 will be foundational to the development of a *Handbook on Adaptation Options*. The Handbook will consider the range of climate variability and change concerns for the Goascorán watershed, people's livelihoods, and available resources, as well as best practices emerging at the community level under this project.

The Handbook will be developed following a participatory approach, allowing for a co-production by diverse stakeholders will incorporate adaptation options that communities will understand and can more readily act upon. This includes capturing practices and technologies that some communities or members already adopt, to enabling the consideration of local knowledge and traditional techniques that are more likely to be taken up by others in communities. A focus will be placed on ensuring communities are effectively reached with communication messages and advisories for these adaptation options so that they can ultimately be included in their community planning. This is considered important both to build ownership of activities to be implemented and to help avoid any maladaptation to the impacts of climate change by ensuring people have options that have been carefully considered based on climate science and technical expertise in different adaptation options. Communication messaging will be developed to be sensitive and address the needs and contributions of women, Indigenous Peoples are youth.

This exercise will also support local governmental, non-governmental organisations, the private sector and civil society to better determine where technical and financial support is likely required and who can provide it. Community leaders and members of local institutions will be trained to disseminate and discuss the handbook with communities during consultations under different activities of the project. A first version of the Handbook will be produced for implementation during the early stages of the project and later updated to incorporate lessons learnt and experiences from the various project outputs.

1.1.1.4 Facilitate knowledge sharing between communities and territories and development of a regional platform on knowledge management and dissemination of good practices.

To instil an ethos of replicability, efficiency and cost-effectiveness, the project will invest in mechanisms to ensure knowledge on the adaptation practices and services available to communities is shared and passed between territories. Across the various outputs of the project, opportunities will be sought to enable the capturing and documentation of knowledges and experiences, including lessons learnt that would allow for the adoption by individuals, communities and local governments beyond the project itself. In addition, project stakeholders, intermediaries and communities will also be sensitised on issues of equality for women, Indigenous peoples and youth.

Training-of-trainers and communication mechanisms (including those used in transmitting climate information services under output 2.1.1) will be adopted to allow for the sharing of knowledge to people within and outside the project. Other forums will also be used where deemed appropriate, such as mechanisms identified during the development of this full proposal, and that can be used as trusted ways to enable the encouragement of replication and scale up of activities among communities. These include watershed-focused climate information services (to also be strengthened under output 2.1.1); the Honduras Watershed and Micro-Watershed Councils to support communities in self-governance over the operation and maintenance of quality and sustainability water services; environmental technical tables in El Salvador; and various efforts by local NGOs and international organisations to share CbA and EbA practices that have not yet reached a scale that has been replicable.

One part of this knowledge sharing approach will be the development of a knowledge management platform to enable individuals, households and communities to share experiences on how to adopt (and replicate) a variety of best practices that are proving successful. The activity will build off consultations with communities under activities 1.1.1.1, 1.1.1.2 and 1.1.1.3, to incorporate their needs and preferences and capacity strengthening activities for the regional platform to be able to best disseminate good practices. This includes ensuring Adaptation options and best practices featured within the Guide and Handbook being promoted through this platform to strengthen their sustainability beyond the project. Knowledge sharing workshops will also be carried out with the civil society, community leaders other and stakeholders to present and promote the platform, and allow for other practices to be incorporated.

The knowledge sharing platform will be supported by a Monitoring, Evaluation and Learning (MEL) system which focuses on collection and analysis of evidence-based lessons for improving or influencing implementation, along with identify project long-term impacts. Baseline and follow-up assessments carried out under different activities will be integrated into the system and consider gender disaggregated information that supports the implementation of the project's gender strategy. The system will allow for more robust evidence generation and will be key to highlighting to local and national governments the worthiness of investing in various adaptation measures and will support their prioritisation into government policies, programmes, plans and budgets, creating a more enabling environment for sustainable finance and action.

The knowledge management platform will learn from and explore elements of integration with the online platform *Edufami* being established under a regional Adaptation Fund project that supports similar knowledge sharing among vulnerable Afro and indigenous communities in the Colombia-Ecuador border area[50]. As a cost-effective measure, the web-based model will be reviewed to determine what can be replicated and used for the elaboration of knowledge sharing. Inclusive knowledge management on adaptive best practices will foster the sharing of information and experiences among local communities across both countries and ensure greater sustainability.

Output 1.1.2 Well-proven climate adaptation practices introduced, applied and scaled up at vulnerable smallholder farmers households and watershed levels.

This output is a critical pillar for ensuring that vulnerable households, communities and the environment

[50] This Adaptation Fund project is titled 'Building adaptive capacity through food and nutrition security and peacebuilding actions in vulnerable Afro and indigenous communities in the Colombia-Ecuador border area'. See further information here: https://www.adaptation-fund.org/project/building-adaptive-capacity-climate-change-food-security-nutrition-actions-vulnerable-afro-indigenous-communities-colombia-ecuador-border-area-colombia-ecuador-2/

they depend on become more resilient to climate-related shocks. It will be achieved through providing climate-vulnerable populations within the Goascorán watershed with access to a wide and interconnected range of tailored community-based climate change adaptation measures. These specific climate change adaptation measures will be based on the specificities and needs of the higher, middle and lower watershed ecosystems and their residents.

Acknowledging that livelihoods in the watershed are primarily agricultural, the project will support the introduction of a range of climate-smart agricultural (CSA) practices and promoting agroecological production and implementing nature-based solutions. CSA practices are an important focus of the project to ensure that measures adopted are adapted to the changing climate that the Goascorán watershed is experiencing. CSA technical support will include practices for growing and processing climate-resilient and nutritious crops like cereals, pulses and vegetables, multi-purpose trees including fruits and shaded-coffee production, as well as poultry and small livestock. Measures include crop diversification, promotion of biofortified seeds such as for drought-resistant crops, canal infrastructure improvement, drip irrigation systems and irrigation systems powered by renewable energies. Water harvesting and storage were particularly important issues identified during community consultations for this project, and will involve supporting rainwater harvesting off household roofs and household and community water storage systems. Facilitated and inclusive community-based adaptation planning (CBAP) processes will ensure that inequities in relation to access to water are addressed, including the choice of and control over water-related activities.

Likewise agroecological techniques are important to ensure nature-based solutions that are environmentally friendly, minimize use of chemicals and enhance food nutritional value. This includes measures that promote composting, organic agriculture techniques, mulching and crop residues (straw) management; using fodder species to increase soil fertility and soil cover, natural pollination through beekeeping, agroforestry, post-harvest management, contour sowing, protecting water sources and implementing sustainable water management, alongside avoidance of invasive alien plants.

One important measure will include introducing agroforestry techniques given the loss of many trees through deforestation in the Goascorán watershed. Agroforestry approaches, which involve integration of trees into farmland, have important multiple-benefits for adaptation (soil fertility enhancement, wind breaks, increased income stream, amelioration of the micro climate, cattle browsing, etc), and a wide range of stakeholders have supported their inclusion. Live fences, already used in a limited way in the countries, will become increasingly useful to counter the force of the increased incidence of windstorms. The project will support extension services to test appropriate trees on-farm and scale out provision of suitable agroforestry inputs and practices. Careful planning and community mobilisation will be undertaken, particularly for women farmers who in many cases only have yearly user rights on the land and that impacts their investment in trees. Communities in general will be sensitised about the benefits of keeping the trees rather than chopping them down for fuel, and individual responsibility will be allocated for growing trees as well as planting them, through agreements developed prior to implementation.

Wider livelihood diversification activities will also be promoted to help improve the adaptive capacities of smallholder farmers and community members. Taken together, these practices will address many of the constraints and barriers identified in the project municipalities and will break the vicious cycle of land degradation that leads to reduced food production, income, food security and nutritional outcomes and overall climate resilience that in turn can result in further land degradation through over-exploitation of resources, and so on. These will be introduced through technical guides and based on other project experiences developed in the Goascorán watershed in collaboration with strategic partners and in accordance with the policies and strategies of the ministries of agriculture and environment in each country. The project will also look at enhancing the sustainability of these activities through connections to financial services offered under component 2, and whereby households will have the ability choose to continue to make investments in these measures through savings and credit mechanisms created under output 2.2.2.

1.1.2.1 Development of community-based adaptation plans (CBAP) in the project areas

At the beginning of the project, WFP's Community-based Participatory Planning (CBPP)[51] methodology,

[51] The CBPP is a methodological approach that brings together communities, partners and local governments to identify problems and adapt program responses to local requirements. This planning tool analyses livelihoods, vulnerability profiles, land and landscape use, exposure to specific shocks as well as gender inequality. CBPP brings inclusivity of different groups in the decision-making of activities (including men, women, youth, indigenous and any specific vulnerable groups). CBPP is considered a critical means to encourage local ownership and sustainability, and is also cost-effective in helping to identify and commit local community resources, time and effort to implement these community-based activities. https://documents.wfp.org/stellent/groups/public/documents/communications/wfp264473.pdf

together with other planning tools that operate in the watershed will be used to work with communities to develop community-based adaptation plans (CBAPs) that will address their needs and demands for building their adaptive capacities. These CBAPs will offer an approach that brings together communities, partners and local governments to identify problems and adapt programmes and activities to local requirements.

The CBAP will borrow from WFP's CBPP methodology as a participatory planning tool that analyses livelihoods, vulnerability profiles, land and landscape use, exposure to specific shocks as well as gender inequality. Cost effectiveness criteria will also be taken into account when defining the adaptation options. With CBPPs having been carried out already with many local governments with El Salvador and Honduras, in the case of the Goascoran watershed will be enhanced to become a CBAP that ensures a thorough climate change adaptation lens and that captures adaptation gaps and strategies specific to this context. Measures identified will take into account the recommendations of the gender strategy, and will be tailored to the specific needs of different and potentially highly vulnerable groups, such as women, indigenous populations, youth and elders[52]. It will also take into consideration land tenure issues that affect people's decisions and investments, alongside factors of governance and integrated structures for managing micro-basins within the Goascoran watershed.

These planning exercises will also serve as an important reference check and planning guide for this project. CBAPs will allow the project to capture existing adaptation practices that can be promoted via the Handbook and knowledge sharing mechanisms under output 1.1.1, but likewise will be self-serving by building upon these same mechanisms to offer practical and technological adaptation options during these community planning exercises. Similarly the CBAPs will allow for the promotion of other activities under components 1 and 2.

1.1.2.2 Development of technical capacities of rural extensionists and advisory agents, and Training of Trainers for community leaders, smallholder farmers and other local actors in the project areas

An important aspect for the successful introduction of climate adaptation practices will be to enhance the technical capacity of advisory agents and technicians as well as community leaders and smallholder farmers to disseminate and advise on climate resilient practices and technologies through trainings, inputs and assets. This activity allows for the promotion and training on measures that have been consolidated within the Handbook on Adaptation Options under activity 1.1.1.3 and which capture activities across the project's two components and beyond.

Awareness-raising and technical workshops will be organized to increase knowledge on climate change impacts and gender-sensitive adaptation measures, food security and nutrition, water and sanitation, community organization, COVID-19 preventive measures, among others. Training of Trainers' sessions will be carried out to extend the outreach of technical assistance and ensure long-term sustainability. Farm plans will also be developed for producers (individually or in groups) to promote transition to sustainable and resilient food production systems. Farmer Field Schools (FFSs) will be established with support of extension agents (where possible) and the involvement of communities to analyse and evaluate adaptation measures. Training will also be provided to extension officers and local technicians from national institutions in order to ensure greater presence on the ground and advisory services to producers and communities.

The combination of capacity-building methods at community and local institutional levels will ensure that adequate capacity, ownership and adoption is sustained during and after the project. This includes integrating services offered under Component 2 to support the sustainability of these climate resilience investments.

1.1.2.3 Introduce, implement, and scale up climate-resilient livelihood practices and technologies through an integrated package of gender-sensitive, culturally appropriated and transformative adaptation measures according to the watershed agroclimatic zones.

The CBAPs under 1.1.2.1 and the Handbook under 1.1.1.3 will also inform the identification of the most appropriate integrated package of adaptation and resilience-building options for each community and micro-basins with the Goascorán watershed. Field assessments and consultations conducted during project formulation have broadened the understanding of key climate-related vulnerabilities, gaps and needs facing households, along with an initial identification of possible adaptation measures that can be

[52] The CBAP process will include recommendations from the project's gender strategy, including in ensuring that control mechanisms enable the equal inclusion of different groups within the project. Women's needs will be discussed in CBAPs to ensure that measures consider both women's safety and their domestic burden. This includes, for example, COVID measures, the location and, timing of activities, as well as time-saving approaches and the availability of care places for children and elderly. Targeting criteria such as beneficiaries with no land tenure (and which has higher representation among women) will also be discussed to avoid exclusion of such participants in project activities.

introduced during this project. Table 3 provides an overview of some of the appropriate climate-resilient livelihood adaptation measures that this activity would introduce at household and community levels and that draw from climate-smart agricultural and agroecological techniques.

These practices and technologies will be introduced as potential investment areas for communities and households during CBAPs conducted at the initial stages of the project, building also off the Handbook that has been developed to capture in a user-friendly manner the possible adaptation options that may be considered. This menu of potential adaptation measures will be tailored to specific community needs based on factors including differentiated watershed dynamics, livelihood strategies and adaptation barriers. The final decision on the selection and implementation of adaptation measures in each community will include criteria related to their viability (cost-effectiveness), integration in the management system (ownership) and continuity after the project (sustainability). Achievements from the activities will be captured and disseminated through the project´s knowledge management platform as well as the MEL system. The implementation of these measures will also serve as entry-points where appropriate for the design and provision of services under Component 2.

Table 3. Initial categories and types of adaptation measures identified during consultations with communities. Note that a final decision on the measures adopted in each community will be informed through consultative community-based processes and that promote inclusion of gender, youth and indigenous considerations.

Category of adaptation option	Types of measures	Indicative Approach
Homestead farming *- support vulnerable households to reduce food and nutrition insecurity through climate-resilient homestead food production*	• Support to household vegetable gardens with agroecological techniques including minimal tillage, cover crops, live fencing, integrated pest management compost making, shaded-coffee production, intercropping and alley cropping production, fruit trees and other crop trees (e.g. moringa, mango, citrus, cocoa, banana, plantains, etc.) • Livelihood diversification activities such as beekeeping, backyard poultry production, fish ponds • Land, soil and water conservation techniques that benefit household food production	• Sensitisation, training and technical assistance climate-resilient agricultural practices and technologies via project technicians, experienced service providers and extension workers • Demonstration plots and farms via farmer field schools and lead farmers e.g. live fencing, mulching, compost making, integrated pest management, shaded-coffee, livelihood diversification activities (etc) in project localities • Support homestead level-initiatives and inputs, in line with the measures identified in the CBAP
Drought- and heat-tolerant crops and climate-smart agricultural practices and technologies *- at household / farmers' groups level*	• Promotion of drought- and heat-tolerant staple crops including maize and beans • Agroforestry, agroecological and conservation agriculture techniques including crop rotation, intercropping, mulching and crop residues management, promotion of fodder species to increase soil fertility, integrated pest management etc. • Rainwater harvesting, drip irrigation systems, renewable energy powered irrigation pumps and small-scale water storage for agricultural activities.	• Sensitisation, training and facilitation of access of drought- tolerant, heat tolerant and early maturing varieties to smallholder farmers • Demonstration plots, farmer field schools to promote the implementation of climate change smart agricultural practices in selected municipalities with support of extension workers and service providers • Manual seeding equipment for minimum tillage techniques • Identifying and facilitating access to fodder and multi-purpose species • Technical support and inputs for agricultural water measures.
Water availability for small-scale irrigation and domestic use *- at household and community levels*	• Household water-harvesting (roof) • Family drip irrigation-systems • Low-cost multi-purpose water ponds • Develop, rehabilitate and protect hand-dug wells • Water & soil conservation works for water infiltration	• Mobilisation of communities to sensitise, generate ownership and identify resources/inputs that communities, local governments and the project can contribute • Review of adaptation options with communities to identify high-impact sites, in line with measures identified in the CBAP • Technical support and inputs for household and community-level water harvesting, drip irrigation kits, small multi-purpose water ponds, rehabilitate

		and protection of wells as well as other water resources (e.g. from livestock)
Food preservation and processing *- provide technical assistance and kits at household and community levels*	• Structures for storage, post-harvesting and processing • Tarpaulins, grain stores, grain silos, milling machines, mini-warehouses etc.	• Training for simple food preservation and storage at community level • Demonstration processing and harvesting facilities • Technical support and inputs for food processing initiatives and inputs, in line with the measures identified in the CBAP
Renewable energy applications *- provide technical assistance and equipment at household and community levels*	• Connecting with local renewable energy suppliers to encourage the private sector market. • Fuel-efficient stoves and training on their use • Solar panel systems for water pumping & irrigation • Ram pump & reservoir tank for irrigation (activated by gravity)	• Create platforms for dialogue and discussion to promote people´s awareness of renewable energy local service providers and to promote different available products and approaches • Demonstration sites, technical support and inputs to promote cooking technologies such as fuel-efficient stoves • Demonstration sites, technical support and inputs to promote agricultural technologies driven by renewable energy.
Livelihood's diversification opportunities *- at household and community levels*	• Support the identification of livelihood diversification and income generating opportunities • Encourage livelihood diversification activities such as beekeeping, backyard poultry production, fish ponds etc • Community nurseries with fruit and local forest species.	• Create platforms for dialogue and demonstration plots on a range of livelihood diversification activities • Train and provide technical support and inputs to support the growth of livelihood diversification interventions including, ecotourism, craftworks, small shops, barbers, artisans, mechanics, ecological guards, solid waste collection, coffee-fruit processing, vegetable production, dairy processes, beekeeping, tilapia production, etc.

Output 1.1.3 Ecosystem-based adaptation (EbA) and disaster risk reduction (Eb-DRR) approaches are introduced, applied and scaled up across communities in the Goascorán watershed.

This output complements the support to smallholder farmers and communities under output 1.1.2 by ensuring an integrated and sustainable approach towards natural resource management in the watershed. Such measures are needed given the environmental degradation of the landscape in which vulnerable communities are living, one in which extreme weather events such as intense precipitation after long dry periods can increase risks of flash flooding and landslides due to the poor saturation profile of soil, loss of foliage and blockages in natural drainage outlets.

The output seeks to implement EbA and Eb-DRR approaches that involve protective and preventive natural resource management actions through community-based conservation and ecosystem restorative practices within the landscape, with a special focus on water producing areas for communities at the micro-basin level. These nature-based management interventions will form part of the menu of practices within the Handbook of Adaptation Options. Attention will be paid to ensuring these practices are easily understood and implementable by communities, with the appropriate training and technical assistance provided to make sure interventions avoid maladaptation and do no harm. By implementing integrated measures to conserve their micro-basins, communities will generate environmental, economic and socio-cultural benefits, including improvements in people's food security, incomes and resilient livelihoods.

The project will also look at building in greater sustainability for these activities through connecting them to financial services offered under component 2. This includes exploring if mechanisms can be put in place to incentivise both insurance and Eb-DRR measures by lower the pricing of insurance premiums (under output 2.2.1) when such measures are put in place. These benefits will translate into more favourable access to

insurance as improved adaptation can impact pricing and therefore make products more affordable.[53] Likewise, households will have the ability choose to continue to make investments in these measures through savings and credit mechanisms created under output 2.2.2.

1.1.3.1 Undertake a mapping of climate and disaster risks to the ecosystems of the Goascoran Watershed

The first step under this output will be to complete a mapping of climate and disaster risks to the ecosystems of the Goascoran watershed and which will feed into stakeholder discussions undertaken under activity 1.1.1.1 and the development of the Handbook of Adaptation Options under activity 1.1.1.3. Georeferenced information will be collected at the micro-basin level and complemented with participatory community observations and consultations undertaken during CBAPs to determine the risks that require greatest prioritisation, and which will likewise support insurance product development processes under output 2.2.1.

1.1.3.2 Integrate climate and disaster risks for the ecosystems of the Goascorán Watershed into local DRR plans

Following this mapping exercise at the micro-basin level, efforts will turn to integrating EbA and Eb-DRR measures into local DRR plans that operate across the Honduran and El Salvadorian sides of the Goascoran watershed. The first version of the Handbook of Adaptation Options will be used as reference to inform these local DRR plans, with the selection of practices conducted in a participatory way in coordination with targeted municipalities and local governments. The Municipal Emergency Committees will be involved to ensure linkages between EbA and DRR practices.

1.1.3.3. Support capacity strengthening of local government and community actors to promote EbA and Eb-DRR measures

To ensure that EbA and Eb-DRR measures can be put in place, technical workshops and awareness campaigns on climate-resilient natural resource management, adaptation and DRR approaches will be put in place with the participation of community members and leaders, fire brigades, micro-basin committees, municipal corporations, technical agents with government ministries and other stakeholders. Workshops will be organized around climate change impacts, reforestation, agroforestry, protection of headwaters and water recharge, land use, along with other environmentally-beneficial measures such as recycling, solid waste collection and disposal.

1.1.3.4 Implement EbA and Eb-DRR practices and within the Goascoran Watershed including land restoration and soil, forest, water conservation

As the final phase of this output, EbA and Eb-DRR practices will be put in place to support natural resource management of land, soil, forests and water in the Goascoran watershed. Field assessments and consultations conducted during project formulation have provided more insights into the types of measures that can be introduced under this activity, with Table 4 providing more detail on the possible options to be considered. The disaster risk mapping and local DRR planning, alongside adaptation planning under CBAPs will help to allow for the mobilisation of communities and local governments to become more sensitised to these challenges but also generate ownership and the identification of resources that each can contribute to the project, alongside the project itself, allowing for more scalable action. Measures identified will take into account the recommendations of the project's gender strategy to ensure equal access of women, Indigenous People's and youth, including measures to ensure women's safety, domestic burden and social norms and roles in decision-making.). Lessons will be captured and disseminated through the project´s knowledge management platform as well as the MEL system.

The menu of EbA and Eb-DRR measures includes land and soil conservation techniques to reduce soil erosion and address related land degradation issues, and which are increasingly required in the project areas as existing degradation problems are being worsened by increasingly dry conditions interspersed with intermittent but intense rainfall events. Interventions will promote land restoration, regeneration of natural vegetation and ecosystem resilience acting as "climate buffers" against these weather and climate-related risks. Local organizations will be supported for the identification of strategies that will ensure ownership and resource mobilization aimed at maintaining community works and techniques.

With respect to reforestation of degraded areas, the project will learn from and apply the lessons learned by EbA and Eb-DRR initiatives implemented in the watershed[54]. For reforestation of larger areas of

[53] Examples of linkages between EbA and insurance schemes include: https://www.insuresilience.org/wp-content/uploads/2019/11/Ecosystem-based-Adaptation-and-Insurance.pdf and https://www.willistowerswatson.com/en-GB/Insights/2021/07/wildfire-resilience-insurance-quantifying-the-risk-reduction-of-ecological-forestry-with-insurance

[54] See for example, EbA guidance from IUCN at: https://solucionesabe.org/disena-un-plan-abe/

degraded land for erosion control, in addition to using contour ridges, mixed cropping hedge rows, the project will use community nurseries and tree planting efforts that mobilise different groups. In most cases, only indigenous and locally-appropriate trees and shrubs will be planted, and will be recommended via the Handbook of Adaptation Options; the promotion of biodiversity will also be a central goal. Where small areas of degraded land are to be reforested and the reforested area protected, the project will use natural regenerative processes[55]. Fire controls will also be reviewed and strengthened.

The project will additionally play heed to ensuring practices to conserve and restore water bodies are in place, and which will involve putting in measures to protect high-value water recharge areas, encourage water production in the upper and middle watershed zones will improving water infiltration that will promote better water quality and reduction of disaster risks in the lower watershed. Communities and local governments will be sensitised through consultation processes to support such measures and to jointly determine resources and inputs that can improve local water level conservation and storage infrastructure.

A key success of the project will be the review and strengthening of community and local government natural resource management processes. CBAPs will be used to map out existing community-level governance and decision-making practices for the management of different natural resources, including understanding which sub-population groups are (or are not) represented in these processes. Community-level support throughout the project will aim to improve such measures so that natural resources are updated to reflect the current realities of climate variability and change in project areas. They will also be reviewed and improved to ensure that natural resource management processes include the voices of women, men, indigenous, youth, elderly and disadvantaged groups within decision-making processes.

Table 4: Initial categories and types of ecosystem-based adaptation and Eb-DRR options identified during consultations with communities. Note that a final decision on the measures adopted in each community will be informed through consultative community-based processes and that promote inclusion of gender, youth and indigenous considerations.

Category of adaptation option	Types of measures	Indicative Approach
Practices to conserve and restore land and soil *– at micro watershed level by communities and local governments*	• Identification and prioritisation of defence and protection work for disaster risks • Gully/land restoration with contour ridges and mixed cropping hedge rows • Windbreaks and vegetation cover to protect against soil erosion and support water infiltration • Soil conservation practices including conservation agriculture, integrated nutrient management, continuous vegetative cover and controlled grazing • Strengthening local governance mechanisms for land and soil	• Mobilisation of communities to sensitise, generate ownership and identify resources/inputs that communities, local governments and the project can contribute • Disaster risk mapping and review of adaptation options with communities to identify high-impact sites • Sensitisation and training on land and soil degradation and restoration • Provide soil kits and technical assistance on conservation agriculture (linked with output 1.1.2) • Train in and provide inputs for land and soil conservation interventions including using contour ridges, windbreaks, vegetation cover, controlled grazing etc. • Review and improve local governance mechanisms for land and soil with communities and local governments.
Practices to conserve and restore forests *– at micro watershed level by communities and local governments*	• Identification and prioritisation of defence and protection work for disaster risks • Small-scale reforestation and woodlot development using indigenous species • Planting of indigenous trees • Application of natural regenerative process such as the Miyawaki method • Protection of high-value forests	• Mobilisation of communities to sensitise, generate ownership and identify resources/inputs that communities, local governments and the project can contribute • Disaster risk mapping and review of adaptation options with communities to identify high-impact sites

[55] An example is the Miyawaki method, which accelerates the process to develop dense, biodiverse native forests, and has been successfully used globally, including in arid and semi-arid environments. Using this method to rapidly create small, dense, biodiverse forests will be done in conjunction with schools and community groups, on areas as small as the size of a tennis court. This is a reforestation method that becomes maintenance-free after three years, which will align with the project timeframes. Initial technical expertise can then adopt a ToT as a a valuable youth entrepreneurial opportunity where they provide their services to government departments and other projects in the country. See more here: https://bengaluru.citizenmatters.in/how-to-make-mini-forest-miyawaki-method-34867

	• Fire protection breaks and establishment/strengthening of fire brigades • Strengthening local governance mechanisms for forest conservation and management	• Sensitisation of communities on forest conservation and biodiversity and the ecosystem benefits for local livelihoods. • Plant beneficial indigenous trees, plants and grasses on contour ridges and in gully reclamation • Plant/reforest beneficial indigenous trees and other native plants and grass species, • Review and improve local governance mechanisms for forest conservation and management with communities and local governments.
Practices to conserve and restore water bodies *– at micro watershed level by communities and local governments*	• Protection of high-value water recharge areas • Increase vegetation cover to encourage water production in the upper and middle micro-basins, and to improve water infiltration, water quality and disaster risks in the lower watershed • Establish and/or improve community-level water conservation and storage infrastructure • Strengthening local governance mechanisms for water conservation and management	• Mobilisation of communities to sensitise, generate ownership and identify resources/inputs that communities, local governments and the project can contribute • Disaster risk mapping and review of adaptation options with communities to identify areas for restoration/protection of water recharge areas based on mapping and consultations • Review and advise on measures and local governance mechanisms, with communities and local governments, in order to ensure strong water management processes and the protection of water recharge areas and springs.

Component 2 Connecting climate-vulnerable populations in the Goascorán watershed to access innovative services that increase their climate risk management capacities.

The second component focuses on strengthening people's access to innovative and tailored "last mile" services that help vulnerable communities to better manage climate risks. These services include helping people enhance their ability to make well-informed decisions with climate information services (output 2.1.1), transferring risks of weather-related shocks through insurance (output 2.2.2) and generating more financial inclusion with the ability to save and take out loans (output 2.2.3). These activities are considered important complements to component 1, whereby integrated together within a community-based adaptation and watershed approach, people and their communities will have a greater ensemble of climate risk management and climate change adaptation practices, skills, assets, and services that will help them overcome climate-related shocks and stressors.

Outcome 2.1 Climate-vulnerable communities in the Goascorán watershed have enhanced capacity to make well-informed decisions based on quality climate information.

Activities under this outcome aim to connect climate-vulnerable communities in the Goascorán watershed to more timely and tailored gender sensitive climate information services that will allow them to make better decisions. Weather and climate risks especially impact people's agricultural livelihoods within the watershed, and the lack of farmers' access to timely and appropriate climate information is a major constraint that impacts their ability to make well-informed decisions with regards to their planting and harvesting activities. Extreme weather events are also a concern, with early-warning systems designed to produce more tailored community warnings considered a worthwhile investment in saving lives and livelihoods from climate-related disasters. The tailored approach is a key focus for the climate services orientation of activities under this outcome, to ensure messages address the different needs of women and men, ethnic groups and disadvantaged people. Like with component 1, synergies and complementarities have been developed with existing watershed-based initiatives such as NCG and CSFA-RFP by providing their beneficiaries with innovative climate-resilience tools and services, including last-mile climate services and risk financing instruments such as microinsurance products.

Output 2.1.1 Strengthened access to timely, tailored, and co-produced climate and weather information for smallholder farmers and communities (enhanced decision-making).

This output is centred on ensuring that climate information can be communicated in a way that helps communities make better informed decisions in a context of increased climate variability and change. A feasibility assessment conducted by WFP in 2018[56] revealed that there has been progress in establishing weather system networks at the national level in both countries, but the key gap remains in disseminating this information to communities and ensuring that "last mile" users can interpret and use the information according to their needs. This reflects global experience WFP has obtained in the delivery of climate services[57], on the essential need to properly take into account the differences in how people access climate information, including elements of trust, communication preferences and resources[58]. Equally important is the need for information that is meaningful to the end user[59].

Smallholder farmers targeted with these climate information services in the Goascorán watershed will take into account their need for information that is relevant and timely to enable them to take informed agricultural decisions on different seasons, such as the choice of crops to plant, when to plant, their investment in agricultural inputs, and whether to harvest early or to wait for improved weather conditions. The information will aim to focus on both rapid-onset and slower-onset events, as well as year-to-year climate variability and longer-term climate trends to address wider community needs. The approach represents a shift from the status quo approach whereby bulletins with conventional climate information are issued by national meteorological agencies based on climatological parameters, but do not consider end user needs such as communities and smallholder farmer livelihoods within the Goascorán watershed. The information collected through this exercise will also be an important complement to the outputs under component 1 to support people's adaptive capacities.

Climate information producers through which this output will be coordinated include the Dirección General del Observatorio Ambiental (DGOA)[60] in El Salvador and the National Meteorological Services in Honduras. Other agricultural and environmental data statistics providers are MAG and CENTA[61] in El Salvador and DICTA-SAG[62], MiAmbiente+, ICF[63] and COPECO[64] in Honduras.

To ensure that the climate service mechanism is robust, the project will ensure the MEL system considers measures to assess reach, clarity of messaging, utility of information and any complaints from the end users to continuously improve delivery of "last mile" climate services.

2.1.1.1 Undertake a comprehensive baseline assessment on community needs and tailored-made climate information services

A first step under this output will involve undertaking a comprehensive baseline assessment (including household survey and focus group discussions) that seeks to develop a detailed understanding of the needs of all residents in a community. Experience has demonstrated that it is essential to properly take into account the differences in how people access climate information, including elements of trust, communication preferences and resources. This can include, for example, whether different people have trust in certain institutions, if they have access to radio/phone/social media, and whether there are differences in literacy levels among women, men, the elderly, Indigenous Peoples, youth, landowners and the landless.

The baseline assessment will evaluate existing gaps and needs at the community and institutional level for different type of users. Household surveys, focus group discussions and institutional mapping will also examine barriers for information dissemination, understanding and decision-making. These exercises will be linked with other baselines under outputs 1.1.2.1, 2.2.1.1 and 2.2.2.1 to obtain a fuller picture of people's capacities to manage climate risks in the watershed in a cost-effective manner that also reduces the time

[56] WFP (2018) Assessing the feasibility to introduce climate resilience activities into WFP's projects in El Salvador and Honduras: insurance, climate services and other integrated risk management opportunities. Produced October 2018.
[57] WFP (2020), Climate Services for Food Security: Guidance for WFP Staff. Produced December 2020.
[58] Different people's access and use of climate information can be influenced by levels of trust in certain institutions, if they have access to radio/phone/social media, and whether there are differences in literacy levels among women, men, the elderly, indigenous populations, youth, landowners and the landless.
[59] Communities may prefer, for example, information on the most likely rainfall scenario along with recommendations to achieve maximum yield, instead of a traditional forecast bulletin on rainfall anomalies.
[60] The Environmental Observatory General Directorate.
[61] The Ministry of Agriculture National and the Center for Agricultural and Forestry Technology.
[62] The Agricultural Science and Technology Directorate with the Agriculture and Livestock Secretariat.
[63] The Ministry of Agriculture and Livestock and the Institute of Forest Conservation and Development, Protected Areas and Wildlife.
[64] The Permanent Contingency Commission of Honduras.

burden of community members to participate in baseline discussions. The baseline and later follow-up information will be captured within the project's MEL system.

2.1.1.2 Co-production of climatic advisories tailored to the needs of vulnerable livelihoods in the Goascorán watershed

Based on the outcomes of this assessment (conducted under 2.1.1.1), this activity will focus on bridging the gap between providers and final users of climate information. Efforts will be placed on developing co-production mechanisms to enhance "last-mile" climate and weather information that is tailored to be easily accessible, clear and actionable by communities in the watershed. A series of workshops including meteorological experts, community leaders, farmer champions and technicians will be organized to make use of the climate information and enable adapted planning and decision-making processes. The consultations will guide the climate service strategy and the systematisation of a two-way dialogue system that allows the delivery of tailored climate information by key climate information producers to populations within the watershed. In Honduras, experience gained in developing a Honduran National Framework for Climate Services (MNSC) will be capitalised upon to support this co-production model and to provide El Salvador stakeholders with a model that could be replicated at the national scale.

The co-production model will ensure that:

- Communities define priority information needs, including the timing of the information, dissemination approach, language, and the messaging.
- Different national entities that manage and produce climate and weather information can exchange and agree on an appropriate design of climate services products to efficiently reach communities with tailored information.
- Communication intermediaries are actively involved in supporting efficient translation and dissemination of climate and weather information through the communication channels most appropriate for the communities.
- A feedback mechanism exists to continuously improve the climate information system.

Representatives from end-user communities such as farmers, village leaders and community-based organisations will be able to continuously improve climate and weather information by communicating their challenges, needs and opportunities, with women, Indigenous Peoples and youth being part of the co-production model. Channels to exchange information that will be assessed and considered for testing include WhatsApp and Chatbot[65], paper or electronic bulletins, and face-to-face communication at community centres, among others.

Outreach is also anticipated to include face-to-face support to smallholder farmers and training of trainers workshops for institutions to help them understand how to translate weather forecasts and climate change projections into readily-understandable information for communities. In turn, agricultural advisory services will also be available to ensure farmers to know how to use the climate and weather information received, which will help these end-users make informed decisions on cropping and livestock management based on immediate, seasonal and longer-term forecasts.

2.1.1.3 Strengthening community-tailored Early Warning Systems (EWSs) to support preparedness and disaster risk management decisions

Early warnings for extreme weather events will also be targeted through the project to ensure they are better tailored to support speedier community-level alerts and action. This activity will build on the assessment carried out in activity 2.1.1.1 as well as simultaneously taking on lessons from activity 2.1.1.2 in order to strengthen EWSs in each country so that they are designed to address community needs in the Goascorán watershed.

The activity will especially build on lessons learnt with El Salvador's Local Observation Network (Red de Observadores Locales, or ROL, in Spanish[66]), an already functioning network working in El Salvador, and

[65] One channel to be reviewed and potentially tested for replication across the watershed is a Chatbot system called ChatMas and that WFP and MARN have been piloting in El Salvador. ChatMas is based on artificial, interactive and predictive intelligence through which information from different local, national and international data sources, community members (as local source) and climatological information are analysed. Automated predictions based on the indicators are then analysed by the system to be then provided to the population.

[66] MARN (2007) Sistema de Alerta Temprana por Inundaciones, Cuenca Rio Goascorán; and Red de Observación Local Ambiental (ROLA), http://www.marn.gob.sv/400-voluntarios-conforman-la-red-de-observacion-local-ambiental-rola/

which consists of community leaders whom live in high altitude and flood prone areas providing climate and weather observations to the national Met Service (DGOA) as part of the Early Warning System through Whatsapp messages. Successful experiences from ROL will be systematized, institutionalized and disseminated to strengthen and expand the scope of the tool to include adaptation considerations for the Goascorán watershed and be replicated in Honduras through the work of the binational body.

The communication network and quality control and supervision mechanisms will be strengthened through acquisition of equipment and technical backstopping. This component will include a monitoring and evaluation strategy to assess how effectively communities are using information, and whether the climate service delivery is effective, including for different sub-populations such as women, Indigenous Peoples and youth.

Outcome 2.2 Climate-vulnerable households in the Goascorán watershed have more resilient (improved) self-management of climate risks through enhanced and inclusive access to financial products and services.

Activities under this outcome aim to connect climate-vulnerable people in the Goascorán watershed to have access to financial products and services that will allow them to be better able to self-manage climate risks. Currently these financial services – including savings, credit and insurance – are lacking in their availability to people in the watershed. Innovative insurance products will contribute to improving families' climate resilience by providing timely financial pay-outs in the event of large-scale weather events, such as supporting farmers and micro to small-scale enterprises to avoid negative coping strategies while stimulating faster recovery. Savings and credit will also improve families' ability to manage climate risks by building a stronger financial base, allowing them to invest in improved agricultural inputs while having a buffer against covariate and idiosyncratic shocks. Coupled with other outputs in components 1 and 2, the project sees these activities as providing people with a set of integrated climate risk management and adaptation tools that they can self-manage and improve their overall adaptive capacities.

Output 2.2.1 Strengthened access to risk transfer mechanisms (insurance) that protect smallholder farmers and communities.

This output builds on resilience-building tools for smallholders and micro to small-scale enterprises included in component 1 and will develop risk transfer instruments that vulnerable households can access in the event of a weather-related shocks by creating a buffer against such covariate risks[67] not covered through conventional insurance mechanisms or through other risk financing tools.

The output will involve the introduction of weather-index (parametric) microinsurance products for farmers and micro to small-scale enterprises (where possible) in the target area aims to both protect and help diversify livelihoods. The financial compensation provided by insurance protection can help households maintain their level of wellbeing even when severe shocks occur. In addition to providing the security of compensation in case a shock occurs, insurance can stimulate increased investments in productive activities, livelihood diversification and conservation measures under Component 1. Index-based insurance is an innovative parametric instrument which offers the benefit of being able to provide rapid pay-outs, and usually is offered at a lower cost than traditional insurance. This is because index-based insurance makes pay-outs based on indices such as weather parameters (eg. rainfall) reaching a pre-specified threshold (or trigger) vis a vis traditional insurance that requires a more costly and less timely loss assessment process.

Given the complex and technical nature of modelling climate risks for weather-index insurance, it is recognised that bringing this financial service to the target population in the Goascorán watershed will require mobilising public and private entities to design innovative approaches. Presently expansion of index-based insurance in Central America has been limited, including in El Salvador and Honduras[68]. In 2018, the Microinsurance Catastrophe Risk Organisation (MiCRO), a social enterprise specialised the design and implementation of index microinsurance, launched the first index insurance in the El Salvador market. WFP with *Seguros Futuro* has since been piloting weather-index insurance in El Salvador since 2021. In Honduras, weather-index insurance has yet to be offered commercially, although a study on the viability and design of such products for Honduran farmers has been reviewed and approved by the regulator, the National Committee for Banking and Insurance (CNBS), alongside a more detailed analysis of the feasibility

[67] Risk finance mechanisms such as insurance tend to look at two types of risks: idiosyncratic risks refers to the particular experiences within a household that is unrelated to neighbouring households (e.g. shocks that impact family such as death, injury, illness or unemployment) and covariate risks refer to an experience many households in the same location suffer (eg. floods, hurricanes, epidemics etc).

[68] https://www.microrisk.org/countries-regions/central-america/

for weather-index insurance undertaken by CIAT with WFP[69]. Nevertheless insurance providers in Honduras have limited exposure to the value of index-based insurance and have thus been reluctant to bring such products to market.

Mobilising these and other valid risk finance institutions across the watershed to sustainably reach vulnerable populations requires encouraging a connection with them and the communities to receive these services, as well as facilitating dialogue between regulators to enable insurance products to be approved and made commercially available. It also requires working with these companies and distribution channels to create and/or strengthen (as necessary) financial products that will both be accessible for households in the watershed region and protect against the financial consequences of climate-related events. Most insurance products currently available in El Salvador and Honduras only provide coverage for the value of credit and loans, and therefore are only accessible to those integrated into the formal economy. Through supporting the development and distribution of index-based insurance products tailored for vulnerable communities with local insurers, this output will promote the creation of a sustainable commercial market for index insurance products for lower-income households. Working with technical providers that have strong partnerships with local insurance markets will be extremely important to achieve the goal of this component.

2.2.1.1 Conduct a review of the offer of climate-risk insurance services in the Goascorán Watershed and attain a baseline of household access to these services

Building on a feasibility assessment conducted by WFP in El Salvador and Honduras in 2018[70], this activity aims to review existing climate-risk insurance services being offered in the watershed. It will review entry points for parametric insurance; stressors, triggers and aggregators to consider; linkages with remittance services and financial digital services; meso-level insurance opportunities; and the feasibility to integrate with risk reduction measures under output 1.1.3.

Given the status of a parametric microinsurance pilot in El Salvador that WFP and *Seguros Futuro* have been designing since 2021, lessons gained from this experience will also be reviewed to assess the product's suitability to meet the particular needs of the smallholders, micro to small-scale enterprises and communities as a whole in the Goascoran watershed. This includes determining if any changes are needed to the product, and if the insurance provider could offer the same product on the Honduran side of the watershed.

The activity will also involve household surveys and focus group discussions with community members to build a baseline and that will also help develop a detailed understanding of people´s current access, trust in and choice of insurance service providers in the watershed. The review will provide lessons that can be used to support the tailoring and adaptation of financial services to meet people´s needs across both countries within the watershed, taking into account gender, age, livelihood, indigenous, literacy and other factors that may impact the access of specific groups. To be cost-effective and reduce people's time spent in data collection exercises, these baseline exercises will be linked with other baselines under activities 1.1.2.1, 2.1.1.1 and 2.2.2.1 and be be captured in the project's MEL system.

