



ADAPTATION FUND

PRE-CONCEPT FOR A REGIONAL PROJECT**PART I: PROJECT INFORMATION**

Title of Project/Programme:	Improve livelihood resilience through community-based climate change adaptation in the transboundary watershed of Goascorán in El Salvador and Honduras
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) and National Center for Agricultural and Forestry Technology (CENTA), Ministry of Agriculture (MAG). Honduras: Ministry of Natural Resources and Environment (MiAmbiente), Ministry of Agriculture and Livestock (SAG), the Institute of Forest Conservation and Development, Protected Areas and Wildlife (ICF), Presidential Office for Climate Change (Clima+)
Amount of Financing Requested:	14.000.000 (in U.S Dollars Equivalent)

Project Background and Context:

The transboundary watershed of Goascorán is located in the border area between the Eastern region of El Salvador and South-western region of Honduras and is part of the Central American Dry Corridor, one of the most vulnerable areas to climate change due to high climate variability, exposure to extreme weather events and poverty of its population¹. The main climate change effects in the Dry Corridor are an increasing frequency and intensity of droughts, excessive rains and severe flooding, with greater impacts experienced in environmentally degraded areas.

Drought events and high temperatures severely affect health, agriculture and the environment, particularly in areas experiencing an increasing water deficit. During the years of El Niño, precipitation in the Dry Corridor drops by 30% - 40%, with long periods of heatwaves. With few water storage facilities, water scarcity will worsen as increased temperatures and decreased rainfall accentuate the drought cycle, reduce surface flows and lower groundwater levels. Since June 2018, the basin of the Goascorán River reported a reduction of water flow of 70-75%, affecting communities in the two countries.

Due to recurrent droughts in three of the last five years, the majority of communities have reduced their planting cycle from twice to once a year, lowering production and suffering from significant income losses in the staple grains sector. In Honduras, two years of consecutive drought starting in 2014 led to a loss of 96% of maize yields and 87% of beans, while in El Salvador maize production is projected to decline by 10% and beans by 29% by 2070 due to climate change. Droughts have also affected other agricultural sectors such as sugar cane, coffee, fish farming, aviculture and livestock. As a consequence, rural communities' livelihoods are increasingly challenged to meet basic food and nutritional needs, further exacerbating food insecurity and poverty.

These communities are also challenged by low adaptive capacities, including a lack of access to knowledge, skills, tools, assets and services, and which further increases their vulnerability to climate

¹ Global Climate Risk Index 2018, <https://germanwatch.org/en/14638>

change; women in particular lack this access. Communities apply traditional agriculture practices that together with insufficient technical assistance, inefficient or absent irrigation systems, and poor soil and water conservation practices, reduce their ability to adapt to climate impacts, depletes natural resources and has severe negative environmental impacts such as soil deterioration and fertility reduction, deforestation, erosion, and subsequent increased risk of mudslides and landslides and river sedimentation.

In the transboundary watershed of Goascorán, harboring around 327,000 inhabitants across the two countries, climate-related disasters have already severely disrupted food production, led to the displacement of communities, seen loss of lives and assets, and caused an overall reduction of community resilience, especially affecting women and children. Despite the previous efforts to create and enhance a bi-national body to establish the basin's hydro-management, challenges persist in getting stakeholders to commit to strengthening the long-term governance of such a bi-national watershed management platform. Similarly, while early warning systems exist at the national level in both countries, communities in the Goascorán watershed lack access to timely and locally-accurate climatic information to help them make well-informed decisions to help them protect their livelihoods and make them more climate resilient.

The proposed project aims to **strengthen bi-national cooperation and build the climate resilience and food security of communities** through a comprehensive strategy that combines the promotion of climate adaptation practices (using methods such as ecosystem-based adaptation, community-based adaptation and conservation practices) with the implementation of a range of innovative interconnected climate risk management strategies. Since both countries have different strengths in a range of areas, the project will also **encourage cross-border institutional knowledge sharing to promote lasting resilience.**

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 risks.

