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PROTRACTED RELIEF AND RECOVERY OPERATIONS— CENTRAL AMERICA 200490

**Restoring Food Security and Livelihoods for
Vulnerable Groups Affected by Recurrent
Shocks in El Salvador, Guatemala, Honduras
and Nicaragua**

| | |
|--|--|
| Number of beneficiaries | 428,000 annually |
| Duration of project | 3 years (1 January 2014–31 December 2016) |
| WFP food tonnage | 48,491 mt |
| Cost (United States dollars) | |
| Food transfers | 30,900,444 |
| Cash and vouchers | 15,417,038 |
| Capacity development and augmentation | 264,300 |
| Total cost to WFP | 70,489,461 |

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NOTE TO THE EXECUTIVE BOARD

This document is submitted to the Executive Board for approval.

The Secretariat invites members of the Board who may have questions of a technical nature with regard to this document to contact the WFP staff focal points indicated below, preferably well in advance of the Board's meeting.

Regional Director, OMP*: Mr G. Lodesani Email: gemmo.lodesani@wfp.org

Senior Regional Programme Adviser: Mr R. Chapman Email: regis.chapman @wfp.org

Should you have any questions regarding availability of documentation for the Executive Board, please contact the Conference Servicing Unit (tel.: 066513-2645).

* Panama Regional Bureau (Latin America and the Caribbean)

EXECUTIVE SUMMARY

Recent disasters, economic shocks and food and fuel price increases have compromised the already precarious food security of the poor in Central America. Protracted relief and recovery operation 200490 is designed to support national response to and recovery from the effects of natural disasters on the food security of vulnerable people in El Salvador, Guatemala, Honduras and Nicaragua.

The operation will provide fast and efficient responses based on contingency planning, pre-positioning of food stocks and support for national emergency responses and regional coordination mechanisms. It will meet the immediate needs of food-insecure populations affected by shocks, and facilitate recovery through asset creation with a view to laying the foundation for a transition to resilience-building through ongoing country programmes and capacity development at the regional and country levels.

The operation is part of a regional approach to food insecurity and disaster management in Central America. WFP's emergency responses are aligned with the government-endorsed Regional Disaster Reduction Plan (2006–2015); food security and nutrition activities are aligned with the Second Regional Programme for Food and Nutrition Security in Central America, and with national policies.

WFP's 2012 review of the preceding operation endorsed the operation's rationale and renewal. The external evaluation of the Central American regional portfolio supported this conclusion, and urged that protracted relief and recovery operation 200490 be used to enable a transition from preparedness and response to prevention and resilience-building.

This operation will assist an annual average of 428,000 food-insecure people, and is in line with Strategic Objectives 1 and 2 and Millennium Development Goal 1.

DRAFT DECISION*

The Board approves the proposed protracted relief and recovery operation Central America 200490 "Restoring Food Security and Livelihoods for Vulnerable Groups Affected by Recurrent Shocks in El Salvador, Guatemala, Honduras and Nicaragua" (WFP/EB.2/2013/7-C/4).

* This is a draft decision. For the final decision adopted by the Board, please refer to the Decisions and Recommendations document issued at the end of the session.

SITUATION ANALYSIS

Context

1. El Salvador, Guatemala, Honduras and Nicaragua have common economic, social, environmental, political and historical characteristics, and are all vulnerable to natural disasters. Poverty and chronic malnutrition are the results of slow economic growth, low agricultural productivity and overexploitation of natural resources. Half of the population of 34 million people live in poverty¹ and a third are chronically undernourished;² 60 percent of the poor live in rural areas, where social services are limited.

| | Extreme poverty | | National poverty rates |
|-------------|-----------------|-------|------------------------|
| | Urban | Rural | |
| El Salvador | 12.7 | 23.5 | 46.6 |
| Guatemala | 5.1 | 21.1 | 54.8 |
| Honduras | 26.0 | 56.8 | 67.4 |
| Nicaragua | 5.6 | 26.6 | 58.3 |

* Economic Commission for Latin America and the Caribbean. 2012. *Statistical Yearbook for Latin America and the Caribbean*. Available at: <http://www.eclac.org/>