2.2.1.2 Design and/or adapt climate-risk insurance products with the financial sector to meet the needs of households in the Goascorán Watershed

Based on the above review, efforts will turn to designing and/or adapting climate risk insurance services to meet the needs of households in the Goascorán watershed. As outlined above, the experience and review results of the microinsurance pilot in El Salvador that WFP and *Seguros Futuro* will determine the level of improvements and if it can be offered on the Honduran side of the watershed[71]. Such an approach would ensure cost efficiencies in terms of product design, economies of scale to increase the appetite from insurers to offer such products, and increase affordability of insurance premiums.

Product improvement will focus on ensuring that needs and particularities of the target population of the Goascorán watershed are considered in the selection and modelling of the perils, premium, insured amount, awareness and financial education. It will also involve the mobilization of partners and system improvements, the set up of business and distribution strategy, digitalization and strengthened processes

[69] CIAT & WFP (2021) Feasibility for the Implementation of Agricultural Insurance by Weather-Index in Honduras. Report completed in July 2021 and authored by José Miguel del Cid, Sofía Martinez Sáenz, Diego Obando Bonilla.
[70] WFP (2018) Assessing the feasibility to introduce climate resilience activities into WFP's projects in El Salvador and Honduras: insurance, climate services and other integrated risk management opportunities. Produced October 2018.
[71] Considering the regulatory framework applicable in El Salvador and Honduras, the insurer must be licensed in both countries. Formal conversations between the insurance supervisors of both countries will be needed to determine if economies of scale for registration of products for both countries is feasible.

to improve the pricing and function of the product in the long-term. It will consider linkages with financial services provided under output 2.2.2, including whether the insurance product/s can be designed to benefit micro to small-scale enterprises and to likewise use such distribution mechanisms for scaling the offer of the products beyond the project itself. The product will also consider risk reduction measures being incorporated under output 1.1.3 and translate these into price reduction of premiums if deemed feasible. This would incentivize the self-selection of project beneficiaries to make Eb-DRR investments as a sustainable imprint of the project.

2.2.1.3 Enable households in the Goascorán watershed to enrol in, understand and receive the benefits of insurance products that involve a graduation strategy

The designed product/s will be rolled out through a pilot that involves raising awareness through training on the benefits of the insurance product, along with establishing enrollment processes and subsidies to subscribe participants into the insurance programme. The pilot will allow for tweaking the product and processes to improve the quality and cost-effectiveness of the services being offered, and to develop wider awareness-raising campaigns, consumer protection mechanisms and pricing structures that allow for more people within the watershed to enroll safely in the programme.

A range of design elements will be incorporated into the product/s over the course of the project to support the graduation strategy of this microinsurance and enable sustainability in the longer-term. This includes creating positive synergies and complementarities with risk reduction and prudent risk-taking practices promoted under output 1.1.2, 1.1.3 and 2.2.2. Such synergies and complementarities can unlock the possibility to develop more affordable products and increase the levels of insurability in the targeted area, including by lowering premium prices in locations where risk reduction measures have been adopted by local governments and communities, finding other financial service providers that can lower distribution costs and exploring way to create economies of scale, and layering with other risk financing instruments (also at meso and macro levels) that may be more suitable for less frequent and more severe events.

Specific efforts will also be made in pricing structures for the product/s and will support with the graduation strategy of the microinsurance on offer. This includes integrating a smart subsidy approach[72]over time and that takes into account the willingness and ability to pay of different actors, including government, private sector entities, smallholder farmers and communities. Differentiated subsidies will depend on the specific capacities and engagement of these different stakeholders, as well as beneficiary factors that include their perception, trust and experience of the products. These will be improved over time through awareness raising campaigns, the improvement of disposable incomes of participants to contribute to insurance premiums, connections made to social protection and other government programmes in each country for premium contributions, and interest from private sector entities to embed insurance into their own products or services.

During the years of implementation, the project's MEL system will capture information to determine if the insurance product/s provide value to different sub-populations (including women, Indigenous People's and youth) and that the indexes are reliable and of good quality. Depending on the findings subsequent product improvements could be adopted. The evidence from this activity will also be important to allow smallholder farmers and communities to see the benefits of insurance, but will also allow the testing of important elements for willingness and ability to pay models to ensure the sustainability of the product/s.

Output 2.2.2 Smallholder farmers and communities strengthen their access to financial risk reserve and prudent risk-taking mechanisms (savings and credit).

In the Goascorán watershed, the overall use of financial services is currently not widespread, limiting the ability of smallholders to manage risk. One of the main constraints is the lack of financial services – both formal and informal – that are available to community members to adopt. Efforts have been underway for almost three decades in Honduras to establish financial mechanisms to support rural communities and that has led to the development and emergence of the *Cajas Rurales*[73] model that involves community savings and loans groups. A similar programme does not exist in El Salvador. People's abilities to use such facilities are considered an important ingredient to building people's household-level resilience, as they tend to be a key coping strategy that families turn to when faced with the impacts of a climate-related or other disaster. Such financial services are also important to strengthen a household's adaptive capacities, as people can

[72] Hazell, Peter; Sberro-Kessler, Rachel; Varangis, Panos (2017) *When and How Should Agricultural Insurance Be Subsidized?: Issues and Good Practices*. International Labour Organization and the International Finance Corporation. URL: https://openknowledge.worldbank.org/handle/10986/31438.

[73] More details of the *Cajas Rurales* model in Honduras is found at: http://www.funder.hn/centros/cajas-rurales

invest in new livelihood practices and approaches, including climate-smart agricultural inputs such as drought-resistant seeds or water harvesting technologies. These financial services are thus seen as an important complementary activity that will strengthen the various activities undertaken under component 1 and 2, by providing people with an increased ability to introduce new approaches and replicate actions over time, and thus supporting the project´s goals of scalability and household and community-level sustainability.

2.2.2.1 Conduct a review of the offer of financial services in the Goascorán watershed and attain a baseline of household access to these services

At the start of the project and under this output, a review will be conducted that includes mapping the financial service providers that exist in the watershed. This will also be informed by household surveys and focus group discussions with community members to help develop a detailed understanding of people´s current access, trust in and choice of financial service providers in the watershed. An understanding of the experiences for women, youth and Indigenous People's, as well as any specific disadvantaged groups, will be incorporated into these consultations and assessments.

This activity will also involve reviewing and examining the experiences of the *Cajas Rurales* model of community savings and loans groups in Honduras, and which includes some communities in the Goascoran watershed. Lessons will be gathered for the model in order to help strengthen then within the Goascorán watershed on the Honduran side, while informing and forming similar groups in El Salvador.

The review will provide lessons that can be used to support the tailoring and adaptation of financial services to meet people´s needs across both countries within the watershed, taking into account gender, age, livelihood, indigenous, literacy and other factors that may impact the access of specific groups. It will also take care to examine the availability of formal financial services and their sustainability so as to not erode any efforts made with informal financial services, as the latter have proved to be a better investment in certain contexts.

These exercises will be linked with other baselines under outputs 1.1.2.1, 2.1.1.1 and 2.2.2.1 to cost-effectively build a comprehensive understanding of people's capacities to manage climate risks in the watershed and that also reduces the time spent by community members in data collection exercises. This information will be captured with the project's MEL system.

2.2.2.2 Promotion and training of households on financial services and products as tools of climate and disaster risk management

The review will inform the commencement of an activity that aims to promote and train households on the benefits of financial services and products as tools to support climate and disaster risk management. The activity focuses on the organization of community-tailored awareness-raising, organizational empowerment and technical assistance through training workshops. The activity encompasses financial literacy training to build people's capacities to understand of basic financial principles, what different financial instruments such as insurance, credit and savings can provide, as well as business development topics such as market access, business development and economies of scale and increased market power in negotiating as community groups. Women, Indigenous and youth groups will be targeted as part of these exercises with training and promotion materials tailored where necessary to ensure their needs are appropriately addressed.

2.2.2.3 Incentivising the growth of small-scale enterprises through community savings and credit groups in support of livelihood adaptation

An important final activity under this output aims to optimise the benefits of the community savings and credit groups to support the emergence of innovative and self-owned livelihood activities that generate greater climate resilience in the watershed. This will involve strengthening technical capabilities of rural banks and capital injections to incentivise the growth of micro and small-scale enterprises that enable households and communities to invest in developing livelihoods better adapted to the changing climate. Furthermore, communal enterprises owned by rural banks which provides the smallholders with a stable market for their products will be promoted following a successful model implemented by WFP in other communities of Honduras as a way of developing and strengthening value chains that provide a stable source of income to communities and ensures the sustainability of the project in the long term. Targeting will ensure that women, Indigenous People's and youth can benefit from these initiatives.

Actions undertaken include building synergies and alliances between community groups, micro and small-scale enterprises, private sector actors, insurance providers, microfinance institutions and national banks to promote credit access and bankable models.

WFP's work with both the Governments of El Salvador and Honduras on social protection and inclusive finance mechanisms will be further strengthened as possible routes for scaling out efforts to reach a larger population of climate-vulnerable people. This includes promoting linkages with social protection safety nets, for example by promoting the rural banks as potential channels for future cash-based assistance to communities immediately after a shock and by establishing market linkages between producers' groups tasked for food supply to school canteens under school feeding programmes run by WFP and each government. Saving groups will also be strengthened to promote investments and protect productive assets and support inclusive digital farming technologies.

B. How the project would promote new and innovative solutions to climate change adaptation, such as new approaches, technologies and mechanisms

The project will develop the adaptive capacities of smallholder farmers and climate-vulnerable communities by focusing on improving their knowledge, access and adoption of innovative mechanisms that enhance the resilience of their livelihoods and surrounding ecosystems. An integrated approach will be promoted to ensure viability and sustainability of climate information services, products and technologies. The project involves collaborating with a range of partners from public and private sectors as well as community members and civil society to test and scale up innovative ways of providing rapid assistance to the poorest and most vulnerable farmers after a shock, helping them become more climate resilient and food secure. Doing so requires a need to focus on a comprehensive set of integrated climate risk management strategies and tools that provide an early response after a shock, while mutually reinforcing the ability of climate-vulnerable communities to cope with and adapt to future climate change impacts. This integrated approach will strengthen household and community adaptive capacities through the implementation of a range of interconnected risk and adaptation strategies, including risk reduction (improving resource management through the climate adaptation practices); prudent risk taking (providing capacity building on livelihoods diversification, climate change adaptation planning and microcredit); risk reserves (enabling savings); risk transfer (introducing microinsurance to compensate farmers in the event of weather-related shocks); and risk information (providing timely, tailored and co-produced climate services for smallholder farmers and communities). This combination of activities aims to build the adaptive capacities of these communities by protecting them from climate-related shocks, reducing their use of negative coping strategies, and stimulating faster recovery.

As part of the integrated climate risk management approach, some of the tools and services that will be introduced are particularly innovative in the regional context. Index-based microinsurance is a powerful tool for smallholders to manage climate risks and achieve resilient livelihoods, while also enabling investments and growth in the agricultural sector. The potential for index-based insurance to build resilience for rural smallholder farmers to climate-related risks is a relatively new concept in El Salvador and Honduras. It offers as a solution to transfer risks from communities to capital markets to support quick recovery after a climate-related disaster is an increasingly utilised mechanism. Recent experience that WFP is gaining with different partners in Central America on index-based microinsurance offers real potential for innovation emerging out of this project. This includes forging public-private partnerships (including with government, local insurance companies and global reinsurers) to be able to offer affordable products to smallholder farmers and food insecure populations, such as through smart subsidies and smart pricing modalities. The potential linkage of the insurance output (2.2.1) to livelihood and ecosystem-based outputs (1.1.2 and 1.1.3 respectively) of this project also offers an innovative – and sustainable – approach to incentivise household and community small-scale infrastructural investments in livelihoods and disaster risk management, in return for lowered insurance premiums; the viability will be informed by careful analysis, baseline and monitoring efforts undertaken during the project, and lessons being very interesting for the international insurance community that is exploring links between insurance and nature-based solutions. Possible connections of the activities of insurance and financial services to remittances will also be explored.

The project's focus on "last mile" climate information services, and which are still not a widely available tool for climate vulnerable populations in Central America, also offers great potential for demonstrating innovative pathways for sustainable and scalable adaptation approaches. The project foresees exploring if innovative public-private partnerships can be forged, such as with telecommunication companies that could help provide early warnings and/or seasonal forecasts at a low (or no) cost rate to providers or consumers of the information. A very novel approach WFP has just began exploring is whether social marketing approaches (typically used for nutrition promotion using social behaviour change and communication (SBCC) techniques) could be a conduit for tailored, scalable and cost-effective dissemination of climate information, and indeed potentially adaptation practices under component 1. If these measures prove

possible, the project would aspire to capture these models to allow replication in other countries.

Finally, the project's focus on incorporating community-based cooperation and adaptation practices into an integrated watershed management approach is considered to provide an interesting case study that could inspire interest in such a model potentially working in (many) other communities where cross-border water resource management is a major climate change challenge – as is the case in much of Latin America. Establishing mechanisms to encourage local sharing of knowledge and expertise on both sides of the border, emphasizing cooperation and coordination among community, local government and stakeholders, would offer a cost-effective way to create synergies between community-based integrated watershed management and climate change adaptation approaches and provide a model for other communities addressing such climate change concerns within a catchment area.

C. Describe how the project would provide economic, social and environmental benefits. Describe how the project would avoid or mitigate negative impacts, in compliance with the Environmental and Social Policy of the Adaptation Fund

This project proposal provides the following environmental, economic and social co-benefits:

Environmental benefits

Integrated watershed management and sustainable management of natural resources will be central to promote enhanced climate change adaptation and food security to the targeted communities and households, and to achieve long-term environmental benefits in the project areas. Such an approach entails the rational utilisation of land and water resources for optimal production, but with minimum impact on ecosystems and communities. It will result in a lower rate of land erosion, reduction of sediment in the watershed, increased water retention, increased forest coverage, crop diversification and reduced vulnerability to climate-related shocks. It is estimated that the soil conservation works to be constructed will retain up to 10 tons of soil per hectare, reducing in equal proportion the amount of sediment in the watershed, increased water infiltration that can reach up to 100 cubic meters of infiltrated water per year per hectare rehabilitated, increased forest cover, crop diversification and reduced vulnerability to climate-related shocks. Activities related to water harvesting, tree planting and water infiltration practices will contribute to increased soil fertility and overall ecosystem health. Soil conservation practices will also offer the opportunity to both preserve land and infiltrate water, improve water quality to the surrounding environment. The integration of these efforts across the watershed as a binational intervention will further promote a geographical approach that is defined by nature rather than the limits set by political administrative divisions.

Social benefits

Adaptive capacity

In order to build the adaptive capacity of households and communities to adapt their lives and livelihoods to the impacts of climate variability and change, the project recognizes that an important emphasis is needed to be placed on analysis of information needs so that people (and local governments, institutions and other actors supporting these actions) can understand the climate impacts, possible adaptation options, and to plan and act accordingly. The project has been especially designed to ensure that its components, outcomes and outputs are interconnected and are all necessary to sustainably improve the targeted populations' adaptive capacity and enable lasting impacts. In this sense, the project aims to take an integrated approach that considers knowledge, skills, assets and services as key components to build the adaptive capacity of vulnerable people, their households and communities within the Goascorán watershed. The project's focus on CbA, EbA and Eb-DRR approaches that guide the overall implementation of activities also emphasizes the important social cohesion and community governance structures that will be strengthened throughout the process of implementation, and that are seen as integral to building these communities climate resilience.

In order to improve the understanding of appropriate climate actions, a core focus for Output 1.1.1 is to undertake the necessary consultation and analysis with different communities and experts across the watershed in both countries. The project will also work with local partners to enable WFP's well-established Community-Based Participatory Planning tool includes a climate change adaptation lens so that the subsequent Community-based Adaptation Plans will (CbAPs) help communities to identify community-level actions that support their food security and climate resilience. This consultation and analysis will feed into

improving and expanding the *Methodological Guide*, as well as develop the *Handbook of Adaptation Options* and knowledge-sharing platform, and will likewise inform all activities undertake under outputs 1.1.2 and 1.1.3. Special emphasis is placed on vulnerable and marginalized populations, women, indigenous peoples, youth and elderly to guarantee these groups will be able to access the process design and implementation.

Enhanced food security and nutrition and improved incomes

Experience shows that all project activities can have the dual benefits of enhancing food security and incomes while building climate resilience. Given that most of the climate-vulnerable populations in the watershed are agriculturally-based, and that any climate shock shows a clear link to increasing their food insecurity, malnutrition and continued cycle of poverty, the project places a strong emphasis on ensuring that adaptive practices are targeted at smallholder farmers and communities with a no regrets approach that addresses vulnerable people's barriers to adopting disaster risk management and adaptive capacities in the watershed.

This project includes ensuring people can be supported with the restoration and creation of household and community-level assets that will make them more resilient against future climate-related shocks and stressors, as well as providing them with access to knowledge and skills that will allow them to have greater capacities to implement disaster risk management, adaptation practices as well as diversify the livelihoods. The project also offers services such as tailored climate information and risk finance instruments so that farmers and their households are able to prepare for and reduce the impacts of climate-related shocks and stressors on their food security, nutrition and livelihoods. Further, insurance products will help people protect their investments and instil confidence in taking intelligent risks that give them the capacity to diversify livelihoods and grow household wealth. In addition, by having access to financial services that allows people to save and take out loans, people will have a greater ability to grow their income and guarantee a more disposable income to not only meet their daily food and nutrition needs, but be better able to invest in climate-smart farming and disaster risk management and adaptation practices. Such measures further improve their livelihoods, well-being and enable increased adaptive capacities. Insurance products will help people protect their investments and instil confidence in taking intelligent risks that give them the capacity to diversify livelihoods and grow household wealth.

Empowerment of women, Indigenous Peoples and vulnerable groups

Analyses and field experience highlight that women have lower access to resources and lower decision-making power than men in the watershed area. Women carry out a large portion of the farm work together with household and family care work. The impacts of climate change are increasing the burden on women and communities that were already vulnerable. Frequent droughts and crop failure are seriously affecting families' livelihoods and women and children are forced to contribute even more to household income, without being released from their domestic responsibilities. Education and health outcomes for children are also affected negatively. Assistance is therefore clearly needed to build women's resilience to the impacts of climate variability and change while attempting to change prevailing gender inequalities.

The project will contribute to gender equality and women's empowerment through a gender mainstreaming approach shaped by determination to ensure equal rights, access and opportunities for participation and leadership in the project and in community decision-making. Efforts to identify opportunities to integrate gender-transformative actions into the project will also be explored through other funding opportunities, building on experiences being examined in other countries in the region.

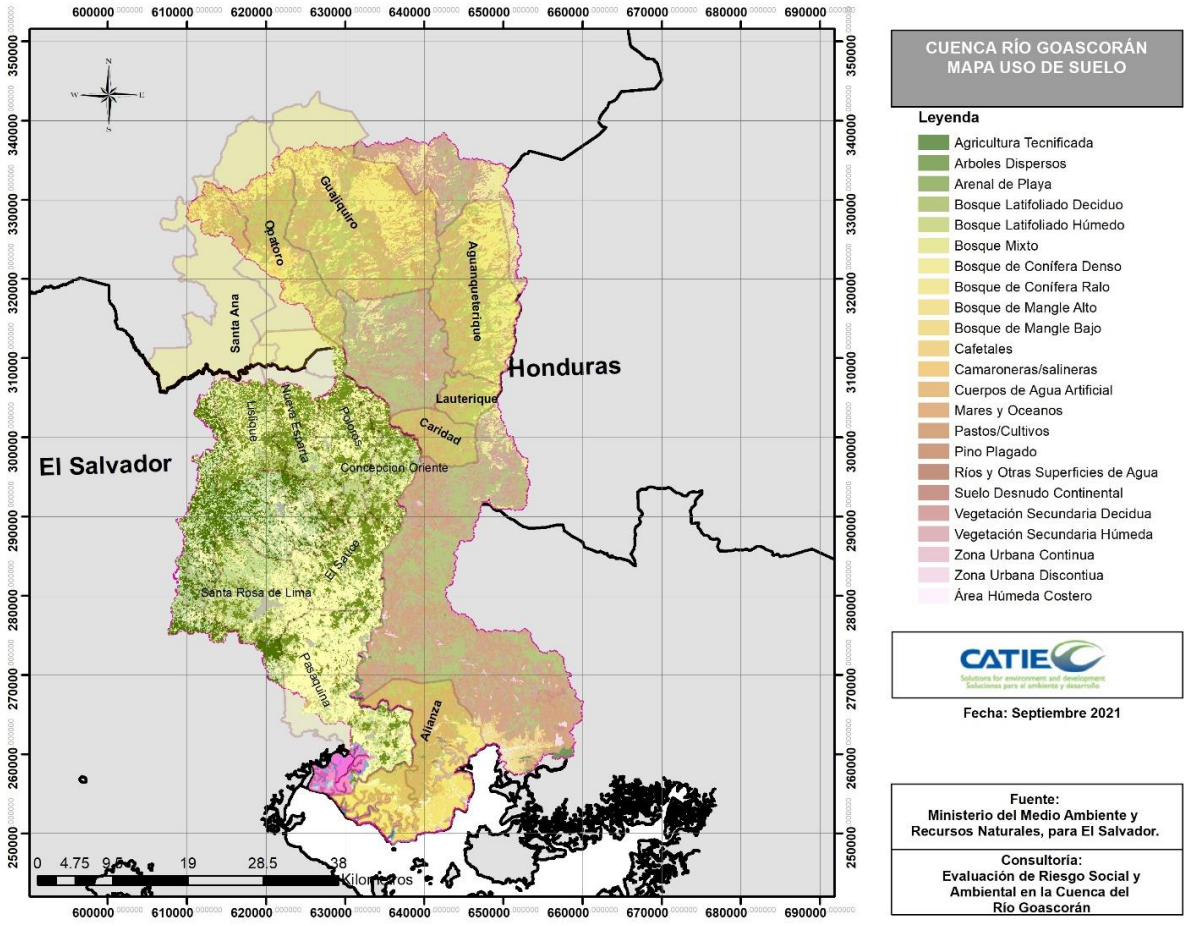
Civil society, national NGOs as well as community-based organisations will be involved in all decision-making so that the project integrates the needs and concerns of women, Indigenous Peoples, youth and vulnerable groups. The project will adopt Free, Prior and Informed Consent (FPIC)[74] principles during all engagement with Indigenous communities and their representatives. The project will ensure that communities are part of the climate change adaptation solutions and that any activity is adapted to their needs, culture and traditions. This includes understanding and strengthening the use of traditional agricultural practices, such as ancestral seeds and techniques (e.g., terrace cultivation, use of traditional plant varieties more resistant to climatic variations) to encourage the preservation of culturally valuable

[74] FPIC is a methodology now frequently deployed by development actors to establish bottom up participation and consultation of indigenous communities prior to the beginning of a project within their ancestral land or using resources within it. It conforms with aspirations set out in the *United Nations Declaration on the Rights of Indigenous Peoples*..

practices and knowledge.

Consistent with the objectives of the project and the planned actions, including the context of the Goascoran watershed and the inclusion of climate-smart agricultural measures as well as EbA and Eb-DRR activities such as agroecology, sustainable management of natural resources and landscape conservation, the project will need to consider land use areas as part of the process of identifying priority project sites (see Figure 5). The traditional knowledge of communities and especially Indigenous Peoples is indispensable to help consider natural habitats for flora and fauna species, some of which may be fundamental elements of the medicinal, culinary, and recreational culture of Indigenous and rural communities.

Figure 5. Land use map in the Goascorán basin



Economic benefits

Improving the livelihoods of smallholder farmers in the Goascoran watershed through the introduction and adoption of a number of climate-smart agriculture (CSA) practices such as crop diversification, promotion of biofortified seeds, drought-resistant crops, renewable energy-powered irrigation systems, among others, will enable smallholder farmers mostly engaged in staple grain production to diversify production and improve the nutritional value of food and generate additional income.

According to estimates based on official sources of costs and yields of basic grains, a small corn producer in the basin, on average can achieve an annual profit of USD 168.55, using that same source and considering the effect of the adoption proposed in the project can have additional annual profits of USD 535.00, which means an increase of 300% compared to what he traditionally obtains. This means that during the implementation of the project, approximately 3.2 million dollars per year in profits will be generated for the small producers participating in the project in the basin without considering potential growth in their outputs coming from productivity gains and scaling up of their farms.

As part of its strategy, WFP also promotes insurance through an integrated climate risk management

approach that helps farmers to reduce their risk, access insurance, increase savings and invest in their livelihoods. The long-term sustainability of climate risk insurance allows vulnerable policyholders to build resilience to climate shocks by protecting up to 80% of the value of their crops.

The insurance will cover smallholder farmers productive activity for business interruption against drought, excess rain and earthquake. The sum insured of USD 700, will have an annual premium of USD 54. The insurance will reduce the risk of loss of income for the small holder farmers participating in the project. During years with adverse weather conditions smallholder farmers will not lose the investment and will reduce the losses in their profits.

In addition to the insurance, community savings groups will be formed as a mechanism to encourage savings among participating families so that they can build up their reserves and strengthen their capacity to respond to and recover from climate shocks or other adverse events.

Avoiding or mitigating negative impacts

The following measures will ensure that project activities are designed and implemented in a way that does not cause negative social or environmental impacts:

- An environmental and social safeguards screening has been conducted during the proposal formulation, in accordance with the Adaptation Fund's 15 principles (see Annex 2 for details).
- Based on the findings of the screening exercise an environmental and social management plan (ESMP) was prepared to avoid and/or mitigate potential intended impacts during project implementation (included in Annex 2).
- The ESMP will be reviewed during project implementation for consistency and alignment of proposed mitigation measures with AF ESP .
- Project components will be screened against AF ESP before implementation to ensure the importance of managing environmental and social safeguards in structured way and on an ongoing basis throughout the life of a project There will be activity-level environmental and social screening for the components' activities at project implementation stage.
- The project will established a community feedback mechanism (CFM) early as a measure to pre-empt rather than react to escalation of tensions with surrounding communities and/or among stakeholders. CFM will be accessible and culturally appropriate to the interested parties and will consist of a standardized mechanism to respond to comments and complaints.
- Technical support will be sought especially in relation to sensitive or specialised services, including for gender analysis and mainstreaming, engagement with indigenous peoples, integrated watershed management, climate-smart livelihoods and ecosystem-based adaptation, climate information services, index-based insurance and financial services.

D. Describe or provide an analysis of the cost-effectiveness of the proposed project and explain how the regional approach would support cost-effectiveness.

The project will identify and use appropriate pathways that will allow for replication and scaling up so that more climate vulnerable people across the watershed can benefit from the Adaptation Fund's support, with estimates that up to 245,000 people (75 percent of the watershed) will be reached through this project. Learning from the Adaptation Fund's own lessons on regional projects and programmes[75], this project features a range of cost-effective measures that through a transboundary watershed approach helps to (i) avoid fragmentation and duplication of efforts, (ii) draw on economies of scale and (iii) coordination mechanisms, but in addition (iv) brings in innovative approaches to increase the overall impact and reach of the project.

Firstly, the transboundary watershed approach of the project allows it to fortify partnerships among executing entities and cooperating partners across both countries, **reducing fragmentation and encouraging a country-by-country sharing of experiences** that will bring different strengths in institutional processes and technical capacities across the watershed, from governance and knowledge management, to community-based and ecosystem-based adaptation, to climate information, insurance and financial services, counting with the involvement of private sector (SMEs, inputs and service providers, etc.). From a project implementation perspective, the regional approach allows cost sharing among the two

[75] Adaptation Fund (2022) *Transboundary Approaches to Climate Adaptation: Lessons Learned from the Adaptation Fund's Regional Projects and Programmes.* URL: https://www.adaptation-fund.org/wp-content/uploads/2022/04/Transboundary-Adaptation-final-April-2022.pdf

countries, and which is a core rationale for this being a binational project, given that the climatic challenges are similarly experienced and dependent upon a whole-of-watershed approach, alongside the similarities in limited adaptive capacities shared by people within the Goascorán watershed.

In a similar way, by building off existing mechanisms, structures and processes, the project can reduce the cost of setting up new activities from scratch, while also reducing negative, costly expenditures and time-consuming delays that have already been attained as lessons learnt from these earlier exercises. The project has been thus designed to complement and enhance the efficacy of previous and ongoing initiatives in the watershed by integrating with and drawing on experiences and lessons learned. For example, the synergies and complementarities with the NCG and CSFA-RFP (further described in Section G of Part II of this proposal) whereby beneficiaries of each project can gain from accessing different activities, tools and services generated. Likewise, the support to the introduction and application of the Guide and the Handbook in all targeted municipalities builds off an existing mechanism and aims to strengthen its climate lens while also helping to broaden its reach to be used in more municipalities in Honduras while expanding into El Salvador. These existing mechanisms, networks and projects serve as cost-effective and time-reducing entry-points for introducing CbA, EbA, Eb-DRR and climate risk management services, again by benefiting from having successful models that have already been tested while absorbing lessons learned, best practices, and achievements to enhance savings. Their linkages to local adaptation and watershed-level integrated management also aims to benefit knowledge sharing with other regional (watershed-based) coordination mechanisms and that will increase the likelihood that governments, institutions and civil society will replicate and scale these activities in other locations.

As a second benefit, the binational project encourages **economies of scale** that produce multiple cost efficiencies. The project allows the hiring of coordination and technical experts for specific activity areas across both sides of the watershed, and their collaborative work and expertise will generate benefits through establishing and building on common systems, practices and lessons across the watershed and beyond. For example, under output 1.1.1, a research institution will be hired to undertake more detailed assessments and engagement with stakeholders on developing adaptation options, and which will benefit both countries. Likewise, the knowledge management and MEL system will be developed for the watershed as a whole, rather than for each country individually. To maximize cost-effectiveness, the project will examine the online platform Edufami being established under another regional Adaptation Fund project being implemented in Colombia and Ecuador, to learn and replicate where feasible its most successful elements. The project's use of Training of Trainers (ToT) approaches will also allow for the hiring of one set of experts to develop the training materials and methodology. Each of the other activities under component 1 and 2 will also benefit from having pooled experts to support the design and implementation of products and services offered through the project.

The project's **coordination mechanisms** are further attuned to reducing costs as much as is possible within the dynamics of this transboundary watershed management approach for both countries. The reality of the middle-income country context in which this project is based is that staff costs are comparably higher to lower-income countries. The project involves in-kind support from Implementing and Executing Entities to support in the coordination and technical expertise to oversee and execute the project, and which contribute to greater cost-efficiencies for the Adaptation Fund. The sharing of a Binational Coordinator also helps reduce costs to coordinate the project, while enabling greater dialogue between both countries and the ability to share knowledge and experiences and avoid expensive lessons.

Finally, there are additional **innovative features** that allow for increasing the project's impact and its reach - both in terms of the scale of beneficiaries that can be supported and the longer-term sustainability of the activities. The project emphasises an inclusive and participatory approach that considers the needs of the most climate-vulnerable from the outset. Baseline surveys and Community-based Adaptation Planning activities will allow for more detailed collection of different people's needs and preferences in order to design tools and services that not only address barriers preventing people from adopting them but increases the chances that people will self-select these adaptation options in the future. Participatory community consultations will also be attuned to generating community ownership, with concrete CbA, EbA and Eb-DRR interventions to be carefully costed with communities to determine resources that can be contributed not only by the project but these stakeholders themselves. Such an approach encourages communities to invest in more activities to a higher value of the project itself, while also increasing the likelihood of communities maintaining the assets established beyond the duration of the project. Likewise, enabling similar discussions with local government actors and the mainstreaming of climate change adaptation considerations into local planning and related budgets will further help local governments incorporate investments into the project while also establishing processes than can help reduce long-term dependence on the external injection of funds for the continuity of such activities in the future.

A further factor that maximises the likelihood that the project's investments will build people's climate resilience is in creating an integrated approach that enables households and communities to select from a range of risk management practices and services that they can adopt, thus enhancing their adaptive capacities with multiple tools they can draw upon in different situations. This integrated approach also reduces the logistical cost of outreach to beneficiaries with multiple adaptation practices, assets, skills and services being channelled in an integrated way with partners through the same facilitating organization. The integration of knowledge management and participatory planning into the design is also important in acting as the bridge to enable all other activities under components 1 and 2 to be introduced and in the long-term be offered after the project comes to a close, allowing for scalable and sustainability of the adaptation options. ToTs are also seen as a cost-effective measure in disseminating new knowledge and practices, by carefully selecting champions and leaders through community consultations and pre-determined eligibility criteria to support wide-scale promotion and adoption of different tools, techniques and services.

The project's second component has additional characteristics to achieve significant reach in a cost-effective manner. The novel climate risk management services that this component introduces include "last mile" climate information services, index-based insurance and other financial services, and are seen as effective tools that people in the long-term can adopt on their own to self-manage climate risks and strengthen the climate resilience of their households and communities. By enabling access to last mile climate information, farmers will be able to make well-informed decisions, ensuring they can put in place risk management efforts ahead of a predicted climate-related shock, as well as helping them make best use of any investment made on agricultural inputs. Communication channels for dissemination of information will take into consideration people's needs and cost-effectiveness criteria, prioritizing those channels that ensure wider outreach for a limited additional cost (for example radio broadcasting or television).

For the financial services offered under the project, public-private partnerships will also be explored to increase the economic sustainability and affordability of the products and services that will increase their likelihood for wider adoption outside of the project itself to augment the reach of these tools. Relationships between government entities (including agricultural and social protection ministries) as well as insurance and other financial service providers, for example, will be important to help establish smart subsidies and pricing mechanisms that increase the likelihood that these products will continue to be selected by beneficiaries upon the end of the project, while also allowing non-beneficiaries to see the value in adopting these tools. The instruments themselves are cost-effective in allowing farmers to make relatively small investments in index-based insurance to transfer the risk of major economic losses to insurers and reinsurers, reducing the burden on government and humanitarian funds. Index-based insurance products are also more cost effective than traditional indemnity-based agricultural insurance products as lower administrative costs translate to a reduced cost of insurance premiums. The connection of the microinsurance products to Eb-DRR measures promoted under Component 1 will further help to reduce the price of the premiums for the farmers while creating greater disaster risk management assets that will benefit communities in the long-run. Likewise, in establishing small-scale savings and loans groups, the project will enable farmers to invest their own resources in improved agricultural inputs, thus maximizing the implementation, expansion and long-term capacity of people to adopt climate-smart livelihood techniques that are introduced through component 1.

When compared to the status quo, the proposed intervention is clearly cost-effective. Without this intervention, according to estimates based on official sources of costs and yields of basic grains, a smallholder farmer in the watershed invests USD671.45 per *manzana* (0.7 ha) per year, and, on average can achieve an annual profit of USD168.55.

With the project, and the integrated package provided, is estimated that smallholder farmers will increase their annual profits by USD535.

	No intervention (USD)	Intervention (USD)	Growth
Revenues	840.00	2,090.35	149%
Costs	671.45	1,386.80	107%
Profit	168.55	703.55	317%

Once the project finalizes, it is estimated that each farmer will need to invest USD259 plus the USD54.74

for the microinsurance premium to maintain the benefit of the proposed intervention. The increase of annual profit will fully cover their investment.

Moreover, without the intervention, during years with adverse climate conditions, smallholder farmers lose their profit and their investment. With the project, smallholder farmers will not lose the investment thanks to the microinsurance cover. They will also suffer reduced losses in the profits thanks to the microinsurance and the integrated package of climate adaptation measures and the ecosystem-based adaptation and disaster risk reduction practices introduced with the initiative.

It should be noted that if the status quo is maintained, other considerable costs would have to be taken into account, such as the reduction in the production yields and availability of fertile land as a result of the loss of the fertile layer (which loses more than 10 tons per hectare annually due to erosion), water runoff would continue to affect the lowlands with flooding without the capacity to cope with these extreme climate events, the loss of water infiltration due to soil erosion and other critical environmental problems consequence of degradation.

The project is also cost-effective when compared to other similar activities in the area, thanks to its integrated approach and regional set-up.

For example, WFP is currently implementing the Japan funded intervention “Resilience for Food Security and Migration in the Dry Corridor of Honduras” in municipalities bordering the Goascorán watershed, focused on CbA only (Please see section G for more details). The following table compares the cost of that single-focus single-country intervention with the proposed regional project.

	WFP (CbA)	WFP AF (integrated approach)
Budget	USD 4,000,000	USD 12,048,300
Period (years)	3	5
Smallholders	2,300	6,000
Annual investment per capita	USD 580	USD 402

As regards cost-effectiveness of specific USPs, at the outset of this project, a range of analyses and consultations will be undertaken to serve as the basis of identifying adaptation options that governments, communities and individuals can invest in across the Goascorán watershed. Activities from previous interventions in the watershed, (such as: The Improved Coastal Watershed and Livelihoods Project - Nuestra Cuenca Goascorán - Climate-Smart Family Farming Projects - The Rural Opportunities, Inclusive Economic Development for the Gulf of Fonseca project - Resilience for Food Security and Migration in the Dry Corridor of Honduras - Improving food security for vulnerable households in the departments of Francisco Morazán, Valle and La Paz through food assistance and support for resilient recovery of livelihoods from triple crises - Upscaling climate resilience measures in the dry corridor agroecosystems of El Salvador - Building Resilience in the SICA region under a synergistic approach between Mitigation and Adaptation focusing on the Agriculture, Forestry and other land uses sector) (Please see section G for more details) will be considered and compared to newly proposed ones to ensure that the most effective ones are the ones selected. Previous experience in the area of potential field partners will be taken into consideration to guarantee that the project leverages their acquired expertise to make the operation more efficient and effective.

During these processes, cost effectiveness criteria will also be defined together with the recommendations for their application during the community planning process and the selection of the adaptation options. Community consultations will help identify the activities most suitable, sustainable and cost-effective in each area of intervention.

E. Describe how the project is consistent with national or sub-national sustainable development strategies

El Salvador and Honduras have adopted policies, strategies and plans and made international commitments which facilitate actions to promote adaptation and tackle climate change. The project directly aligns, contributes to and supports their implementation.

In El Salvador, the project is aligned with the Government's strategic vision, as contemplated in the Cuscatlán Plan (PQD 2019-2024), which clearly establishes the intention to promote conservation, biodiversity, valuation and sustainable use of natural heritage, and contains an extensive section dedicated to the environment, with 17 priority commitments that seek to promote the development of an environmentally sustainable economy and society, low in carbon and resilient to risks of natural origin and climate change. The country´s 2012 National Environmental Policy aims to "reverse environmental degradation and reduce vulnerability to climate change". El Salvador´s National Climate Change Strategy, launched in 2013 aims to implement mechanisms and principles coherent with this project as does the 2015 National Climate Change Plan which has an objective "to build a society and an economy that is resilient to climate change and low in carbon". The latter has been updated in 2019 by enhancing the monitoring of cross-sectoral adaptation plans and funding for implementation of the prioritized climate-resilient measures. The newly-elected Government in El Salvador is currently reviewing this Policy for possible revisions and planning considerations.

The project is also aligned with El Salvador's Sustainable Plan (2018-2030) and that fosters the implementation of sustainable development plans, strengthens the country's preparedness and risk reduction capacity, protects and rehabilitates water recharge areas prioritized by the Ecosystem and Landscape Restoration Program and the National Integrated Water Resource Management Plan (PNGIRH). On a sectoral level, the project is consistent with the Environmental Strategy for Adaptation and Mitigation to Climate Change of the MAG and the Forest Policy (2016-2036), the National Integrated Water Resource Management Plan of El Salvador, and the National Strategy for El Salvador's watershed management that emphasize the integration of adaptation and climate-resilience measures in agriculture, forestry and natural resources management.

In Honduras, the project aligns with and supports the Country Vision 2010-2038 of "a productive Honduras, generator of opportunities and decent employment, that takes advantage of its resources in a sustainable way and reduces environmental vulnerability", and the National Plan 2010-2022 that contains 11 strategic guidelines for achieving the Country Vision, one of which relates to climate change adaptation and mitigation. Honduras' National Adaptation Plan, presented in 2018, has as a general objective "to guide adaptation actions focused on the integration of sustainable development strategies in order to reduce the adverse impacts of climate change and variability in the country", and the Master Plan for Water, Forest and Soil, whose main objective is for water, forest and soil resources to be managed sustainably through broad local participation. Meanwhile, WFP is providing technical and scientific assistance to the Government of Honduras for the development of the Honduran National Framework for Climate Services (MNSC) as an enabling mechanism for the promotion and adoption of financial products, such as parametric agricultural insurance for climate risk reduction in the agri-food sector. A thorough breakdown of the specific instruments to which the project aligns can be found in Table 5, with alignment identified at the component level.

Under the SICA framework, the Central American Commission on Environment & Development (CCAD), which sees the involvement of both Ministers of Environment, have approved and given their political support to the regional initiative "Building Resilience in the SICA region under a synergistic approach between Mitigation and Adaptation focusing on the Agriculture, Forestry and other land uses sector (AFOLU-2030)". This initiative is structured in five Components, of which, the present project would be consistent and complement three:

1. Conservation of forests and forest ecosystems: intended to reduce emissions of Greenhouse Gases (GHG) related to deforestation and forest degradation.
2. Transformation of agricultural production systems: with transit towards a low-carbon, resilient agriculture and livestock adapted to the climate, with low use of agrochemicals and nitrogenous fertilizers, improving the management of water resources, with emphasis on the Central American Dry Corridor and the arid zones of the Dominican Republic.
3. Integration and promotion of sustainable agricultural techniques, practices and services adapted to the climate in the cultivation of staple grains and export crops.