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

- 1) Strengthening the capacities of national and local institutions to enable implementation of adaptation mechanisms that sustainably address climate change impacts, particularly on food security and nutrition;
- 2) Improving the adaptive capacity of vulnerable households, through the introduction of climate change adaptation good practices, risk management strategies and climate services.

Project Components and Financing:

Project Components	Expected Outcomes	Expected Outputs	Countries	Amount (US\$)
1. Strengthen the capacities of national and local institutions to enable implementation of adaptation mechanisms that sustainably address climate change impacts, particularly on	1.1 Strengthened national and local mechanisms to manage climate change at local level	1.1.1 National climate change adaptation strategies and mechanisms, including appropriate watershed management and ecosystem-based practices, implemented at local level	El Salvador Honduras	3,000,000
	1.2 Strengthened bi-national, national and local climate services and knowledge on climate change impacts, adaptation practices and food security and nutrition in the transboundary watershed	1.2.1 Strengthened national early warning systems for a bi-national approach in the Goascorán basin that delivers timely and locally-accurate climate information to communities	El Salvador Honduras	
		1.2.2 Bi-national knowledge sharing among institutions in the Goascorán basin is promoted to strengthen and bring to scale successful local	El Salvador Honduras	

food security and nutrition		mechanisms that address climate change adaptation		
2. Improve the adaptive capacity of vulnerable households, through the introduction of climate change adaptation good practices, risk management strategies and climate services	2.1 Improved access to livelihoods assets, enhanced resilience and reduced impact derived from climate variability and change in food insecure communities and households	2.1.1 Technical support for assets creation and restoration at community and household levels, to generate sustainable productive landscapes more resilient to climate risks	El Salvador Honduras	8,700,000
		2.1.2 Climate adaptation practices introduced and applied by vulnerable households in the project area	El Salvador Honduras	
	2.2 Improved access of smallholder farmers to financial services and climate risk management strategies	2.2.1 Provide climate risk transfer mechanisms, such as micro-insurance	El Salvador Honduras	
		2.2.2 Improve access to credit and savings	El Salvador Honduras	
	2.3 Strengthened vulnerable households' access to knowledge and information on climate change adaptation, climate risk management, climate services and food security and nutrition	2.3.1 Improve access to climate information services by smallholder farmers and communities	El Salvador Honduras	
2.3.2 Promote access to and exchange of knowledge and information at community level				
Project Execution cost (9.5%)				1,111,500
Total Project Cost				12,811,500
Project Cycle Management Fee charged by the Implementing Entity (8.5%)				1,088,978
Amount of Financing Requested				13,900,478

Project Duration: Four years

PART II: PROJECT JUSTIFICATION

The resources will be invested to address key technical, financial and information-based barriers to implement effective climate change adaptation strategies, at binational, national and local level.

The project will build on WFP's consolidated experience on integrated climate risk management, including the R4 rural resilience initiative² and climate services. It will look to strengthen household and community adaptive capacities through the implementation of a range of interconnected risk strategies, including **risk reduction** (improving resource management through asset creation); **prudent risk taking** (providing capacity building on livelihoods diversification and microcredit); **risk reserves** (enabling savings); **risk transfer** (exploring how micro-insurance could be introduced to compensate farmers in the event of weather-related shocks); and **risk information** (exploring how climate services can reach different segments of the target groups). This combination of activities aims to build the adaptive capacities of these communities by protecting them from climate shocks, reducing their use of negative coping strategies, and stimulating faster recovery.