Table 5. Selected Relevant Policies and Links with Project Components and Outputs

Policy/Plan	Key Priorities of Policy/Plan	Alignment with AF Project
El Salvador		
Plan Cuscatlán 2019-2024	The Government will promote the conservation, valuation and sustainable use of ecosystem´s services and biodiversity, encouraging innovative solutions. **Environment** **Component:** Integral approach and main challenges. **Actions:** **7:** Free access to information. **8:** Establish financial protection policies. **11:** Ecotechnology. **12:** Improve the quality and use of surface water. **14:** Adaptation and mitigation with co-benefits. **Component:** Droughts in the country. **Actions:** - Develop agriculture with a focus on hydrographic basins and territorial planning based on hydrographic mapping. - Education and awareness of the protection and conservation of this vital resource; impacting students from the first levels. - Clean technologies to avoid pollution, and good waste management from urban settlements, colonies, neighbourhoods and communities. **Human Rights** **Component:** Poverty reduction **Actions:** - Empower the population, providing equity in access to risk information, **Economy** **Programmatic axis:** 1. Inclusive and sustainable economic growth **Actions:** 1.2: Economic activities environmentally sustainable.	**Component 1 Outputs 1.1.1, 1.1.2 and 1.1.3 Component 2 Output 2.1.1**
Environmental Policy 2012	**General Objective:** Reverse environmental degradation and climate change vulnerability in the face of climate change. **Specific Objectives**: **1.** Reverse environmental degradation **2.** Sustainable management of water resources **3.** Environmental organisation of land use **4.** Promote a responsible environmental culture. **5.** Reverse ecosystems and landscape degradation. **6.** Reduce climate risk	**Component 1 Outputs 1.1.2 and 1.1.3**
National Climate Change Strategy 2013	**Strategic axis 2**: Climate change adaptation **Priorities:** ● Adaptation strategies with emphasis on agriculture, water resources, infrastructure and health ● Restoration of critical ecosystems and rural landscapes ● Urban and coastal planning	**Component 1 Outputs 1.1.1, 1.1.2 and 1.1.3**
Third National Communication 2018	**Action plan for Ecosystems and Landscape Restoration** ● Agriculture resilient to climate change and in balance with biodiversity ● Restoration and inclusive conservation of critical ecosystems	**Component 1 Outputs 1.1.2 and 1.1.3**
El Salvador Sustainable Plan 2018	**Strategic axis 1** Integral management of disaster risk reduction and climate change	**Component 1 Output 1.1.3**
National Climate Change Plan (NPCC) 2015	**Component 1-** Programme to incorporate climate change and disaster risk reduction into development plans, policies and modernising of public institutions. **Action 1.** Incorporation of strategic climate change and risk reduction incorporation into policies, national budgets, and national development plans at local and sectorial levels. **Component 3 –** Biodiversity and ecosystems management programme for climate change adaptation and mitigation. **Action 1.** Protect, rehabilitate and preserve existing ecosystems and improve their ecological functions	**Component 1 Outputs 1.1.1, 1.1.2 and 1.1.3**

	Action 2. Re-establish ecological connectivity and restore ecologically diverse rural landscapes **Action 3.** Address pressures on biodiversity and reduce ecosystems pollution **Action 4.** Research and innovation, knowledge development and management about biodiversity and ecosystems for climate change adaptation **Action. 5.** Control of land use changes for agricultural, tourism and urban activities **Component 4.** Transformation and diversification programme of agricultural, forestry and agroforestry practices and activities **Action 1.** Transformation of agricultural practices and production diversification with climate resilient alternatives and sustainable development of fisheries **Action 2.** Develop Research, technologies and capacities on climate-resilient crop and agricultural production **Action 3.** Programme to promote development of resilient coffee plantations **Action 4.** Design and implement mitigation actions based on forest and agroforestry adaptation. **Component 5:** Water resources climate change integral adaptation programme **Action 2.** Full integration of the National Water Resources Integrated Management Plan (PNGIRH) as a key instrument for climate change adaptation.	
Nationally determined contributions (NDC)[76] - Adaptation Actions	**Commitments:** **Water resources:** - Between 2021 and 2025, El Salvador will implement protection and restoration activities through appropriate management plans for 70% of the main aquifer recharge areas identified in the National Plan for Integrated Management of Water Resources **Agriculture, livestock and forestry:** - By 2030, El Salvador will establish and manage one million hectares through "Sustainable Landscapes and Resilient to Climate Change". - El Salvador will present a plan for the diversification of agriculture and economic activity for the eastern part of the country, to be implemented in the period 2018-2025, to boost its resilience to the adverse effects of climate change and guide its low-carbon development.	**Component 1 Outputs 1.1.2 and 1.1.3**
Local Sustainable Development Plan for the Fonseca Gulf Conservation Area	**Objective 1.** By 2030, the vegetation cover has been maintained on at least 13,892 hectares, 700 hectares of forest have been reforested and one more protected natural area has been established, with forest cover, in the conservation area.	**Component 1 Outputs 1.1.2 abd 1.1.3**
Honduras		
Country Vision 2010 – 2038	**Objective 1:** A Honduras without extreme poverty, educated and healthy, with consolidated social security systems **Goal 1.2.** Reduce to less than 15 per cent the number of households in poverty **Objective 3:** A productive Honduras, generator of opportunities and decent employment, which takes advantage of its resources in a sustainable manner and reduces environmental vulnerability **Goal 3.1.** Reduce the open unemployment rate to two per cent and the visible underemployment rate to five per cent	**Component 1 Outputs 1.1.1 and 1.1.2 Component 2 Outputs 2.1.1 and 2.2.1**
National Plan 2010 – 2022: Strategic Guidelines	**Strategic guideline 1:** Sustainable development of the population **Strategic guideline 5:** Health as a foundation for the improvement of living conditions **Strategic guideline 7:** Regional development, natural and environmental resource. **Strategic guideline 8:** Productive infrastructure as a motor of economic activity	**Component 1 Output 1.1.2 and 1.1.3 Component 2 Output 2.2.2**

[76] Both countries are currently undergoing a review and adjustment process to present the new NDCs in 2021, to the United Nations Framework Convention on Climate Change (UNFCCC).

	Strategic guideline 11: Climate change adaptation and mitigation	
National Adaptation Plan 2018	The general objective of NAP is to guide adaptation actions focused on the integration of sustainable development strategies in order to reduce the adverse effects of climate change and climate variability **Specific objectives:** **1.** Generate institutional capability on knowledge management related to climate change adaptation. **2.** Strengthen multisectoral (inter-institutional and intersectoral) and multilevel coordination (at multiple levels of government from local to national levels) for the formulation and implementation of adequate climate change adaptation at city and community levels **3.** Promote ecosystems protection, good management and restoration as a fundamental axis of adaptation in rural and urban communities, as well as achievement of environmental and socioeconomic benefits **4.** Promote the transference and appropriation of adaptation technologies, considering synergies with climate change mitigation	**Component 1 Output 1.1.1, 1.1.2 and 1.1.3 Component 2 Output 1.1.1.**
National Climate Change Strategy	The Honduran National Climate Change Strategy (ENCC) addresses the interactions between the different aspects of climate change: causes, manifestations, impacts and response measures; as well as the social, economic and environmental dimensions of Honduran society. It is part of the general planning process of the Honduran nation; and in that context, its purpose, focus, scope and content, are articulated in a manner consistent with the Nation Plan (2010-2022) and the Country Vision (2010-2038). The national climate change strategy responds to the efforts aimed at fulfilling the international commitments acquired when signing and ratifying the United Nations Framework Convention on Climate Change (UNFCCC), since it constitutes the fundamental reference framework for the establishment of a national policy framework in the face of climate change, as well as for the definition and execution of the most appropriate instruments for its effective implementation, both in terms of adaptation and mitigation.	**Components 1 and 2**
Nationally determined contributions (NDC) [77] Adaptation Actions	**Commitments:** Honduras increased its ambition with respect to the 2015 goals by proposing to reduce net greenhouse gas emissions by 16% by 2030 through 7 measures linked to priority. The updated NDC pays special attention to the functional restoration of the rural landscape and aims to increase the ambition from 1 to 1.3 million hectares of reforested land. The update defines 13 national strategic objectives for the NDC, a reinforced chapter for adaptation that includes 9 contributions and 14 measures, and 3 additional chapters for social inclusion (gender equality and equity, youth, and indigenous and Afro-Honduran people), climate finance, and measurement, reporting, and verification. Prioritized adaptation and resilience areas: Water, Agriculture, Ecosystems and Infrastructure.	**Component 1 Outputs 1.1.1, 1.1.2 and 1.1.3**
Policy for the integral management of the risk Honduras	The policy emerges as an imperative for government action to respond to the priority of reducing the country's vulnerability and risk. The Policy defines concrete and continuous actions that must be carried out by different government administrations for the reduction of vulnerability, risk and disaster risk reduction, as well as for the generation of a forward-looking, responsible and resilient citizens and institutional culture. Its validity and implementation responds to the international commitments signed by the State, which define the strategies, indicators and lines of action that must be implemented as a priority and continues to guarantee risk reduction.	**Component 1 and 2**
Master Plan for Water, Forest and Soil 2017	**Vision:** Honduras is a highly productive country that manages and takes full advantage of water, forest and soil resources with community participation, promoting sustainable human and economic development which is capable of facing climate change risks for the benefit of the entire Honduran population. **Main objective:** Water, forest and soil resources are sustainably managed with broad local participation.	**Component 1 Outputs 1.1.1, 1.1.2 and 1.1.3 Component 2 Outputs 2.1.2, 2.2.1 and 2.2.2**

[77] Both countries are currently undergoing a review and adjustment process to present the new NDCs in 2021, to the United Nations Framework Convention on Climate Change (UNFCCC).

	Objectives: i) Institutions and local organisations with technical and financial capacity to implement integrated land, water and forest management. ii) Strengthened public and private institutions; financial mechanisms and incentives are implemented for the integral management of natural resources and the wellbeing of the population. iii) Knowledge for capacity building and decision making generated and managed. iv) Sustainable practices are implemented for the conservation, protection, restoration and usage of water, forest and soil resources.	
National Water Law	Its objective is to establish the principles and regulations applicable to the proper management of water resources for the protection, conservation, and use of water resources to promote the integrated management of said resource at the national level.	**Component 1**
National Forest Policy, Protected Areas and Wildlife (2013-2022)	The policy seeks to optimize the contribution of the forestry sector to the socio-economic and environmental development of Honduras and also the support mechanism to consolidate the entire process of sustainable forest development. The policy implies great challenges whose principles, objectives, lines of policy, strategies, aim to: a) Provide a response to the national forest problem, b) combat poverty and environmental vulnerability, c) reduce and / or mitigate the impacts of climate change, d) take advantage of the chains of the forest sector.	**Component 1, output 1.1.3**
Long-term National Food and Nutrition Security Policy and National Strategy for Food and Nutrition Security (PyENSAN 2018-2030)	The National Policy and Strategy for Food and Nutrition Security of Honduras (PyENSAN), with a horizon of 2030, shows the Political Commitment of the Government to achieve the goals of the Sustainable Development Goals (SDGs), especially SDG2 for the eradication of hunger, addressing food insecurity and malnutrition, while promoting sustainable agriculture. PyENSAN 2030 proposes a new framework of cohesive actions to work together so that all Hondurans have access to adequate food and nutrition with food produced under sustainable agri-food systems and fostering communities resilient to crises and climate change.	**Components 1 and 2**
National climate change strategy for the agri-food sector, Honduras (2015-2025)	National Strategy for Adaptation to Climate Change of the Agri-Food Sector of Honduras 2015-2025 ENACCSA, with the aim of promoting the management of climate risks and the adaptation of the agri-food sector to climate change by identifying possible synergies in mitigation actions, and whose vision is that: "By 2025 the Ministry of Agriculture and Livestock, has led and generated mechanisms of concertation and synergy for the reduction of agroclimatic vulnerability and increase of resilience and adaptive capacity in the agri-food sector of Honduras", being of vital importance for its implementation, the participation and involvement of producers, producers, indigenous peoples, State institutions, NGOs, local governments, academia, research centers and private enterprise, considering the contributions that the sector provides for development, economic, social and environmental of the country.	**Components 1 and 2**

F. Describe how the project meets relevant national technical standards and complies with the Environmental and Social Policy of the Adaptation Fund.

The proposed interventions will adhere to all national regulations and technical standards in both El Salvador and Honduras, particularly those relating to concrete adaptation measures. These include:

- El Salvador´s1998 Environment Law[78], whose objective is to establish provisions for the protection, conservation and recovery of the environment and the sustainable use of natural resources.
- El Salvador´s 2005 Protected Areas Law[79], whose objective is to regulate the establishment of the legal regime, administration, management and increase of protected natural areas in order to conserve biological diversity, ensure the functioning of essential ecological processes and guarantee the stability of the natural system.
- El Salvador´s 2002 Forestry Law, the objective of which is to establish provisions that allow for the increase, management and sustainable use of forest resources and development of the timber industry.

[78] Ley de Medio Ambiente www.oas.org/osde/fida/laws/legislation/el_salvador/el_salvador_233.doc
[79] Ley de Áreas Naturales Protegidas https://www.asamblea.gob.sv/decretos/details/411

- El Salvador´s 1994 Wildlife Conservation Law, which seeks to protect, restore, sustainably use and conserve biological species.
- Honduras´s 1993 General Environment Law, whose objective is to ensure the protection, conservation, restoration and sustainable management of the environment and natural resources.
- Honduras´s 2013 Climate Change Law[80] whose aim is to establish the principles and regulations necessary to plan, prevent and respond in an appropriate, coordinated and sustained manner to the impacts generated by climate change.
- Honduras´s 2007 Forestry, Protected Areas and Wildlife Law[81], which establishes the legal framework for administration and management of forest resources, protected areas and wildlife, including its protection, restoration, exploitation, conservation and promotion, fostering sustainable development, according to the social, economic, environmental and cultural of the country.
- Honduras´s 2009 General Water Law[82], which aims to establish the principles and regulations applicable to the proper management of water resource for protection, conservation, valorisation and use of water resources to promote the integrated management of this resource.

Consultations with the following entities have been conducted during full proposal formulation and will be continued during inception and through implementation to ensure that all project activities comply with relevant national and regional technical standards:

1. Ministry of Environment and Natural Resources (MARN) – El Salvador
2. National Center for Agricultural and Forestry Technology (CENTA) – El Salvador
3. Ministries of Foreign Affairs (RREE and SRECI) – El Salvador and Honduras
4. Secretariat of Natural Resources and Environment (MiAmbiente+) - Honduras
5. Institute of Forest Conservation and Development, Protected Areas and Wildlife (ICF) – Honduras
6. Presidential Office for Climate Change (Clima+) – Honduras
7. Central American Commission on Environment & Development (CCAD) – El Salvador and Honduras.

The project will fully comply with the Environmental and Social Policy of the Adaptation Fund and WFP's Environmental and Social Sustainability Framework (ESSF). An assessment of applicable environmental and social safeguards has been conducted (see Annex 2) and a screening exercise to develop a risk management plan that will be monitored during project implementation. In addition to meeting the requirements under the AF ESP and WFP ESSF, the project will comply with applicable national law, including those laws implementing host country obligations under international law. When host country regulations differ from the levels and measures presented in the ESMP, the project will abide to the most stringent policy.

G. Describe if there is duplication of project with other funding sources, if any.

For the preparation of this project proposal, key stakeholders were consulted, and a complete mapping of potential overlapping activities was carried out in order to avoid any potential duplication of efforts or resources. The proposed project will not create duplications with other multinational, trans-boundary or national organisations, but will create synergies with, strengthen and build on current and former initiatives and activities implemented in the area. To do this, the proposed project aims to work in close coordination with existing initiatives and to build on past experiences.

As part of the project inception and in the ensuring weeks that follow, stakeholders of these past and present projects will be invited to workshops to share their experiences, allowing the project to serve as a vehicle for bringing together the other initiatives under a common approach. These workshop consultations will allow the new project coordinators to establish strong ties and capture in more detail the lessons, practices, tools, methodologies and expertise developed out of these projects, so that this wealth of knowledge can be more clearly brought into the folds of the various components and outputs of this project. Such an approach will allow for existing effective measures to be replicated and scaled up in a holistic way, enabling an integrated community-based watershed management that encourages binational capacity strengthening and knowledge sharing.

There are a number of initiatives being implemented in the watershed area and in the wider region which the proposed project will complement.

[80] Ley de Cambio Climático https://observatoriop10.cepal.org/es/instrumentos/ley-cambio-climatico-decreto-297-2013
[81] Ley Forestal, Áreas Protegidas y Vida Silvestre (LFAPVS)
[82] www.poderjudicial.gob.hn/CEDIJ/Leyes/Documents/LeyGeneralAguas.pdf

The Improved Coastal Watershed and Livelihoods Project[83], initiated in 2016 and completed in 2019, was a binational initiative implemented by the International Union for Nature Conservation (IUCN) and which aimed at improving the management of the Goascorán lower watershed and coastal zone natural resources. The proposed project builds on the work done by this initiative in the lower watershed. It will take into consideration lessons learned and best practices on integrated watershed management (including among others, solid waste management, mangrove restoration and artisanal fishing) and it will ensure the incorporation of their binational efforts into the community-based coordination and knowledge sharing practices.

Nuestra Cuenca Goascorán[84] (NCG) Phase II is a project funded by the Swiss Agency for Development and Cooperation (COSUDE) on the Honduran side of the watershed. Phase I (2015-2018) was executed by an institutional consortium led by IUCN. Phase II started in April 2019 and is being implemented by a consortium led by GFA Consulting Group and the Swiss Red Cross; it is expected to end in March 2023. The project prioritises the upper and middle watershed and seeks to strengthen community management of the watershed and improve the quality of life of its inhabitants in face of the challenges posed by climate change and risks for disasters. With the NCG project coming to a close as this Adaptation Fund project begins, an exchange of lessons and expertise will be very important during the project inception's phase and later stakeholder workshops.

Another program in Honduras has been the Climate-Smart Family Farming Projects with an Integrated Watershed Management approach for Resilient Food Production in Central America (CSFA-RFP). The program was funded by EUROCLIMA+ and ended in 2021, having been led by the Dutch Development Cooperation Service (SNV) and the Association for the Integrated Management of Watersheds of La Paz and Comayagua (ASOMAINCUPACO). The initiative prioritized the upper basin, assisting 600 Lenca families and around 150 local stakeholders, while also contributing to the strengthening of resilient food production (RFP) based on a sustainable water management approach in the context of Lenca ancestral practices, through the validation and adoption of climate-smart agricultural production systems (CSA), facilitating processes and platforms to disseminate experiences and expand actions in the Central American region. Such experiences will be a valuable add to the development of adaptation options as well as CbA and EbA measures under component 1 of this project.

The Rural Opportunities, Inclusive Economic Development for the Gulf of Fonseca project, funded by World Affairs Canada (AMC) and implemented by the Swiss Foundation for Technical Development Cooperation (SWISSCONTACT) started in 2017 and is expected to end in 2022. The main objective is to improve the economic well-being of small entrepreneurs and producers in the Dry Corridor, especially women and youth. Lessons from this project will prove useful for climate-smart livelihood and financial service activities under outputs 1.1.2, 2.2.1 and 2.2.2 of this project.

The project "Resilience for Food Security and Migration in the Dry Corridor of Honduras", is currently being implemented and led by WFP with financial support from the Government of Japan. The initiative began its implementation in 2020 and is expected to end in mid-2023. The intervention aims to improve the resilience of the livelihoods of 2,300 families (a total of 11,500 beneficiaries) vulnerable to climate impacts and shocks through food assistance, rehabilitation and/or construction of productive/natural assets, the promotion of adaptation measures and climate services. The lessons learned and best practices of this intervention will facilitate the scaling up of binational efforts of this project.

In 2022, the implementation of the project "Improving food security for vulnerable households in the departments of Francisco Morazán, Valle and La Paz through food assistance and support for resilient recovery of livelihoods from triple crises" began which is expected to end in the first quarter of 2023. The overall purpose of the project is to ensure greater food security and nutrition of 9,000 households, and preserve the livelihoods of households affected by the double or triple crisis. The operation will assist a total of 45,000 beneficiaries in the most affected communities and municipalities of the departments of Francisco Morazán, La Paz and Valle. The intervention will target households that have been affected by heavy rains and flooding from hurricanes Eta and Iota, droughts and by COVID-19. Experience in developing emergency early warnings should aim to help inform output 2.1.1 of this project.

In El Salvador there is a recently approved Green Climate Fund initiative, "Upscaling climate resilience measures in the dry corridor agroecosystems of El Salvador" (RECLIMA), which aims to improve the

[83] https://www.iucn.org/regions/mexico-central-america-and-caribbean/improved-coastal-watershed-and-livelihoods-project-%E2%80%9C-source-sea%E2%80%9D
[84] https://www.iucn.org/es/regions/meso-am%C3%A9rica/nuestro-trabajo/agua-cuencas-y-costas/proyectos-en-curso/gesti%C3%B3n-de-cuenca-en

resilience of vulnerable farmers to the impacts of climate change. Implementation is led by the Food and Agriculture Organisation (FAO) with whom project planners with closely liaise. Activities of RECLIMA are being implemented in all selected municipalities for this project. Initial synergies have been identified around the rolling out of microinsurance products by this project to expand the scope for the beneficiaries of RECLIMA. Also, complementarities have been sought with saving and credits groups whereby climate-proofing investments of both projects could be enabled through this activity.

WFP in El Salvador implemented an early recovery project founded by BHA-USAID to respond to extreme events such as Amanda, Eta and Iota during 2021 in Poloros and Lislique municipalities. At the same time, humanitarian and DRR interventions have been carried out to build local coping capacities and respond to humanitarian needs. Preparedness and emergency assistance to Hurricane Eta also covered some targeted Departments such as La Union Department in El Salvador. Experiences from this project will be a useful reference point when considering activities that would address similar climate-related disasters that watershed populations face.

Within the framework of the regional initiative "Building Resilience in the SICA region under a synergistic approach between Mitigation and Adaptation focusing on the Agriculture, Forestry and other land uses sector (AFOLU-2030)"[85], this project will look at how it can feed results from agriculture and forest activities into its Monitoring, Reporting and Verification System (MRV) where appropriate.

Finally, during implementation, the project will be under the overall supervision of the Ministry of Environment and Natural Resources of El Salvador (MARN) and the Secretariat of Natural Resources and Environment of Honduras (MiAmbiente+), consequently coordination will be guaranteed with other initiatives being carried out and supervised by both Ministries to ensure complementarities. Through constant communication with the Cooperation Units of both Ministries, information will be gathered in the project design and implementation phases about other projects and initiatives being carried out in the area to create synergies.

As mentioned, as part of the project inception process workshops will be carried out in which different key stakeholders will be invited to ensure coordination with other initiatives and development partners, allowing the creation of common approaches and goals which will expand impacts in the territories. These initial workshops will provide valuable information and contacts to implement structural coordination mechanisms and procedures that will be put in place during the lifetime of the project.

As for territorial coordination, constant communication and feedback mechanisms will be established with key territorial stakeholders such as local governments, municipal associations, community development associations, NGOs, and other development partners with a presence in the region to establish knowledge sharing and other joint-work procedures.

An already developed framework of regional and local planning instruments that reflect the priorities set forth by authorities and communities and that set the roadmap for development partners will be taken into consideration. These planning instruments include territorial plans, watershed management plans, participatory strategic plans, local sustainable development plans, etc. framework for coordination with other existing initiatives and development partners

H. If applicable, describe the knowledge management component to capture and disseminate lessons learned

The project will emphasise the collection, analysis and dissemination of lessons learnt and best practices across the Goascorán watershed, with a particular focus on enabling community exchange and binational collaboration. This aligns with prior experience of WFP that the replication, scalability and sustainability of community-based activities are more successfully achieved when there are concerted investments in documenting, tailoring information and sharing knowledge as a central and cross-cutting focus.

The project's approach will involve ensuring both vertical and horizontal communication, so that decision-making and knowledge sharing mechanisms work both between the different communities in the Goascorán watershed, as well as relevant stakeholders involved in adaptation practices across the watershed. There will be annual convening events to disseminate lessons learnt and to work on strengthening the sharing of knowledge and lessons. The improved *Methodological Guide* (CdT 4H), the *Handbook on Adaptation Options* and the knowledge platform produced through the project will remain with the communities and local governments. The project will also encourage the dissemination and further development of these

[85] This is coordinated by the Central American Commission on Environment & Development under the Central America Integration System's (CCAD and SICA in Spanish).

knowledge products to support best practices to be replicated by government social programmes and communities beyond the project cycle.

Under Component 1, the project will streamline information-sharing and coordination to avoid duplication and extra costs, and will aim to empower communities, leaders and stakeholders at all levels and across both countries to improve their strategic decision-making. By disseminating climate information to communities, their leaders, regional decision makers and scientists, the project's investment will reach a wide audience and generate benefits for the entire LAC region, seeking opportunities to showcase and share experiences not only for countries where a shared watershed is a reality, but also in documenting knowledge and lessons in implementing an integrated set of community- and ecosystem-based practices as well as innovative climate information and financial services.

Attention will be given to capturing the effectiveness of culturally sensitive adaptation approaches. Best practices will be shared through the binational knowledge platform, local workshops and events, trainers involved in the training of trainers (ToT) method, as well as through existing national and regional information-sharing networks, fora and media. The use of social marketing practices, such as those adopted by WFP for nutrition promotion (utilising social behaviour change and communication techniques) will also be explored to determine if such approaches could be used to share practices and climate information services.

Each of these knowledge sharing approaches will be linked with capacity strengthening actions where needed, with this adding greater sustainability of the project. For example, the ToTs modality will help to ensure build longer-term capacities of key stakeholders that will be engaging with communities beyond the timeline of the project, allowing for the continual transfer of knowledge and capacities beyond the project timeline. The documentation of such models as this, as well as innovative services offered under component 2 via public-private partnerships (among others) will allow for governments, communities, private sector, civil society and international organisations to replicate such approaches in other countries.

As part of the investment in a binational knowledge-sharing mechanism, the project will develop a Monitoring, Evaluation and Learning (MEL) system which focuses on collection and analysis of evidence-based lessons for improving or influencing implementation, along with helping to identify long-term impact of the project. This investment in robust evidence generation is considered essential to highlight to local and national governments across LAC on the worthiness of investment in these types of activities and support their prioritisation of broader policies, programmes, plans and budgets, creating a more enabling environment for sustainable finance and action.

I. Consultative process

Between June 2017 and November 2021, WFP conducted stakeholder consultations with government entities, communities, development partners and NGOs, to understand their existing challenges and needs, ongoing and planned projects, experience and lessons learnt in addressing the impact of climate variability and change across both countries and in the Goascorán watershed.

WFP has worked in close coordination with MARN, CENTA, RREE and CCAD in El Salvador and with MiAmbiente+, ICF, Clima+, IUCN and SRECI in Honduras to develop the project proposal from pre-concept stage. Four binational meetings were held with government counterparts and civil society stakeholders to identify priorities for the project design and to jointly develop the strategy and documents, ensuring the alignment with national policies, strategies and standards. Consultations with the various government entities highlighted the following:

- the desire to put the priority on adaptation activities and the need for a binational approach;
- the need to work at both household and community levels to create a more extensive impact in the watershed;
- the need to strengthen climate services in both countries;
- the need for an innovative integrated strategy and the interest in including index-based microinsurance;
- the desire to allocate the majority of the budget community-based adaptation practices to serve the most climate-vulnerable people first.

Through meetings and communication with development partners and NGOs, such as IUCN, COSUDE and FAO, previous and existing projects have been mapped to avoid any duplication and identify complementarities and possible synergies with the proposed project. The exchanges with local organizations made it possible to identify the skills already present in the watershed and to agree on working together to create a complementarity between the different actions.

The process was complemented by a series of specific analyses, investigations and meetings with institutional and community stakeholders at national, municipal and local levels to identify impacts of climate change on food security and livelihoods and wider poverty-reduction needs.

One such analysis was a mission conducted in October 2018 that assessed the feasibility and context for the integration of risk financing strategies and climate information services. The assessment looked at governments, institutions, possible partners and community capacities, needs and strengths on those topics. Community consultations were held through focus group interviews with key actors in both sides of the watershed. Meetings were also held with government entities (DGOA, MARN, MAG and CENTA in El Salvador and MiAmbiente+, SAG, DICTA-SAG, ICF and COPECO in Honduras) and possible partners (MICRO, Oxfam, Seguro Furturo).

Between October 2018 and January 2019 different consultations were conducted with local communities to understand the vulnerabilities, needs and capacities at the local level. The exercises aimed at collecting information on people's livelihoods; vulnerabilities, risks and impacts of climate change; gender roles; and needs and capacities. The methodology used was focus group discussions and interviews with community leaders.

Taking into account COVID-19 travel restrictions, WFP conducted a number of consultations in the prioritized municipalities between April and July 2021 for the formulation of the full proposal, including virtual and physical meetings (when allowed by the pandemic situation) with institutional stakeholders, local organizations, communities, civil society and the private sector.

The findings of the communities' consultations are summarized in Annex 1. Through these consultations, project activities have been defined and local and regional organisations mapped. Community-level consultations included participatory exercises captured the views of elders, adolescents, women, men and community leaders to further identify climate-related threats and vulnerabilities, and to identify and plan the most appropriate adaptation measures with a focus on generating community ownership and sustainability. Unidentified Sub-Projects (USPs) will be defined at project inception in coordination with local stakeholders.

In addition, CATIE[86] was contracted for the development of a gender analysis, an environmental and social risk assessment and for support in the process of obtaining Free, Prior and Informed Consent of indigenous peoples. These studies, elaborated with a participatory approach, were carried out between February and October 2021, through a consultative and comprehensive validation process. The FPIC was obtained at this stage and the process will continue throughout the project, with consent on specific activities to be sought before their implementation.

J. Provide justification for funding requested, focusing on the full cost of adaptation reasoning.

In designing the activities under both components of this project, efforts have been made to maximise funds to ensure a prioritisation towards generating tangible community-based adaptation capacities that support the most climate-vulnerable people within communities in the Goascorán watershed., Funds have been allocated to the different activities in an effort to maximise the number of people reached, with low-cost investments in knowledge management and institutional strengthening that generate the necessary enabling environment to allow for replication, scale up and long-term sustainability. This has led to estimates that at least 75 percent of people in the watershed will (245,000 people) be reached through this project.

An analysis of where these costs will justify the investment being asked of the Adaptation Fund are presented below according to the project's components.

Baseline scenario

Without the integrated climate change adaptation strategy proposed in this project, the baseline scenario would see continued negative impacts of climate variability and change on communities living in the Goascorán watershed. This includes continued shortage of water when rains fail, continued negative coping strategies adopted by communities in the watershed, a continued deterioration in livelihood resilience (especially for smallholder farmers), increasing environmental degradation, food insecurity and poverty. These trends are expected to worsen further in the long term as climate change impacts advance. Unless

[86] CATIE is the Tropical Agricultural Research and Teaching Centre (Center Centro Agronómico Tropical de Investigación y Enseñanza in Spanish).

concrete adaptation measures are developed, lack of income, land degradation and water shortage will continue to be exacerbated. Without access to timely, understandable climate information, people will not be able to make well-informed decisions. They will also remain without access to risk financing instruments such as savings, credit and insurance, limiting their capacities to take well-informed risks that increase their productivity and incomes due to reduced household capacities to absorb climate-related shocks, alongside having few or no options to invest in climate-smart livelihood practices and small-scale infrastructure that will reduce their exposure to climate risks.

The Governments of El Salvador and Honduras have advanced in adopting policies and in establishing regulatory frameworks to address climate change. Both countries also promote the inclusion of a climate change adaptation focus into local planning. However, the transmission mechanisms from national to local level to take concrete actions remain weak. Communities on both sides of the Goascorán watershed have developed various but uneven climate change adaptative capacities, with limited and in many cases no ability to share knowledge and experiences in best practices and lessons learnt. A lack of financial resources, despite some national institutional capacities to compile and publicise climate information and best practices, means these efforts do not reach communities in the Goascorán watershed. Similarly, weather-based index insurance is relatively new to Central America and require a proof of concept to convince governments and the private sector to invest in providing these and other financial services to vulnerable populations.

Additionality

The project will adopt a community-based regional approach to encompass the watershed area so that climate change adaptation challenges, opportunities and capacities are addressed at the most sustainable and efficient scale.

Adaptation Fund resources will be used to introduce an innovative community-tailored climate risk management approach which combines different activities to mutually reinforce each other into an integrated strategy that considers the realities of Goascorán watershed. This integrated approach will strengthen household and community adaptive capacities and resilience, with a small investment placed on local institutional capacities, training-of-trainers and knowledge exchange (Output 1.1.1) that will mean the project will have created an enabling environment for more sustainable continuity of sharing such best practices beyond the project timeline. The project will implement climate change adaptation practices at household level to strengthen people's livelihoods and adaptive capacities with climate-smart livelihood approaches (Output 1.1.2) and at community level to strengthen the watershed natural resources against future climate variability and change through the implementation of EbA and Eb-DRR activities (Output 1.1.3). The specific climate change adaptation activities will be tailored through the Community-based Adaptation Plans based on the specificities and needs of the high, middle and low watershed ecosystems and the residing populations.

The project will work with the communities to identify via a co-production methodology which type of climate and weather information and advisories they need, and which are the most effective, trusted and preferred dissemination channels. It will then work with national institutions and build upon existing capacities to generate mechanisms to deliver and create accurate and tailored climate and weather information (climate services) that meets the needs of the populations in the watershed (Output 2.1.1). Moreover, it will also provide training to ensure that the information is understood and effectively used by the household and communities to adapt to climate variability and change. The project will improve access to savings and credit and provide index-based microinsurance and other financial services to vulnerable smallholder farmers and communities (Outputs 2.2.1 and 2.2.2), allowing people to receive compensation for weather-related losses and better protect themselves and their productive assets against climate shocks, stimulating faster recover. Micro-insurance also helps encourage smallholder farmers to take prudent risks, and will be further enhanced by other financial services including community-level savings and credit facilities (Output 2.2.1) that will encourage self-investment in climate-smart livelihood practices that will improve their climate resilience in the longer-term. Activities under component 2 will also see public and private institutions having strengthened their understanding and capacities to provide products and services that are designed to meet the needs of people within the Goascorán watershed, with financial sector regulators at the national level seeing the benefits of creating legal frameworks that better incentivise private sector players to develop more inclusive financial services, and all of which extends a set of lessons and delivery models that are easily adapted to support climate-vulnerable populations in other parts of each country.

K. Describe how the sustainability of the project outcomes has been taken into account when designing the project.

This project has considered sustainability as a key underlying feature across all component activities, as a core goal is to inspire transformative adaptation capacities across the Goascorán watershed. The project places special emphasis on how to establish pathways to replication and scalability in a cost-effective manner, by looking at each activity and their possible points of integration with a range of public and private sector programmes, policies and intermediaries. Testing these integration points from the outset of the project will be important design features, and which will include increasing the capacities of different public-private sector actors to deliver activities, resources and services to climate-vulnerability communities within in the watershed in the long-term, alongside focusing on systematising such delivery into existing processes and systems. The sustainability approach has also been integrated into the sequencing and scaling up of the project as part of the project workplan (Annex 6).

Deliverables under Component 1 will be prioritized to demonstrate concrete and tangibles impacts through CbA and EbA approaches for climate-vulnerable communities and degraded landscapes. Stakeholders involved in existing and past projects will be invited to workshops at the outset of the project to allow for the sharing and capturing of lessons, practices, tools, methodologies, mechanisms and expertise, so that the project can benefit from these substantial experiences and ensure a continuity and enhancement of those that have proved effective. Successful experiences on adoption of climate-resilient practices and technologies will be systematized and disseminated through the project duration to strengthen adaptive capacities. Complementary products and services developed under the Component 2 (climate information services, microinsurance, savings and credit schemes) will be linked to outputs of component 1 as part of the integrated climate risk management approach. The project will focus on building and strengthening the adaptive capacities of people, communities and local stakeholders, allowing for systematisation and lessons to be collected as climate-resilient practices and services are scaled in the selected 14 municipalities. In this process and as local government, civil society and private sector actors are engaged in these exercises, the project will generate the experiences and lessons learnt to mainstream adaptative solutions beyond the project areas while consolidating and building local ownership and experience to handover project activities in the final 1.5 to 2 years of the project (depending on the activities). A mid-term and final evaluation will serve to support gathering lessons on project efficacy, impact and where activities can be fine-tuned. Eventually, the project will leverage dialogue and exchange processes to support integration of adaptation measures into local, national and binational planning instruments and budgets where possible.

Several concrete strategies will help achieve the sustainability of the project strategy and actions after the project completion date. One of the most important elements is the fostering of a sustainable community-based watershed management mechanism under component 1 and output 1.1.1, by promoting the strengthening and renewal of inclusive local coordination, planning and CCA knowledge sharing within existing watershed governance bodies and related local development and DRR planning processes. A forward-looking strategy will be to integrate adaptation and integrated risk management in the local development and DRR plans. This aims to promote ownership among communities and local actors allowing them to prioritise and decide on the actions they see as essential. These are important elements to ensure long-term sustainability and maintenance of any climate action.

Connected with this community-based integrated watershed approach under output 1.1.1 is the integration of CCA practices through the implementation of the Guide, Handbook and knowledge platform, all aligned (and where possible integrated) with national adaptation plans, climate policies and standards as well as existing platforms and planning processes. These efforts will help to define adaptation options that individuals and communities will be better able to understand, share experiences and self-autonomously decide to adopt, enabling a cost-effective replicability and scalability of these adaptation practices. The approach will importantly also allow local governmental, non-governmental organizations, the private sector and civil society to better determine where technical and financial support is required and to identify possible financial resources and services. It is expected that as a result, local planning instruments and relevant budgets will integrate and mainstream climate change adaptation considerations to make the implementation of adaptation strategies more financially sustainable in the longer-term. The project will also connect the private sector and civil society into these planning processes and knowledge tools so they are more consciously aware of the needs of climate vulnerable people within the watershed and to understand and explore how they can contribute to servicing their needs within their own planning exercises.

Under output 1.1.2 and 1.1.3, where the focus is on enabling climate-smart livelihood practices and ecosystem-based adaptation and Eb-DRR actions at household and community levels, the project has

identified that an important sustainability consideration is the capacity strengthening of a range of local actors to help disseminate and support the implementation of these activities. A component of this capacity strengthening involves ensuring that all adaptation planning and activities are designed and implemented at the community level jointly between technical experts, local governments and communities, so that each of these actors have the knowledge on how to maintain these activities beyond the project timeline, along with understanding how these can be replicated in other communities outside of the project's funding capacities and timeframe. The final decision on the selection and implementation of adaptation measures in each community will include criteria related to their viability (cost-effectiveness), integration in the management system (ownership) and continuity after the project (sustainability). Achievements from the activities will be captured and disseminated through the project´s knowledge management platform as well as the MEL system. The use of training of trainers (ToT) modalities will also enable an enhancement of knowledge and scalability after the project end-date. The most effective intermediaries that can be trained and supported to deliver on these activities will be selected in consultation with these local stakeholders, but are expected to include local government planning officers, agricultural extension officers, community representatives, civil society and NGO advocates as well as relevant private sector actors with relevant intersections within the community. Sustainable financing will also be explored as part of this selection process, including opportunities that are outlined below with outputs 2.2.1 and 2.2.2.

Under component 2, the project will also aim to look at strengthening the capacities of a range of intermediaries that are best positioned to ensure a "last mile" delivery of relevant climate risk management services to climate vulnerable households. These intermediaries will be determined based on consultations during the first year of the project but are anticipated to range across the public-private sector divide. For climate information services under output 2.1.1, these include national meteorological agencies and local communities to ensure the tailoring of climate information products to local needs, but may also include communication intermediaries such as agricultural extension officers, radio, television and phone companies among others. Ensuring these stakeholders' engagement in the project from the start, with their active role in co-producing and delivery climate information services is considered an active learning-by-doing approach that will strengthen institutional capacities so that these activities can be carried out once the project ends. The project's investment in engaging local, national and regional institutions within this co-production approach and its grassroots mentality that services climate-vulnerable communities, also aims to provide a prototype for how these institutions could adopt and systematize these processes internally.

The sustainability of the index-based microinsurance products has been assessed during the development of the full proposal with an eye towards innovative features gleaned from global experiences on providing such risk transfer mechanism to food insecure populations. The product/s will be designed carefully to support a graduation strategy that will enable farmers and potentially small-scale enterprises to gradually pay for the insurance premium thus ensuring sustainability in the longer-term. Smart pricing and smart subsidy approaches will be introduced over time to take into account the willingness and ability to pay of different actors, including government, private sector entities, smallholder farmers and communities. The integrated approach promoted by this project will allow to create synergies and complementarities with risk reduction and prudent risk-taking practices promoted under component 1 of the project, thus unlocking the possibility to develop more affordable insurance products and increase the levels of insurability in the targeted area. This includes examining if Eb-DRR activities under output 1.1.3 can be linked with the microinsurance product/s, whereby investments by communities and local governments can lower premium prices, increasing affordability of the products while incentivising self-investment in Eb-DRR actions. As the project is implemented, efforts will be made to consider via regional expertise and external funds if there are possibilities to find links with other risk financing instruments (for example at meso and macro levels) that may be more suitable for less frequent and more severe events; such risk layering approaches to risk finance have been found to be more sustainable and effective in the long-run[87].

The promotion of savings and credit under output 2.2.2 is a further key piece of the sustainability strategy of the project. Ensuring access to financial services will allow smallholders and other community members to self-invest in new and adapted livelihood practices demonstrated under output 1.1.2, allowing for continued adoption of such practices beyond the project itself, and also enabling greater scalability of practices that communities identify as effective. Under this output, the project places a specific emphasis on supporting and incentivising the growth of small-scale enterprises as well as the creation of communal

[87] WFP (2020) Inclusive risk finance to build the resilience of the most vulnerable and food insecure in Latin America and the Caribbean. URL: https://www.wfp.org/publications/inclusive-risk-finance-build-resilience-most-vulnerable-and-food-insecure-latin

enterprises owned by rural banks which will provide the smallholders with a stable market for their products. Likewise, there are several complementarities with the microinsurance activities under output 2.2.1, with savings groups becoming an important instrument for immediate emergency funds if insurance payouts are unable to cover immediate and urgent needs; similarly, insurance payouts can be paid to savings accounts to promote savings culture. The integration of each of these risk management tools allows for self-sustaining financial instruments that can address immediate needs of populations with hit by a climate-related shock, while also enabling people to have the ability to themselves access funds and choose which livelihood practices and local community assets to invest in and that address the more gradual climate changes being experienced in the watershed.

L. Provide an overview of the environmental and social impacts and risks identified as being relevant to the project.

Project activities have been designed and will be implemented in order to minimise any risk for negative social and environmental impacts. Activities have been designed in close consultation with beneficiaries – including the most vulnerable groups – and taking into account the different needs and constraints of these groups.

A social and environmental risk assessment was performed by CATIE under the overall supervision of WFP based on the Adaptation Fund's 15 environmental and social principles outlined in the Adaptation Fund Environmental and Social Policy. Component 1, aims to strengthen vulnerable communities' adaptation capacities by introducing and promoting community-based and ecosystem-based adaptation practices. Specific activities under Component will be further defined with the communities during project implementation, a menu of potential activities has been identified during project design. Activities under Component 2 will ensure long term sustainability of the assets, practices and approaches promoted under component 1, by providing targeted communities with a set of innovative services such as tailored climate information and financial services. Some of the activities under Component 1 might have potential negative environmental impacts if not implemented properly, while activities under Component 2 are not expected to have any environmental or social risk.

The project is therefore categorised to be "medium risk", or category B. Table 6 shows the results of the social and environmental risk assessment carried out during the development of this project proposal. The environmental and social risk management plan which includes mitigation actions for identified activities and a grievance mechanism has been included in Annex 2. As reported in the ESMP, unidentified sub-projects will be further screened before their implementation.

A gender assessment is provided (see Annex 3) in line with the Gender Policy of the Fund, and has been used in the design and fine-tuning of the activities so that gender is fully integrated. Further gender analyses will be carried out during implementation to further develop the activities so that they promote gender equality and women's and men's resilience to climate change.

Table 6. Risk screening of the project, based on the 15 principles of the Adaptation Fund's Environmental and Social Policy and proposed mitigation measures

Checklist of environmental and social principles	No further assessment required for compliance	Potential impacts and risks – further assessment and management required for compliance
Compliance with the Law	**X**	**No risk.** Relevant national and local authorities have been consulted during the proposal development process to ensure compliance with all relevant laws. Project activities will be implemented in alignment and compliance with national and international regulatory and policy frameworks signed by El Salvador and Honduras.
Access and Equity	**X**	**Low to no risk**. In-depth consultations with communities and stakeholders during the proposal development process and throughout project implementation will ensure that no activity will interfere with access to basic services or exacerbate existing inequalities. Project interventions do not include activities that may promote changes in the tenure arrangements of the resources located in the watershed. The project will promote the equitable access to activities and assets by indigenous people, youth, elders and women in targeted communities as well as equal and inclusive participation and

		leadership from both men and women in decision making spaces. Activities are established to address inequalities assessed during the proposal development and specific indicators are proposed to verify compliance with these measures. A Complaints and Feedback Mechanism is described in Annex 2.
Marginalised and Vulnerable Groups	**X**	**Low to no risk:** The project is designed to provide an equal share of benefits to vulnerable groups, such as women, youth and indigenous peoples. The design team has undertaken studies on gender and indigenous peoples and relevant recommendations have been included in the project design to address barriers and meet needs of those groups. The project will empower vulnerable groups to make decisions on concrete adaptation actions, valuing their traditional and local knowledge.
Human Rights	**X**	**No risk:** This project affirms the rights of all people and does not violate any pillar of human rights.
Gender Equity and Women's Empowerment		**Medium risk:** The project will be implemented in a context where gender inequality is prevalent, therefore greater efforts should be made to ensure that project activities contribute to gender empowerment. The cultural heritage and socialization processes that have characterized the communities of Honduras and El Salvador in the Goascorán river basin have led to the development of unjust societies with little commitment to gender equality; therefore, project interventions will focus on promoting fair and equal development in the intervention areas. To avoid any risk of amplifying existing inequalities, a gender assessment has been carried out and it informed the project design. Unpaid work and care work is one of the main barriers that women encounter in attaining economic autonomy. This type of work lacks recognition and visibility in addition to concentrating the greatest number of hours on a daily basis. Some of the project activities, like participation technical and financial trainings, exchange visits, may compete with the time available to women for domestic works, usually assigned to them. This could limit women's participation and increase working hours. This situation is also applicable to young women and girls because they could be involved in household chores, with the subsequent effects of reduced school attendance and less time for their emotional development. The project has identified the following mitigation measures to reduce the unpaid work and care responsibilities of women and girls: • Prepare plans for equal tasks in all communities, which will be integrated in the CBAP; • Use of time- and effort-saving technology, such as wood-saving stoves, corn mills, water pumps; • Create spaces for the care of children and the elderly in the communities, through strategic alliances with state organizations; • Geographic location of project activities will consider proximity criteria to reduce travel time for women and girls. Discussion or social gatherings will be promoted to generate recreational spaces to improve the mental health of the women involved, under the principles of "do no harm".
Core Labour Rights	**X**	**Low to no risk:** The project will ensure respect for international and national labour laws and codes, as stated in WFP's policies.
Indigenous Peoples		**Medium risk.** Indigenous communities are settled in the project implementation area, especially in the upper watershed. According to population data from the municipality of Santa Ana, department of La Paz[88] the approximate population is 11,343 inhabitants, of which, according to the results of the consultation sessions, 95% recognize themselves as descendants of the Lenca people. The project team has undertaken various consultations with Indigenous Peoples organizations to obtain their Free Prior and Informed Consent (FPIC). Findings highlight the positive response received from the representatives of the indigenous peoples as they expressed their interest in being part of the project implementation.

[88] https://portalunico.iaip.gob.hn/portal/index.php?portal=208

		The proposed risk mitigation measures that have been incorporated in the ESMP are the following: • Incorporate a 15% quota of indigenous population as direct beneficiaries and include monitoring indicators covering indigenous women and youth. • The project will develop a Plan for Indigenous Peoples' Participation in the implementation of the project. • The project will include a mechanism for participation, dialogue, and consultation with indigenous peoples. The FPIC process will continue throughout project implementation and consent on specific activities will be obtained before their implementation.
Involuntary Resettlement	**X**	**No risk:** The project will not lead to involuntary resettlement.
Protection of Natural Habitats		**Medium risk**: In El Salvador the project has prioritized the municipalities of Pasaquina and Alianza, which have mangroves protected areas, whereas in Honduras the municipalities of Santa Ana, Opatoro and Guajiquiro have forest protected areas. Agriculture is currently practiced in the buffer areas. Some agricultural practices could affect refuge areas and habitats of fauna species such as birds and small mammals. Agroforestry and intercropping techniques promoted by the project as diversification strategy, when in proximity of protected areas and forested sites, could potentially attract more wildlife (mainly birds and small mammals) in search for food. These species may be hunted for food or crop protection by locals. To avoid any risk, the project will avoid the implementation of agroforestry or any other agriculture activity in areas where species identified as endangered are reported. The project will not intervene in protected areas or implement activities that could fragment ecological corridors as nesting, refuge, feeding or resting sites. Furthermore, the project will intervene in degraded sub-watersheds to avoid further ecological fragmentation. Interventions in degraded areas should promote the recovery of wildlife habitat and ecosystem services The project will not implement any activity in areas where there could be a human-wildlife conflict. Compliance with national and international regulations applicable to protected and buffer areas will be strictly adhered to considering that protected natural areas located in the watershed are categories IV and VI according to the IUCN classification. Additional mitigation measures included in the ESMP revolve around awareness-raising campaigns, environmental education, and adequate technical assistance to farmers and local population.
Conservation of Biological Diversity	**X**	**Low risk** The project will not intervene in protected areas and will aim to preserve agrobiodiversity. Crop diversification and reforestation activities could lead to a deterioration of biological diversity if seed, crop types and tree species are not correctly selected, for example resulting in inadvertent introduction of invasive species. No exotic species (e.g. pasture and forest or crop species) will be introduced for agricultural activities. Training of community extension workers will include themes like the preservation of agrobiodiversity and natural resources as well as protection and conservation of high-value biodiversity and protected areas and sustainable management in buffer zones with a focus on landscape and natural habitat restoration. Agroforestry schemes and silvopastoral systems are also important measures promoted by the project to increase forest cover, protect water bodies, and increase ecological connectivity in subwatersheds.
Climate Change	**X**	**Low to no risk:** The goal of the project is to strengthen the resilience of the most vulnerable communities through capacity building and empowerment and the dissemination of community and ecosystem-based adaptation and land restoration practices. The project seeks to reduce the vulnerability to climate shocks and stressors of vulnerable communities and degraded ecosystems through an integrate climate risk management approach that includes Disaster Risk and Integrated Watershed Management. None of the activities in the project is expected to increase greenhouse gas emissions or reduce carbon sinks.

Pollution Prevention and Resource Efficiency	**X**	**No risk:** The project design foresees the purchase of natural or biodegradable agricultural inputs, products or materials to be delivered to the beneficiaries. Moreover, all will comply with low or zero toxicity standards and regulations for their adequate final disposal. Organic and agroecological inputs (composts, biopesticides) will be used for the adoption of adaptive practices, while implementing technologies for sustainable soil and water conservation. None of the activities in the project involves chemicals, hazardous materials, or ozone depleting substances. None of the activities in the project involves high resource use. All activities are small-scale and are managed at household or community level. The project includes the use of photovoltaic systems for operating small-scale irrigation systems. Use of environment-friendly renewable energy sources is also planned for processing and storage facilities.
Public Health	**X**	**Low risk:** The project will be designed and implemented in a way that avoids any negative impact on public health. Attention will be given to activities related to water harvesting and storage and communities will be sensitised on how to use and store the water in a safe and efficient way. The project is aiming at reducing climate vulnerabilities and increase coping capacities of targeted communities through a climate risk management integrated approach. Disaster risk reduction and health and safety management are integral part of the community-based risk mitigation approach.
Physical and Cultural Heritage	**X**	**Low to no risk**. The project will ensure compliance with the provisions of FPIC regarding heritage and the recommendations established in the Annex 4 "Consultation with Indigenous Peoples with presence in the Goascorán watershed, in order to manage their Free Prior and Informed Consent (FPIC)". The project has included the identification of sacred or culturally important sites in the targeted communities to be undertaken with participation of IPs Organizations. The maps will be incorporated in the baseline information to ensure adequate safeguarding of physical and cultural heritage sites and integrate IPs/social considerations in the dissemination of adaptative practices.
Lands and Soil Conservation		**Medium risk:** One of the main project outcomes will be the restoration of degraded lands and conservation of natural resources. Through EbA measures and nature-based solutions, ecosystems and sub-watersheds productivity will be improved delivering environmental benefits in the medium/long run such as reduced soil erosion, restored gullies, reduced landslides, increased water availability, enhanced ecological functions, conservation of agrobiodiversity, etc. Practices and technologies introduced by the project include agroforestry systems with fruit trees, agro-silvopastoral systems, irrigation systems for vegetable production, water recharge techniques. Despite the implementation of EbA and conservation practices, the project might cause increased pressure on water sources and water demand in the middle and lower areas of the watershed due to augmented work on agricultural activities for staple and vegetable production. The following mitigation measures have been identified: • Incorporate a monitoring system to control the volumes of water for irrigation. • Implement small-scale cost-effective water irrigation schemes and rainwater harvesting structures at community and household levels. • Develop activities for the conservation and protection of water recharge areas in sub and micro watersheds.

PART III: IMPLEMENTATION ARRANGEMENTS

A. Arrangements for project / programme management

The project will be executed by the Governments of El Salvador and Honduras, under the overall supervision of the Ministry of Environment and Natural Resources (MARN) in El Salvador and the Secretariat of Natural Resources and Environment (MiAmbiente+) in Honduras. WFP, as an accredited Multilateral Implementing Entity (MIE) of the Adaptation Fund will act as the fund custodian, with the WFP El Salvador and Honduras Country Offices through their representatives and Country Directors acting as the Fund Managers. WFP will assume financial oversight of the project and report to and be accountable to the Adaptation Fund Board, to ensure that the project measures and achieves expected results, fulfills all reporting functions, and meets WFP and Adaptation Fund rules and regulations. The WFP Country Offices will oversee and coordinate the overall project management, as well as coordinate the processes of monitoring, evaluation and knowledge management.

The project will involve two layers of governance plus a coordination structure to ensure the effective implementation and steering of the project, and which includes:

- The Project Executive Committee (PEC): a high-level body that meets annually and provides strategic direction and an external view that allows for the connection of the project to national and regional climate policies and investments.
- The Project Steering Committee (PSC): a group of senior-level representatives of key project stakeholders that meets semi-annually and provides general direction for the implementation of the binational project, including on workplans, budgets, reporting and financial accounts;
- The Binational Coordination Unit (BCU): is a small technical team that that meets quarterly and serves as an advisory and technical support role to the binational coordinator, being responsible for the approval of agreements and terms of reference, and the review of work plans, budget, M&E activities and technical reports. Additionally, it prepares and coordinates the PSC meeting by revising inputs required for their biannual meetings. It will also, through the binational coordinator, be in charge of overall coordination, planning, implementation, monitoring and reporting.

How these arrangements operate is described in Figure 6 below, as well as in greater detail under sections A.1 and A.2 below.

A.1. Arrangements for Project Management

To ensure effective project management, a Binational Coordination Unit (BCU), through the binational coordinator and the aid of an assistant/financial officer, will be set up and be tasked with overall coordination of the project, including planning, implementation, monitoring and reporting. It will oversee two National Project Teams (NPT). The BCU will collaborate closely and assure solid operational coordination with the Ministries and partners.

During project formulation, the MARN and MiAmbiente+ requested WFP to provide direct project services related to procurement, hiring and payment management. Regarding the project personnel, both ministries will oversee the recruitment of the Binational Project Coordinator (BPC) and the Binational Administration and Finance Officer. MARN and MiAmbiente+ will each name one National Project Coordinator, who will oversee the NPTs. Additionally, the BCT will recruit four Project Technical Advisors, two per country, each covering one of the two project components. They will sit in the NPT and report to the National Project Coordinators. Both WFP Country Offices will provide support to the EEs and to the PCT, through their M&E, Reporting, Administration and Finance Officers. WFP will also provide ad hoc technical assistance on specific project activities such as insurance and climate services through its staff in the Country Office, the Regional Bureau and in HQ. This arrangement has been agreed upon between the Ministries and WFP to ensure compliance with the AF fiduciary risk management standards during project implementation. The proposed management framework will also facilitate hands-on capacity strengthening to the government entities and support timely delivery of project activities for the communities.

The Binational Coordination Team (BCT)

The BCT will consist of the Binational Coordination Unit (BCU) and the National Project Teams (NPTs) in each country, which combined operates as the day-to-day management and implementation of the project

activities. The structure is set up to ensure for the necessary binational coordination functions across both sides of the watershed, while recognizing the realities of implementing activities in two countries. This set-up draws upon lessons of other binational projects and how to operate, considering the balance between cost-effectiveness, efficiency and maximising project results.

Binational Coordination Unit (BCU)

The BCU will be in the WFP office in Tegucigalpa, Honduras due to the close proximity to the upper and middle areas of the watershed and key stakeholders and entities working within the Goascoran Watershed.

The BCU will consist of the Binational Project Coordinator, the Binational Administration and Finance Officer and project focal points of MiAmbiente+, MARN and both WFP country offices. The Binational Project Coordinator will lead and coordinate day-to-day activities of the project in close coordination with the National Project Teams, providing implementation oversight, including support to recruitment and performance management of the project staff. The Binational Project Coordinator will also provide technical backstopping particularly for the implementation of Output 1.1.1. The Binational Administration and Finance Officers will assist in the facilitation of project activities, management of project funds and achieving the project outputs as specified in the project proposal.

The BCU will play an advisory and technical support role to the BPC. BPU meetings will be chaired, rotating annually, by one of the focal points. The Binational Project Coordinator will be an ex-officio member of the BCU and will serve as the actual and alternate Secretary and will be invited to report issues relevant to the project progress and monitoring. The BCU will be responsible for the approval of agreements and terms of reference, hiring of the Binational Coordination Team, and the review of work plans, budget, M&E activities and technical reports. Additionally, it prepares and coordinates the PSC meeting by revising inputs required for their biannual meetings. The BCU will meet virtually on a quarterly basis and at any other time when needed. One of the meetings will be in person and will coincide with the PSC meeting.

National Project Teams (NPTs)

The NPTs will be working under the overall supervision of the BPT.

Each National Project Team will consist of the National Project Coordinator, based within and remunerated by the ministries, two Project Technical Advisors, based between the watershed and the ministries, and the supporting staff from the WFP Country Offices (M&E, Reporting, Administration and Finance Officers)[89]. The National Project Coordinator will facilitate the execution of project activities and coordination with local partners in the targeted municipalities and the Project Technical Advisors will support the execution and deliver technical assistance and capacity-building to local counterparts.

Community level implementation

The BCU will liaise with local authorities, partners and community members, representatives of farmers, women, youth, children, scientific and technological community, workers, trade unions, NGOs, business community to facilitate the implementation of project outputs in line with the revised and updated local development plans. The BCT will report to the PSC on progress and challenges.

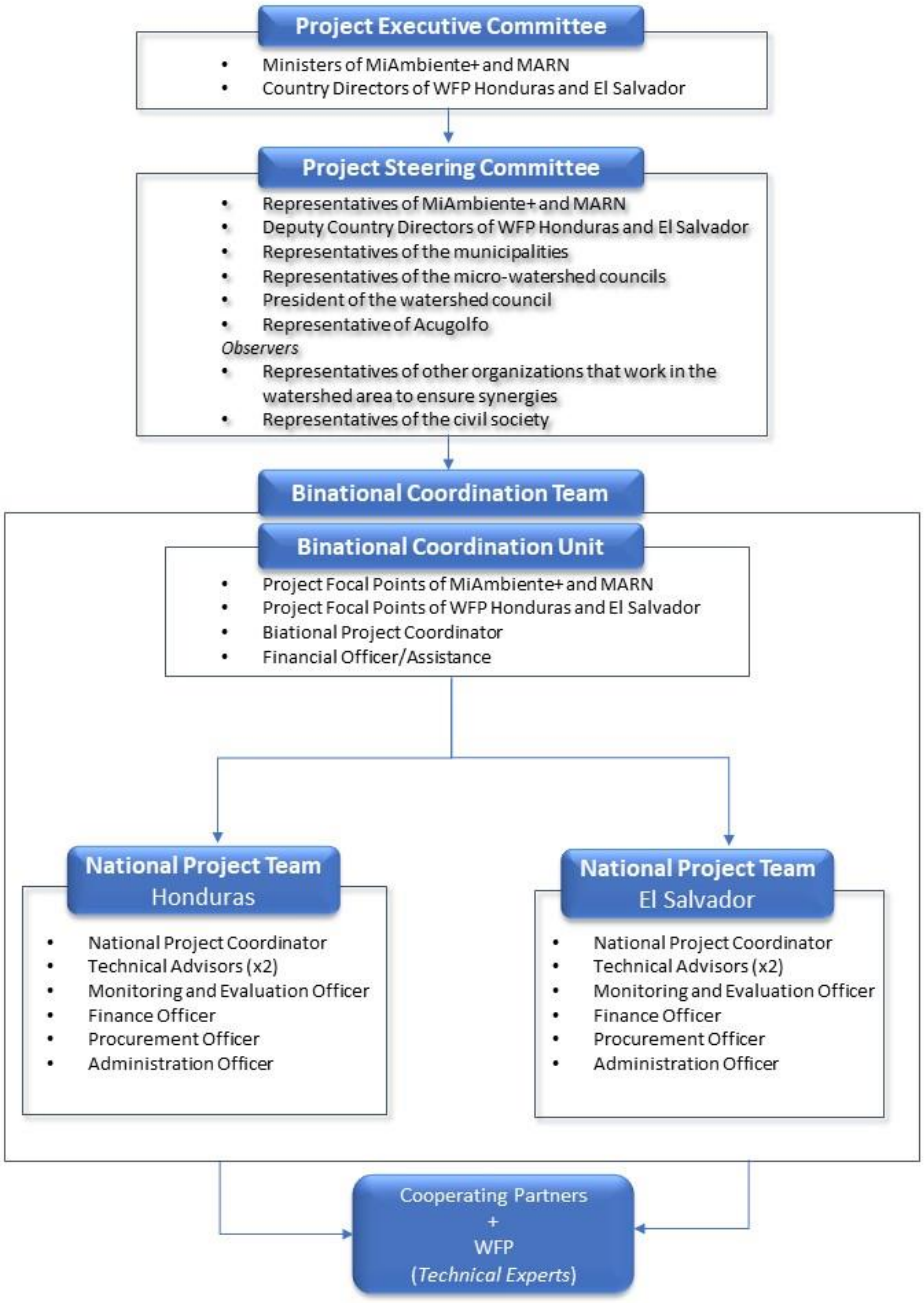
Gender mainstreaming: WFP will provide the necessary support to the BCU and cooperating partners to ensure that gender, protection and accountability to beneficiaries are maintained throughout the project lifecycle. This will be facilitated by the Gender and Protection (G&P) team of the WFP El Salvador and Honduras Country Offices, consisting of a gender specialist, who will mainstream gender and protection across all WFP projects, and will thus coordinate gender mainstreaming during project planning, implementation, M&E and reporting; as well as into the complaints and feedback mechanisms. The WFP G&P team in each country will (i) attend the project's inception and work planning meetings to ensure that the gender and protection lens is applied in all project processes from the outset; (ii) provide mainstreaming support in annual/quarterly review meetings, operational plans, reviewing of annual/ quarterly reports; (iii) provide gender and protection awareness training and inputs to Governments' extension workers and lead agencies to strengthen capacities of key project staff, who will turn sensitize and train community members; (iv) develop project-tailored SOPs so the BCT/ implementing agencies can ensure appropriate standards across project activities; and (v) facilitate workshops and training, with their operational costs being covered by existing WFP funds and workshop funds within the project budget. The G&P Team's salaries will be

[89] Support staff from the WFP Country Offices will provide a percentage of the their time to the project, depending on needs during different phases of the project, which allows for cost-sharing of these support staff to allow the project to be more cost-effective

covered by WFP. To further strengthen gender mainstreaming, the recruitment process for certain BCT staff – the National Project Coordinator and Project Technical Advisors – will specify that they have experience in this regard. Oversight/support roles and responsibilities for gender mainstreaming will be specified in the relevant staff ToRs. A WFP G&P Programme Policy Advisor will support the staff recruitment process to ensure the ToRs adequately reflect these roles.

A.2. Project governance structure

Figure 6: Diagram of implementation and execution arrangements of the project



MARN and MiAmbiente+ represent the respective National Designated Authorities (NDA) of the Adaption Fund (AF) and will supervise and coordinate with WFP, the Multilateral Implementing Entity (MIE). The respective Ministers from both countries, together with WFP will constitute the Project Executive Committee (PEC) to ensure high level guidance and overall strategic alignment with government and other external interventions. The NDAs and the MIE, together with local representatives and representatives of the implementing partners form part of the Project Steering Committee (PSC), the main decision-making body. More frequent technical supervision and coordination will be provided by the Binational Coordination Unit (BCU) consisting of the respective focal point of MARN, MiAmbiente+ and the WFP Country Offices of

Honduras and El Salvador and the Binational Project Coordinator (BPC).

Project Executive Committee (PEC)

The Ministers of MARN and MiAmbiente+, or an appointed representative, as well as the Country Directors of WFP Honduras and El Salvador, or appointed representatives will constitute the Project Executive Committee. The PEC will be the highest entity of the project, providing policy and strategic direction for the overall implementation of the binational project. The main responsibility is to provide high level guidance, including advocacy, alignment with national policies and priorities and support national and regional knowledge sharing. The Project Steering Committee will inform the PEC on the relevant developments of the project during the annual meeting. On a rotational basis each year, one Minister or WFP Country Director (or their appointed representatives), will co-chair the PEC, and will liaise with the other participating parties. While the PEC will meet once a year, extraordinarily meetings will be organized if called for by the PEC members in agreement with the chairs.

Project Steering Committee (PSC)

WFP, MARN and MiAmbiente+ shall establish the Project Steering Committee that will be the main decision-making entity of the project, providing general direction for the project´s implementation, including approval of annual workplans and budgets and to discuss changes in budget or activities, as well as presentation of annual reports and financial accounts. On a rotational basis, a representative from MARN, MiAmbiente+ or one of WFP COs will co-chair the PSC. The PSC will be comprised of senior representatives of the Ministries of Environment, representatives of both WFP Country Offices as well as representatives of the municipalities, the President of the Watershed Council, a representative of Acugolfo and the micro-basin councils. Representatives from organizations that work in the watershed and civil society will participate as observers to ensure synergies and inclusion of local voices.

The PSC will meet twice a year and extraordinarily if called for by the PSC members in agreement with the chairs, with one of the two regular meetings to be conducted virtually.

B. Financial and project / programme risk management

Financial and project risk management measures will be assessed throughout the project execution. Potential risks related to project execution and response measures are described in Table 7.

Table 7: Financial and Project Risks and Response Measures

Risk	Ranking	Response Measure
Extreme weather events in project sites such as hurricanes, tropical storms and prolonged drought	High	The Goascarán watershed is located in the Mesoamerica Dry Corridor that is regularly hit by dry spells, drought and occasionally by tropical storms or hurricanes. The project has been designed to reduce the climate-related risks to smallholder farmers that accrue through increased temperatures, more erratic rainfall, and more frequent droughts and localised flooding, through activities that increase resilience such as agroforestry, stone and windbreaks, tree planting, vegetated contour ridges and swales, and other SLM actions, as well as implementation of household level adaptation responses. Moreover, the introduction of weather-index micro insurance will increase the adoption of risk reduction measures. The project staff will continue to prepare routine contingency plans and SOPs to detect and address risks well in advance. Construction of assets and labour-intensive activities will be timed so that the risks of heavy rainfall are managed, to reduce erosion and safety risks.
Coordination amongst project stakeholders	Medium to low	There is a risk that coordination among stakeholders will be ineffective due to the large number of agencies involved, possible capture by sectoral interests, and multiple reporting lines. This risk will be mitigated by strong leadership from senior government officials, and the proposed Project governance structure. Information will be broadly shared through meetings and processes of the structures, as set out in the Implementation Arrangements section, to identify synergies and opportunities for cooperation, and minimize the risks of competition and duplication. Coordination will be further enhanced through

		the WFP oversight function, with the monitoring function being located within WFP and abiding by WFP monitoring and reporting standards. Project funds will support some of the strategic-level bodies within the government to ensure regular meeting.
Security risks and social unrest	Medium	In view of the risk that violence and civil unrest in the two countries could interrupt or slow the project, WFP will seek to reduce the effects by establishing strong operational partnerships with various local and national organizations. WFP will strive to establish a sentiment of full ownership amongst communities and stakeholders. WFP will strictly monitor the situation in both countries and ensure that UN Security Guidelines are strictly adhered to for all project personnel. Execution roles will be shared with MARN and MiAmbiente+ with whom project standard procedures will be agreed upon. Destabilizing effects from political instability will be mitigated by establishing strong operational partnerships with various national and local organizations recruited as cooperating partners, and by engaging in advocacy and support of national partners.
COVID-19 pandemic impacts and public health restrictions	Low	This risk will be mitigated by applying the COVID-19 protocols to minimize the risk of virus spreading to personnel and communities of interventions. These measures include social distancing during field works, use of face masks and sanitizers, reduced contacts, safe procurement procedures and work in smaller community groups.
Financial management	Medium	Poor financial management structures and slow processes at a Government level may cause inefficiency in project management and implementation. To mitigate this, and to reduce the burden on government procurement structures, WFP was asked to provide direct project services related to procurement, hiring and payment management.
Local conflicts, ownership, and sustainability issues Risks	Medium	Projects in El Salvador and Honduras have experienced implementation difficulties and delays due to land tenure and ownership issues caused by conflicting interests at national and local level. Destruction of assets can occur by competing communities/ individuals due to jealousy, and long-term sustainability of activities can be jeopardized if there is no clear identified owner. To mitigate these risks, the project will adopt a community-based approach that ensures agreement by the target community of which activities will be implemented, by whom and for whom. Procedures developed will clarify who has ownership over and responsibility for the assets developed, during and after project implementation. Furthermore, construction of productive assets and labour-intensive activities will only be conducted in the lean season, to ensure that there is no conflict between asset creation activities and agricultural practices.
Environmental risk including deforestation for charcoal production and land degradation	Medium to low	The upper part of the watershed is more susceptible to illegal deforestation due to higher tree cover. Unfortunately, the indigenous population in the Honduras part, mostly dependent and protecting forest resources is unable to cope with uncontrolled tree cutting for small-scale agricultural, livestock and charcoal production purposes. The medium and lower parts of the watershed are mostly affected by land degradation due to slash and burn for farming and encroachment caused by demographic growth. In response to this concrete risk, extensive community consultations have been conducted in target municipalities and territories to jointly design a gender-sensitive package of appropriate measures that will meet households and community needs for climate change adaptation. This set of measures, implemented under the Component 1, has been pre-screened during design phase and activities are expected to be categorized low to moderate risk. Most of them represent nature-based solutions that provide several associated environmental benefits such as soil and water conservation, land restoration, gully reclamation, biodiversity protection and enhanced environmental services. The measures will be further refined and defined at project inception and during

		implementation through community-based participatory planning approaches. Specific community-based adaptation plans (product 1.1.2) will be screened before their approval to assess the actual risk category of each activity, taking into consideration the location and the social and environmental context. In case asset creation activities have been identified through the CBA Plans, they will need to be assessed and approved for sound implementation. Should a moderate or high risk be identified for any of the asset creation activities, the project will take adequate measures to address and mitigate the risk. A detailed description of the Environmental and Social Management Plan for this proposal is included in Annex 2.
Lack of adequate qualitative inputs and climate-resilient technologies	Low	The project could face the risk that the required inputs, equipment and tools are not available in the project area or do not meet the expected quality standards to ensure successful results. This could be the case for seeds of climate-resilient varieties, vegetative cuttings, water harvesting/irrigation and processing equipment, eventually agricultural kits and construction materials, Project actions will directly address this risk through strict procurement requirements and coordination with research institutes and civil society organizations involved in project execution or experienced with implementation of similar technologies. The project will be scaling up existing proven climate-resilient agricultural packages and build synergies with adaptive initiatives in the project areas.

C. Measures for environmental and social risk management

The entire project was screened for potential environmental and social risks against the 15 principles outlined in the AF's Environmental and Social Policy, as set out in Section L above. The project proposal is classified as a "Category B" or "medium risk" project, due to the presence of Unidentified Sub-Projects in Component 1 and to risks identified related to gender, Indigenous People, protection of natural habitats and land and soil conservation. Land tenure aspects will require further assessment and special consideration during the project implementation to ensure benefits deriving from the project are shared with proportionally fairness i.e. with equity. Participation of indigenous peoples, mostly located in the Honduran upper part of the Goascorán watershed will require the completion of the FPIC process which was initiated during the preparation of this project proposal (see annex 4).

The ESMP is described in Annex 2 and is articulated at two levels:

1. Risk mitigation measures (and monitoring and reporting thereof) for the risks identified through the risk screening and assessment of the proposal (also described in Table 6 of Section L);
2. Procedures for the screening, assessment and mitigation of the Unidentified Sub-Projects (in Component 1) during the implementation of the project.

The ESMP manages environmental and social risks identified during the screening exercise in a structured way adopting a mitigation hierarchy to anticipate and avoid, or where avoidance is not possible, minimize, and, where residual impacts remain, compensate/offset for risks and impacts to affected communities, and the environment. The ESMP will be reviewed in a dynamic and continuous process with the engagement of local communities directly affected by the project and, where appropriate, other stakeholders. It does not allow the implementation of activities, including Unidentified Sub-projects, with high risk. The proposed project will fully comply with national laws particularly the National Environmental Regulations, the AF ESP and WFP's ESSF.

The monitoring and reporting measures proposed are fully integrated in the monitoring plan of the project. Moreover, affected communities and other relevant stakeholders will have access to a Community Feedback Mechanism (CFM) which is described in Annex 2. The CFM included in the ESMP will ensure that grievances from affected communities and external communications from other stakeholders are responded to and managed in a culturally appropriate manner. Responding to the interested parties with transparency and through communications channels that are familiar and accessible to all parties.

During implementation WFP and its partners will ensure effective coordination with the Ministries of Environment in El Salvador and Honduras in order to duly comply with the requirements established in applicable National Environmental Regulation and Guidelines, relevant subnational requirements and

applicable international laws.

D. Monitoring and evaluation arrangements and budgeted M&E Plan

The project will actively be monitored with a lens to being responsive to needs based on gender and indigenous ancestry. It will collect lessons to improve design and outreach of climate adaptation activities to different vulnerable sub-populations. This approach will also enable a better understanding of success factors that can help scale up and replicate climate adaptation activities across the two countries. Project monitoring, reporting and evaluation will be conducted in line with the WFP guidelines, procedures and standards. WFP will ensure that project financial monitoring and accounting follow the International Public Sector Accounting Standards (IPSAS).

The overall responsibility for project monitoring, evaluation and reporting will rest with WFP. The WFP Regional Project Coordinator will provide guidance to the National Project Coordinators and project staff, and ensure that monitoring and evaluation (M&E) processes, outcomes, outputs and activities are aligned with the AF Strategic Results Framework and with AF rules and regulations.

The following will be the key project monitoring and evaluation and reporting activities:

Inception planning:

The project will begin with an inception period of three to six months. Inception activities will include developing and signing MOUs with the Executing Entities and agreements with other relevant stakeholders and partners, recruitment and induction of staff and procurement of project equipment and material.

The inception period will also involve (i) planning and stakeholder engagement for setting up the relevant coordination mechanisms/structures including the BCU and PTC; (ii) setting up of project accounts; (iii) completing the FPIC process with indigenous communities; (iv) holding an inception workshop. The inception workshop will be held to develop the first year workplan and detailed budget, further refine implementation approaches, including targeting approaches; and develop systems/tools including for M&E, community engagement, tailoring the complaints and feedback mechanism, and approving standard operating procedures (SOPs) to clarify roles of the stakeholders and partners that will be developed before the inception workshop. A project inception report shall be submitted to the Adaptation Fund no later than one month after the inception workshop.

All planning, monitoring and reporting templates shall be validated during the inception workshop and endorsed by the project steering committee.

Baselines Assessments, feasibility/technical studies:

The project baseline assessments will be established within the first months of the project to establish necessary baseline values for measuring indicators set out in the results framework. The planning for the baseline assessments will be done as part of the inception process.

Quarterly and annual reviews and progress reports:

Regular monitoring during project execution will be reported through quarterly progress reports and annual progress reports. National Project Teams shall facilitate preparation of monthly progress reports to be submitted to the Project Management Committee. The BCU with the support the PTC (whose members are largely the implementing sector leads at national level), shall use the monthly progress reports to facilitate preparation of quarterly progress reports to be submitted to WFP and PMC.

Annual Progress Reports:

The NPTs, with technical support from the RPC, will coordinate inputs from the implementation sectors and partners to prepare Annual Progress Reports for submission to WFP. The reports will outline financial, procurement and activity implementation progress against the targets in the results framework as well as compliance with the requirements of the environmental and social assessment and management frameworks.

The annual reports will be presented and discussed at an annual workshop to provide recommendations to inform the subsequent annual work plan. WFP will then consolidate and submit the Annual Progress Reports in the standard AF PPR template to the AF Secretariat no later than two months after the end of the project implementation year.

The BCU will ensure that the PPRs are supplemented by annual project work plans for the next Project year. The annual plan for the forthcoming year will include details on specific project activities, roles and responsibilities, and a detailed budget with a disbursement schedule and procurement plan for major items included as annexes.

At the end of the project, a project completion report shall be prepared within six months after project completion and submitted by WFP to the AF secretariat.

Mid-term review and final evaluation:

An external mid-term review will be carried out halfway through project implementation and will provide an overview of the state of project implementation, effectiveness of implementation arrangements, findings on preliminary results and recommendations for project modifications, if any.

An independent final evaluation will be completed within nine months after project termination.

Finally, a financial audit will be provided by WFP to the AF Secretariat six months after the end of the fiscal year in which the project ended.

An indicative plan and costing for monitoring, reporting and evaluation activities is provided below. Final copies of the review and evaluation reports will be shared with the Designated Authorities (Das) and EEs for their records. Table 8 outlines an indicative schedule for monitoring and evaluation and reporting, and responsibilities between DAs/EEs and WFP.

Table 8. Indicative Project Monitoring and Evaluation and Reporting Schedule

Type of Report	Responsible parties	Budget (US$)	Timeframe and submission deadline
Inception Report	Regional Project Coordinator	0	1 month after inception workshop
Baseline Study Report	National Project Teams Field technicians	20,000	1 month after completion of the data collection
FPIC report	National Project Teams Field technicians	5,000	During PY1
Monthly Monitoring Report	National Project Teams Field technicians	0	Every month (15th of the following month)
Quarterly Progress and Financial Report	National Project Teams Field technicians	0	End of each quarter (1 month after end of quarter)
Meeting minutes of the Project Management Committee (PMC)	Regional Project Coordinator	0	Every quarter
Project Steering Committee Meetings	Regional Project Coordinator	35,000	Twice a year
M&E training	M&E Officers	8,000	Annually
Year monitoring and PDM	M&E Officers, field officers	80,000	Annually
Annual Progress Reports (Project Performance Report-PPRs)	Regional Project Coordinator, National Project Teams	0	Annually (2 months after the end of the project implementation year)
Quarterly Technical Reports from the Countries	Regional Project Coordinator, National Project Teams	0	As required
Mid-Term Review Report	External Consultants	70,000	2.5 years after project inception (3 months after data collection)
Final Project Report (Project Completion Report)	Regional Project Coordinator, National Project Teams	0	End of project (6 months after end of project)
Final Project Evaluation Report	External Consultants	130,000	End of project (within 9 months of project completion)
Due diligence reports	Audit companies	20,000	As required

of EEs			
Financial Audit	WFP Auditing company	60,000	End of project (within 6 after the end of the fiscal year in which the project ended)
Total		**428,000**	

E. Project results framework

Project Strategy	Objectively verifiable Indicators				
Goal	***To strengthen the climate change adaptive capacity of vulnerable households in the degraded transboundary watershed of Goascorán across El Salvador and Honduras by providing communities with integrated climate risk management tools and services that enhance their resilience to climate variability and change***				
Project impact	**Indicator**	**Baseline**	**Target**	**Source of Verification**	**Risks and Assumptions**
Rural smallholder communities in degraded landscapes of Goascaran watershed improve their food and nutrition security in a changing climate through community and ecosystem-based adaptation practices, services and technologies	I.1. Livelihood-based Coping Strategy Index	TBD, Percentage of households not recurring to any livelihood coping strategy.	At least 10% increase in the number of targeted households not recurring to any livelihood coping strategy.	Baseline and Endline reports	• No additional Covid-19 pandemic health restrictions that could delay implementation are introduced. (A) • Stable and politically correct relationships maintained between the two countries (A)

Component 1 Enabling climate-vulnerable communities to practice community-based adaptation within an integrated watershed management approach					
Outcome/Output	**Indicator**	**Baseline**	**Target**	**Source of Verification**	**Risks and Assumptions**
Outcome 1.1 Vulnerable households and communities have strengthened capacities to adopt community-based adaptation measures to manage climate risks within the Goascorán watershed	1.1.a. Proportion of the population (%) in targeted communities reporting benefits from an enhanced livelihood assets base	TBD	At least 80% of targeted individuals reporting benefits from an enhanced livelihood assets base	Baseline & Endline reports	• Extreme weather events such as hurricanes and severe recurrent droughts during the project implementation might limit adaptive capacities (R).

Output 1.1.1 Goascorán's integrated watershed management approach is linked to community-based adaptation processes to support vulnerable communities and households	1.1.1.a Number of municipalities using adaptation tools for planning and implementation purposes	1 (Honduras)	14	Project progress reports Local planning documents	• No additional Covid-19 pandemic health restrictions that could delay implementation are introduced. (A) • Major shocks and related emergency responses may jeopardize the involvement of municipal and watershed authorities (R) • Support from watershed authorities to disseminate knowledge on adaptive practices (A) • Indigenous people and other vulnerable groups actively involved in planning processes (A)
	1.1.1.b. Percentage of local planning and knowledge sharing activities with the participation of women, youth and indigenous people representatives	0	100%	Project/ Workshop reports	
Output 1.1.2 Well-proven climate adaptation practices introduced, applied, and scaled up at vulnerable smallholder farmer households and watershed levels	1.1.2.a Proportion of the smallholder farmer in targeted communities (%) adopting climate resilient livelihood practices	TBD	At least 70% of smallholder farmers in targeted municipalities adopting climate resilient livelihood practices	Field visit assessment reports Mid-term and final evaluation reports	• Community members are sufficiently interested in and willing to take part in CBAP process (A) • Support for the implementation is provided by local authorities with integration into municipal plans (A) • Major extreme weather events (cat. 4/5 hurricanes), severe recurrent droughts and Covid-19 restrictions might jeopardize the implementation of adaptation measures (R) • Vulnerable households and farmer organizations are committed to strengthening their capacities (A)
	1.1.2.b Number and type of community-based adapted assets (tangible and intangible) created or strengthened in support of individual or community livelihood strategies	0	TBD during first year of implementation (Exact type of assets to be defined through CBPPs in PY1)	Field assessment reports Project reports	
Output 1.1.3 Ecosystem-based adaptation and disaster risk reduction approaches are introduced, applied and scaled up across	1.1.3.a Number of individuals (disaggregated by gender and age) trained in implementation of EbA measures	0	30,000 individuals trained (60% women and youth)	Project training reports	• Community members are sufficiently interested in and willing to take part in the process (A) • Support for the implementation is provided by local authorities with integration into municipal plans (A)

communities in the Goascorán watershed.	1.1.3.c Area covered (ha) by EbA measures	TBD	5000 hectares	Technical reports Monitoring reports	• Major extreme weather events (cat. 4/5 hurricanes), severe recurrent droughts and Covid-19 restrictions might jeopardize the implementation of adaptation measures (R) • Vulnerable households and farmer organizations are committed to strengthening their capacities (A)

Component 2 Connecting climate-vulnerable populations in the Goascorán watershed to access innovative services that increase their climate risk management capacities					
Outcome/Output	**Indicator**	**Baseline**	**Target**	**Source of Verification**	**Risks and Assumptions**
Outcome 2.1 Climate-vulnerable communities in the Goascorán watershed have enhanced capacity to make well-informed decisions based on quality climate information	2.1 Percentage of targeted population aware of predicted adverse impacts of climate change, and of appropriate responses	TBD	75% of the population of the watershed	Surveys	• Extreme weather events (cat. 4/5 hurricanes) and Covid-19 restrictions could jeopardize the access to climate services (R)
Output 2.1.1 Strengthened access to timely, tailored, and co-produced climate and weather information for smallholder farmers and communities (enhanced decision-	2.1.1.a. Number of people provided with direct access to information on climate and weather risks	TBD	244,500 people (75% of the population of the watershed)	Baseline and endline reports Workshop reports Annual monitoring reports	

making).	2.1.1.b. Number of community leaders and technicians (disaggregated by gender and age) trained in the analysis and communication of climate and weather information	0	600 (50% women, 50% youth)	Training workshop reports Capacity-building and communication materials	
Outcome 2.2 Climate-vulnerable households in the Goascorán watershed have more resilient (improved) self-management of climate risks through enhanced and inclusive access to financial products and services.	2.2 Proportion of households in targeted communities where financial products and services are being utilised to manage climate risks	TBD	35% of the households of the watershed	Baseline & Endline reports CBPP assessment reports	• Smallholder households have sufficient capacity to cope with climate variability in the short term (A) • Other programmes, initiatives and organisations are willing to promote the products and services to expand to the offer of services to their beneficiaries (A) • The products and services developed appropriate meet population needs and are well communicated for wider adoption (A)
Output 2.2.1 Strengthened access to risk transfer mechanisms (insurance) benefiting for smallholder farmers and communities	2.2.1.a Number of people covered by an insurance product through risk transfer mechanisms	0	6,000 farmers At least 35% women At least 15% youth At least 15% indigenous	Project training reports Field assessment reports	• Local staff supports the development of weather index-based insurance products (A) • Local authorities support the dissemination of micro-insurance products (A) • Private and public sectors committed to the establishment of public-private partnerships to keep offering the products (A)
	2.2.1.b. Total USD value of premium paid under risk transfer mechanisms provided by WFP	0	USD 328,440	Project progress reports	

Output 2.2.2 Smallholder farmers and communities strengthen their access to financial risk reserve and prudent risk-taking mechanisms (savings and credit)	2.2.2.a Number of participants of financial inclusion initiatives	600 approx (to be confirmed upon inception)	6,000 participants At least 35% women At least 15% youth At least 15% indigenous	Project progress reports Adaptation plans Mid-term and final evaluation reports	
	2.2.2.b Amount of loans accessed by participants of financial inclusion initiatives	170 USD per farmer per year	USD 220 per farmer	Field assessment surveys Project progress reports	
	2.2.2.c Amounts saved by participants (by gender) of financial inclusion initiatives	17 USD per farmer per year	USD 26 per farmer	Field assessment surveys Project progress reports	

F. Project alignment with the Adaptation Fund Results Framework

Project Objective(s)[90]	Project Objective Indicator(s)	Fund Outcome	Fund Outcome Indicator	Grant Amount (USD)
Component 1 Enabling climate-vulnerable communities to practice community-based adaptation within an integrated watershed management approach	1.1 Proportion of the population (%) in targeted communities reporting benefits from an enhanced livelihood asset base	**Outcome 6** Diversified and strengthened livelihoods and sources of income for vulnerable people in targeted areas	6.1 Percentage of households and communities having more secure access to livelihood assets.	6,488,200

[90] The AF utilized OECD/DAC terminology for its results framework. Project proponents may use different terminology but the overall principle should still apply

Component 2 Connecting climate-vulnerable populations in the Goascorán watershed to access innovative services that increase their climate risk management capacities	2.1 Percentage of targeted population aware of predicted adverse impacts of climate change, and of appropriate responses	**Outcome 3** Strengthened awareness and ownership of adaptation and climate risk reduction processes at local level	3.1. Percentage of targeted population aware of predicted adverse impacts of climate change, and of appropriate responses	1,189,365
	2.2 Proportion of targeted communities where there is evidence of improved capacity to manage climatic shocks and risks	**Outcome 8:** Support the development and diffusion of innovative adaptation practices, tools and technologies	8. Innovative adaptation practices are rolled out, scaled up, encouraged and/or accelerated at regional, national and/or subnational level.	2,279,735
Project Outcome(s)	**Project Outcome Indicator(s)**	**Fund Output**	**Fund Output Indicator**	**Grant Amount (USD)**
Outcome 1.1 Vulnerable households and communities have strengthened capacities to adopt community-based adaptation measures to manage climate risks within the Goascorán watershed	1.1.2.d. Number and type of community-based/ecosystem based adapted assets (tangible and intangible) created or strengthened in support of individual or community livelihood strategies	***Output 6:*** Targeted individual and community livelihood strategies strengthened in relation to climate change impacts, including variability	6.1.1.No. and type of adaptation assets (tangible and intangible) created or strengthened in support of individual or community livelihood strategies	6,488,200
Outcome 2.1 Climate-vulnerable communities in the Goascorán watershed have enhanced capacity to make well-informed decisions based on quality climate information	2.1.1.a. Number of people provided with direct access to information on climate and weather risks.	***Output 3.1***: Targeted population groups participating in adaptation and risk reduction awareness activities	3.1.1 No. of news outlets in the local press and media that have covered the topic	1,189,365
Outcome 2.2 Climate-vulnerable households in the Goascorán watershed have more resilient (improved) self-management of climate risks through enhanced and inclusive access to financial products and services	2.2.1.a Number of people covered by an insurance product through risk transfer mechanisms	***Output 8***: Viable innovations are rolled out, scaled up, encouraged and/or accelerated	8.1. No. of innovative adaptation practices, tools and technologies accelerated, scaled-up and/or replicated	2,279,735

G. Project budget

Output	Activity	Cost category	Year 1	Year 2	Year 3	Year 4	Year 5	Total	Notes
1.1.1	Project staff		41,067	50,467	44,467	30,133	20,733	186,867	2 Project Technical Advisors Comp. 1 (one in each country), 2 Field Officers, one Knowledge management consultant and 5 months of the salary of the RPC dedicated to technical backstopping for Output 1.1.1. The time of the Gender Officers and Resilience Activity Managers dedicated to the project to ensure compliance with GP and ESP will be covered by WFP own budget.
	1.1.1.1	Travel	3,000	-	-	-	-	3,000	Travel cost for project staff
		Contractual services	70,000	-	-	-	-	70,000	FLA for participatory study for the identification of adaptation options. The study will be undertaken by an organization with relevant experience on mainstreaming EBA/DRR and CBA practices and experienced with the development of institutional and community adaptation plans. Baseline study.
	1.1.1.2	Travel	3,000	4,000	3,000	-	-	10,000	Travel cost for project staff.
		Workshops, meetings	5,000	8,000	7,000	-	-	20,000	Consultation and discussions with communities and local stakeholders.
		Contractual Services	40,000	20,000	-	-	-	60,000	FLA for the Integration community adaptation needs into local development plans
	1.1.1.3	Travel	3,000	3,000	-	3,000	3,000	12,000	Travel cost for project staff
		Workshops and trainings	10,000	10,000	-	4,000	4,000	28,000	Consultation and discussions with communities and local stakeholders for the development of the Handbook, Meetings with lead producers and farmer-to-farmer exchanges.
		Contractual Services	80,000	40,000	-	-	-	120,000	FLA for the development of the handbook and set up of the knowledge exchange platform. The same contract will cover the activity 1.1.1.3 and 1.1.1.4
	1.1.1.4								
		Equipment, tools and inputs	25,000	46,000	35,000	35,000	5,000	146,000	Cost of equipment, software and license to set up the platform and domain, Printing, stationery and other materials for exchange visits and printing materials for the workshops (leaflets/flyers…), Cars for project technical advisors (cost equally split among all outputs).