Working with these communities, this project also aims to connect families with technical support that will improve their agricultural production and introduce them to adaptation practices, with a special focus on women's and vulnerable group's needs. This can include appropriate **ecosystem-based adaptation, community-based adaptation and conservation practices**, including the conservation and suitable use

² WFP R4 <http://www1.wfp.org/r4-rural-resilience-initiative>

of soil and water, crop diversification, water harvesting and irrigation, agro-forestry practices and **risk reduction**. It can also include climate smart agricultural practices involving a combination of “hard technologies” (including new irrigation systems or drought resistant seeds) as well as “soft technology” (including biodiversity management, early warning or farmer-to-farmer knowledge sharing). These aim to assist these families and communities to improve their access to knowledge, skills, tools, assets and services, and which will ultimately raise their adaptive capacity, and concurrently improve livelihoods, food security and nutrition in the transboundary area.

The institutional focus of the project will address the remaining barriers to an effective implementation of adaptation strategies at the local level. The project will aim to examine institutional and legal frameworks that can support the connection of rural communities with technical, financial and climate information services. It will also emphasize institutional capacity strengthening at binational, inter-institutional and local levels by sharing knowledge and information on adaptation practices and experiences across the borders of both countries. Long-term sustainability will also be emphasised through building processes that guarantee local participation and ownership.

The regional approach is key to address cross boundaries climate change challenges in the bi-national Goascorán watershed, which currently are mainly addressed nationally. In order to develop long term and sustainable climate change adaptive capacities and to increase efficiency, it is necessary to act regionally to encompass the totality of the watershed area and be able to address the challenges in their totality. Over the years, the two countries have addressed separately and differently the issues in the territory, developing capacities in different fields, including early-warning systems, legal frameworks for micro-insurance, climate change adaptation strategies, natural resources management, watershed management planning and related legal frameworks. The regional approach will allow both countries to learn from each other, share strengths and knowledge, harmonising resources to generate solutions for communities in both countries. It will reduce duplication, generate cost savings, allow to reach more communities in a more effective and regional coordinated approach. The project will also support the strengthening of national early warning systems for a bi-national approach in the Goascorán basin that delivers timely and locally-accurate climate information to communities. Additionally, this regional project will facilitate joint climate research and analysis as well as knowledge-sharing mechanisms.

The project will strengthen **knowledge transfer** and **collective learnings** to ensure long-term sustainability of adaptation building activities. Through binational network and community level engagement the project will promote participatory and peer-to-peer learning. The project will establish climate and food security information services, linking binational, national and local stakeholders for dissemination of climate adaptive hands-on practices and strategies. This constitutes an innovative aspect of the project by creating long-term bi-national communication mechanism. A bi-national governance body will ensure the countries benefit from each other strengths and from different progress on climate change adaptation. Building on existing and previous efforts – such as local governance bodies and the Bi-National Goascorán Watershed Management Group for water management - the bi-national governance body will provide a permanent institutional structure for transboundary management coordination and bi-national communication beyond water management to address wider adaptation and development concerns.

Alignments: The proposed project aligns with key governments’ policies and strategies in the area of agriculture, rural development and climate change adaptation. These include:

El Salvador: the Government Five-Year Development Plan 2014-2019; El Salvador Sustainable Plan 2018-2030; the National Climate Change Plan and the Environmental Strategy on Adaptation and Mitigation to Climate Change from the Farming, Forestry, and Aquatic Sector of the Ministry of Agriculture and Livestock; the National Strategy on Climate Change in the farming sector; and the Forestry Policy 2016-2036.

Honduras: the Country Vision 2010-2038 and the National Plan 2010-2022; the Forestry, Protected Areas and Wildlife Law; the Climate Change Law; the Master Plan of Water, Forest and Soil (ABS); the Honduras National Climate Change Strategy; and the National Adaptation Plan 2018-2030.

The proposed project is in line with WFP's global mandate and it contributes to the strategic objectives 3, 4 and 5 which reduce climate and other shocks, enabling people, communities and countries to build resilience and strengthen their capacity to meet their own food and nutrition needs. Additionally, project activities align with the WFP Climate Change Policy³. The project also contributes directly to the following Sustainable Development Goals: SDG 2, SDG 13 and SDG 15; and indirectly to SDG 5, 6, 8, 12 and 17.