		Travel	-	28,500	26,000	26,000	-	80,500	Travel cost for project staff, rental of minibus and other travel cost for farmer-to-farmer exchanges.
		Workshops and trainings	-	38,500	45,000	45,000	15,000	143,500	Consultation and discussions with communities and local stakeholders for the development of the platform. Meetings with lead producers and farmer-to-farmer exchanges.
	Total 1.1.1		**280,067**	**248,467**	**160,467**	**143,133**	**47,733**	**879,867**	
1.1.2	Project staff		49,533	52,933	24,133	24,134	20,733	171,466	2 Project Technical Advisors Comp. 1 (one in each country), 2 Field Officers, one Technical Specialist CBPP methodology. The time of the Gender Officers and Resilience Activity Managers dedicated to the project to ensure compliance with GP and ESP will be covered by WFP own budget.
	1.1.2.1	Travel costs	5,000	5,000	-	-	-	10,000	Travel cost for project staff.
		Contractual Services	90,000	65,000	-	-	-	155,000	FLA for carrying out CBPPs and for the finalization of FPIC.
	1.1.2.2	Workshop and trainings	60,000	110,000	100,000	50,000	-	320,000	Training of trainers, and sensitization and capacity development training for key implementing partners to enhance their capacity to mobilize and support communities for local adaptation planning. Includes training materials.
		Travel	5,000	10,000	10,000	10,000	-	35,000	Travel cost for project staff.
		Contractual Services	80,000	193,000	193,000	120,000	-	586,000	FLA for capacity development, training and introduction of climate resilient livelihood practices and technologies. The same contract will cover the activity 1.1.2.2 and 1.1.2.3
	1.1.2.3								
		Travel	-	25,000	40,000	40,000	25,000	130,000	Travel cost for project staff.
		Equipment, tools and inputs	25,000	1,000,000	450,000	150,000	400,000	2,025,000	Acquisition of adaptive production kits/asset creation and other livelihood tools: seeds, agricultural tools and other inputs for agroecological production, processing and storage equipment, irrigation materials, etc., tarpaulins, metal/plastic silos, weighing scales, moisture meters, pallets. Cars for project technical advisors (cost equally split among all outputs).
		Workshop and trainings	-	130,000	75,000	45,000	-	250,000	Training of smallholder farmers, including gender awareness training.

	Total 1.1.2		**314,533**	**1,590,933**	**892,133**	**439,134**	**445,733**	**3,682,466**	
1.1.3	Project staff		20,733	24,133	24,133	24,134	20,734	113,867	2 Project Technical Advisors Comp. 1 (one in each country), 2 Field Officers. The time of the Gender Officers and Resilience Activity Managers dedicated to the project to ensure compliance with GP and ESP will be covered by WFP own budget.
	1.1.3.1	Travel costs	3,000	-	-	-	-	3,000	Travel cost for project staff.
		Contractual Services	80,000	-	-	-	-	80,000	FLA to conduct a mapping of climate and disaster risks to the ecosystems of the Goascoran Watershed.
	1.1.3.2	Travel costs	1,500	1,500	3,000	-	-	6,000	Travel cost for project staff.
		Contractual Services	119,000	-	119,000	-	-	238,000	FLA to develop municipal DRR and EBA plans based on the mapping.
	1.1.3.3.	Travel costs	-	17,000	9,000	9,000	-	35,000	Travel cost for project staff.
		Contractual Services	-	45,000	25,000	25,000	-	95,000	FLA to conduct training workshops for community leaders, firefighting brigade, nursery, reforestation and implementation of EBA/DRR works, soil-water-forest conservation, landscape restoration, nursery - reforestation, firefighting training, etc.
		Workshop and trainings	-	100,000	50,000	50,000	-	200,000	Awareness-raising campaigns, including gender awareness, training and capacity-building workshops. Meetings with community leaders, school community, technical officer, among other local actors. Train and cascading to the farmers throughout the duration of the project
		Equipment, tools and inputs	25,000	80,000	-	-	-	105,000	Purchase of materials and tools for DRR and EBA measures. Cars for project technical advisors (cost equally split among all outputs).
	1.1.3.4	Travel costs	10,000	10,000	10,000	10,000	-	40,000	Travel cost for project staff.
		Contractual Services	150,000	200,000	300,000	260,000	-	910,000	FLA to Implement EbA and Eb-DRR practices and within the Goascoran Watershed including land restoration and soil, forest, water conservation. The same contract will likely cover the activity 1.1.3.3 and 1.1.3.4
		Equipment, tools and inputs	-	50,000	50,000	-	-	100,000	Purchase of materials and tools for DRR and EBA measures. Cars for project technical advisors (cost equally split among all outputs).
	Total 1.1.3		**409,233**	**527,633**	**590,133**	**378,134**	**20,734**	**1,925,867**	

Total Component 1			**1,003,833**	**2,367,033**	**1,642,733**	**960,401**	**514,200**	**6,488,200**	
2.1.1	Project staff		28,733	32,133	32,133	32,133	28,733	153,865	2 Project Technical Advisors Comp. 2 (one in each country), 2 Field Officers, Technical backstopping climate services (WFP RB/HQ). The time of the Gender Officers and Resilience Activity Managers dedicated to the project to ensure compliance with GP and ESP will be covered by WFP own budget.
	2.1.1.1	Contractual Services	130,000	-	-	-	-	130,000	FTA for data gathering and analysis for climate information services. The same contract will likely cover the activity 2.1.1.1 and 2.1.1.2.
		Workshops, trainings	40,000	-	-	-	-	40,000	Consultation and validation with communities and local stakeholders.
		Travel costs	10,000	-	-	-	-	10,000	Travel cost for project staff.
	2.1.1.2	Travel costs	1,000	4,000	3,000	2,000	-	10,000	Travel cost for project staff.
		Equipment, tools and inputs	25,000	185,000	115,000	-	-	325,000	Purchase of materials and tools.
		Contractual Services	-	290,000	-	-	-	290,000	FLA for co-production of climatic advisories, partnerships with relevant service providers for most suited dissemination channels for CIS (e.g. ICTs, radio, schools, farmers' organizations, etc.). Disseminate the targeted messages on an ongoing basis and production of brochures. Being Co-production, the consultation and validation with communities and local stakeholders go under the FLA, together with the awareness raising and trainings with communities and local stakeholders.
	2.1.1.3	Travel costs	-	4,000	4,000	3,000	1,500	12,500	Travel cost for project staff.
		Workshop, meetings	4,000	14,000	10,000	10,000	5,000	43,000	Consultation and validation with communities and local stakeholders. Awareness raising and trainings with communities and local stakeholders.
		Equipment, tools and inputs	75,000	-	-	-	-	75,000	Purchase of EWS kits. Cars for project technical advisors (cost equally split among all outputs).
		Contractual Services	-	50,000	50,000	-	-	100,000	FLA for strengthening, setting up and monitoring of EWS with local organization.
	Total 2.1.1		**313,733**	**579,133**	**214,133**	**47,133**	**35,233**	**1,189,365**	

2.2.1	Project staff		28,733	32,133	32,134	32,134	28,734	153,868	2 Project Technical Advisors Comp. 2 (one in each country), 2 Field Officers, Technical backstopping insurance (WFP RB/HQ). The time of the Gender Officers and Resilience Activity Managers dedicated to the project to ensure compliance with GP and ESP will be covered by WFP own budget.
	2.2.1.1	Workshops, Meetings	20,000	-	-	-	-	20,000	Consultation and validation with communities and local stakeholders
		Contractual Services	120,000	-	-	-	-	120,000	Contract with an expert organisation to conduct a review of the offer of climate-risk insurance services in the Goascorán Watershed and attain a baseline of household access to these services. The same contract will likely cover the activity 2.2.1.1, 2.2.1.2 and 2.2.1.3.
		Equipment, tools and inputs	25,000	-	-	-	-	25,000	Cars for project technical advisors (cost equally split among all outputs).
		Travel costs	5,000	-	-	-	-	5,000	Travel cost for project staff.
	2.2.1.2	Workshops, Meetings	30,000	30,000	-	-	-	60,000	Validation with communities and local stakeholders, awareness raising, sensitization and training.
		Travel costs	10,000	10,000	-	-	-	20,000	Travel cost for project staff.
		Contractual Services	40,000	80,000	-	-	-	120,000	Contract with an expert organisation to undertake i) Analysis of the expansion and incidence in El Salvador; ii) design and feasibility in Honduras; iii) development of index and threshold
	2.2.1.3	Workshops, Meetings	-	3,000	23,000	3,000	1,500	30,500	Awareness raising, sensitization and training with communities and local stakeholders.
		Travel costs	-	3,000	13,000	13,000	1,500	30,500	Travel cost for project staff.
		Contractual Services	-	136,800	296,800	256,800	98,600	789,000	Contract with an expert organisation to provide and extend microinsurance product to smallholder farmers in the watershed. It includes the payment of insurance premium for beneficiaries.
	Total 2.2.1		**278,733**	**294,933**	**364,934**	**304,934**	**130,334**	**1,373,868**	
2.2.2	Project staff		26,133	29,533	29,533	29,534	26,134	140,867	2 Project Technical Advisors Comp. 2 (one in each country), 2 Field Officers, Technical backstopping WFP methodology for savings and credit (WFP). The time of the Gender Officers and Resilience Activity Managers dedicated to the project to ensure compliance with GP and ESP will be covered by WFP own budget.

	2.2.2.1	Contractual Services	50,000	-	-	-	-	50,000	Contract with an expert organisation to conduct a review of the offer of financial services in the Goascoran Watershed, promotion and training of households on financial services and products as tools of climate and disaster risk management, establish and strengthen community-saving schemes. The same contract will likely cover the activity 2.2.2.1, 2.2.2.2 and 2.2.2.3.
	2.2.2.2	Contractual Services	-	45,000	45,000	-	-	90,000	
	2.2.2.3	Contractual Services	-	96,000	96,000	48,000	-	240,000	
		Equipment, tools and inputs	25,000	120,000	120,000	120,000	-	385,000	Equipment, tools and inputs to incentivise the growth of micro and small-scale enterprises that enable households and communities to invest in developing livelihoods better adapted to the changing climate
	Total 2.2.2		**101,133**	**290,533**	**290,533**	**197,534**	**26,134**	**905,867**	
Total Component 2			**693,599**	**1,164,599**	**869,600**	**549,601**	**191,701**	**3,469,100**	
Total project activities			**1,697,432**	**3,531,632**	**2,512,333**	**1,510,002**	**705,901**	**9,957,300**	
Project execution costs									
	Regional coordinator		50,000	50,000	50,000	50,000	50,000	250,000	
	Regional assistant		22,000	22,000	22,000	22,000	22,000	110,000	
	Finance officers		12,000	12,000	12,000	12,000	12,000	60,000	
	Procurement officers		24,000	24,000	24,000	24,000	24,000	120,000	
	M&E officers		25,200	25,200	25,200	25,200	25,200	126,000	
	Admin officers		7,200	7,200	7,200	7,200	7,200	36,000	
	Travel		3,000	3,000	3,000	3,000	3,000	15,000	
	Office costs		7,200	7,200	7,200	7,200	7,200	36,000	
	Telephones and laptops		2,820	720	720	720	720	5,700	
	Stationary		2,400	2,400	2,400	2,400	2,400	12,000	
	Meetings		7,000	7,000	7,000	7,000	7,000	35,000	
	Final evaluation		-	-	-	-	130,000	130,000	
	Audit		-	-	-	-	60,000	60,000	
Total PEC			**162,820**	**160,720**	**160,720**	**160,720**	**350,720**	**995,700**	
Total project costs			**1,860,252**	**3,692,352**	**2,673,053**	**1,670,722**	**1,056,621**	**10,953,000**	
MIE fee									

	Project coordination and oversight	**61,135**	**121,345**	**17,847**	**54,906**	**34,725**	**289,958**	El Salvador CO and Honduras CO staff time dedicated to providing technical assistance under component 1, coordinate with EES and other key stakeholders, supervise and monitor project implementation, supervision missions, Steering committee meetings
	Mid-term Review			**70,000**			**70,000**	External consultancy
	Indirect Support Cost (ISC)	**124,890**	**247,890**	**179,458**	**112,166**	**70,937**	**735,342**	ISC is levied by WFP on each contribution received to cover programme support and administration costs. Services covered by the ISC include finance and budget support and supervision, programme and performance management supervision, information and telecommunications support, Evaluation and knowledge management advice, audit and inspection support, legal support.
Total MIE fee		**186,025**	**369,235**	**267,305**	**167,072**	**105,662**	**1,095,300**	
Total grant		**2,046,277**	**4,061,587**	**2,940,358**	**1,837,794**	**1,162,283**	**12,048,300**	

Breakdown of costs for the MIE fees	
Finance and Budget Support and Supervision	• General oversight and supervision, management and quality control • Ensure compliance with WFP judiciary standards and internal control processes, relevant international and national regulations and Adaptation Fund's rules and policies • Manage, monitor and track financial transactions • Manage all Adaptation Fund financial resources
Programme and Performance Management Support and Supervision	• Technical support, troubleshooting, and support missions as necessary • Specialized policy, programming and implementation support services • Provide guidance in establishing performance measurement processes • Supervision of overall project implementation • Ensure coordination with other WFP projects in El Salvador and Honduras.
Information and Telecommunications Support	• Includes maintaining information management systems and specific project management databases to track and monitor project implementation

Evaluation and Knowledge Management Advice	• Technical support in methodologies, innovative solutions, validation of Terms of Reference, identification of experts, results validation and quality assurance • Mid-term evaluation costs • Supervision of preparation of annual project reports and project evaluation reports and quality control
Audit and Inspection Support	• Ensure compliance with audit requirements • Ensures financial reporting complies with WFP and Adaptation Fund standards • Ensure accountability and incorporation of lessons learned
Legal Support	• Legal advice to assure conformity with WFP legal practices and those of El Salvador and Honduras and contract review

H. Disbursement schedule with time-bound milestones

	Upon Agreement Signature	One year after Project Start	Two years after Project Start	Three years after Project Start	Four years after Project Start	Total
Scheduled date	**January 2023**	**January 2024**	**January 2025**	**January 2026**	**January 2027**	
Project Funds (USD)	**1,860,254**	**3,692,353**	**2,673,053**	**1,670,720**	**1,056,620**	**10,953,000**
Implementing Entity Fee	**186,026**	**369,235**	**267,305**	**167,072**	**105,662**	**1,095,300**
TOTAL	**2,046,280**	**4,061,588**	**2,940,358**	**1,837,792**	**1,162,282**	**12,048,300**

GOBIERNO DE EL SALVADOR

MINISTERIO DE MEDIO AMBIENTE Y RECURSOS NATURALES

MARN-DCC-UCI/053-2022

Carta de Endoso del Gobierno

San Salvador, de 28 julio de 2022

Para: Junta del fondo de Adaptación
c/o Secretaría de la Junta del Fondo de Adaptación
Email: afbsec@adaptation-fund.org
Fax: 202 522 3240/5

Asunto: Endoso de "Fortalecimiento de las capacidades de adaptación de las comunidades vulnerables al clima en la cuenca hidrográfica de Goascorán, El Salvador y Honduras, mediante prácticas y servicios integrados de adaptación basados en la comunidad"

En mi calidad de Director General de Ecosistemas y Biodiversidad y autoridad designada para el Fondo de Adaptación en El Salvador, confirmo que la propuesta de proyecto regional arriba mencionada está en concordancia con las prioridades del gobierno y los objetivos, estrategias y planes regionales en la implementación de actividades de adaptación para reducir los impactos adversos y los riesgos del cambio climático en la región.

En consecuencia, me complace respaldar la propuesta de proyecto mencionada con el apoyo del Fondo de Adaptación. De ser aprobado, el proyecto será implementado por el Programa Mundial de Alimentos (PMA) de las Naciones Unidas y ejecutado por el Ministerio de Medio Ambiente y Recursos Naturales (MARN) de El Salvador y el Ministerio de la Secretaría de Recursos Naturales y Medio Ambiente (MiAmbiente) de Honduras.

Atentamente,

MINISTERIO DE MEDIO AMBIENTE Y RECURSOS NATURALES
DIRECCIÓN DE ECOSISTEMAS Y BIODIVERSIDAD
EL SALVADOR, C.A.

Miguel Alberto Gallardo Meléndez
Director General de Ecosistemas y Biodiversidad

GOBIERNO DE EL SALVADOR

MINISTERIO DE MEDIO AMBIENTE Y RECURSOS NATURALES

MARN-DCC-UCI/053-2022

Letter of Endorsement by Government

San Salvador, 28 July 2022

To: The Adaptation Fund Board
c/o Adaptation Fund Board Secretariat
Email: afbsec@adaptation-fund.org
Fax: 202 522 3240/5

Subject: Endorsement for "Strengthening the adaptive capacities of climate-vulnerable communities in the Goascorán watershed of El Salvador and Honduras through integrated community-based adaptation practices and services"

In my capacity as General Director of Ecosystems and Biodiversity and designated authority for the Adaptation Fund in El Salvador, I confirm that the above regional project proposal is in accordance with the government's priorities and regional objectives, strategies and plans in implementing adaptation activities to reduce adverse impacts of, and risks, posed by climate change in the region.

Accordingly, I am pleased to endorse the above project proposal with support from the Adaptation Fund. If approved, the project will be implemented by the United Nations World Food Programme (WFP) and executed by the Ministry of Environment and Natural Resources (MARN) in El Salvador and the Ministry of the Secretariat of Natural Resources and Environment (MiAmbiente) in Honduras.

Sincerely,

MINISTERIO DE MEDIO AMBIENTE Y RECURSOS NATURALES - EL SALVADOR, C.A. - DIRECCIÓN DE ECOSISTEMAS Y BIODIVERSIDAD

Miguel Alberto Gallardo Meléndez
General Director of Ecocystems and Biodiversity

Energía,
Recursos Naturales,
Ambiente y Minas
Gobierno de la República

HONDURAS
GOBIERNO DE LA REPÚBLICA

Oficio No.-DMA-0339-2022

Tegucigalpa M.D.C., July 29th, 2022

Ref.: Endorsement of project: "Strengthening the adaptive capacities of climate-vulnerable communities in the Goascorán watershed of El Salvador and Honduras through integrated community-based adaptation practices and services".

ADAPTATION FUND BOARD
Adaptation Fund Board Secretariat

Dear Sir/Madam

I am pleased to confirm the commitment of the State Secretariat of Energy, Natural Resources, Environment and Mines of Honduras, to fully participate in the process to finalize this proposal and to engage other national entities to accompany this process until the final approval.

As Official Designated National Authority **(NDA)** and Focal Point to the Adaptation Fund, I would like to express and highlight our **"non-objection to this project proposal"** and endorse this regional project between Honduras and El Salvador with support from the Adaptation Fund. If approved, the project will be implemented by the United Nations World Food Programme **(WFP)** and executed on the Honduran side by the State Secretariat of Energy, Natural Resources, Environment and Mines of Honduras.

This project is a long-term development opportunity for the communities bordering both countries within the Goascorán watershed, which historically have been shaped by environmental and socio-economic concerns with direct effects in their ecosystem and its water-supply management conditions, hampering into their food and nutrition security, and well-being of the local population. If this proposal is approved, this State Secretariat reaffirm our commitment to ensure the implementation of its activities through a holistic and participatory approach with all project stakeholders, including government, municipalities, community associations and local water boards, and to benefit them by strengthening the adaptive and social scheme of the targeted program's participants and stakeholders.

Kind regards,

SECRETARIO DE ESTADO
HONDURAS
Energía, Recursos Naturales, Ambiente y Minas

Lucky Halach Medina Estrada
Secretary of Energy, Natural Resources,
Environment and Mines
Honduras

Cc: Archivo

Annex 1

Community and stakeholder's consultations in the Goascorán Watershed

This annex presents the findings and recommendations from community and stakeholder consultations conducted for the development of this project proposal, as indicated in Part II, Section H of the main project document. This includes consultations with communities and local authorities as well as governmental and non-governmental actors at national, departmental, and municipal level. It is important to note that the travel restrictions caused by the COVID-19 pandemic over the period March 2020-December 2021 limited the on-the-ground interactions with the communities and forced in some case to hold remote meetings with other stakeholders in the respective countries.

1. Consultations with communities and local stakeholders

Consultations with communities and local stakeholders at community, municipality, department and watershed levels were conducted between October 2018 and September 2021 for the development of the Concept note and the formulation of the Project documents. The following section presents the findings of community consultations conducted during the formulation of the full Project Proposal.

Purpose

The purpose of the consultations was to generate a better understanding of the perceptions, challenges, needs and existing adaptive practices and capacities in the Goascorán watershed, to better inform the design of the project components' activities, outcomes and outputs described in the main project document.

Methodology

Consultations were carried out, on both sides of the watershed, through focus group discussions and interviews. Considering COVID-19 travel restrictions, WFP conducted a number of consultations in the prioritized municipalities between March and July 2021 including virtual and physical (when allowed by the pandemic situation) meetings with institutional stakeholders, local organizations, communities, civil society and the private sector. A specific consultation was carried out with the Lenca indigenous population. Moreover, the project initiated a Free, Prior and Informed Consent process that will continue throughout project implementation.

In El Salvador, WFP Country Office team carried out consultations in two rounds: 22nd to 25th of March 2021 and 4th and 5th of May 2021. Participants included community leaders and members, representatives of ADESCOS, Water Board members, Municipal authorities, and school committee members for a total number of 69 persons (men and women). In Honduras, the consultations took place in April and May 2021 with a similar representation of community and local stakeholders counting with a total of 29 persons.

Location	Date	Participants	Women	Men
El Salvador				
Concepcion de Oriente	March 22nd 2021	15 participants	7	8
	March 23rd 2021	20 participants	10	10
	May 5th 2021	21 participants	10	11
El Sauce	March 24th 2021	12 participants	2	10
	March 24th 2021	9 participants	2	7
	May 5th 2021	6 participants	2	4
Lislique	March 22nd 2021	24 participants	8	16
	March 23rd 2021	24 participants	8	16
	May 5th 2021	14 participants	5	9
Pasaquina	March 24th 2021	21 participants	6	15
	March 24th 2021	20 participants	4	16
	May 5th 2021	18 participants	8	10
Subtotal		**69 participants**		
Honduras				
	April 22nd and 23rd 2021	29 participants	10	19
Subtotal		**29 participants**		
Total		**98 participants**		

The consultations tool and approach came from the integration of the Seasonal Livelihoods Analysis, Climate Risk Scenario Assessment and Community-based Participatory Consultation Process. The tool brought together communities, partners, and local governments to identify problems and tailor program responses to local needs. It collected information on livelihoods, vulnerability profiles, land and landscape use, exposure to specific shocks and major issues affecting people, including gender inequality, at the local level. With all this information, the consultation generated a practical plan to address the underlying causes of food insecurity and malnutrition, and to strengthen the resilience of livelihoods in the medium term. The consultation consisted of a two-day participatory workshop, followed by one additional community exchange and validation.

The consultation was composed by the following discussion sessions, in small groups and plenaries:

1. Opening and introduction of the main consultation.
2. Describing the main groups in the community and identifying vulnerability trends.
3. Division of labor between men and women and their participation in decision-making processes.
4. Identifying the main problems, events, seasonal cycles in the community, weather and climate reality and perceived changes.
5. Identifying the main social and climate vulnerabilities and risks.
6. Mapping the community and its landscapes.
7. Identifying challenges and opportunities vis-à-vis the main livelihood activities. Focus on how are impacted by climate change.
8. Analysing community-based and external institutions and services.
9. Interpreting landscapes through a community mapping exercise.
10. Summarizing the community's main challenges and opportunities.
11. Defining the community's medium-term vision, objectives, and priority interventions.
12. Developing a medium-term community-based plan.
13. Agreeing on next steps, and closing.

In addition, CATIE conducted consultations from June to September 2021 for the development of the gender assessment, the elaboration of the environmental and social assessment and the FPIC:

Social and Environmental Risk Assessment. The consultation process consisted of participatory workshops with the involvement of women and indigenous peoples to provide elements for developing the social and environmental assessment of project activities, the results of which will determine the applicability of the respective safeguards.

Different stakeholders participated in these consultations, representing sectors such as non-governmental organizations, Trustees, ADESCOS, Water Boards, local governments and central government sectoral institutions, whose roles mainly range from administration and protection of micro-watersheds and water recharge areas, administrators of drinking water distribution systems, production and promotion of crops for commercialization, management of initiatives aimed at local development, each and every one with an important role in the integrated basin management.

In addition, it yielded some results in terms of potential benefits, reaffirming those programmed in the project proposal and identifying some residual risks because of the project implementation and the context analysis in the framework of which this proposal is proposed. Some of them have to do with risks of which the population expects the vulnerable communities to be the main recipients in economic, social, cultural, and environmental terms, and below is a little more information on each of these benefits.

A total of eight workshops were held, which were carried out in such a way that stakeholders located in the high, middle and lowlands were consulted, both in El Salvador and Honduras, for reasons of geographical location and ease of mobilization of participants, they were conducted as follows:

Table 1 Disaggregated data of the consultation and validation workshops, El Salvador

Disaggregated data of the consultation/validation workshops in El Salvador						
Workshop 1, Santa Rosa de Lima, La Unión June 30, 2021		Workshop 2, Anamorós, La Unión, Thursday July 1, 2021		Subtotal	Subtotal	Total participants
Men	Women	Men	Women	Men	Women	

14	5	25	18	39	23	62*
Workshop 3, Anamorós, La Unión, Tuesday, September 7, 2021		Workshop 4, Pasaquina, La Unión, Wednesday, September 8, 2021		SubTotal	SubTotal	
24	16	18	16	42	32	74**
Totals				81	55	**136**

Consultation and validation workshops in Honduras

Table 2 Disaggregated data of the consultation and validation workshops, Honduras

Disaggregated data of the consultation/validation workshops in Honduras						
Workshop 1, Caridad, Valle. Tuesday, July 6		Workshop 2, Santa Ana, La Paz. Wednesday, July 7		SubTotal	SubTotal	Total participants
Men	Women	Men	Women	Men	Women	
12	9	19	11	31	20	51*
Workshop 3, Caridad, Valle, Thursday, September 9		Workshop 4, Santa Ana, La Paz, Friday, September 10		SubTotal	SubTotal	
13	4	26	7	39	11	50**
			Totals			**101**

Note: *Consultation workshops; **Consultation and validation workshops

Gender. Due to the nature of the study, the use of inclusive and participatory qualitative methodologies is required to gather the different representative voices of women, men, boys and girls (in their diversity) and of the organizations that represent them at both the social and institutional levels.

The process was developed in days of territorial consultations with the inhabitants of the 14 municipalities where the project will be implemented in El Salvador and Honduras. 7 municipalities in the department of La Unión in El Salvador (Lislique, Concepción de Oriente, El Sauce, Pasaquina, Polorós, Nueva Esparta and Santa Rosa de Lima); and 7 in Honduras in the departments of Valle in the municipalities of Caridad and Alianza, in the department of La Paz, the municipalities: Aguanqueterique, Guajiquiro, Lauterique and Opatoro; and in the department of Francisco Morazán the municipality of Santa Ana.

During the second consultation held from September 7 to 10, 2021, 2 workshops were held in each country with the participation of 86 women and 120 men. In El Salvador, they were held in the municipalities of Santa Rosa de Lima and Anamorós in the department of La Unión. In Honduras, they were held in the municipalities of Caridad in the department of Valle and in the municipality of Santa Ana in the department of Francisco Morazán.

The objective of the first consultation was to generate a space for contributions and analysis, based on the experiences of the participants, to identify the main social and environmental risks, gender analysis, and to identify the negative effects of climate variability on the lives of women, young people and the indigenous population.

The information gathering was carried out using participatory methodology, to create conditions conducive to foster dialogue and participation of all participants, and promote the identification of common problems, through the exchange of knowledge and wisdom.

The information collected was oriented towards identification of the main livelihoods, access to productive resources, degree of participation in the associative processes, and effects of climate variability.

Free, Prior and Informed Consent (FPIC). The consultation process consisted of workshops with organizational structures based in the territory of the Goascorán river basin. In addition, interviews with key informants who carry out work or coordination with communities in the territory. Notwithstanding the foregoing, the participants during the process deemed it necessary for this mechanism of dialogue and consultation with the organizations to continue during the implementation of the project activities.

In the activities described above, relevant information about the project, the objectives to be achieved, the components and activities were shared, and potential impacts and mitigation measures were gathered, as shown in the following figure.

- To date, 3 Socialization and Consultation Workshops have been held with Representatives of the Council of Lenca and Kakawira Indigenous Peoples represented in the Council of Lenca and Kakawira Peoples, "COPULENKA".

Table No. 12 - Summary of socialization and consultation workshops

Location	Date	Participants	Women	Men
San Francisco Gotera (COPULENKA)	28 – 6 - 2021	20 participants	12	08
Anamorós (COPULENKA)	01 – 7 - 2021	08 participants	02	06
Anamorós (COPULENKA)	07 – 9 - 2021	06 participants	01	05
Subtotal		**34 participants**	**15**	**19**

On the other hand, in the Honduran territory, 1 focus group was held with technicians from the World Food Program, WFP, stationed in the territory and the president of the Cuenca Council, and 2 workshops with representatives of the Indigenous Peoples organized in ONILH, COPINH, MILH , FHONDIL, CGL CONMILH.

Table No. 13 - Consultation Workshops

Location	Date	Participants	Women	Men
Caridad (Focus Group WFP Technicians and president of the Basin Council)	06 – 7 - 2021	03 participants	0	03
Santa Ana (Lenca Organizations)	07 – 9 - 2021	22 participants	05	17
Santa Ana (Lenca Organizations)	10 – 9 - 2021	30 participants	12	18
San Salvador (CICA and CCNIS representatives)	21 - 9 - 2021	4 participants	2	2
Subtotal		**55 participants**	**19**	**40**
Total		**91participants**	**34**	**59**

The consultations were carried out through the implementation of participatory methodologies, encouraging people to get to know and take ownership of the issue and contribute their experiences. This methodology encourages people to share information, learn from each other, and work together on common issues. They had two fundamental objectives: the first one aimed at socializing in detail the most relevant information about the project proposal so that the communities are informed and can fully participate in the process; the second objective aimed to know the main assessments of the community with regards to the potential positive and negative impacts and what measures should be implemented to mitigate these potential adverse impacts.

The workshops were divided into two parts. The first of them was aimed at socializing relevant information of the proposal with the communities, sharing the following: **a) Community-based Approach to Adaptation**. In this space, the participants were consulted on what they understand by "Community-based Adaptation". Valentín Pérez, indigenous Kakawira from El Salvador, emphasized that ***"They are the actions that are taken to adapt to climate change, which must recognize and respect the knowledge of the community".*** Despite the fact that there is an important level of understanding of this approach, it was explained that the project seeks to implement activities that contribute to climate adaptation in the communities, taking into account local realities and the knowledge and wisdom of the communities concerning adaptation. **b) Project objective**. It was explained that the project objective is to strengthen the capacity to adapt to climate change of vulnerable households in the degraded Goascorán basin, through El Salvador and Honduras, by providing communities with integrated climate risk management tools and services that improve its resilience, variability and climate change. **c) Socialization of the project components and activities.** In this space, each of the components and activities was shared and explained, creating a space for the participants to share their assessments regarding the project components and activities. **d) Finally**, the first reactions of the participants about the project were

announced, highlighting the potential impacts of the project, potential negative impacts and recommendations to overcome the potential negative impacts.

Main findings

- **Climate awareness:** The watershed populations demonstrated awareness that they are living in one of the areas with the lowest annual rainfall average, vulnerability to disaster risks and rural poverty for both countries. When talking about climate variability change, the key actors reported a strong perception of change in the precipitation patterns and temperature, with consequent difficulties in predicting the start and cycle of current sowing seasons. The main changes identified by the participants are:
  - a light and intermittent rain in the beginning of winter which before was constant;
  - the July *canicula* season become more prolonged (from 1 to up to 5 weeks), followed by irregular and light rain in August;
  - in September and October irregular rain becomes stronger and intermittent.

  In many cases, these patterns have led to the loss of seeds and crops, causing high food insecurity in the watershed.

- **Threats:** The participants identified that the main threats faced by the communities are recurrent droughts, high temperatures, torrential rains and strong winds, soil erosion, destruction of basic infrastructure, food shortages, pollution and pests and diseases in crops and forests which cause significant impacts on crop loss. They emphasized that scarce water availability in the dry season, floods in the lower watershed related to rains of greater intensity during the rainy season, and a perceived drastic variability in temperature which have strong impacts on the crops. Heat waves and drought periods are becoming more recurrent and longer, which causes loss of crops, seeds and animals, directly affecting the income associated with harvests, reduction of job opportunities and migration of rural populations. Informants are also aware that land degradation due to deforestation, indiscriminate burning and other negative agricultural practices is contributing to the occurrence of adverse climatic impacts, but do not have the knowledge or means to adjust these practices.

- **Coping strategies:** The key actors reported that in the last years, the area has lacked livelihood investment projects compared to other areas in the countries, and in response rural families have increased the use of negative coping strategies to meet their food needs. Often these have been irreversible, because families have had to resort to selling their productive assets, reproducing livestock and even the land where they cultivated their crops. In addition, an increasing number of smallholder farmers have been skipping the sowing of basic grains in May, because it is negatively affected by prolonged *canicula* season, and/or have been delaying the second sowing until August-September.

- **Gender inequality.** Consultations highlighted that women have lower access to resources and lower decision-making power than men in the watershed area. Women are mainly in charge of the non-remunerated care and domestic work but also participate in the family agricultural work as well as informal income activities. The impacts of climate change are increasing the burden on women. Frequent droughts and crop failure are seriously affecting families' livelihoods and women and children are forced to contribute even more to household income, without being released from their domestic responsibilities. Education and health outcomes for children are also affected negatively.

- **Adaptation practices:** When talking about the urgent actions needed in the watershed, key actors identified the installation of rainwater harvesting and storage systems, supplemented by efficient irrigation systems; diversification of crops and the use of drought-resistant seeds; and protection, reforestation and restoration of water-producing areas. An interesting element was the proposal to implement greenhouses and to establish agroforestry systems (wind-breaking barriers, silvopastoral systems, silage, etc.).

- **Systems and governance:** From a socio-economic point of view, they identified the need for capacity strengthening of value chains, savings habits, financial mechanisms and micro-enterprises with consequent promotion and possible low interest financing. They also mentioned creating and strengthening watershed councils to manage potential conflicts over water in the territory and strengthening the local governments capacities in the design and application of actions for the natural resources' conservation and management. Lastly, they identified the need to increase the water

harvesting and storage for human consumption and to receive technical assistance on soil conservation practices.

In addition, communities provided the following recommendations noteworthy for an enhanced project design and development:

1. **Strengthening the local capacities:** Communities welcome the regional initiative and there are many positive expectations associated with the expected results and positive impacts. Furthermore, it is important to point out that there is a continuous demand for strengthening the capacities of local organizations, both technically in the implementation of project activities and in management and administration capacities in terms of technical and financial execution, as a factor of ownership of the initiative and to ensure that the actions are implemented in the most vulnerable communities and by the direct beneficiaries.
2. **Climate risk finance measures (risk transfers):** In both El Salvador and Honduras, there is little knowledge about the operation of the proposed microinsurance services but communities agree there is a need to provide options to reduce crop losses and damage caused by climate-induced extreme events that are recurrent in the area. They are interested in learning more about its functionality and how it could be applied in the context of local producers. It is also noteworthy that in this aspect they consider that this benefit may exclude some producers, particularly women, since variables such as payment capacity, size of cultivated areas and land ownership may be adverse factors to get access to this service. It was proposed to include awareness-raising and knowledge sharing on the functionality of financial and climate risk management mechanisms, as well as climate information mechanisms, tools and services, in order to guarantee effective implementation and positive impacts.
3. **Improving the financial capacity of households (prudent risk taking):** Concerning the proposed community savings systems, in the case of El Salvador there is little experience and there is much uncertainty about their effective functionality; therefore, it will be necessary to design and implement a awareness-raising and sensitization activities to leverage the interest and improve their knowledge in the communities. In this regard, it is important to evaluate the possibility of exchanging experiences with users of rural savings banks in Honduras. In the case of Honduras, the workshop participants stated that the *Cajas Rurales*, which is the financial scheme in place for community/household-level (micro-) financing, has some disadvantages and weaknesses but it is working. Community participants expressed the interest to learn about others community savings schemes to identify their advantages before considering their potential adoption.
4. **Adoption of adaptive practices and technologies:** On the other hand, the activities of component one (1), "Output 1.1.2 Well-proven climate adaptation practices are introduced, applied and scaled up for vulnerable smallholder farmer households in the Goascorán watershed", must coordinate with local production systems, especially those that have the potential to increase their productivity to enable them not only to ensure household consumption, but get improved market access for an increased income. Shift towards sustainable and resilient food systems is considered an important priority for their ability to generate tangible economic, environmental and social benefits associated with food production; therefore, they are markedly voiced by the population in the watershed.
5. **Trainings and timing:** Training families in the use and management of microcredits or having strategic savings at the beginning of the harvest, can help households to make their own investments. Programmes that support people to increase their food reserves and cash savings ahead of the food insecurity season will help families to overcome seasonal challenges more easily.
6. **Vulnerability targeting and addressing household needs:** Project activities should consider time availability and particular features of each vulnerable group in the community. This means that the programmes must adjust to the needs and capacities of each group so that they can strengthen their capacities and improve their livelihoods.
7. **Synergies and complementarities:** Individual entities cannot cover the full spectrum of needed activities due to limitation in their capacity, resources, and technical expertise. Establishing synergies between programmes/projects generates greater complementarity to support people, for example, integrating health and nutrition programmes during food insecure periods can reduce the costs of medicines and treatments. This saving can be invested in the creation of assets during the harvest season, when the conditions are more favorable from an economic perspective.

Other key issues that were raised by the communities during the community-based participatory planning (CBPP), methodology that WFP developed, are summarized in Table 3 below. As part of these community discussions communities were briefed on the scope of what the project could cover. However, the consultation process is there to give the opportunity to raise issues beyond its scope, so that these can be incorporated into other activities possibly carried by other organizations, local government or the communities themselves.

Table 3. Summary of other key issues raised by communities that could be addressed by the project and/or via other interventions

Problem/Need	Proposed solutions	Priority Actions
Degradation and loss of natural resources (land, soil, water, biodiversity)	Reforestation of the water recharge area, wildlife protection, improve soil fertility, conserve soil and water, rainwater harvesting, control forest fires, raise awareness on fires.	- Implementation of national regulations on environment protection - Fire brigades - Waste collection campaigns - Production of organic fertilizers - Reforestation with native trees and riverbanks protection - Soil conservation practices and structures such as windbreaks and gabions
Limited income generating activities	Technical training and capacity building on sustainable crop production, agroforestry and crop diversification, use of renewable energy for small-scale livestock production. Livelihoods diversification with other community-level jobs such as bakery, haircutting, tailoring, ecotourism etc.	- Drip irrigation schemes - Vocational trainings - Aquaculture - Small-scale pork and poultry production - Agroforestry
Trainings	Sanitation, food security and nutrition, hygiene, meal preparation, alternative sources of incomes, production of staple food, vegetables, organic manure and aquaculture.	- Provide trainings in the topics suggested
Social issues	Establish gender unit in the Municipality, raise awareness about gender related issues, in particular gender-based violence, define prevention and mitigation measures at community level	- Gender-awareness campaigns - Mechanisms for grievance and prevention
Basic community infrastructure	Improve social facilities such as school, health center, community house, latrines and walking trails, disaster-proof works, access to electricity.	- Rehabilitate public infrastructure - Disaster mitigation works
Health, water and sanitation	Improve water supply and access to potable water, latrines and solid waste collecting sites.	- Vaccination and prevention of diseases - Health personnel and drugs - Improve water access - Garbage collection and disposal

2. Consultations with national stakeholders

Consultations with national stakeholders have been ongoing between 2020 to 2022 as the proposal has been developed. Consultations also occurred prior to these dates for the development of the Pre- and Concept Notes. The main actors were national or regional institutions, the main national counterparts, and technical and research organizations. The main recommendations provided by national stakeholders are summarized below.

- **Secretariat of Natural Resources and Evironment (MiAmbiente+), Honduras**
  - The EE and IE need to design effective project governance structure and execution and implementation arrangements.
  - Adequate budget should be allocated based on the weight and importance of the project activities.
  - Effective coordination mechanisms should be ensured with the Government of El Salvador.
- **Ministry of Environment (MARN), El Salvador**
  - The activities should be tailored to the specific needs of the different vulnerable groups in terms of resilience-building.
  - The territorial prioritization process should be based on a multicriteria assessment study that includes climate vulnerability, socio-economic context and sub-watershed environmental characteristics
  - Project activities should demonstrate how it contributes to the implementation of the NDC and National Communications, in particular on the AFOLU sector, and provide quantitative results versus the targets established in those strategic documents.
- **Secretariat of Agriculture (SAG) Honduras**
  - The project activities should be aligned with the sectoral strategies on agricultural and rural development.
  - The project should build linkages with research/extension institutions, like the University of Zamorano and DICTA, to benefit from their investigations and dissemination on good practices and technologies for resilience-building.
  - Several approaches could be promoted for the successful adoption of adaptive practices including farmer field schools, exchanges between farmers, training curricula (to be updated) knowledge products.
  - Build linkages with DRR and local development plans to enhance implementation of mitigation measures against climate shocks and stressors affecting the livelihoods of smallholder farmers.
- **Ministry of Agriculture (MAG) El Salvador**
  - The project's added value for resilience-building revolves around the integration of adaptive technologies aiming and strengthening the climate risk management capacities of vulnerable communities in the watershed.
  - Technologies should be identified and selected with CENTA that has solid experience on the implementation of sustainable solutions in the agricultural and forestry sectors.
  - Innovations such as micro-insurance schemes and saving mechanisms should consider the applicability in the local context to ensure ownership and sustainability of the interventions.
  - Local instruments and tools developed by the project should consider the availability of other materials produced by other projects and by local institutions. For example, the Handbook on the development of Municipal Plans (funded through a previous AF project) could represent a good guidance for the integration of adaptation measures in local development plans.
- **IUCN**
  - Reinforce the governance aspects of the project, promote the effective and community participation and ownership of the key stakeholders.
  - The project should Include activities for Ecosystem-based Adaptation integrated with the watershed management approach.
  - The project needs to consider the review and complementarities of the other projects and assessment carried out in the Goascoràn watershed.
- **CATIE**
  - In addition to working on the technical annexes on Environmental and Social Assessment, Gender Assessment and FPIC, CATIE was consulted during proposal development and recommended to

address issues related to participation and ownership of vulnerable groups, specifically women, youth, and indigenous peoples.
  - Empowerment at community and household level for the dissemination of adaptive practices and technologies was highlighted as one of the main priorities. For women, project activities would include attention to gender-balanced and equitable involvement, focusing on reduction of domestic violence and more equitable workload.
- **FAO**
  - Coordination and communication should continue to ensure the complementarity with current and future initiatives, and to share lessons learnt.
  - Activities such as micro-insurance schemes, saving mechanisms could also benefit and be provided to the participant of RECLIMA.
- **COSUDE**
  - The project needs to consider the review and complementarities of the other projects and assessment carried out in the Goascoràn watershed.

Annex 2

Adaptation Fund and World Food Programme Environmental and Social Screening

1. Introduction

This project has been screened for its potential environmental and social impacts following Adaptation Funds safeguards. As a result, the project has been categorized as Medium risk (Category B).

The risk screening and assessment carried out is in compliance with the 15 social and environmental principles of the AF as described in Section L. The checklist used to screen the project and assess potential environmental and social impacts is presented below. It is based on WFP's screening tool, with the screening questions adapted and rearranged in order to be fully aligned with environmental and social principles of the AF.

The ESMP designed for this project will track identified risks, or any new risks, ensuring they are properly monitored, evaluated, and reported upon. The proposed project will fully comply with national laws, the Adaptation Fund's Environmental and Social Policy and WFP's environmental and social standards.

2. The Goascorán River Basin

Overview of the basin

The Goascorán river basin is shared between Honduras and El Salvador. According to the Management Plan prepared in 2007[91], it covers an area of 2,345 km^2 with 52% in Honduras and 48% in El Salvador. It is home to approximately 30,000 inhabitants in Honduras, and about 145,000 in El Salvador. The basin includes 16 municipalities in Honduras and 13 in El Salvador.

The main socio-economic activities are: agriculture, small-scale fishing and cattle farming. Corn, beans, coffee, bananas, plantains, potatoes and rice are the most important agricultural products grown in the area, meaning that the locals are directly dependent on ecosystem services to sustain their livelihoods.

In this sense, it is of critical importance that project activities implement and disseminate adaptation practices and techniques based on the ecosystems according to the area, guaranteeing the conservation of ancestral methods and practices that contribute to landscape restoration and soil, forest and water conservation.

According to the International Union for Conservation of Nature (IUCN), the higher elevations in the basin have potential for silvopastoral, agroforestry and ecotourism activities. The middle basin would facilitate tourism and cattle farming while the lower basin has potential for tourism, fishing, irrigation, aquaculture and commerce/services. Regarding the topographic characteristics, agricultural land represents only 5.86% of the land, and the rest of the area has been classified as land suitable for forestry.[92]

Climatic threats

The main climatic threats are the decrease in rainfall and the increase in the average temperature,[93] with potential effects on scarcity of water for human consumption and loss of crops due to drought. The most important environmental stressors identified in both countries are deforestation throughout the basin, sedimentation of the Goascorán River, and inadequate solid waste management, all of which affect the provision of ecosystem services.

The aforementioned problems, together with growing pressures on the basin's natural resources, mainly driven by population growth and weak land use planning, contribute to the conditions of vulnerability to food and nutritional insecurity and exposure to disaster risk.

Therefore, it is imperative to establish institutional arrangements that strengthen the initiatives that seek to develop resilience in the basin, promoting formal and non-formal environmental education, developing participatory intersectoral territorial management instruments that address the identified problems in a comprehensive manner and contribute to the development of a sustainable development strategy.

Indigenous Peoples in the Basin

[91] CATIE. 2007. Management Plan for the Binational Basin of the Goascorán River

[92] CATIE (2007). *Management Plan for the Binational Basin of the Goascorán River*. Turrialba, Costa Rica: CATIE.

[93] ECLAC (Economic Commission for Latin America and the Caribbean), NDF (Nordic Development Fund, IDB (Inter-American Development Bank) and MiAmbiente+ (Secretariat of Energy, Natural Resources, Environment and Mines of Honduras) (2017). *The Economics of Climate Change in Honduras - Technical Document 2017*, Mexico City. México: ECLAC.

There are at least three indigenous peoples in the region. On the Salvadoran side, although there is no geographic definition of an indigenous community officially recognized as such, there are communities with a scattered presence of people of Kakawira and Lenca descent; on the Honduran side, there are communities of Lenca descent. These communities conserve and develop their life systems with many characteristic features of the ancestral culture in the territory of the Goascorán basin. In El Salvador, the communities are organized internally in Councils and Community Development Associations. At the level of the departments in the eastern part of the country, they are integrated in the Council of Lenca and Kakawira Peoples "COPULENKA".

On the other hand, in the Honduran territory, the communities have various organizational structures such as the National Lenka Indigenous Organization of Honduras (ONILH), the Civic Council of Popular and Indigenous Organizations of Honduras (COPINH), the Lenca Indigenous Movement of Honduras (MILH), the Honduran Federation of Lenca Indigenous People (FHONDIL), and the Council of Lenca Indigenous Women of Honduras (CONMILH). There are Indigenous Councils at the municipal level, and from these organizational processes they participate in the Goascorán River Basin Council, in the Patronatos (trusts) and in the Cajas Rurales Solidarias (Rural Solidarity Funds).

Natural areas in the basin under protection and management categories and important environmental assets

The Goascorán River, which originates in the upper part of the Goascorán Basin, has three points of origin, the Palagua River, which originates in Santa Ana, the Malagua River in Guajiquiro, and the Rancho Grande River in Lamaní Comayagua. In the middle part it receives other three tributary rivers. To its right the Apane river coming from Lepaterique, and the Grande or San Juan River. To the left, still on the Honduran side, it receives the Apasilina River. Its tributaries in the lower part are the Apazapo River and the Moro stream, until it flows into the Chismuyo Bay in the Gulf of Fonseca[94].

The geographic location of the natural protected areas described above is shown below (see Figure 2). It shows that 100% of the protected areas in the basin of the Honduras area are located in the prioritized municipalities and in the El Salvador area, 98% of the protected natural area is in the prioritized municipality.

[94] Source: https://goascoran.net/. 23.09.2021

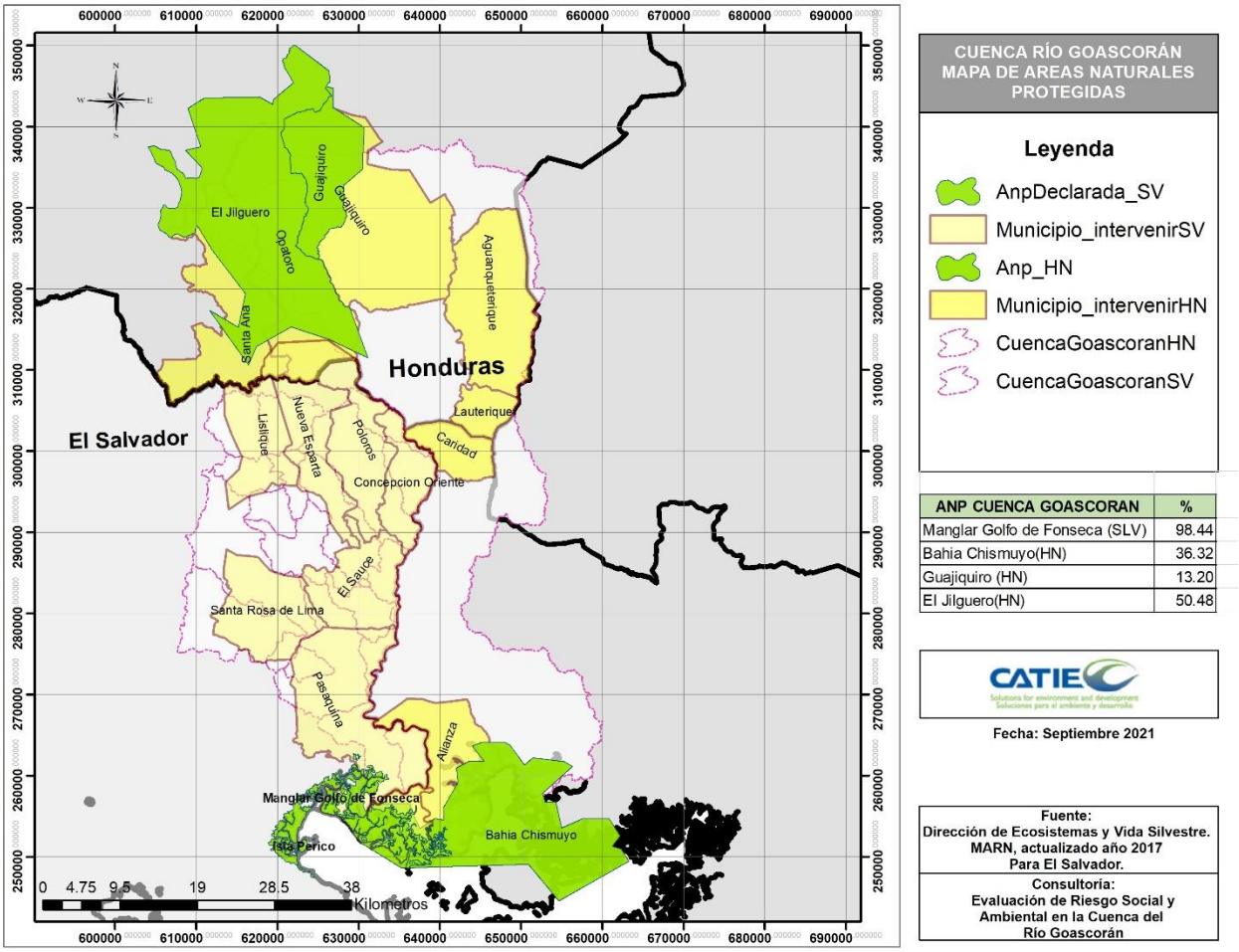


Figure 1 Natural protected areas of the Goascorán basin

Below is an overview of the areas mentioned above.

- **Guajiquiro Biological Reserve**. The area is made up of a cloud forest characterized by a plateau whose maximum elevation peaks range between 2,253 and 2,264 m a.s.l., in which pine, broadleaf and mixed forests prevail, in a secondary state and as remnants of the primary forest. They are mostly reflected in small fragmented masses in the form of wooded islands or stands, among them the Ayacahuite (Pinus Ayacahuite), a species that, like the white-tailed deer (Odocoileusvirginianus), is endangered. Additionally, a significant variety of other flora species can be observed. Also noteworthy is the cloud forest and the fact that it is one of two areas in the country where 5 of the 7 pine species reported for Honduras are found.
- **"El Jilguero" Water Production Area Reserve.** This reserve has a wealth of water resources, flora and fauna, and is home to five of the seven pine species existing in Honduras, which provide the region with a potential for tourism.[95]. It has an area of 43,946,868 hectares.

- **La Unión Bay Protected Natural Area.** It includes part of the municipal jurisdictions of Pasaquina, San Alejo and La Unión, in the Department of La Unión; it ranges between 0 and 10 meters above sea level. It is located within the subtropical rainforest life zone and the dominant vegetation is mangrove. It corresponds to the great coastal plain landscape and provides breeding and feeding areas for

[95] Municipal Information System on Territorial Food and Nutrition Security of the Commonwealth of Lencas Municipalities of Sierra de La Paz: http://mamlesip.simsan.org/index.php/nuestro-municipio-mamlesip/nuestro-ambiente

resident and migratory marine species. It is the habitat of various mollusks, crustaceans, fish, and other species of commercial interest.

- **Morrales de Pasaquina**. It is located in Los Horcones Canton, jurisdiction of Pasaquina, department of La Unión and its geographical reference is 13º 33' North latitude and 87º 50' West longitude. The land tenure system is private and the projected area is 200.0 ha in an elevation range that goes from 100 to 200 m a.s.l.; it is located within the tropical dry forest life zone. The dominant vegetation is the Morros Savannah with thorny bushes.
- **Chismuyo Bay Wildlife Refuge**. This area has a direct influence due to the ecological connectivity with La Unión Bay. It comprises an area of 282 km^2 and is located in the department of Valle in a life zone of the "lower montane wet forest" (lmwf) class. This area is made up of mangrove stands that provide habitat for reptiles, mammals, crustaceans, birds, mollusks and fish. Currently, the area is undergoing expansion and establishment of shrimp farms, deforestation for timber and firewood, and cattle farming expansion. Its legal support is provided by Presidential Agreement 1118-92 and Agreement Decree R. F. Zona Sur 001-93.

3. Community consultation process findings

In response to the main objective of identifying potential environmental and social risks resulting from the implementation of project activities, the workshops with local communities were the primary sources for obtaining this information. In the first consultation exercise, some potential risks and mitigation measures were identified; for the second consultation effort, activities, previously identified risks and mitigation measures were also validated.

Main findings of the consultation process in relation to the proposed activities:

- is the consultations showed broad acceptance of the project and many positive expectations associated with the expected results and positive impacts. Furthermore, there is a demand for strengthening the capacities of local organizations, both technically in the implementation of project activities and in management and administration capacities in terms of technical and financial execution, as a factor of ownership of the initiative and to ensure that the actions are implemented in the most vulnerable communities and by the direct stakeholders.
- Both in El Salvador and Honduras, there is little knowledge about the operation of the proposed microinsurance services. However, there is a need for options to reduce losses related to crop failure in the face of extreme events caused by climate change, which are recurrent in the area. Consequently, in order to guarantee effective implementation and positive impacts, it is necessary to include awareness-raising and knowledge transfer activities on the functionality of financial and climate risk management mechanisms, as well as climate information mechanisms, tools and services.
- Concerning the proposed community savings systems, in the case of El Salvador there is little experience and there is much uncertainty about their effective functionality; therefore, it will be necessary to design and implement a awareness raising plan for their knowledge and promotion in the communities. In this regard, it is important to evaluate the possibility of exchanging experiences with users of rural savings banks in Honduras.
- In the case of Honduras, the workshop participants stated that they already have the Cajas Rurales and although this mechanism has its disadvantages, they consider that they will have to learn about another community savings system in order to identify its advantages. Regarding microinsurance, they are interested in learning more about its functionality and how it could be applied in the context of local farmers. It is also noteworthy that in this aspect they consider that this benefit may exclude some farmers, particularly women, since variables such as payment capacity, size of cultivated areas and land ownership may be adverse factors for access to this benefit.
- Finally, the activities of component one (1), "Output 1.1.2 ", must be carried out in coordination with local production systems, especially those that have the potential to increase their productivity to enable them not only to ensure family consumption, but also to be able to market them to generate additional income. This is important because they are tangible benefits and are directly associated with food production, therefore, are most needed by the population of the basin.

Most important environmental and social issues

The consultation process produced important aspects to consider in the context of the basin's population. The most important aspects are the following:

- High/increasing soil degradation levels. The main cause of this problem is poor agricultural practices (burning of agricultural plots and pastures, overgrazing, use of agrochemicals, lack of soil conservation practices in production systems) that have historically affected the area.
- Pressure on existing forest resources. There is a high demand for firewood, which is used as fuel for cooking or as wood for building houses.
- Lack of efficient technologies for sustainable water use in agricultural and cattle farming activities that require this resource, in addition to the problem of droughts, which aggravates the problem of scarcity, including household uses.
- Land tenure situation. This is a problem in both El Salvador and Honduras, and should be considered as a risk factor depending on the nature of the actions to be promoted in the territory. This should be an element of assessment in the characterization of beneficiaries.
- Deterioration of natural habitats and biodiversity. As a result of the growing demand for natural resources, especially forestry, ecosystems are increasingly adversely impacted and, as a result, transit, refuge or nesting areas for fauna species are limited, which leads to problems in pollination and seed dissemination.
- Food and nutritional insecurity. At the more social and economic level, we find a serious situation of malnutrition, as expressed by participants from different sectors consulted. It naturally brings along other cognitive development, physical capacity, metabolic development problems, among others.
- Limited coverage of public policies aimed at environmental sustainability. There is a constant demand for institutions mandated to promote sustainability strategies to strengthen their mechanisms and measures aimed at promoting sustainable development.
- Unemployment and migration, especially in the lower zone of the basin, is the most identified phenomenon. Although migration itself is not seen by most people as a problem, but as an opportunity to improve the financial conditions of the families as a result of sending family remittances, nevertheless, in order to guarantee the appropriation and sustainability of some of the project actions, this migration, which is also based on a lack of roots to agricultural activities, could limit the scope of the expected results.

  On the other hand, unemployment is a problem throughout the region. However, it can be an enabling factor or opportunity to insert youth into local productive activities, even as an alternative to illegal migration or internal migration in each country. In this sense, it is important to take into account measures for the characterization and prioritization of potential beneficiaries according to the activity to be implemented in the communities.
- Unregulated markets. The representatives of productive sectors such as cattle farming as well as fruit and vegetable producers state the serious problem of product smuggling that mainly affects local commerce. Given that since it is an illegal product that does not pay taxes or, in the best of cases, there is an opening for the commercialization of imported goods with low quality controls, prices are lower, and therefore, local products are not purchased despite being of better quality. In addition, there is lack of installed capacity to enter larger markets such as the more developed urban centers in both Honduras and El Salvador. This is a problem that is mainly experienced in El Salvador.
- Weak institutional presence (agro-environmental). From the communities' perspective, there is a weak or limited exercise of the functions legally established for central government institutions, both to promote sustainable productive practices according to their role, as well as to enforce sectoral regulations to punish crimes.

- Fragmentation of efforts at the local level. Based on the people consulted, the experience shows the coordination of efforts, harmonization of tools and mechanisms and avoidance of duplication of efforts, from the cooperation agencies that promote actions at the local level.
- Limited coverage of communication services in the communities. This aspect must be taken into account for the capacity building and risk management actions of the project, given that in many areas within the basin the coverage of communication services is limited and in some cases inexistent.

4. Screening Questionnaire

The project was screened against the 15 Environmental and Social Principles of the Adaptation Fund.

The screening tool consists of a list of around 20 general level 1 questions (indicated with two digits, e.g. 3.1) and around 60 detailed level 2 questions (indicated with three digits, e.g. 3.1.1). They are categorized in 15 thematic areas that correspond with the 15 Environmental and Social Principles of the Adaptation Fund. All level 1 questions must be answered first.

If a level 1 question is answered with a 'yes', it leads to more detailed questions of level 2. All level 2 questions under a level 1 question that triggered a 'yes' need to be answered. This can be done after community consultation. If a level 1 question is answered with a 'no', then the corresponding level 2 questions do not need to be answered. An explanatory comment should be added to all questions that were answered with a 'no' or 'yes'.

Answers to the detailed Level 2 questions result in one of three degrees of concern. If any Level 2 question is answered with a 'yes', the indicated degree of concern will determine the degree of concern for the whole activity. This means that if a single question indicates a high degree of concern, the activity is classified as an activity of high concern and appropriate measures must be taken. If no question is answered with a high degree of concern, but at least one medium-level concern is raised, then the activity is a medium concern activity. If no Level 1 or Level 2 questions are answered with a 'yes', then the activity is of low concern and no further action is required.

It is possible that a level 1 question is answered with a 'yes' and all associated level 2 questions are answered 'no' as they are more detailed and specific questions of the same issue. If all the level 2 questions are answered 'no', then this area will be of low concern, even if the level 1 questions was answered with a 'yes'. If a potential impact is not covered by any of the L1 or L2 questions, it can be added in the empty box at the end of each of the sections.

The results of the screening questionnaire are presented in Table 1 below.

Table 1. Environmental and Social Screening tool Questionnaire results

1. Compliance with the law				
1.1 Is there a risk that the activity would not comply with an applicable domestic or international law?			No	Project activities will be implemented in alignment and compliance with national and international regulatory and policy frameworks signed by El Salvador and Honduras.
	1.1.1 Is there a risk that the activity would not comply with an applicable international law?	High		
	1.1.2 Is there a risk that the activity would not comply with an applicable national or local law?	High		

2. Access and Equity				
2.1 Could the activity lead to changes in local tenure arrangements for existing resources or resources created by the activity?			No	The project interventions do not include activities that may promote changes in the tenure arrangements of the resources located in the watershed.
	2.1.1 Could the activity lead to changes in tenure arrangements that potentially could put groups or individuals at a disadvantage or could lead to disagreements and conflicts?	High		
2.2 Could the activity create or exacerbate intra- or inter-community conflicts?			No	The project is designed to ensure an equitable and fair distribution of benefits to the target vulnerable communities. Activities are established to address inequalities assessed during the proposal development and specific indicators are proposed to verify compliance with these measures and evaluate economic, environmental, and social benefits. By adopting an equal participation and empowerment approach, internal and external conflicts will be avoided within the watershed.
	2.2.1 Could activities lead to opening up of existing or creating new minor conflicts or disagreements within or between groupings or communities?	Medium		
	2.2.2 Could activities lead to opening up of existing or creating new conflicts or disagreements within or between groupings or communities which potentially could become entrenched, violent, or spread to additional groups or communities?	High		
	2.2.3 Could the activity bring unequal economic benefits to a limited subset of the target group?	Medium		

	2.2.4 Could the activity lead to increased un-employment that would not be absorbed by other sectors or activities?	Medium		
2.3 Could the target beneficiaries or stakeholders be dissatisfied due to limited consultation during activity design or implementation (including due to inadequate Complaints and Feedback Mechanisms)?			No	The project design team held extensive consultations on the proposed activities, targets and expected results. The project timeline establishes that during the first year a baseline survey and a participatory planning are scheduled for identification of beneficiaries and sub-watersheds targeted for the implementation of the activities, in order to ensure the commitment and sustainability of the interventions. A Complaints and Feedback Mechanism will be set up.
	2.3.1 Could the activity lead to dissatisfaction or negative impacts due to lack of beneficiary or other stakeholder participation in planning, design, implementation, or general decision making?	Medium		
	2.3.2 Is there a risk that not all relevant stakeholders, and especially marginalised or vulnerable groups, have been identified and consulted or that they have been exposed to internal or external pressure or coercion or not able to comprehend the consultations?	Medium		
	2.3.3 Could there be negative impacts due to an inadequate Complaints and Feedback Mechanism during project implementation?	Medium		

3. Marginalized and Vulnerable Groups				
3.1 Could the activity imposing disproportionate adverse impacts on marginalized and vulnerable groups?			No	The project is designed to provide an equal share of benefits to vulnerable groups, such as women, youth and indigenous peoples. The design team has undertaken studies on gender and indigenous peoples and relevant recommendations have been included in the project design to address barriers and meet needs of those groups.
	3.1.1 Is there a likelihood that the activity would have inequitable or discriminatory adverse impacts on affected populations, particularly people living in poverty or marginalized or excluded individuals or groups?	Medium		
	3.1.2 Could the activity potentially restrict availability, quality of and access to resources or	High		

	basic services, in particular to marginalized individuals or groups?			
	3.1.3 Could the activity aggravate the situation of vulnerable, marginalised, or otherwise disadvantaged individuals or groups?	High		
3.2 Could the activity lead to influx of a temporary or permanent alien workforce?			No	The project will promote engagement and participation of community members for sustainable and diversified income-generating activities to build local livelihoods' resilience. During the first year of implementation, the project will carry out the CBPP for the implementation of activities at the sub-watershed and community sites levels prioritizing the direct involvement of the labor force of the community.
	3.2.1 Could the activity lead to influx of a temporary or permanent alien workforce of relatively small size in a relatively isolated or culturally sensitive community?	Medium		
	3.2.2 Could the activity lead to influx of a relatively large temporary or permanent major alien workforce (>10% of existing community) or a smaller group which could be expected to have important cultural, health, or socio-economic impact on a local community?	High		

4. Human Rights				
4.1. Could the activity fail to respect human rights?			No	The project is in line with the UN principles and WFP guidance to respect human rights. Likewise, the Executing Entities - the Ministries of Environment in both countries - are mandated to comply with national policies in relation to compliance with human rights.
	4.1.1 Could the activity lead to violation of fundamental human rights as defined by international, national or local law?	High		
	4.1.2 Could the activity of partners, contractors, or suppliers, lead to violation of fundamental human rights as defined by international, national or local law?	High		

5. Gender Equality and Women's Empowerment

5.1 Could the activity lead to gender-based inequality, discrimination, exclusion, unwanted workload, or violence?			Yes	The project has been developed to ensure a fair participation of women, as one of the vulnerable groups, in all activities. This has considered the possibility to involve women in productive and revenue-generating activities according to their triple workday (productive, reproductive and community) occupation. However, given the current situation of inequality in the project area and recognizing the higher impact of climate change on women and girls, there is a residual risk that gender inequalities are amplified or extended.
	5.1.1 Could the activity lead to gender-based violence?	High	No	
	5.1.2 Could the activity create or amplify conditions for gender-based inequalities?	Medium	No	Gender-based inequalities are widespread in the project area. To avoid any risk of amplifying those inequalities, a gender assessment has been carried out and it informed the project design.
	5.1.3 Could the activity lead to gender inequities in who makes decisions?	Medium	No	
	5.1.4 Could the activity lead to increased unpaid work for women and girls?	Medium	Yes	Unpaid work and care work is one of the main barriers that women encounter in attaining economic autonomy. This type of work lacks recognition and visibility in addition to concentrating the greatest number of hours on a daily basis. Some of the project activities, like participation technical and financial trainings, exchange visits, may compete with the time available to women for domestic works, usually assigned to them. This could limit women's participation and increase working hours. This situation is also applicable to young women and girls because they could be involved in household chores, with the subsequent effects of reduced school attendance and less time for their emotional development. The project has identified the following mitigation measures to reduce the unpaid work and care responsibilities of women and girls: • Prepare plans for equal tasks in all communities, which will be integrated in the CBAP; • Use of time- and effort-saving technology, such as wood-saving stoves, corn mills, water pumps;

				• Create spaces for the care of children and the elderly in the communities, through strategic alliances with state organizations; • Geographic location of project activities will consider proximity criteria to reduce travel time for women and girls. • Discussion or social gatherings will be promoted to generate recreational spaces to improve the mental health of the women involved, under the principles of "do no harm".

6. Core Labour Rights				
6.1 Could the activity fail to respect core labour rights?			No	WFP implements and requires to its cooperating partners full compliance with labor policies and adherence to labor rights.
	6.1.1 Does the activity involve support for employment or livelihoods that may fail to comply with national and international labour standards (i.e. principles and standards of ILO fundamental conventions)?	High		
	6.1.2 Could the activity, or that of partners, contractors, or suppliers, involve use of child (<14y) or forced labour?	High		

7. Indigenous Peoples			
7.1 Does the activity involve indigenous peoples or could it affect indigenous peoples?		Yes	According to population data from the municipality of Santa Ana, department of La Paz[96] the approximate population is 11,343 inhabitants, of which, according to the results of the consultation sessions, 95% recognize themselves as descendants of the Lenca people. The project team has undertaken various consultations with Indigenous Peoples organizations to obtain their Free Prior and Informed Consent (FPIC). Findings highlight the positive response received from the representatives of the indigenous

[96] https://portalunico.iaip.gob.hn/portal/index.php?portal=208

				peoples as they expressed their interest in being part of the project implementation. The proposed risk mitigation measures that have been incorporated in the ESMP are the following: • Incorporate a 15% quota of indigenous population as direct beneficiaries and include monitoring indicators covering indigenous women and youth. • The project will develop a Plan for Indigenous Peoples' Participation in the implementation of the project. • The project will include a mechanism for participation, dialogue, and consultation with indigenous peoples. The FPIC process will continue throughout project implementation and consent on specific activities will be obtained before their implementation.
	7.1.1 Could the activity negatively affect indigenous peoples, culturally or otherwise, without their specific Free, Prior, Informed, Consent (FPIC)?	High	No	

8. Involuntary Resettlement				
8.1. Could the activity lead to resettlement?			No	None of the activities of both Project components foresee displacement or resettlement of the targeted communities
	8.1.1 Could the activity lead to involuntary economic or physical resettlement of households or individuals?	High		

9. Protection of Natural Habitats			
9.1 Could the activity lead to negative impacts on natural habitats?		Yes	In El Salvador the project has prioritized the municipalities of Pasaquina and Alianza, which have mangroves protected areas, whereas in Honduras the municipalities of Santa Ana, Opatoro and Guajiquiro have forest protected areas. Agriculture is currently practiced in the buffer areas. Some agricultural practices could affect refuge areas and habitats of fauna species such as birds and small mammals. Agroforestry

				and intercropping techniques promoted by the project as diversification strategy, when in proximity of protected areas and forested sites, could potentially attract more wildlife (mainly birds and small mammals) in search for food. These species may be hunted for food or crop protection by locals. To avoid any risk, the project will avoid the implementation of agroforestry or any other agriculture activity in areas where species identified as endangered are reported. The project will not intervene in protected areas or implement activities that could fragment ecological corridors as nesting, refuge, feeding or resting sites. Furthermore, the project will intervene in degraded sub-watersheds to avoid further ecological fragmentation. Interventions in degraded areas should promote the recovery of wildlife habitat and ecosystem services The ESMP includes mitigation measures to avoid impacts to natural habitats, it will also identify existing information on the intervention areas such as baseline surveys to avoid critical habitats and high-value biodiversity areas, promoting participatory monitoring of local species in agroecosystems, protection of natural habitats and the improvement ecosystem services. Finally, compliance with national and international regulations applicable to protected and buffer areas will be strictly adhered to considering that protected natural areas located in the watershed are categories IV and VI according to the IUCN classification.
	9.1.1 Could there be negative impacts on critical migration corridors of endangered or otherwise or important animal or insect species?	High	No	
	9.1.2 Could the activity lead to increase in unregulated or unlicensed collecting, hunting, or fishing?	Medium	Yes	Agroforestry and intercropping techniques promoted by the project as diversification strategy, when in proximity of protected areas and forested sites, could potentially attract more wildlife (mainly birds and small mammals) in search for food. These species may be hunted for food or crop protection by locals. The project will not implement any activity in areas where there could be a human-wildlife conflict. Additional mitigation measures included in the ESMP would revolve around awareness-raising campaigns, environmental education, and adequate technical assistance to farmers and local population.

	9.1.3 Could a natural habitat be significantly degraded, fragmented, or more than half of extent destroyed?	Medium	No	
	9.1.4 Could a natural habitat be almost fully destroyed or degraded so that it no longer could function as natural habitat for the original fauna/flora?	High	No	
9.2 Could the activity lead to negative impacts in protected or internationally recognized areas?			No	
	9.2.1 Will any major constructions be located close (<200m) to critical habitats, protected areas, or areas of particular or locally recognized ecological significance?	Medium		
	9.2.2 Could the activity lead to negative impacts on protected or internationally recognized areas?	High		

10. Conservation of Biological Diversity				
10.1 Could the activity lead to negative impacts on biodiversity or endangered species?			No	The project will not intervene in protected areas and will aim to preserve agrobiodiversity. No exotic species (e.g. pasture and forest or crop species) will be introduced for agricultural activities. Training of community extension workers will include themes like the preservation of agrobiodiversity and natural resources as well as protection and conservation of high-value biodiversity and protected areas and sustainable management in buffer zones with a focus on landscape and natural habitat restoration. Agroforestry schemes and silvopastoral systems are also important measures promoted by the project to increase forest cover, protect water bodies, and increase ecological connectivity in subwatersheds.
	10.1.1 Could the activity lead to degradation of biodiversity or significant reduction in one or more common animal, insect, or plant species?	Medium		
	10.1.2 Could the activity lead to loss (eradication or removal from local area) of one or more animal, insect, or plant species?	High		
	10.1.3 Could there be negative impact on any endangered or critically endangered animal, insect, or plant species?	High		

	10.1.4 Could the activity lead to introduction of invasive alien varieties or species which could influence local genetic resources?	Medium		
	10.1.5 Could the activity lead to introduction of invasive alien varieties or species which potentially could eradicate, change, or significantly reduce local naturally occurring varieties or species?	High		
	10.1.6 Could the activity introduce genetically altered organisms?	Medium		

11. Climate Change				
11.1 Could the activity lead to increased exposure, increased vulnerability, or reduced resilience of beneficiaries to the effects of climate change?			No	The goal of the project is to strengthen the resilience of the most vulnerable communities through capacity building and empowerment and the dissemination of community and ecosystem-based adaptation and land restoration practices. The project seeks to reduce the vulnerability to climate shocks and stressors of vulnerable communities and degraded ecosystems through an integrate climate risk management approach that includes Disaster Risk and Integrated Watershed Management.
	11.1.1 Could the activities result in increased exposure to climate induced hazards?	High		
	11.1.2 Could the activity result in beneficiaries being more vulnerable to climate-related stresses?	High		
	11.1.3 Could the activity lead to beneficiaries having less means or options to withstand shocks resulting from extreme weather events (floods, storms, drought)?	High		
11.2 Could the activity lead to increases in greenhouse gas (GHG) emissions or to reduction of carbon sinks?			No	None of the activities in the project is expected to increase greenhouse gas emissions or reduce carbon sinks.
	11.2.1 Could the activity lead to significant increases in GHG emissions during operation phase?	Medium		
	11.2.2 Could the activity lead to significant degradation or destruction of elements which absorbs and stores carbon from the atmosphere (trees, plants, soils)?	Medium		

12. Pollution Prevention and Resource Efficiency

12.1 Could the activity lead to significantly increased release of pollution to air, land, or water during construction or operation?			No	The project design foresees the purchase of natural or biodegradable agricultural inputs, products or materials to be delivered to the beneficiaries. Moreover, all will comply with low or zero toxicity standards and regulations for their adequate final disposal. Organic and agroecological inputs (composts, biopesticides) will be used for the adoption of adaptive practices, while implementing technologies for sustainable soil and water conservation. The project includes the use of photovoltaic systems for operating small-scale irrigation systems. Use of environment-friendly renewable energy sources is also planned for processing and storage facilities.
	12.1.1 Could the activity lead to a dangerous increase in release of pollutants (incl. noise) to air, land, or water during construction or as result of accidents?	Medium		
	12.1.2 Could the activity lead to a dangerous increase in release of pollutants (incl. noise) to air, land, or water during normal operation?	Medium		
	12.1.3 Will the activity lead to any open burning of plastic waste during construction or operation?	Medium		
	12.1.4 Could the activity lead to significant negative impacts on visual aesthetic values?	Medium		
	12.1.5 Could the activity lead to discharge of untreated wastewater to the environment?	High		
12.2 Could the activity lead to procurement, transport, or use of chemicals, hazardous materials, or ozone depleting substances subject to international bans?			No	None of the activities in the project involves procurement, transport, or use of hazardous materials, or ozone depleting substances.
	12.2.1 Could the activity lead to procurement, transport, or use of chemicals or other hazardous materials, including asbestos and ozone depleting gases which will not be handled and disposed of safely by following normal Standard Operating Procedures?	Medium		
	12.2.2 Could the activity lead to procurement, transport, or use of chemicals or other hazardous materials subject to international bans?	High		
12.3 Could the activity lead to increased use of agro-chemicals?			No	Under component 1, the project will introduce climate-resilient agricultural practices in selected communities, but this is not expected to lead to an increase in the use of agro-chemicals.

				To the contrary, the project will promote natural solutions to increase agricultural productivity (e.g compost, agroforestry) and to combat pests (e.g. integrated pest management).
	12.3.1 Could the activity lead to use of agro-chemicals that potentially could be replaced or reduced by alternative environmentally friendly products or techniques?	Medium		
	12.3.2 Could the activity lead to use of pesticides or other chemicals, which could have an unintended effect on non-target species and environment?	Medium		
	12.3.3 Could the activity lead to use of WHO class 1a, 1b, or Class II pesticides without proper application of the International Code of Conduct on Pesticide Management?	High		
	12.3.4 Could the activity lead to use of pesticides, herbicides or other chemicals or materials containing or polluted by Persistent Organic Pollutants (POP's) as listed by the Stockholm Convention?	High		
12.4 Could the activity lead to very high resource use (such as fuel or water) during operation?			No	None of the activities in the project involves high resource use. All activities are small-scale and are managed at household or community level.
	12.4.1 Could the activity lead to more than 100,000 litres per year of diesel, in vehicles and/or generators?	Medium		
	12.4.2 Could the activity lead to major use of water from unsustainable sources (bottled and transported, gradual depletion of ground- or surface-water, change of local waterways etc.)?	Medium		
12.5 Could the activity lead to generation or transport of hazardous or non-hazardous waste which could have negative environmental impacts?			No	None of the activities will generate waste, neither hazardous nor non-hazardous.
	12.5.1 Could the activity lead to significant increase in generation of waste that will not be disposed of in an environmentally friendly manner (recycled, re-used, or recovered) by WFP, beneficiaries, or third parties?	Medium		
	12.5.2 Could the activity lead to generation of hazardous waste which will not be handled and	Medium		

	disposed of safely by following normal Standard Operating Procedures?			