Gender focus: WFP guarantees both gender equity and equality in all its interventions, based on recognition of social inequalities, different needs and interests between men and women (WFP marker 2A). While developing interventions, these specific needs will be identified and actions will be implemented in order to guarantee equal participation of both women and men. The targeting and selection of the families will be done through the collection of disaggregated data, including households having persons with disabilities, pregnant and lactating mothers, children and elderly in order to ensure the distinguished needs of the most vulnerable people are addressed.

In El Salvador and Honduras, agriculture represents an important source of livelihood for both men and women, but women face fundamental challenges such as a lack of formal education and awareness of personal rights and empowerment, as well as greater financial resource constraints. For example, women may lack the power to make timely farming decisions, introduce new adaptive practices and anticipate weather-related choices. Vulnerability to climate change exacerbates gender inequality. Through assessments and Community-based Participatory Planning (CBPP) processes, active participation of women will be promoted, allowing their specific needs to be included in the project design and work plans.

Social and economic benefits for vulnerable groups: The project targets households vulnerable to climate risks and food insecurity. By rehabilitating environmentally degraded areas through an ecosystem-based approach, populations will have better access to productive lands and water. Enhancing local adaptive capacities through community participatory planning, this project will improve risk management and livelihood stability in the face of natural hazards and empower communities to cope with climate change.

Effective planning: During the concept note formulation, various analyses and feasibility studies will be carried out to tailor the activities to the needs of the communities. The analyses will include i) Municipalities prioritization to select the territories; ii) Climate Change Vulnerability and Risk Assessment to evaluate the overall vulnerability; iii) Community consultations through focus groups to identify communities' needs; iv) feasibility assessments for integrated risk management tools such as micro-insurance and climate services; v) institutional capacity needs assessment; and v) livelihood Seasonal Planning. All the studies will include a gender analysis to incorporate a gender-transformative approach into action plans.

PART III: IMPLEMENTATION ARRANGEMENTS

The project will be implemented according to (i) the countries' climate change and environment priorities and strategies; (ii) the Basic Agreement between WFP and the Governments; (iii) WFP's El Salvador⁴ and Honduras⁵ Country Strategic Plans; and (iv) the 2017-2021 United Nations Development Assistance Framework (UNDAF).

WFP will serve as the Multilateral Implementing Entity (MIE) of the project. It will be responsible and accountable for managing the project, including ensuring effective use of project funds, oversight and reporting and for achieving project objectives.

It is envisaged the **executing entities** of the project will include the Ministry of Environment and Natural Resources (MARN) - National Center for Agricultural and Forestry Technology (CENTA), and the Ministry of Agriculture (MAG) in El Salvador; the Ministry of Natural Resources and Environment (MiAmbiente),

³ <http://documents.wfp.org/stellent/groups/public/documents/eb/wfp289327.pdf>

⁴ <http://www1.wfp.org/operations/sv01-el-salvador-country-strategic-plan-2017-2021>

⁵ <http://www1.wfp.org/operations/hn01-honduras-country-strategic-plan-2018-2021>

the Ministry of Agriculture and Livestock (SAG), the Institute of Forest Conservation and Development, Protected Areas and Wildlife (ICF), and the Presidential Office for Climate Change (Clima+) in Honduras. The countries' respective Ministries of Foreign Affairs will also play a fundamental role especially this being a trans-border project. At the local level, the project will involve departmental, provincial and municipal authorities and relevant stakeholders, such as associations of municipalities, local economic development institutions, and governance bodies. Civil society involvement will be facilitated through the participation of NGOs, smallholder farmer organizations and community leaders in various project activities. The Bi-national governance body structure will be based in the Central American Integration System – SICA and will act as a transboundary coordinator entity, which will facilitate the dialogue between respective national ministries, departmental, provincial and municipal authorities and relevant stakeholders, such as community leaders, associations of municipalities, local economic development institutions, NGOs and governance bodies. The Bi-national governance body will leverage existing stakeholders capacities while it will also provide the necessary political endorsement by respective national governments ensuring project impact and long-term sustainability.

The project will work with highly specialized organizations including the Food and Agriculture Organisation (FAO), the Inter-American Institute for Agricultural Cooperation (IICA), the Centre for Tropical Agricultural Research and Learning (CATIE), and the Pan-American Agricultural School - Zamorano University to rely on their comparative advantages to implement field-level trainings and activities.

PART IV: ENDORSEMENT BY GOVERNMENTS AND CERTIFICATION BY THE IMPLEMENTING ENTITY

A. Record of endorsement on behalf of the government

<i>Lina Dolores Pohl, Minister, Ministry of Environment and Natural Resources</i>	Date: <i>See attachment 1</i>
<i>Jose Antonio Galdames, Secretary of State, Secretariat of National Resources and Environment</i>	Date: <i>See attachment 2</i>

B. Implementing Entity certification

<p>I certify that this proposal has been prepared in accordance with guidelines provided by the Adaptation Fund Board, and prevailing National Development and Adaptation Plans of El Salvador and Honduras and subject to the approval by the Adaptation Fund Board, <u>commit to implementing the project/programme in compliance with the Environmental and Social Policy of the Adaptation Fund</u> and on the understanding that the Implementing Entity will be fully (legally and financially) responsible for the implementation of this project/programme.</p>	
<p><i>Andrew Stanhope</i> <i>Representative & Country Director, WFP El Salvador</i> Implementing Entity Coordinator</p>	
Date: July 18, 2018	Tel. and email: +503 7856 4061/ andrew.stanhope@wfp.org
Project Contact Person: <i>Marco Selva, Deputy Country Director</i>	
Tel. And Email: +503 7919 1118/ marco.selva@wfp.org	
<p><i>Judith Thimke</i> <i>Representative & Country Director, WFP Honduras</i> Implementing Entity Coordinator</p>	
Date: July 18, 2018	Tel. and email: +504 2236 9002/ judith.thimke@wfp.org
Project Contact Person: <i>Francisco Salinas, Head of Policy and Programs</i>	
Tel. And Email: +504 3190 8533/ francisco.salinass@wfp.org	

PART IV: ENDORSEMENT BY GOVERNMENTS AND CERTIFICATION BY THE IMPLEMENTING ENTITY

A. Record of endorsement on behalf of the government

<i>Lina Dolores Pohl, Minister, Ministry of Environment and Natural Resources</i>	Date: <i>28/07/18</i> See attachment 1
<i>Jose Antonio Galdames, Secretary of State, Secretariat of National Resources and Environment</i>	Date: <i>28/07/18</i> See attachment 2

B. Implementing Entity certification

I certify that this proposal has been prepared in accordance with guidelines provided by the Adaptation Fund Board, and prevailing National Development and Adaptation Plans of El Salvador and Honduras and subject to the approval by the Adaptation Fund Board, commit to implementing the project/programme in compliance with the Environmental and Social Policy of the Adaptation Fund and on the understanding that the Implementing Entity will be fully (legally and financially) responsible for the implementation of this project/programme.

Andrew Stanhope
Representative & Country Director, WFP El Salvador
Implementing Entity Coordinator

Judith Thimke
Representative & Country Director, WFP Honduras
Implementing Entity Coordinator

Date: July 18, 2018 | Tel. and email: +503 7856 4061/ andrew.stanhope@wfp.org

Project Contact Person: *Marco Selva, Deputy Country Director*

Tel. And Email: +503 7919 1118/ marco.selva@wfp.org

Date: July 18, 2018 | Tel. and email: +504 2236 9002/ judith.thimke@wfp.org

Project Contact Person: *Francisco Salinas, Head of Policy and Programs*

Tel. And Email: +504 3190 8533/ francisco.salinas@wfp.org



MINISTERIO DE MEDIO AMBIENTE Y RECURSOS NATURALES
UNÁMONOS PARA CRECER

MARN-GAT-02-003/2018

San Salvador, El Salvador, 18th July 2018

Subject: Endorsement for the project “Improve Livelihood Resilience Through Community-Based Climate Change Adaptation in the Transboundary Watershed of Goascorán in El Salvador and Honduras”.