13. Public Health				
13.1 Could the activity lead to increased risk to community health and safety from use of equipment, materials, transportation, or natural hazards?			No	The project is aiming at reducing climate vulnerabilities and increase coping capacities of targeted communities through a climate risk management integrated approach. Disaster risk reduction and health and safety management are integral part of the community-based risk mitigation approach.
	13.1.1 Could activities during construction or operation phase lead to increased community risks from e.g. increased traffic, inappropriate design or use of equipment and materials which would not be handled by following normal Standard Operating Procedures?	Medium		
	13.1.2 Could the activity cause community exposure to water-born, water-based, water-related, vector-born or communicable diseases?	Medium		

14. Physical and Cultural Heritage				
14.1 Could the activity negatively affect heritage?			No	The project will ensure compliance with the provisions of FPIC regarding heritage and the recommendations established in the Annex 4 "Consultation with Indigenous Peoples with presence in the Goascorán watershed, in order to manage their Free Prior and Informed Consent (FPIC)". The project has included the identification of sacred or culturally important sites in the targeted communities to be undertaken with participation of IPs Organizations. The maps will be incorporated in the baseline information to ensure adequate safeguarding of physical and cultural heritage sites and integrate IPs/social considerations in the dissemination of adaptative practices.
	14.1.1 Could the activity negatively impact any form of physical or cultural heritage?	Medium		

15. Land and Soil Conservation			
15.1 Could the activity lead to negative impacts on soils, groundwater, water bodies, water ways, coastal areas, or the sea		Yes	One of the main project outcomes will be the restoration of degraded lands and conservation of natural resources. Through EbA measures and nature-based solutions, ecosystems and sub-watersheds productivity will be improved delivering environmental benefits in the medium/long run such

				as reduced soil erosion, restored gullies, reduced landslides, increased water availability, enhanced ecological functions, conservation of agrobiodiversity, etc. Practices and technologies introduced by the project include agroforestry systems with fruit trees, agro-silvopastoral systems, irrigation systems for vegetable production, water recharge techniques. Despite the implementation of EbA and conservation practices, the project might cause increased pressure on water sources and water demand in the middle and lower areas of the watershed due to augmented work on agricultural activities for staple and vegetable production.
	15.1.1 Could there be significant impacts on quality or quantity of surface- or ground-water?	Medium	Yes	Considering the recurrent droughts in the area, the promotion of agricultural activities and implementation of small-scale irrigation systems could increase the pressure on surface water bodies. This could happen for off-season crop production or the rehabilitation of previously abandoned agricultural land as a result of the technical and financial support and inputs that the project will provide. It is important to emphasize that in several communities the drinking water supply systems are based on small water catchment structures in micro-basins and conveyed via gravity to homes. In this sense, the establishment of productive activities in areas close to these water reservoirs could generate competition in the use of this resource. The following mitigation measures have been identified: • Incorporate a monitoring system to control the volumes of water for irrigation. • Implement small-scale cost-effective water irrigation schemes and rainwater harvesting structures at community and household levels. • Develop activities for the conservation and protection of water recharge areas in sub and micro watersheds.
	15.1.2 Could the activity lead to major changes in flow regimes of local waterways, conditions of water bodies, or coastal areas?	High	No	

	15.1.3 Could the activity lead to increased soil erosion, run-off, or significant changes to soil characteristics?	Medium	No	
	15.1.4 Could the activity lead to serious soil erosion (e.g. major gullies, sheet erosion etc.) or major detriments to soil quality over a large or locally important area?	High	No	
15.2 Could the activity lead to negative impacts on forests, wetlands, farming or grazing land, or other landscape elements of ecological or economic importance?			No	Beneficiary farm plots will be selected based on a multi-set of criteria that will include ecological connectivity to micro and sub-watershed to contribute to landscape restoration.
	15.2.1 Could the activity lead to degradation or fragmentation of local forest areas, wetlands, prime farming or grazing land, or other landscape elements of ecological or economic importance?	Medium		
	15.2.2 Could forests, wetlands, prime farming or grazing land, or other landscape elements of ecological or economic importance be almost fully destroyed or degraded or heavily fragmented?	High		
	15.2.3 Could the activity lead to significant increase in consumption of locally sourced fuel-wood?	Medium		

5. Risk mitigation measures for general risks identified and related monitoring arrangements

AF ESP Principle	Identified risk	Possible impact	Level of risk	Mitigation measures	Responsible	Budget provisions	Monitoring arrangements and/or indicators
Gender equality and empowerment of women	Some of the project activities, like participation technical and financial trainings, exchange visits, may compete with the time available to women for domestic works, usually assigned to them. This could limit women' participation and increase working hours.	Deterioration of the quality of life of women and girls in the Goascorán watershed	Medium	Develop gender awareness and trainings, share knowledge materials including policies and national instruments that promote gender equity and equality in new masculinities targeted to men and women in the communities. Develop actions for social and economic empowerment aimed at vulnerable groups, women, indigenous peoples, and youth. Implement actions and commitments to reduce the domestic burden of women participants for an equal distribution of household functions and increase women participation in income-generating activities. Set indicators to measure and disseminate progress in reducing gender inequalities in the project intervention areas.	Executing Entities, WFP	Specific training and awareness raising sessions will be organized in the framework of the trainings provided under Component 1. See "training and workshops" budget line for Activities 1.1.2.3 and 1.1.3.3. Concrete adaptation activities will be selected making sure that options for economic empowerment of vulnerable groups are included, domestic burden of women is reduced (i.e. water availability assets, processing facilities), increase women in income generating activities (i.e. homestead farming, livelihood diversification opportunities). Budget fully embedded in FLAs with cooperating	At least 35% of the total project beneficiaries are women. 100% of the project technical team and implementers have been trained in gender awareness processes. At least 80% of the participants in project activities have participated in gender awareness processes. 100% of the CBAPs include plans for equal tasks.

AF ESP Principle	Identified risk	Possible impact	Level of risk	Mitigation measures	Responsible	Budget provisions	Monitoring arrangements and/or indicators
						partners under Output 1.1.2. No additional cost is foreseen for the development of the indicators. M&E officers will make sure appropriate indicators are designed and included in the M&E system of the project.	
Indigenous peoples	Project activities involve Indigenous Peoples. In the project area IP are marginalized from access to productive assets and quality resources	If the needs of IPs are not fully incorporated in the project, Ips might be further marginalized and not benefit from project activities.	Medium	Include indicators that monitors benefit for indigenous people, including women and youth. Prepare and implement a Plan for Indigenous Peoples' Participation in the project implementation. Establish a mechanism for participation, dialogue, and consultation with indigenous peoples.	Executing Entities, WFP, CICA and local IP Organizations	No additional cost is foreseen for the development of the indicators. M&E officers will make sure appropriate indicators are designed and included in the M&E system of the project. A plan for Indigenous Peoples' Participation will be developed in the framework of the finalization of the FPIC process. A specific contract has been budgeted under Activity 1.1.2.1.	15% of the project beneficiaries are part of indigenous peoples, noting that the presence of indigenous peoples is concentrated in two of the 14 municipalities. 100% of the indigenous people participation plan has been implemented. 2 semiannual reports per year on the

AF ESP Principle	Identified risk	Possible impact	Level of risk	Mitigation measures	Responsible	Budget provisions	Monitoring arrangements and/or indicators
							functioning of the mechanism for participation, dialogue, and consultation for indigenous peoples.
Protection of natural habitats	Agroforestry and intercropping techniques promoted by the project as diversification strategy, when in proximity of protected areas and forested sites, could potentially attract more wildlife (mainly birds and small mammals) in search for food. These species may be hunted for food or crop protection by locals.	Decrease in the number of wildlife species which may also affect ecosystem services. ti	Medium	Avoid anthropogenic activities in areas where listed species (category 1-5) inhabit and when the protected areas management plan or IUCN category is not compatible with the proposed interventions. When working in any other areas such as previously intervened, degraded or farms lands: • Promote community-level biodiversity monitoring mechanisms in agro-ecosystems and natural habitats. • When feasible and relevant, incorporate biological corridors for the protection of natural habitats and forests. • Train community extensionists in natural resource	Executing Entities, WFP, governments	No additional budget required, FLAs with cooperating partner will include these specifications. The Project Team and WFP Resilience Activity Managers will ensure compliance of all activities with the provisions of this ESMP.	Map the intervention areas and the areas where red listed species inhabit with the protected areas buffer zones 100% of beneficiaries are aware of the areas in which the intervention can and cannot be implemented Number of hectares intervened by the project where red listed species inhabit Number of hectares

AF ESP Principle	Identified risk	Possible impact	Level of risk	Mitigation measures	Responsible	Budget provisions	Monitoring arrangements and/or indicators
				management and wildlife conservation			intervened by the project inside protected areas and/or buffer zones where interventions are not compatible with the management plan or IUCN category. Community nurseries in the three basin areas. Dissemination plan for the protection of buffer zones implemented with local organizations. 100% of extensionists trained in natural resources management and species

AF ESP Principle	Identified risk	Possible impact	Level of risk	Mitigation measures	Responsible	Budget provisions	Monitoring arrangements and/or indicators
							conservation /protection. Annual reports of the community-level biodiversity monitoring mechanisms
Land and soil conservation	Considering the recurrent droughts affecting the watershed, the promotion of agricultural activities and small-scale irrigation systems could increase the pressure on surface water bodies for agricultural production purposes	Reduced water supply and water scarcity	Medium	Ensure that adaptation plans and guidelines for ecosystem restoration incorporate indicators for efficient water use. Incorporate a monitoring system to control the volumes of water for irrigation.	WFP-Executing Ministries, PMU technical team, local organizations and partners.	this is embedded in the contractual arrangements with cooperating partners who will implement concrete activities under Output 1.1.2. The Project team and WFP Resilience Activity Managers will ensure compliance of all activities with the provisions of this ESMP.	100% of the adaptation plans incorporate indicators for efficient water use. A monitoring system to control the volumes of water for irrigation purposes is in place.

Management of the potential risks stemming from USPs under Project Component 2

The project includes USPs under Component 1. The details of these USPs will be defined during the implementation of the project, on the basis of the outcomes of the planning exercises conducted with the communities.

Field Level Agreements (FLAs) will be signed with cooperating partners (CP) for the implementation of the USPs. Cooperating partners will be selected among local NGOs with presence and experience in the watershed. During the selection process, the experience and capacity in gender-related matters and environmental and social safeguards will be carefully assessed.

Upon inception, each cooperating partner will be trained by WFP on Environmental and Social Safeguards and Risk Screening. This is standard practice in WFP, and the cost will be covered by the organization as an in-kind contribution to the project.

Under the supervision of the project team, the cooperating partners will be in charge of conducting the CBPPs and implement the concrete activities selected by each community. An Environmental and Social Risk Screening will be carried out by the CPs during the consultative identification of concrete activities of each USP, as a tool to inform and improve the design. CPs will use the Environmental and Social Screening Tool presented above to ensure that any potential unwanted impacts of these activities are anticipated, avoided, reduced, or mitigated. The CPs will be also in charge of developing a gender strategy to incorporate the recommendations of the gender assessment (Annex 3) in a comprehensive manner, including control mechanisms to ensure equal access of women, men, Indigenous Peoples, youth, the elderly and disadvantaged groups. Existing gender units of municipalities, governing entities of the National Gender Equality Policies of Honduras and El Salvador, and other institutions that promote the social and economic empowerment of women and groups in conditions of vulnerability, will also be invited to join workshops during project inception and the design of this strategy, to provide their expertise into the project and this gender strategy.

USPs will be designed based on the results of the strategy and the screening, and will include specific mitigation measures for each risk identified. These proposed USP, together with the Environmental and Social Risk Screening and the gender strategy, will be shared by CPs with the project team and with WFP for approval before implementation can start. The project team will assess each USP for compliance with the ESP and GP. As per WFP policy, the Resilience Activity Managers in the two Country Offices will be in charge of providing final clearance of the Environmental and Social Risk screening and the USP incorporating the mitigation measures for each risk identified and the associated implementation and monitoring plan.

The screening tool classifies activities into risk categories (low, medium, high), which determine what further action is required. Potential risks, whether social or environmental, will be identified at community level.

Low Degree of Concern (Category C) corresponds to a Category C activity and indicates minimal or no adverse impacts. Small impacts can be readily avoided or mitigated by adhering to WFP's E&S standards and the Adaptation Fund Principles. No further E&S Safeguard action is required beyond the application of the guiding principles, stakeholder engagement, and stakeholder access to complaints and grievance processes.

Medium degree of concern (Category B) corresponds to a Category B activity and indicates that there is expected to be some reversible impacts of limited magnitude and which can be mitigated. The difference between a Category A and a Category B activity is the greater possibility to prevent or mitigate some or all adverse impacts. If the impacts cannot be avoided by design changes, mitigation measures must be implemented. These measures will be included in the environmental and social management and monitoring plan and reported on to the Adaptation Fund.

High degree of concern (Category A) corresponds to a Category A activity and indicates that that highly significant or irreversible adverse impacts can be expected. If the activity design is not changed to avoid or mitigate those impacts, the activity should not be implemented, as it would infringe WFP policies.

Any identified risks will be subject to monitoring and follow-up to ensure that planned mitigation measures are implemented and effective. As described above, cooperating partners will be responsible for applying ESP and GP compliance when designing and implementing the USPs. The project team and WFP will monitor USP implementation to ensure it comply with quality standards, achieves the expected results and fully comply with ESP and GP. WFP Resilience Activity Managers and Gender Officers will be ultimately responsible for ensuring compliance throughout project

implementation. Regarding the budget for screening and design of USP that incorporate mitigation measures, this is fully embedded in the FLAs that will be signed with CPs. The cost of WFP staff responsible for ensuring compliance with ES and GP (specifically the Gender Officers and the Resilience Activity Managers in both COs) will be covered by WFP.

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The proposed project will fully comply with national laws particularly the National Environmental Regulations, the Adaptation Fund's Environmental and Social Policy and the WFP's social and environmental standards.

6. Grievance and redress mechanisms

WFP has a country-level community feedback mechanism in every country where it has operations and an institutional-level grievance redress mechanism.

The first interface for complaints or grievances from beneficiaries or affected populations is the country-level community feedback mechanism. The country-level community feedback mechanism in El Salvador and Honduras has three channels: direct interface committee, suggestion boxes and tollfree helplines. Beneficiaries are free to make a choice of which feedback mechanism to use.

- The **direct interface** committee consists of community members (50% women and youth at least) who are tasked with receiving and recording complaints and feedback from other members of the community, as well as channeling this to the responsible project officer. At all times feedback is given promptly, and for those requiring investigations, the Incident Management Protocol is followed, and this requires that investigations be done between 2-5 working days and findings shared with relevant stakeholders.
- **Suggestion boxes** are a free and easy way to collect real experiences and honest suggestions from anyone. The suggestion box is mostly used where anonymity is required by the user. The suggestion box is located at a strategic, secluded and convenient place so that people are not afraid to use it. It is lockable and the keys are kept with the responsible WFP officer. The box is opened in the presence of the project team. All feedback is documented and categorized for reporting and/ or follow-up if necessary.
- The **tollfree hotline** allow participants to call or text their suggestions and complaints related to the project. The hotline number is throughout the project cycle and especially in key activities like registration. Project staff also ensure that they visibly display banners with details about the hotline through use of posters. The number is also available on registration cards. The management of the toll-free is done by a third party. All calls that come in are documented and categorised and transmitted to WFP. Immediate response can be given depending on the type of feedback/complaint.

The three channels of the complaints and feedback mechanism are explained to the communities during the community consultations that are held in the first year of project implementation. The tollfree number is also printed on all communication material about the project distributed to stakeholders.

For all the 3 mechanisms, data is captured into a common log and some of the information collected includes name of the person providing feedback, village, ward, district, cooperating partner, programme, nature of feedback. Issues are followed-up, investigated and action taken to improve on programme delivery. Data is analyzed and reports are shared monthly. Feedback is also communicated through stakeholder meetings and beneficiary meetings during registrations and distributions. For sensitive issues, feedback is given to the concerned persons bilaterally.

Issues of a severe nature that needs urgent escalation are referred immediately to CO management within 24 hours. All non-WFP related cases are referred to relevant stakeholders. Depending on the nature, the incident management protocol can also be initiated, which may lead to elevation of the case to the institutional-level grievance and redress mechanism managed by the Office of Investigations at the WFP headquarters.

The institutional-level grievance and redress mechanism can also be contacted directly at the confidential email hotline@wfp.org, the confidential phone +39 06 6513 3663, or the confidential fax +39 06 6513 2063.

Annex 3

Gender Assessment in the Goascorán Watershed

I. Introduction and context

This project is a regional initiative focused on resilience-building of vulnerable communities and ecosystems of the transboundary watershed of Goascorán river which lies between the Eastern Region of El Salvador and south-western Honduras. The Goascorán watershed, which flows into the Gulf of Fonseca, consists of 36 sub-basins, covering 13 municipalities in the El Salvadoran departments of La Unión and Morazán and 16 municipalities in the Honduran departments of La Paz, Valle, Comayagua and Francisco Morazán. The watershed falls within the Central American Dry Corridor, which stretches from southern Mexico to Panama, and which has recently experienced multiple years of severe drought. Being far from the main cities, the watershed is one of the least developed rural area with the in both countries.

According to a management plan prepared in 2007[97], the watershed covers an area of 2,345 km^2 with 52 per cent in Honduras and 48 per cent in El Salvador (IUCN, 2016)[98]. The Goascorán watershed can be divided into three main areas: i) a mainly mountainous upper basin with slopes greater than 50 per cent and steep ravines; suitability of high lands refer to silvo-pastoral, agroforestry, and ecotourism activities. ii) a middle basin, constituted by rugged hills with slopes varying from 20 to 50 per cent; and peaks reaching 540 meters above sea level. Lands in the middle basin favor tourism and cattle ranching; and iii) a lower basin, mostly constituted by plains, ancient valleys, slopes less 10 percent inland wetlands, estuaries and the delta in the Fonseca Gulf lying between El Salvador, Honduras and Nicaragua. Lower basin has potential for tourism, fishing, irrigation, aquaculture, and commerce/services. In terms of topographic characteristics, agricultural land represents only 5.86% of the area; the rest of the area has been classified as forestry land.[99]

Rural women in both countries face fundamental challenges. At national level, 39.3 per cent of women in Honduras and 41.6 per cent in El Salvador are economically dependent on men[100]. Data from the latest EFSA in the Dry Corridor from El Salvador, in biparental households headed by men, 80.4 per cent of men are the main bread winners. The national illiteracy rate in El Salvador is 12.2 for women while for men is 8.5[101] and in Honduras is 11.07 for women and 11.01 for men[102]. Sixty per cent of the illiterate population in rural areas are women[103].

Agriculture represents an important source of livelihoods for both men and women but only 12 per cent of producers are women. At national level, only 12 per cent of women in Honduras and 13 per cent in El Salvador own land and, typically, their parcels are smaller and less fertile.[104] Less than five per cent of women have access to credit and technical assistance.[105] Women generally lack awareness of their personal rights and empowerment opportunities. Women and girls face disadvantages in access to health, education, political representation, and formal employment. Rural families living in the Dry Corridor of both countries report women are mainly in charge of the non-remunerated care and domestic work (90 percent in El Salvador) but women also participate in the family agricultural work as well as informal income-generating activities. In Honduras, the control and use of financial resources is reflected in decision-making. While house expenditures and food

[97] Centro Agronómico Tropical de Investigación y Enseñanza (CATIE), 2007, *Plan de manejo de la cuenca binacional del río Goascorán* Turrialba, Costa Rica.
[98] The International Union for Conservation of Nature (IUCN), 2016, *La cuenca del Río Goascorán: Honduras y El Salvador: revitalizar la gestión transfronteriza integrando nuevos y diversos actores.* URL: https://portals.iucn.org/library/node/47631
[99] CATIE (2007). *Plan de manejo de la cuenca binacional del río Goascorán*.
[100] United Nations Economic Commission for Latin America and the Caribbean (CEPAL), 2017, https://oig.cepal.org/es/indicadores/poblacion-sin-ingresos-propios-sexo
[101] Multiple Purpose Household Survey, 2017, Department of Statistics and Censuses (DIGESTYC), El Salvador
[102] Permanent Multiple Purpose Households Survey, 2016, National Statistics Institute (INE), Honduras
[103] *Encuesta de Hogares de Propósitos Múltiples* (EHPM), 2014 www.digestyc.gob.sv/index.php/temas/des/ehpm/publicaciones-ehpm.html?download=559%3Apublicacion-ehpm-2014014.
[104] Red Centroamericana de Mujeres Rurales, Indígenas y Campesinas (RECMURIC), https://www-cdn.oxfam.org/s3fs-public/file_attachments/desterrados-full-es-29nov-web_0.pdf. Other statistics for Honduras provide even lower favorable land tenure figures for women: 8.2% compared with 86.4% men and 5.4% co-owned. Estudio sobre mujeres y tierra en Honduras, We Effect (www.latin.weeffect.org) Noviembre 2020. It should be noted that national statistics (census, agricultural and households surveys) do not usually provide gender-disaggregated data; therefore, data are provided by specific assessments and surveys that have time and area limitations.
[105] *Desterrados: tierra, poder y desigualdad en América Latina* Oxfam Internacional https://www.oxfam.org/en/peru-brazil-nicaragua-cuba-mexico-bolivia-el-salvador-dominican-republic/how-rural-women-are

purchase are often decided jointly as a couple, decisions related to what products to cultivate and sell is mainly dominated by men, showing women are still excluded, perpetuating gender inequalities and prevailing the social norm that a man "brings money home, works and supports the family".[106] The situation in El Salvador is similar.

These factors lead to negative consequences for capacity development of women, their autonomy. In the 2019 Gender Inequality Index (GII), El Salvadoran women are ranked 85th out of 189 countries and Honduran woman are ranked 100th.[107]

II. Gender Assessment

1. Scope of work

The WFP contracted the services of CATIE to carry out various technical studies in the Goascorán watershed in the territories of El Salvador and Honduras as part of the development of the regional project proposal to be submitted to the Adaptation Fund.

The purpose of the gender study assignment was to generate a participatory gender analysis with an intersectional participatory approach in accordance with the requirements, tools and policies of the AF and the WFP. The gender assessment is complemented by the Environmental and Social Risk Assessment, and the study on Free, Prior and Informed Consent (FPIC) of indigenous peoples.

This type of assessment is justified by the fact that both project design and implementation require an analysis of the specific legal context of gender equality and women's empowerment in which the project will operate, and of gender-related social norms that determine the relationships between women, men, boys, and girls within the targeted communities.

The study also provides gender-focused recommendations for the project design and implementation to strengthen the adaptive capacity of the communities in the Goascorán watershed by adopting a community-based adaptation approach that incorporates integrated watershed management, nature-based solutions, disaster risk reduction and best practices in climate risk management.

2. Expected results

The study includes the identification of the normative frameworks that support gender equality in El Salvador and Honduras, along with the legal instruments, agreements and international conventions that support them; assessment of gender gaps and inequalities in the watershed including the context of social and cultural norms. The study incorporates a gender risk assessment in the targeted municipalities through a participatory evaluation undertaken by the communities. The main activities associated with the mitigation of gender risks, a set of recommendations for gender-sensitive project design and implementation and the proposal of gender-related baseline and monitoring indicators were also identified and proposed.

3. Methodology

This study was conducted by using primary and secondary sources of information.

The methodology for the collection of primary information consisted of participatory consultations in communities located in seven municipalities of the Department of La Unión in El Salvador (Lislique, Concepción de Oriente, El Sauce, Pasaquina, Polorós, Nueva Esparta and Santa Rosa de Lima); and seven in Honduras in the Departments of Valle in the municipalities of Caridad and Alianza, Department of La Paz, the municipalities: Aguanqueterique, Guajiquiro, Lauterique, Opatoro and Santa Ana. These consultations were conducted jointly with the other assessment team members tasked for the development of the FPIC and ESA technical assessments, given the complementary and synergies with the gender assessment. The consultations were carried out with the beneficiary communities, and other stakeholders considering local customs, language, and preferred modalities of communication.

[106] Food for Peace Project Preliminary Assessment (EFSA), 2019, World Food Programme, Honduras
[107] Human Development Report, UNDP, 2020 http://hdr.undp.org/en/composite/GII

A literature review was conducted to produce secondary sources of information, and which is presented below.

4. Literature review

The review of secondary information sources provided access to recent studies on gender-related matters. However, the main limitation was the scarcity or absence of socioeconomic information disaggregate at local level because data are scarcely collected and analyzed at the municipal and departmental level.

a) Regulatory and public policy framework

International and regional framework

Commitment of El Salvador and Honduras to gender and social inclusion is evident in the signing and ratification of international conferences and conventions aimed at promoting gender equality, as well as the regional consensus on women in Central America and the Caribbean, which represent an important roadmap for the States of the region and women's organizations in matters of gender and human rights.

In recent years significant progress has been made in the commitments undertaken in regional and global consensus and conventions. This has contributed to the creation of a set of regulations and policies on gender equality aiming at the creation of fairer and more egalitarian societies as well as the reduction of violence against women.

Instruments that have been ratified by the countries of the SICA region and/or endorsed by ECLAC include:

1. The Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW 1979), ratified by El Salvador and Honduras;
2. American Convention on Human Rights (Pact of San José 1969) ratified by El Salvador and Honduras;
3. The Inter-American Convention on the Prevention, Punishment and Eradication of Violence against Women (Belém do Pará, 1994), ratified by both countries;
4. The Agenda 2030 and the implementation of the Sustainable Development Objectives whereby SDG 5 promotes Gender Equality and women empowerment (UN, 2015).

National frameworks:

National Women's Policy of El Salvador

In general, the National Women's Policy (PNM) establishes a set of pertinent and viable measures to be implemented by the different agencies of the state apparatus and as commitments established by the Salvadoran State to achieve gender equality.

Central American Integration System Regional Policy on Gender Equality (PRIEG/SICA)

This is a long-term policy that bases its institutional viability on the pillars of regional integration and is an instrument that provides guidelines and orientations for sectoral and national interventions around gender equality.

National Women's Policy and the Gender Equality and Equity Plan of Honduras (2010-2022)

This is a guiding instrument that contains the main needs and demands of women, as rights holders, and establishes the measures and actions to be considered by State institutions to advance towards gender equality.

Sectoral Policies for the Environment and Agriculture of El Salvador and Honduras

The key role played by State institutions in the commitment to achieve gender equality and the construction of more egalitarian societies is based on the obligation to comply with the National Gender Equity and Equality Policies.

In the case of El Salvador, there are two important policies: the gender policy of the Ministry of Environment and Natural Resources, which establishes measures for compliance with the legal framework and national and international regulations on natural resources and gender; it includes priority actions for climate change risk management. It also establishes a series of compliance measures and defines actions for the development of an institutional culture committed to gender equality and natural resource management.

Another important gender policy statement is that of the Ministry of Agriculture and Livestock, which establishes as one of its objectives: to provide inclusive services for the sustainable development of the agricultural sector and the rural sector, including actions for the restoration of agriculture in harmony with the environment and committed to substantive equality.

In the case of Honduras, the framework for action and the obligation of State institutions in the area of gender is established by the National Policy for Women and the Plan for Gender Equality and Equity of Honduras (2010-2022), which proposes institutional arrangements for the promotion of a new culture that generates recognition and respect for gender equality and equity as substantive values of social coexistence in a democratic system, establishing the regulations for State institutions on gender issues.

Another important instrument is the gender policy statement and action plan of the Secretariat of Natural Resources and Environment (MiAmbiente+), which includes among its objectives the effective and equitable participation of men and women in the management and conservation of the country's natural resources.

Although policy instruments that promote gender equality are available, both countries face challenges, mainly in terms of strengthening the capacities of the State and specific budget allocation for their implementation. This is particularly applicable for climate change adaptation. Despite the many efforts made, the integration of a gender perspective is still a challenge that requires innovative actions in the way of approaching effective adaptative solutions for both men and women.

ECLAC points out a series of structural factors that must be addressed to achieve gender equality and address climate change, including: i) socioeconomic inequalities (poverty, discriminatory and violent patriarchal cultural patterns); ii) the culture of privilege, the sexual division of labor and the unjust social organization of care; and iii) the concentration of power in the hands of men. It is also important to consider that the women empowerment and ownership are important elements for resilience-building in vulnerable communities.

b) Context of gender inequalities in El Salvador and Honduras

Main gender gaps

Despite their great contributions in El Salvador and Honduras in overcoming poverty, food insecurity, malnutrition and in reducing climate vulnerabilities in their households, rural women continue to be invisible. National statistics disaggregated by sex do not account for the participation of women in the rural world and their important role in rural economies, as agricultural producers, educators, organizers of their communities, household pillar and preservationist of natural resources.

Women have always been involved in productive work at household and community levels (self-consumption production, care of seeds, animal husbandry, among others), but their role has not been duly valued. Their contribution is often not accounted for, and they have historically been left out of decision-making processes that affect their livelihoods due to cultural factors, i.e., the predominance of patriarchal/macho prejudgments of both state actors and social movement leaders.

The assessment of gender gaps in the project areas constitutes valuable information for identifying effective measures to address them. However, the lack of disaggregated information at municipal and departmental level in both countries causes some data analysis challenges because the studies are outdated or not comparable between countries. Furthermore, some results from Multipurpose Household Surveys conducted by national institutions are not disaggregated by sex and sometime do not included the municipalities targeted by the project,.

Due to the above, the information identified and accessible in this section corresponds to literature review available at the national level, even though some set of disaggregated indicators for El Salvador are available at the municipal level and in others at the departmental level.

The main inequalities faced by women are related to the limited access and control they have over productive resources, including access to land, participation in the formal labor market, credit, and access to training.

a. Global Gender and Human Development Gaps Index

Despite the efforts made to reduce gender inequalities, El Salvador and Honduras continue to show significant gaps between women and men in different social and economic areas, which are reflected in both gender indicators and the Global Gender Gap Index[108] and the Human Development Index for both countries. In 2020 **Honduras** showed a gender gap of 72.2, which placed it in 58th position in the gender gap ranking, showing a decrease in the differences between men and women with respect to previous years. **El Salvador** showed a gender gap of 70.6 for the same year, which placed it in 80th position, and therefore requires more attention on the adoption of measures aimed at reducing inequalities between men and women.

b. Employment

Data about the participation in the labor market indicates that women have lower opportunities to get paid jobs. The differences are more accentuated in rural areas with lower levels of labor participation in both countries, with young women facing the greatest obstacles in accessing paid employment. Women between 15 and 24 years of age have one of the lowest participation rates in the Economically Active Population (EAP), both in El Salvador and Honduras, approximately 3 out of every 10 women in this group are part of the EAP compared to 8 out of every 10 men, on average.

As a result of the Covid 19 pandemic, national surveys have suffered implementation delays. Specific studies in El Salvador indicate that, in the context of the pandemic, the burden and disparities for women have increased, especially for women of childbearing age. Approximately 65% of women surveyed in a Plan International study indicated that they experience a significant increase in workload in the face of the realities of having children at home all day and increased financial worries. With the increased isolation of mandatory confinement, women's perception of support in the event of gender-based violence is significant. More than 50% of women would not expect any support from authorities in case of violence, and 1 in 3 women said they would not contact anyone in case of experiencing a violent act[109].

In Honduras, the pandemic has disproportionately affected women economically, as more women work in the informal sectors. Women accounted for a higher percentage of job losses and were forced to close businesses at a higher rate. Many were laid off and some were simply forced to leave the workforce to care for their homes and families and have also taken on the additional responsibility of educating their children at home. In this sense, the pandemic has highlighted and exacerbated existing gaps for women in Honduras, especially for those belonging to vulnerable and/or excluded groups: girls and adolescents, women with disabilities, those belonging to ethnic or religious minorities, and women with diverse sexual orientations or gender identities (UNDP-Honduras, 2021).

c. Poverty

As for poverty conditions, Table 1 shows that their distribution according to age, sex and geographic area is differentiated among the countries.

[108] The gender gap index analyzes the resources and opportunities between men and women in 156 countries (see: (https://www.weforum.org/reports/global-gender-gap-report-2021/).. It measures the size of the gender inequality gap in participation in the economy and the skilled labor market, in politics, access to education and life expectancy (Expansion.com/ Datosmacro.com, 2020). The indicator universally used to measure this gap is the difference between men's and women's average wages (in terms of men's wages).

[109] Study on sexual and gender-based violence against women, adolescent girls and young girls during COVID-19 quarantine. Plan International San Salvador, 2020.

El Salvador shows higher levels of poverty in rural areas than in urban areas, which is also shown by sex. Although Honduras presents a similar situation, poverty levels are higher than those of El Salvador both by geographic area and sex.

Table 1. Population living in extreme poverty and poverty by age, sex, and geographic area, 2019.

(Percentage of the total population in each age group and geographic area).

Geographic area	El Salvador				Honduras			
	Men		Women		Men		Women	
	Extreme poverty	Poverty	Extreme poverty	Poverty	Extreme poverty	Poverty	Extreme poverty	Poverty
National	5.6	30.1	5.7	30.7	20.5	52.7	19.5	51.8
Urban	2.9	21.9	3.4	23.4	7.6	36.8	8.1	36.8
Rural	9.8	42.8	9.4	42.8	34.9	70.5	34.5	71.4

Source: Prepared by CATIE by using data from ECLAC.

d. Access to land

In the case of Honduras, data on women's access to land is inconsistent, with some studies reporting 10% of women vs. 33% of men having access to land, while others highlight that because of increasing land concentration, only 3% of women in Honduras have access to land and 86% of rural women are landless (INE, 2005)[110].

Recent studies highlight that it is difficult to precisely know the current situation of land distribution in Honduras, since no agricultural census has been carried out since 1993. Available information indicates that women in Honduras have increased their land ownership in recent years, compared to the time of the last agrarian reform (1975). However, access to land is still limited.

El Salvador alsopresents deep gender gaps, especially in rural areas. In terms of land ownership, women represented only 11.9% of the owners of agricultural land in 2004, regardless of the quality of the land, increasing to 18.3% in 2008, a situation that does not favor the economic autonomy of women due to the strong limitations to access land ownership, so they develop agricultural activities at the level of backyard economies, which has an impact on low productivity and lack of innovation[111].

e. Unpaid and care work

Unpaid and care work is one of the main barriers that women face to achieve economic autonomy and continues to be the main activity performed in the communities of El Salvador and Honduras living in the Goascorán watershed. Such unpaid and care work lacks recognition and visibility, being also the one that occupies the largest number of hours of dedication for women.

Published studies (ECLAC, 2021) highlight that the distribution of unpaid work, composed of domestic and care work, reflects the unjust social organization of care between men and women. This inequality has a direct impact on advances in women's autonomy, particularly in terms of economic autonomy.

According to data from ECLAC (2021) El Salvador's Gender Equality Observatory, women spend 37.4 hours per week on unpaid work and care, while men spend 16.4 hours per week on this work. For the communities in Honduras, the situation is similar; men dedicate 7.8 hours per week to unpaid work and women dedicate 30.2 hours per week to these tasks.

The existing gap between men and women is present in El Salvador and Honduras, leading women to work overload and becomes the main limitation for their participation in other types of activities that

[110] https://tbinternet.ohchr.org/Treaties/CEDAW/Shared%20Documents/HND/INT_CEDAW_NGO_HND_25425_S.pdf
[111] ISDEMU. 2013. Situation of rural Salvadoran women in the economic sphere. San Salvador.

can generate income, improve their representation in decision-making spaces and in support livelihoods diversification and adaptation[112].

f. Credit and micro insurance

With respect to access to credit, there are no official data by country, which limits the corresponding analysis disaggregated by sex. When rural women can obtain credit, repayment conditions often force them to sell their harvest at very low prices, instead of storing it until prices rise. Although women have little access to formal credit, many can obtain credit through community banks and savings groups, as well as donor-funded credit projects and programs, hence the difficulties in obtaining reliable figures on women's access to credit. The different studies and participatory assessments of different institutions and cooperation agencies indicate that the lack of real guarantees and information are the two main obstacles to women's access to credit.

In general, in Honduras in 2019, women represent 36.5% of the total credits granted by the Financial System while men represent 63.5%. In financial companies, women's participation is 37.8% and men's 62.2%, and in Private Financial Development Organizations women have a participation of 40.8% and men with 59.2%, being these last two sectors where there are fewer gaps[113].

The limited public and private financing for agricultural activities is a weakness that has not been overcome in El Salvador. The 2008 Agricultural Census reports a national average of 10.3% of people with access to credit (of which 2.75% correspond to the department of La Unión), with the main providers being state banks and local lenders.[114]

In 2013, private commercial bank credit for agricultural activities was equivalent to 3.3% of total credit, while in 2014 this credit amounted to 3.4% of total credit[115]. For the same year, it is reported that 7% of rural women are users of credit with public institutions.

In El Salvador, agricultural insurance and microinsurance are still in an incipient stage of development. The lack of a public entity interested in and responsible for insurance and microinsurance in general, and agricultural insurance in particular, as well as the financial difficulties of the public sector, means that women and men equally have limited access to such instruments given their lack of availability, less guarantees and low empowerment.

g. Technical assistance

Women have limited involvement and participation to technical assistance, extension and training services compared with men, since the disarticulation of extension services has led to a significant reduction in the number of both men and women. Official institutions such as CENTA in El Salvador report a 31.6% participation of women as users of extension services, versus a 68.4% participation of men in accessing this service.

In Honduras, the agency responsible for the development of extension processes is the Directorate of Agricultural Science and Technology (DICTA), which reports a 30% participation of women and 60% participation of men; however, the coverage of services does not reach 10% of the total number of producing families. Information on this issue is also scattered and outdated, and official statistics do not show the actual situation disaggregated by sex.

h. Information technology

The potential of access to information and communication technologies (ICTs) has not been effectively realized in rural households. Between 2010 and 2018, the percentage of households with a computer rose from 13.3 % to 16.5 %, and from 8 % to 21.2 % of households with internet access. The figures reflect that, despite these improvements, the deepest digital divides are between urban

[112] Gender Equality Observatory ECLAC https://oig.cepal.org/es
[113] National Banking and Insurance Commission. 2020. Gender Gap Report in Honduras. Studies, Research and Development Unit. Research Management. Tegucigalpa
[114] Ministry of Economy. 2010. IV Agricultural Census. San Salvador
[115] Idem. Page 110

and rural households. In 2010, 11.8 % of urban households had internet access, in contrast to 0.9 % of rural households; by 2018, these figures had grown to 31.7 % and 3 %, respectively[116].

Both men and women use the Internet primarily for communication purposes (62.7% in total, 61.9% in the case of men and 63.5% in the case of women). In second place, and far behind this first purpose, they used the Internet for educational activities (29.4% of the total population, 29% of men and 29.7% of women). 66.6%, 6.2% and 11.4% of these people used cell phones, computers, and the Internet, respectively). This situation has changed in the last two years because of the virtual education strategies implemented due to the Covid 19 pandemic; however, there is still no official updated information available.

In the case of Honduras, the 2019 Household Survey reported that 11.8% of households in rural areas have a computer and 41% cell phones[117].

5. Consultations with local communities

The consultation process was carried out through two rounds of territorial focus groups, meetings and workshops held with the population of the 14 municipalities where the project will be implemented in El Salvador and Honduras: 7 municipalities in the department of La Unión in El Salvador (Lislique, Concepción de Oriente, El Sauce, Pasaquina, Polorós, Nueva Esparta and Santa Rosa de Lima); and 7 in Honduras in the departments of Valle (municipalities of Caridad and Alianza), and in the department of La Paz (municipalities: Aguanqueterique, Guajiquiro, Lauterique, Opatoro and Santa Ana).

The objective of the consultations was to collect data and information and generate a space for contributions and analysis, to identify the main gender gaps and inequalities, and to identify the negative effects of climate change and variability on the lives of women, youth, and indigenous peoples.

A participatory methodology was used for information collection, knowledge exchange and interaction with all participants, for the identification of problems and potential solutions in a changing climate.

Main findings include:

a) The communities, mostly depending on rainfed agriculture as their main source of livelihoods, face levels of poverty and social inequality, and limited access to potable water. These conditions make them highly vulnerable to the impacts of climate change and variability that causes crop losses with its negative consequences on food security and increasing rural poverty.
b) The main effects of climate change and variability identified by the communities are drought, floods, high temperatures, pests and diseases in food crops, with unequal impact to livelihoods of women and men.
c) Women pointed out that drought problems cause water shortages, food shortages, loss of crops, loss of agricultural jobs, death of animals, all of which affects communities and mostly women and children; the number of hours spent carrying water and firewood increases. Food insecurity leads to smaller food rations, affecting mostly women and girls who receive a smaller food ration, causing greater malnutrition and conditions for the development of diseases.
d) Women stated that they are mostly affected by any climate risk situation, do not have access to climate information, and are not considered in the formulation of risk management plans and early warning mechanisms. Existing climate risk management and development plans do not consider actions differentiated by gender and age conditions that respond to their needs.
e) The contributions made by women to the development of their communities are generally not compensated due to their low participation in the economic benefits generated by them.
f) The efforts made to promote gender equality are not enough to achieve real equality between men and women, there are still great inequalities in relation to access to productive resources, including land, credit, and their participation in decision-making spaces.

[116] Ibid, page. 64
[117] INE. 2020. Permanent Multipurpose Household Survey (*Encuesta Permanente de Hogares de Propósitos Múltiples*) 2019. Tegucigalpa

g) Domestic and care work continues to be among the main activities carried out by women in the communities of El Salvador and Honduras in the Goascorán watershed. This type of work which occupies the greatest number of hours of dedication (between 8 to 12 hours per day), is not remunerated and lacks recognition and visibility, and limits their participation in other types of income-generating activities. The latter determine the hierarchical power relations in the communities and domestic work is considered obligatory for women.
h) Decision-making spaces in existing organizations continue to be allocated to men, limiting the access and participation of vulnerable groups including women, youth and indigenous peoples.

III. Discussion

The analysis summarized in table 2 presents the situation of subordination of women in most of the communities of the Goascorán watershed. This translates into restricted access and control over productive resources, land, credit, technical assistance and new technologies, their limited participation in associative processes and in decision-making positions, resulting in decisions and opportunities in the communities being managed by men according to their interests and needs.

Table 2. Summary of gender gaps and inequalities and proposed actions

Context	Gender gaps	Recommendations to address them	Indicator	Risk mitigating measures
Social Women are poorer in El Salvador and men in Honduras	Poverty in El Salvador Men 30.1% Women 30.7% Gender inequality gap 0.06% Poverty in Honduras Men 52.7% Women 51.8% Gender inequality gap 0.9%	Develop economic and social empowerment processes to strengthen the capacities of women and men and improve their economic autonomy.	% of women that develop agricultural and non-agricultural productive initiatives and improve their economic autonomy % of men that develop agricultural and non-agricultural productive initiatives and improve their economic autonomy	Develop the agricultural and non-agricultural productive initiatives to improve income levels of women and men in the intervention areas
Economic Unequal participation of women in agricultural activities	26.5% of men's participation in agriculture 3.4% of women participate directly in agricultural activities in El Salvador.	Develop actions to strengthen women's capacities, rural schools, experimental parcels, and exchange of experiences, to strengthen skills and knowledge for the management of agricultural activities.	% of women who develop agricultural productive initiatives. % of men who develop agricultural	Guarantee accompanimen t through technical assistance for women's groups in both countries. Develop partnerships

Context	Gender gaps	Recommendations to address them	Indicator	Risk mitigating measures
	Gender inequality gap 22.2% 42.2% of men´s participation in agriculture. 8.3 of women participate directly in agricultural activities in Honduras Gender inequality gap 33.96%		productive initiatives % of women who have access to new markets	with institutions that promote the economic empowerment of women and the diversification of their livelihoods.
Low access to land ownership by women in relation to men in both countries.	10.3% of women and 40% of men with land ownership in El Salvador. Gender inequality gap 29.7% 10% of women and 33% of men with land ownership in Honduras Gender inequality gap 23%	This is an action on which the project has no direct impact. Develop actions so that women can access land through leasing, through incentives aimed at property owners. (donation of trees, grass seeds, among others).	% of women who have access to land through leases % of men who have access to land through leases	Strategic alliances and coordination with landowners in the intervention area.
Existence of unequal participation in unpaid and care work between men and women.	Hours per week dedicated to unpaid work and care tasks; in El Salvador women dedicate 37 hours per week and men 16.9 hours per week. In Honduras women dedicate 30.2 hours per week and men 7.8 horas per week	Develop training on gender equality and new masculinities. Elaboration and implementation of equal task plans in households in the project intervention areas.	% of households implementing and equal task plan % of women and men that have been trained on gender aspects. % that have been trained	Establish measures to alleviate women's domestic burden.