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

I am pleased to confirm the commitment of the Ministry of Environment and Natural Resources (MARN) of El Salvador, to participate actively in the process to finalize this proposal and to engage other national entities to accompany this process until its approval.

In my capacity as official Designated National Authority (NDA) and Focal Point for the Adaptation Fund, I would like to express our “non-objection to the pre-concept note” of this regional project between Honduras and El Salvador.

This project is a great opportunity for the communities bordering both countries within the Goascorán watershed, which historically has been shaped by environmental and socio-economic concerns with direct effects in their ecosystems and its water-supply management conditions, hampering into their food and nutrition security. Therefore, we endorse this regional pre-concept note to be submitted to the Adaptation Fund with the support of the United Nations World Food Programme (WFP). If this is approved, I also want to reaffirm our commitment to complete this process until its final approval as full proposal; thus, ensure a holistic and participatory approach with all project stakeholders, and to benefit by implementing and strengthening the adaptive and social scheme of the people – most in need – in this boarding area.

Most sincerely,




Lina Dolores Pohl Alfaro
Minister of Environment and Natural Resources
of El Salvador



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

Subject: Endorsement for the Project **“Improve Livelihood Resilience through Community-Based Climate Change Adaptation in the Transboundary watershed of Goascoran in El Salvador and Honduras”**

I am pleased to confirm the commitment of the Secretary of Natural Resources and Environment of Honduras, to participate actively in the process to finalize this proposal and to engage other national entities to accompany this process until its approval.

In my capacity as official Designated Authority and Focal Point for the Adaptation Fund, I would like to express our “non- objection to the project” and propose this regional project between Honduras and El Salvador.

This project is a great opportunity for the communities bordering both countries within the River “Goascoran” watershed, which historically has 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 in that bordering area. Therefore, we endorse this regional project proposal to be submitted to the Adaptation Fund with the support of the United Nations World Food Programme (WFP). If this Pre-Concept Note is approved, I also want to reaffirm our commitment as Secretary of Natural Resources and Environment of Honduras, as well as of other national entities, to do what is needed to complete this process until its approval; thus ensure a holistic and participatory approach with all project stakeholders, and to benefit by implementing and strengthening the adaptive and social scheme of the people –in most need– of this bordering area.

Sincerely yours

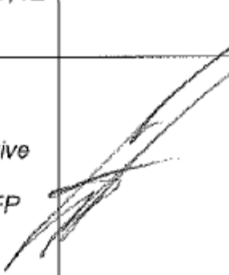
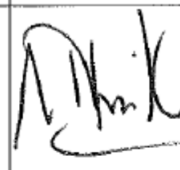

Jose Antonio Galdames
Secretary of the State
18/07/18




Edificio Principal: Despacho de Recursos Naturales, Ambiente y Minas, 100 metros al Sur del Estadio Nacional
Tels. Planta: (504) 2232-9200 / 2235-7833 / 2239-4296, Apdo. Postal 1389, 4710, www.mambiente.gob.hn
Tegucigalpa, Honduras, Centro América

C. Implementing Entity

This request has been prepared in accordance with the Adaptation Fund Board's procedures and meets the Adaptation Fund's criteria for project identification and formulation

Implementing Entity Coordinator, IE Name	Signature	Date	Project Contact Person	Telephone	Email Address
Andrew Stanhope <i>Representative & Country Director, WFP El Salvador</i>		July 18 th 2018	Marco Selva, <i>Deputy Country Director</i>	+503 7919 1118	marco.selva@wfp.org
Judith Thimke, <i>Representative & Country Director, WFP Honduras</i>		July 18 th 2018	Francisco Salinas, <i>Head of Policy and Programs</i>	+504 3190 8533	francisco.salinas@wfp.org