Context	Gender gaps	Recommendations to address them	Indicator	Risk mitigating measures
			on new masculinities	
Rural women have little access to financial services including microcredits	El Salvador 10% men and 7% women with access to credit Gap 3% Honduras 30% women with access to rural credit and 60% for men. Gap 30%	Support decentralized rural credit systems for women with funds to operate prioritized activities for food production and income generation. These systems should use women's production capacity and not land as collateral for credit. Facilitate women's access to technology, markets, and extension services.	% of women with access to credit % of women with access to technology, and technical assistance	Develop training processes for the management and handling of credit, aimed at women's groups, young people, and the indigenous population. Establishment of financial credit mechanisms in the communities, such as rural credit cooperatives, among others.
Access to technical assistance	31.6% of women with access to technical assistance and 65% of men in El Salvador, Gender inequality gap 36.4% Honduras reports a 30% participation of women and 60% of men Gender inequality gap 30%	Ensure that project actions focused on technical assistance meet the participation quotas: 35% of women,15% youths and 15% of indigenous population	% of women with access to technical assistance offered by the project. % of indigenous population with access to technical assistance % of youths (women and men) with access to technical assistance	Guarantee accompaniment through technical assistance aimed at women's groups in both countries. Develop partnerships with institutions that promote the economic empowerment of women and the diversification of their livelihoods.

IV. Conclusions

Considering these elements, gender-responsive interventions aimed at addressing stereotypes generated by social and cultural norms should identify, understand and implement actions to close gender gaps and overcome historical and traditional gender biases. Activities should be based on the application of the gender approach under a "do no harm" approach, so that adaptation measures (autonomous or planned) should promote coherent, responsible and ethical action in the face of social action.

In general, women consider that the main barrier to participation in the project is access to productive assets and unpaid care work, which is the main risk or constraint to their participation in project activities.

The lack of recognition of women's participation in agriculture means that they are relegated to marginal jobs, due to their limited access to assets, resources, and production support services such as land, technical assistance and training. If effective actions are not implemented, the cultural patterns rooted in the area may constitute a limitation for the participation of both women and youth and may reduce their incorporation and access to project benefits.

Gender violence is a latent problem in these communities, and the lack of attention to facilitate women's participation may be affected by the behavior of their husbands if they do not give their consent to participate in the project.

V. Recommendations

The following series of recommendations for project development and implementation purposes have been developed by the assessment team and/or collected from the communities to address gender gaps or mitigate gender inequalities.

a. The project should develop during the first year of implementation a gender-sensitive strategy that includes the main activities to be implemented and milestones to be achieved. COVID-19 mitigation measures should be included as manner to reduce the risk of domestic violence and overcome communication and reporting barriers due to lower rates of access to cell phones and social networks.

b. Ensure tailored support to the Binational Project Unit and National Project Teams by WFP gender specialist in order to monitor the progress towards the implementation of the gender strategy based on SMART indicators on gender equity and equality.

c. Carry out gender-sensitive participatory rural diagnostics in targeted communities, as one of the first actions of the project to identify specific gender gaps and inequalities.

d. Establish participation quotas to reduce the existing gender inequality and social exclusion gaps between men and women by including at least 35% participation of women, 15% of the youth population (men and women) and 15% of the indigenous peoples focusing on capacity-building and women empowerment, adoption of climate adaptation practices, promotion of leadership in local organizations. Participation should, consider women's time constraints to ensure activities are carried out in accordance with their available schedules

e. Adaptation measures in agricultural plans should include activities that respond to women's needs and that can also be implemented using their own capacities and resources, such as raising small species, home gardens, food processing and others.

f. Define gender-specific mechanisms and agreements with telephone or internet companies to improve climate information outreach and facilitate effective and timely communication, planning and decision making in rural communities.

g. Provide tailored advice and training, including financial literacy and creation of simplified credit lines for crop insurance to strengthen the knowledge and capacity to respond to climate risks to the communities in the intervention areas.

h. Creation of gender-sensitive early warning committees, which should be integrated by the different local actors.

i. Develop gender-sensitive training programs on sustainable agriculture, climate risk management, and microfinance which include specific modules on gender equality, in order to raise awareness and strengthen ownership.

j. Define criteria for the selection of the participating population that are not linked to the existence of land and housing titles or deeds, because this could be a measure of exclusion for women and youths.

k. Establish selection criteria for EbA sites in accessible and safe places for women, and define training hours and days in accordance with the availability of participants, especially women and youths.

l. Include gender aspects in the guides on adaptation options and communication plans with the use of messages with non-sexist language and figures or photographs that do not reproduce gender stereotypes.

m. Conduct gender-sensitive training on the utilization of virtual tools, provide smartphones, facilitate access to internet caring for the constraints of virtual models related to the dissemination of good adaptation practices.

n. Liaise with the existing gender units of the municipalities so that they can accompany and strengthen the project activities, support implementation of gender training programs and prevention of violence against women.

o. Leverageh inter-institutional collaboration between the governing entities of the National Gender Equality Policies of Honduras and El Salvador, to coordinate actions for the promotion of gender equality and the prevention of gender violence in the intervention areas.

p. Establish strategic collaborations with institutions that promote the social and economic empowerment of women and groups in conditions of vulnerability, in order to improve productive initiatives, productive linkages, and new markets.

q. Define control/monitoring mechanisms at project inception that world guarantee that economic resources, technical assistance processes, training, and access to new technologies granted by the project are equitably distributed among vulnerable population groups, women, men, and indigenous populations.

r. Develop initiatives for the economic empowerment and ownership of women such as diversification of livelihoods, vegetable gardens, poultry farming, food processing companies, community gardens, building market alliances and networks.

s. Incorporate measures and actions that reduce the domestic burden on women and girls and improve their participation in income-generation activities and decision-making instances,at household and communities level. These measures would include time-saving technologies such as improved cookstoves, corn mills, and water pumps, among others. Moreover, consider care-taking spaces for for children and elders within the communities through strategic alliances with State and private organizations.

The proposal takes into account these external recommendations and has ensure that they are adequately addressed within the project design. These have been outlined in Table 2.

Table 3. Proposal reactions to the recommendations made by Gender Assessment: How these are incorporated into the proposal.

How the proposal will enact recommendations of the gender assessment	Related recommendation(s)
1. A gender sensitive strategy for all project activities will be developed during year 1, and will be coordinated by the WFP gender specialists, along with gender-sensitive participatory diagnostics that are also absorbed into baseline and CBAP activities of the project. This strategy will also outline control mechanisms that ensure equal access of women, men and	a, b, c, l, j, l, m, q

	indigenous groups; will incorporate communication plans that are gender-sensitive (including on virtual tools); and involve the development of appropriate training for stakeholders, intermediaries and communities that consider gender equality issues.	
2.	Participation quotas of women and youth have been absorbed into the M&E framework of the project and will be also reviewed and monitored as part of all activities of the project. Baseline assessments and CBAPs undertaken under both components 1 and 2 will also capture in more detail land access issues to support the definition of targeting criteria that avoids the exclusion of women and youth. Each of these will feature as actions under the gender-sensitive strategy highlighted in item 1 above.	d, j
3.	Adaptation options that are generated under output 1.1.1, as well as climate-smart livelihoods that promote economic empowerment and diversification (output 1.1.2), and additionally other community-based activities that support EbA and Eb-DRR actions (output 1.1.3), will all incorporate a gender lens so that women's needs, preferences and capacities are considered. This also includes ensuring that measures have considered both women's safety and their domestic burden (including COVID measures, location, timing of activities; time-saving approaches and having care places for children and elderly). Stakeholder consultations and CBAPs undertaken at the initial stages of the project will emphasise women's representation to ensure such measures can be effectively designed in each community and sub-activity location, along with defining targeting criteria that avoids the exclusion of women and youth with no land tenure.	a, e, j, k, l, r, s
4.	Products and services offered by the project under component 2, including climate information, insurance and other financial services, will adopt a strong gender lens to ensure women's needs and preferences are met and that institutions supporting the co-production and delivery of such services (including EWS committees etc) are sensitive to gender needs. Gender-sensitive advice and the targeting of women for training and financial literary programmes will be important factors for activities under this component; likewise baselines will inform product design that avoids the exclusion of women and youth with no land tenure.	f, g, h, I, j
5.	Existing gender units of municipalities, governing entities of the National Gender Equality Policies of Honduras and El Salvador, and other institutions that promote the social and economic empowerment of women and groups in conditions of vulnerability, will also be invited to join workshops during project inception to identify points of synergy and expertise, tools and policy engagement that will augment the gender outcomes of the project	n, o, p

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Annex 4

Free Prior and Informed Consent (FPIC) process of Indigenous Peoples present in the Goascorán watershed

1. Introduction

This report presents findings and recommendations from the dialogue and consultation with Indigenous Peoples (IP) living in the Goascarán watershed to reach Free Prior and Informed Consent (FPIC) in the frame of the project: "Strengthening the adaptive capacity of climate-vulnerable communities in the Goascorán watershed of El Salvador and Honduras through integrated community-based adaptation practices and services", which is submitted by WFP to the Adaptation Fund. First, it describes the context of IP including social, economic, environmental and cultural conditions of IP households. The report incorporates the characterization of IP, their cultural identity, livelihoods, governance systems and the national and international regulatory framework approved or signed by El Salvador and Honduras. Secondly, the report presents approach implemented to manage the FPIC process throughout the project design and implementation. Thirdly, an analysis of the potential positive and negative environmental, social, economic and cultural impacts that could result from the implementation of the project activities and findings from the consultations are exposed. The analysis includes also mitigation measures to address the residual risks identified in the Environmental and Social Screening.

It is important to mention that information about IP is generic and partially updated. The report developers (CATIE, 2021) were unable to get detailed data about the number of indigenous families or people living in the watershed. Within this context, the project has planned to undertake a detailed baseline survey and/or diagnostic at project inception.

2. Context of Indigenous Peoples in the Goascarán watershed

Indigenous Peoples (IP) living in the Goascorán watershed pertain to the Lenca people with presence in both countries and from the Kakawira people, settled only in the upper part of the watershed in Salvadoran territory. According to population data from the municipality of Santa Ana, department of La Paz[118] the approximate population is 11,343 inhabitants, of which, according to the results of the consultation sessions, 95% recognize themselves as descendants of the Lenca people. The targeted municipalities in Honduras do have the presence of organizations of the Lenca Indigenous People, mainly in the municipalities in the upper and middle parts of the watershed. Although the project is focusing on the Goascarán territories, according to their cosmovision, the IP's right to lands and territory is not limited to the geographic spaces they inhabit; on the contrary, the international legal framework recognizes this right to the lands they inhabit or in some way occupy.

In El Salvador, the recognized structure that coordinates the Lenca and Kakawire People is the Council of Lenca and Kakawira Peoples made up by local organizations such as: Council of Lenca and Kakawira Peoples, Cacaopera Winaka Association, Lenca Community Association of Chilanga and the Lenca Community Association of Guatajiagua that coordinate the work at the national level with the Salvadoran Indigenous National Coordination Council and at the regional level with the Indigenous Council of Central America.

In Honduras, there are similar IP organizations at national or local levels: National Lenca Indigenous Organization of Honduras, Honduran Federation of Lenca Indigenous People, Lenca Government Council and Lenca Indigenous Women Council of Honduras that coordinate the work at the national level with the Confederation of Native Peoples of Honduras and with the Indigenous Council of Central America at the regional level.

IP have local, municipal, regional and national structures. During the consultation workshops, the participants pointed out that the participation of Indigenous women plays a key role in the conservation and transmission of cultural identity. However, there are still practices at the community level that limit women's participation in decision-making spaces. During the consultations participants stated that indigenous women are discriminated for being women, for being indigenous and for being poor and that in general, girls are those who have fewer opportunities to attend school, as they are tasked with the care of younger siblings.

[118] https://portalunico.iaip.gob.hn/portal/index.php?portal=208

3. Scope of the FPIC process

The scope of the consultations for the management of FPIC process is geographically limited to the Goascorán watershed shared by El Salvador and Honduras, specifically to the department of La Unión on the El Salvador side, and the departments of Valle, La Paz, San Francisco Morazán and Comayagua, on the Honduran side. The project covers 7 municipalities in each country.

To date, three Socialization and Consultation Workshops have been held in El Salvador with Representatives of the Council of Lenca and Kakawira Indigenous Peoples represented in the Council of Lenca and Kakawira Peoples "COPULENKA", with the participation of 34 individuals, of which 15 were women and 19 were men.

In Honduras, one focus group was held with IP communities and the president of the Cuenca Council, and two workshops with representatives of the Indigenous Peoples organized in ONILH, COPINH, MILH , FHONDIL, CGL CONMILH, with the participation of 55 individuals, of which 19 were women and 40 were men.

The consultations were carried out through the implementation of participatory methodologies, encouraging people to participate in the dialogue and take ownership of the proposed interventions and contribute with their views and experiences. This methodology encouraged IP to share information, learn from each other, and work together on common issues. The consultations had two fundamental objectives: the first one aimed at disseminate detailed information about the project proposal so that the communities are informed and can fully participate in the development process; the second objective aimed to know the main views of the community in relation to the prospect positive and negative impacts and what measures should be implemented to mitigate any potential adverse impact.

4. Findings from the consultations with IP

Female and male leaders of the Lenca and Kakawira Indigenous Peoples settled in the binational watershed of the Goascorán River acknowledge that it is a territory with natural and cultural wealth and heritage; however, in recent years there has been an accelerated deterioration of the ecosystems and loss of natural resources. At the local level, climate change impacts are combined with environmental degradation. IP expressed concerns about:

- Increased frequency and intensity of extreme weather events (droughts, floods, landslides, high winds and hail) causing food crop losses
- Deforestation and ecosystem degradation
- Plagues and diseases in crops and peoples
- Water scarcity and reduced water spring supply
- Contamination by agricultural agrochemicals
- Contamination caused by solid waste
- Poaching and illegal logging
- Forest fires
- COVID-19 restrictions

IP communities pointed out that environmental, social, cultural and economic conditions are factors that contribute to increase or decrease their vulnerability to natural disasters, and these affect the food and nutrition security of households.

Findings from consultations provide information about the seasonal impacts to the livelihoods of IP over an annual basis of analysis, the type of events and the time when they occur, and the linkages with agricultural production as main source of livelihood.

The following table shows the various climatic risks that are observed in the watershed and the mitigation measures implemented or proposed by IP communities. While some are already being carried out by local communities themselves or through other projects, other mitigation measures are included in the package of interventions.

Table 1: Risks / Impacts and proposed mitigation measures

Risks or impacts	Mitigation measures
Environmental/climatic risks or impacts	
Droughts, hurricanes, floods, pest outbreaks, diseases and increased temperatures, forest fires	As part of the mitigation measures, the community sees the need to implement measures such as: programs for the conservation and restoration of ecosystems, implementation of adaptation measures and risk management based on indigenous knowledge and wisdom, promotion of soil recovery and conservation actions, water infiltration, and promotion of no-burning culture.
Cultural risks or impacts	
Little motivation or interest of indigenous youth in getting involved in the work of organizational processes.	Promote indigenous youth participation, leverage opportunities for participation and decision-making.
Weak participation in the indigenous organizational structures.	The project should guarantee concrete actions to be carried out with indigenous organizations. The project should define the 15% participation of indigenous peoples, including indigenous women and youth; in this regard, promote the development of a process of capacity building, systematization and dissemination of good adaptation practices implemented by the communities, as well as the elaboration of community maps that identify sacred sites or sites of cultural importance for Indigenous Peoples.
Economic risks or impacts	
Low food availability, crop failure, unemployment	In general, the livelihoods of indigenous families are associated with agricultural activities and linked to natural resources. Most of the economic impacts are affected by the presence of extreme weather events; however, in some cases, the lack of formal or informal employment opportunities affects the family economy
Social risks or impacts	
Lack of access to health care, limited access to transportation, lack of housing programs, schools far from the community or with reduced capacity, social conflicts and insecurity	To address these difficulties, the communities consider pertinent the implementation of programs and projects with cultural relevance and through coordination and consultation with the Indigenous Peoples to improve access to health, education, housing and education.

Based on the initial feedback from the IP communities, there is interest to participate in the project implementation. The following table 2 describes the positive and negative aspects identified by IP communities and potential risks and mitigation measures to overcome the risks.

Table 2: Consultation process results

Positive Aspects	Negative Aspects	Recommendations
Contributes to restore degraded soils	Could affect sacred places located in the territory	Carry out a territorial mapping in coordination with Indigenous Peoples
Will strengthen adaptation capacities and climate resilience of families	Could generate conflicts between families and between communities	Guarantee the full and effective participation of Indigenous Peoples' organizations
Will promote access to information that allows better disaster risk management	Could make indigenous knowledge and wisdom invisible	Guarantee that the project respects and strengthens indigenous knowledge and wisdom related to risk management
Will improve binational articulation aimed at the conservation of the Goascorán watershed	The country priorities do not correspond to the need to implement adaptation measures in the Goascorán watershed	
Will allow the expansion of territorial areas to implement adaptation measures.	Could reduce access to livelihoods (water, food, medicinal plants, firewood and timber), especially those extracted from the forest	Identify and implement alternatives that allow guaranteeing access to these livelihoods, in coordination with the communities.
Will allow to secure food crops against potential losses due to extreme weather events		Guarantee the participation of Indigenous Peoples in the definition and implementation of insurance mechanisms
	Resistance of some communities against new adaptation practices	Generate adaptation practices training processes and exchanges
		Develop a consultation process with indigenous peoples for the implementation of activities
		Guarantee that Indigenous Peoples are part of the process of implementation, follow-up and monitoring of the actions carried out within the framework of the project

5. Roadmap towards a final FPIC

Obtaining Free, Prior and Informed Consent is the result of a successful and comprehensive consultative process on possible environmental, social, cultural impacts and identify measures to mitigate the risks threatening the IP communities.

The project team has initiated this participatory consultative and information sharing process in the targeted communities. Important steps have been taken since in the participatory workshops held with indigenous Lencas and Kakawira organizations of El Salvador (September 7, 2021) and with Lenca organizations of Honduras (September 10, 2021), the IP leaders affirmed that: a) the project will contribute to strengthening the adaptation capacities that the communities are already implementing at the territorial level; b) their interest in participating as leading actors in the project implementation and monitoring; and c) they expressed their consent to sign their Free, Prior and Informed Consent.

Written consent documents have been signed in December 2021 and are included below in Section 7 of this Annex.

6. Recommendations for FPIC implementation

- The project must establish a mechanism for permanent dialogue and consultation between Indigenous Peoples, project staff and related institutions.
- The project management and technical personnel will be required to have specific competences and experience to work with IP and, to the extent possible, include technical personnel from these communities.
- The project should include at least 15% of specific beneficiaries from IP communities
- The project should include Participation Plan for IPs.
- Project activities as indicated in table 3 should pay special attention to respecting and strengthening the IP ancestral knowledge and wisdom.
- Future dialogue and consultation processes with IP should allocate sufficient time and resources to ensure that the communities have the right conditions for decision-making.

Table 3: Prioritized activities for IP Communities and timetable for their implementation

Activity	Sub-Activity	Year 1	Year 2	Year 3	Year 4	Year 5
Capacity strengthening and participation of IP in the project activities	Definition of a participation mechanism for Indigenous peoples	X				
	Implementation of dialogue and consultation processes with indigenous organizations	X	X	X	X	X
	Implementation of capacity building workshops (workshops, intergenerational dialogues and sharing, trainings)		X	X		
Agriculture (Basic grains, vegetables, strawberries, among others)	Production of native seeds and drought-tolerant plant materials (seeds and cuttings)	X	X	X	X	X
	Installation of family and community vegetable gardens		X	X	X	X
	Rows of mixed culture hedges on contour ridges		X	X	X	X
	Conservation and knowledge and know-how strengthening	X	X	X	X	X
	Promote capacity building on implementation of adaptation measures in productive systems	X	X			
	Climate adapted agricultural practices including support IP farmers with quality inputs		X	X	X	X
Economic initiatives and reinforcement of value chains	Promote small-scale processing livelihoods initiatives, for example, coffee mills, handicraft workshops and sun drying of fruits	X	X	X		
	Set up of diversified productive farms with citrus, mosses, avocados (Antillean, Hass)		X	X	X	X
	Beekeeping and honey production		X	X	X	X
	Capacity strengthening through exchanges between female and male beneficiaries	X	X			
	Support to families for poultry farming and commercialization		X	X		
Soil and water conservation	Biofertilizer preparation and application	X	X	X	X	X
	Contour farming, agroforestry, conservation agriculture	X	X	X	X	X
	Live vegetative windbreaks and dead barriers	X	X	X	X	X
	Forest fire prevention and no residue burning in farm plots	X	X	X	X	X

Annex 5

Details about the prioritization process for the selection of the Municipalities

1. Introduction

This Annex describes the process and criteria used for the selection of the municipalities for the project activities. Fourteen municipalities have been prioritized for the intervention, located in the upper, middle, and lower part of the Goascorán watershed. The selection of specific sites of intervention will be undertaken during the Community-based Participatory Planning (CBPP) at project inception stage.

2. Methodology

The process of prioritizing municipalities in the Goascorán watershed was developed through the combination of WFP´s Integrated Context Analysis (ICA)[119] and the analysis of livelihoods methodology developed by the UK Department for International Development (DFID).

The ICA is based on the analysis of the food insecurity historical trends and the main natural risks, such as droughts, floods and landslides, which are superimposed to identify areas of overlap. Taking into consideration food insecurity and recurrence of disasters allows identification not only of past and present changes, but also what could happen in the future in each different vulnerability category. It enables to identify where and what kind of short, medium and long term actions are necessary to reduce such vulnerability. As a result of ICA analysis, the municipalities within Goascorán watershed are classified into five areas of priority, based on their levels of recurrence of food insecurity and exposure to hazards.

Table 1. Explanation of ICA prioritization categories

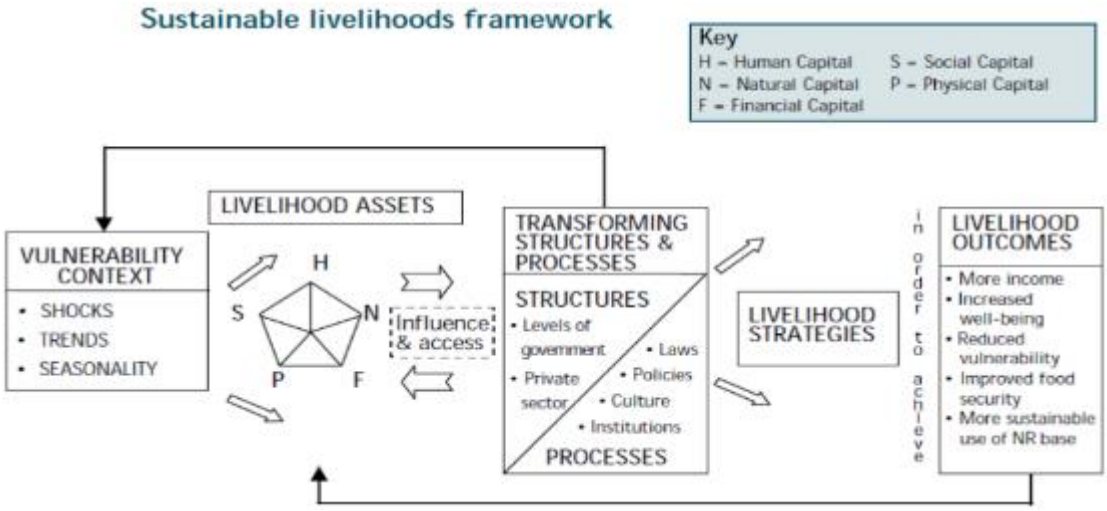
Combined level of natural hazards	Recurrence of vulnerability to food insecurity above threshold		
	Low	Medium	High
Low	Area 5 **Category 5** Absence of long-term vulnerability to food insecurity suggest that programme themes should concentrate on DRR. This includes early warning and disaster preparedness, as well as mitigating land degradation and other risk reduction measures.	Area 3 B **Category 3** Districts identified as Area 3A show persistent vulnerability to food insecurity that can justify safety nets; Area 3B districts are more likely linked to seasonal factors where safety nets may also be applicable, or shocks where recovery is more of a focus. Whilst natural shock risk is lower, local contexts may benefit from early warning/ preparedness to reduce risk from possible events.	Area 3 A
Medium	Area 4 B **Category 4** In the absence of a clear long-term vulnerability to food insecurity entry point (noting that pockets of food insecurity may exist), DRR including early warning / preparedness is a priority. Further, attention should be paid to land degradation given that this could worsen future shocks, potentially impacting food security.	Area 2 B **Category 2** Intermittent vulnerability to food insecurity patterns may be related to either shocks (natural or man-made) or seasonal factors. If seasonal, safety nets can reduce predictable food insecurity; if shocks are a cause, a recovery focus may be suitable. At the same time, high shock risk argues for DRR including early warning and preparedness.	Area 1 B **Category 1** Persistent vulnerability to food insecurity suggests that safety nets providing predictable support to vulnerable populations may be appropriate, whilst high shock risk justifies including DRR, including early warning and preparedness themes.
High	Area 4 A	Area 2 A	Area 1 A

To complement the ICA Analysis, a second assessment was combined in order to tune the prioritisation process at municipal level. The second assessment was based on the Sustainable Livelihood Framework (SLF) developed by DFID.[120] Through consultation with key local informants, it was possible to identify strengths and weaknesses of the territories and populations. The methodology explored the five kinds of capital comprising sustainable livelihoods – human, natural, financial, social and physical.

[119] The ICA is a process a process used to identify and discuss the most appropriate programmatic strategies in specific geographical areas - including resilience building, disaster risk reduction, and social protection - between WFP, government and partners. See: https://documents.wfp.org/stellent/groups/public/.../wfp264472.pdf

[120] See www.livelihoodscentre.org/...livelihoods.../8f35b59f-8207-43fc-8b99-df75d3000e86 and www.glopp.ch/B7/en/multimedia/B7_1_pdf2.pdf

The way in which these contribute to the adaptation to the effects of climate change can be seen in the following graph:



These analyses were completed by focus groups interviews with the participation of women and men from the communities and consultations with local authorities and community leaders to identify needs and priorities across the watershed. To calculate the weight of each interview question, capitals were given equal weighting in order to have a comparative measure between municipalities.

After the definition and calculation of each livelihood capital questions and score, the watershed municipalities poverty indicators were identified. This allowed a comparative analysis between targeted municipalities financial, natural, physical, social and human capacities and with the municipalities poverty percentage to identify food security and stunting in the area.

Once all the information is analyzed, each municipality is inserted into one of four categories, where 4 refers to higher prioritization level and 1 lower prioritization level:

1. Areas with a high level of skills and low prevalence of stunting.
2. Areas with a high level of skills and a higher level of stunting.
3. Cantons with low level of capabilities and low prevalence of stunting.
4. Cantons with low level of skills and higher level of stunting.

The combination of these analyses and findings from consultations allowed prioritization of the project intervention areas at the Municipal level, taking into consideration different vulnerability criteria. These included the following aspects:

Climate: historical records and projections, observed and potential impacts,

Environmental: degradation of ecosystems, soil losses, high-value biodiversity areas

Livelihoods: food security and nutrition, income-generating activities, financial opportunities

Social: structure and type of organizations, technical and financial capacities, human capital, governance

Cultural: heritages, traditional and indigenous knowledge
Infrastructure: irrigation, water and sanitation, health, and education facilities
The steps undertaken by WFP Vulnerability and Assessment Monitoring (VAM) team to select the municipalities of intervention were organized in the following activities:

i. Identification of the domains and key indicators for the prioritization:

DOMAIN	INDICATORS
SOCIO-ECONOMIC	ICA (over 10 years) Density (Hab./km2) Number of farmers Severe Food Insecurity

	Poverty (households %) Presence of Indigenous Groups*
CLIMATE VULNERABILITY	Drought frequency % of forest cover
WATERSHED	Location in the watershed* Number of sub-watersheds* Area of municipality for watershed Water availability in cubic meters
GOVERNANCE	Weak, medium, good*

*This indicator is not weighted as it is only used to map out the information.

ii. Categorization of data results provided by each indicator
iii. Prioritization based on results obtained per each domain.

3. Results

The analyses and consultations results provided the following information: in El Salvador, seven municipalities in the middle and lower areas of the watershed were selected as follows: Lislique, Polorós, Nueva Esparta, Concepción de Oriente, El Sauce, Pasaquina and Santa Rosa de Lima
In Honduras, seven municipalities located in the high, middle, and lower watershed, were prioritized as follows: Santa Ana, Opatoro, Guajiquiro, Aguanqueterique, Lauterique, Caridad and Alianza (see figure 1 and 2).

Figure 1: Final map of prioritized municipalities

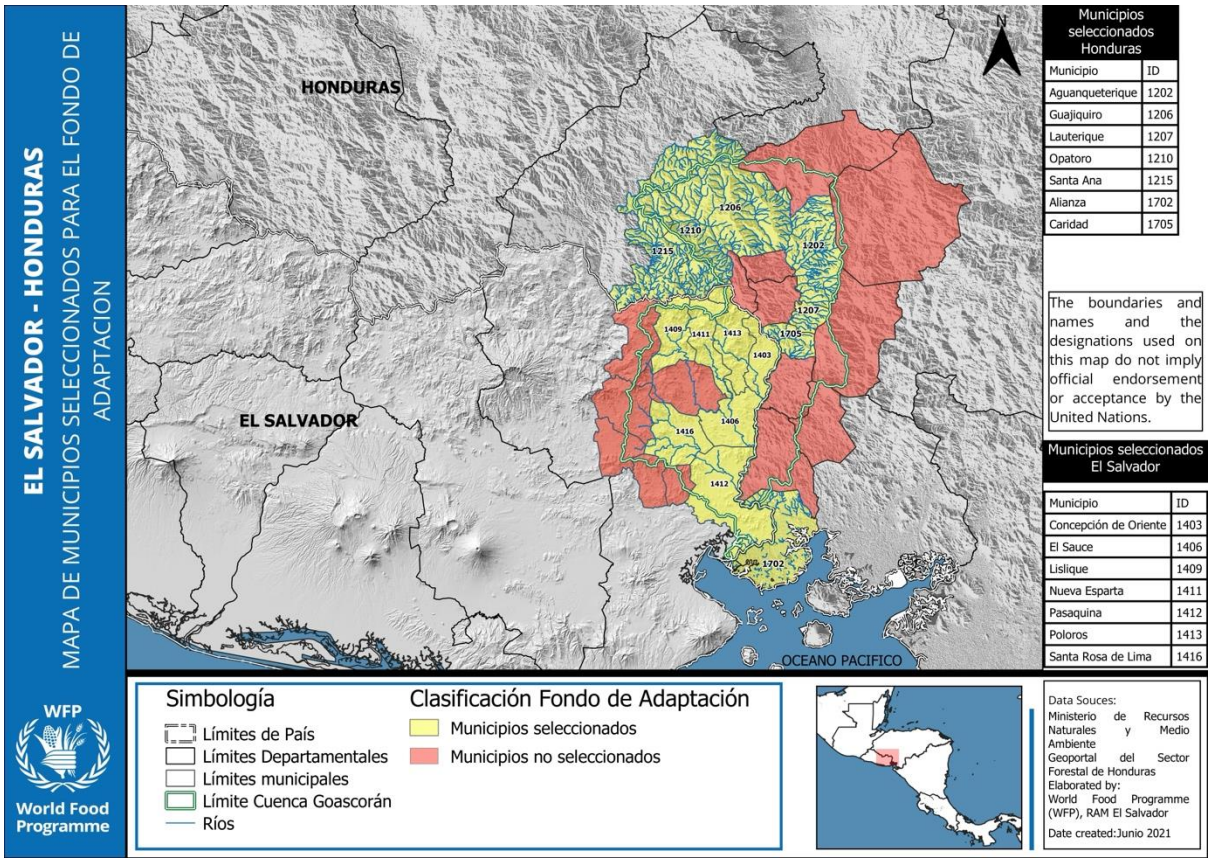
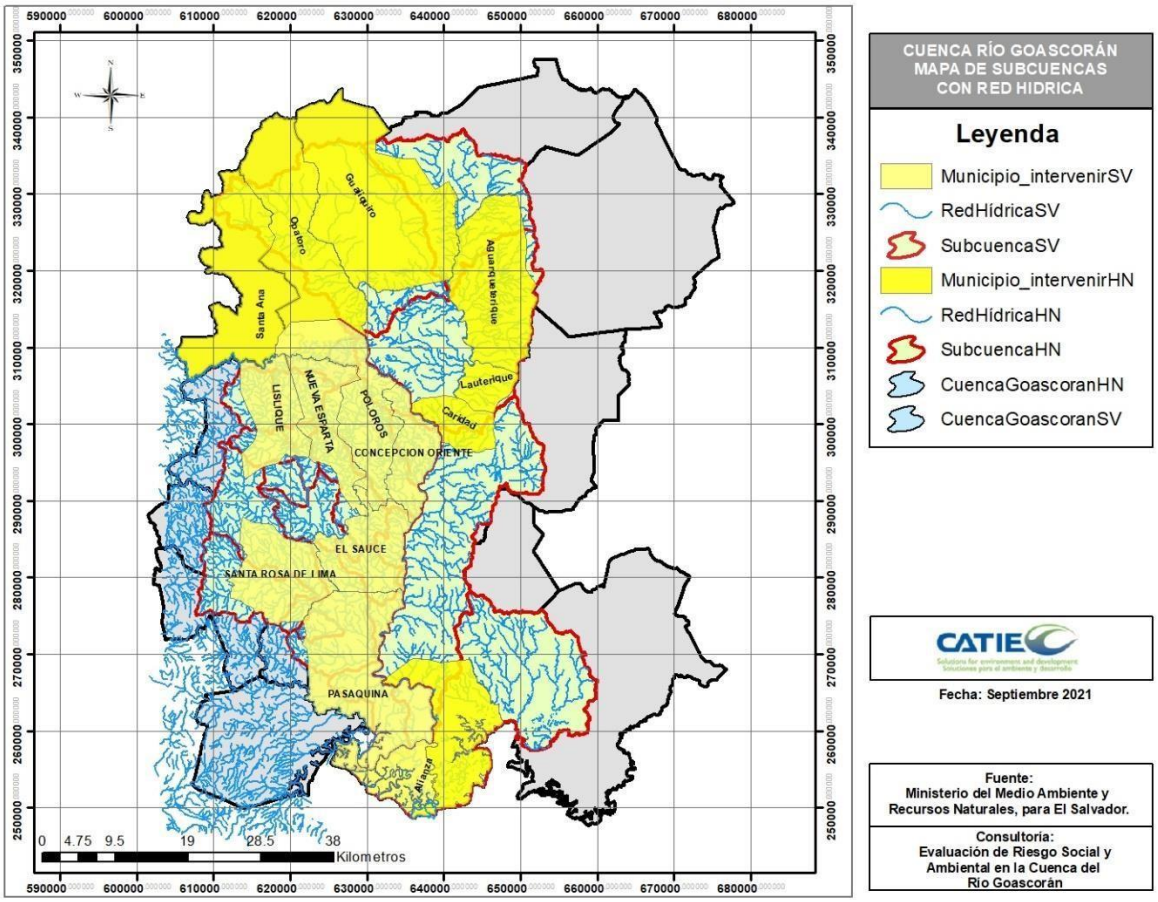


Figure 2 Prioritized subwatersheds in the Goascorán basin



Annex 6

Project Workplan

Project workplan

This project workplan provides an overview of the timing and sequencing of project activities. Table 1 displays visually the timing of each activity, with further details to be determined with the project team and stakeholders upon project inception.

Under the first component, it will be integral that work starts immediately with output 1.1.1. This will involve contracting an expert institution to lead the process of reviewing, analysing and conducting stakeholder consultations to allow the development of adaptation options and their integration in local planning instruments, along with making the first efforts in developing the Handbook on Adaptation Options and preparing a detailed communications and knowledge management plan for the project. With these activities underway, the second and third outputs (output 1.1.2 and 1.1.3) will work almost simultaneously to start work in the second half of year 1, by starting to undertake participatory adaptation planning with communities as well as Eb-DRR planning with local governments, followed by the execution of actual climate-smart livelihood and EbA/Eb-DRR activities in field sites, with these incrementally being introduced to different targeted communities over the project until the middle of year 4, when handover to communities and other local stakeholders occurs to give a year to test the sustainability of activities and provide technical support as needed.

Under the second component, an important first step after project inception will be the design and then undertaking of baseline tools for the climate services, insurance and financial services outputs under activities 2.1.1.1, 2.2.1.1 and 2.2.2.1, and that will also feed into the project's MEL system. For output 2.1.1, these baselines and ongoing consultations and reviews will allow for the design of co-produced climatic advisories and early warning systems to continue until the end of the first year, followed by a year of piloting before full execution begins, with a handover to appropriate stakeholders starting in the middle of year 4 to allow a year of testing and refinement through technical support. Likewise for output 2.2.1, the baseline assessments, consultations and reviews will allow for the design of the insurance interventions staring in the second half of year 1, and with piloting beginning in year 2, with an expected faster move to execution in El Salvador where there is already an experience of index-based insurance while Honduras will be expected to continue piloting until the middle of year 3 while benefiting from exchanges of experience across both countries. The insurance activities are expected to continue operating until end of year 4, when a handover to public and private sector entities will be conducted. For output 2.2.2, and building on the baseline assessments and review of Honduras' experience with the *Cajas Rurales* model, activities in awareness raising and training on financial services will begin at the start of year 2, followed quickly after by execution of community savings and credit groups and subsequently support to small-scale enterprises, with these being incrementally introduced to different communities over the project until the middle of year 4, when handover to communities and other local stakeholders occurs.

The project plans for a mid-term review to be conducted 2.5 years into then a final project evaluation at 4.5 years, both allowing for consolidation of lessons learnt and improvement of the efficiency and efficacy of activities, and that will also feed into knowledge sharing efforts within and beyond the project.

Table 1. Project Workplan[121].

Project Components	Expected Outcomes	Expected Outputs	Activities revised	Timeframe																			
				Yr 1				Yr 2				Yr 3				Yr 4				Yr 5			
				Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4
1. Enabling climate-vulnerable communities to practice community-based adaptation within an integrated watershed management approach	**1.1** Vulnerable households and communities have strengthened capacities to adopt community-based adaptation measures to manage climate risks within the Goascorán watershed.	**1.1.1** Goascorán's integrated watershed management approach is linked to community-based adaptation processes to support vulnerable communities and households	1.1.1.1 Identify adaptation options that address community vulnerabilities and adaptation gaps	C	E	R								R									
			1.1.1.2 Integrate community adaptation needs into local development plans	C		A	P	P	E	E	E	E	E	E/ R	E					R			
			1.1.1.3 Development of a Handbook on Adaptation Options for the Goascorán watershed.	C		E	E			R				R						R			
			1.1.1.4 Facilitate knowledge sharing between communities and territories and development of a regional platform on knowledge management and dissemination of good practices.	C				D	D	D	D	E	E	E/ R	E	E	E	H	H	H	H	R	
		1.1.2 Well-proven climate adaptation practices are introduced, applied and scaled up for vulnerable smallholder farmer households in the Goascorán watershed	1.1.2.1 Development of community-based adaptation plans (CBAP) in the project areas.			D	E	E	E					R									
			1.1.2.2 Development of technical capacities of rural extensionists and advisory agents, and Training of Trainers for community leaders, smallholder farmers and other local actors in the project areas				E	E	E	E	E	E	E	E/ R	E	E	E					R	
			1.1.2.3 Introduce, implement, and scale up climate-resilient livelihood practices and technologies through an integrated package of gender-sensitive, culturally appropriated and transformative adaptation measures according to the watershed agroclimatic areas.					E	E	E	E	E	E	E/ R	E	E	E	H	H	H	H	R	

[121] Key to the Workplan: D = design of tool/methodology; A = assessment; P = pilot; E = execute (ie. implement); C = contract; R = review, revise and update based on lessons, feedback etc.; H = handover to relevant stakeholders in communities, local government and/or launching with private sector players.

Project Components	Expected Outcomes	Expected Outputs	Activities revised	Timeframe																			
				Yr 1				Yr 2				Yr 3				Yr 4				Yr 5			
				Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4
		1.1.3 Ecosystem-based adaptation (EbA) and disaster risk reduction approaches are introduced, applied and scaled up across communities in the Goascorán watershed	1.1.3.1 Undertake a mapping of climate and disaster risks to the ecosystems of the Goascorán Watershed	R	E	E															R		
			1.1.3.2 Integrate climate and disaster risks for the ecosystems of the Goascorán Watershed into local DRR plans			A	P	P	E	E	E	E	E	E/ R	E							R	
			1.1.3.3. Support capacity strengthening of local government and community actors to promote EbA and Eb-DRR measures				E	E	E	E	E	E	E	E/ R	E	E	E					R	
			1.1.3.4 Implement EbA and Eb-DRR practices and within the Goascorán Watershed including land restoration and soil, forest, water conservation nature-based measures					E	E	E	E	E	E	E/ R	E	E	E	H	H	H	H	R	
2.Connecting climate-vulnerable populations in the Goascorán watershed to access innovative services that increase their climate risk management capacities	**2.1** Climate-vulnerable communities in the Goascorán watershed have enhanced capacity to make well-informed decisions based on quality climate information	**2.1.1** Strengthened access to timely, tailored and co-produced climate and weather information for smallholder farmers and communities (enhanced decision-making)	2.1.1.1 Undertake a comprehensive baseline assessment on community needs and tailored-made climate information services	D	A																		
			2.1.1.2 Co-production of climatic advisories tailored to the needs of vulnerable livelihoods in the Goascorán Watershed			D	D	P	P	P	P	E	E	E/ R	E	E	E	H	H	H	H/ R		
			2.1.1.3 Strengthening community-tailored Early Warning Systems (EWSs) to support preparedness and disaster risk management decisions			D	D	P	P	P	P	E	E	E/ R	E	E	E	H	H	H	H/ R		
	2.2 Climate-vulnerable households in the Goascorán	**2.2.1** Strengthened access to risk transfer mechanisms	2.2.1.1 Conduct a review of the offer of climate-risk insurance services in the Goascorán Watershed and attain a baseline of household access to these services	D	A																		

Project Components	Expected Outcomes	Expected Outputs	Activities revised	Timeframe																			
				Yr 1				Yr 2				Yr 3				Yr 4				Yr 5			
				Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4
	watershed have more resilient (improved) self-management of climate risks through enhanced and inclusive access to financial products and services	(insurance) for smallholder farmers and communities	2.2.1.2 Design and/or adapt climate-risk insurance products with the financial sector to meet the needs of households in the Goascorán Watershed			D	D	D	D														
			2.2.1.3 Enable households in the Goascorán Watershed to enrol in, understand and receive the benefits of insurance products that involve a graduation strategy					P	P	E/P	E/P	E/P	E/P	E/R	E	E	E	E	E	H	H	R	
		2.2.2 Strengthened access to financial risk reserve and prudent risk-taking mechanisms (savings and credit) for smallholder farmers and communities	2.2.2.1 Conduct a review of the offer of financial services in the Goascorán Watershed and attain a baseline of household access to these services	D	A																		
			2.2.2.2 Promotion and training of households on financial services and products as tools of climate and disaster risk management					E	E	E	E	E	E	R									
			2.2.2.3 Establishment and strengthening of community savings and credit groups that support vulnerable households in the Goascorán Watershed						E/P	E/P	E/P	E/P	E/P	E/P/R	E	E	E	H/E	H/E	H/E	H/E	R	
			2.2.2.4 Incentivising the growth of small-scale enterprises through community savings and credit groups in support of livelihood adaptation							E/P	E/P	E/P	E/P	E/P/R	E	E	E	H/E	H/E	H/E	H/E	R	