2. Hurricanes, floods, landslides, droughts and earthquakes are common. Three of the countries were among those most affected by extreme weather between 1992 and 2011.³ The International Disaster Database (EM-DAT) of the Centre for Research on the Epidemiology of Disasters (CRED) reported that between 2000 and 2012 the four countries experienced 133 occurrences of extreme weather.
3. More intense and frequent climate shocks in recent years have caused significant loss of life and property:¹ EM-DAT reported 1,522 fatalities and 7 million people affected by natural disasters over the past six years. The Economic Commission for Latin America and the Caribbean reported economic damage of US\$1.9 billion caused by tropical depression 12 in 2011. Tropical storms are a major concern, and deforestation has exacerbated their impact: even medium-intensity rainfall can trigger landslides and flash floods.
4. A WFP trend analysis of food security and disasters used livelihood and food security profiling to identify the areas most susceptible to natural disasters and the most vulnerable food-insecure groups. It confirmed a correlation between vulnerability to natural disasters and hunger, and showed that environmental degradation increases the frequency of natural disasters, which in turn exacerbate poverty and hunger. The poor suffer because they cannot afford to relocate or invest in risk reduction measures: the most vulnerable people are smallholder farmers. The locations most at risk are flood plains and steeply sloping land, and the dry corridor that extends through all four countries.

¹ Economic Commission for Latin America and the Caribbean, Statistics Division. Santiago.

² FAO. 2012. *The State of Food Insecurity in the World, 2012*. Rome.

³ German Watch. 2013. *Global Climate Risk Index*. Available at: <http://germanwatch.org/en/5696>

5. Between 2000 and 2012, Honduras experienced six major droughts, and El Salvador, Guatemala and Nicaragua experienced three or more; 4 million people were affected, particularly smallholder farmers in the dry corridor.
6. Coffee production is a livelihood for 2 million people in the four countries. The recent resurgence of coffee rust in the region is expected to have a profound effect on economic well-being and food security, and the number of beneficiaries is likely to exceed the number identified through trend analysis (see Table 2). During 2012/13, 50 percent of the coffee-growing areas were affected and 220,000 jobs were lost; further losses are expected in 2013/14. Smallholder farmers and seasonal labourers⁴ in particular will need assistance if they are to cope.

| TABLE 2: IMPACT OF COFFEE RUST* | | | | | | |
|--|----------------------|-------------------|-----------------------|------------------|-----------------------|----------------|
| | Planted area (ha) | Affected area (%) | No. of coffee farmers | Coffee workforce | Job losses in 2012/13 | |
| | | | | | No. of job losses | % of workforce |
| El Salvador | 152 187 | 74 | 16 995 | 95 000 | 13 444 | 14 |
| Guatemala | 276 000 | 70 | 43 800 | 500 000 | 75 000 | 15 |
| Honduras | 280 000 | 25 | 111 490 | 1 000 000 | 100 000 | 10 |
| Nicaragua | 125 874 | 37 | 30 000 | 158 000 | 32 000 | 20 |
| TOTAL | 834 061 | 51 | 202 285 | 1 753 000 | 220 444 | 13 |

* International Coffee Organization. 2013. *Report on the outbreak of coffee leaf rust in Central America and Action Plan to combat the pest*. ED 2157/13.

Available at: <http://dev.ico.org/documents/cy2012-13/ed-2157e-report-clr.pdf>

FOOD SECURITY AND NUTRITION

7. According to the International Food Policy Research Institute, the global hunger index of the four countries has improved since 1990, but Guatemala still has “serious” levels of hunger.⁵ The index is based on the percentage of undernourished people, underweight children and under-5 mortality.
8. The average prevalence of underweight children in the region is 4 percent; the figure for Guatemala is 13 percent. Stunting among children ranges from 19 percent in El Salvador to 48 percent in Guatemala,⁶ where prevalence reaches 80 percent in some western municipalities. Regional prevalence of acute undernutrition is 1 percent; the rate rises seasonally and after disasters, but remains well below emergency levels.

⁴ Many seasonal workers are vulnerable migrants, whose main source of income is the coffee harvest.

⁵ Von Grebmer, K., Ringler, C., Rosegrant, M.W., Olofinbiyi, T., Wiesmann, D., Fritschel, H., Badiane, O., Torero, M., Yohannes, Y., Thompson, J., von Oppeln, C. and Rahall, J. *2012 Global Hunger Index Data*. Bonn, Washington DC and Dublin, International Food Policy Research Institute.

⁶ Data from UNICEF Childinfo: www.childinfo.org

9. Access to safe water and sanitary facilities is limited in rural areas. This becomes a serious issue during floods and hurricanes when contamination of water sources gives rise to diarrhoea – a major cause of death among children under 5.⁷ In Guatemala, the prevalence of diarrhoea in rural children under 5 is 23.3 percent; the figure for acute respiratory infections is 21.9 percent.⁸
10. The high food prices in 2007/08 and 2010/11 had negative effects in the four countries. The region as a whole was relatively stable and capable of absorbing shocks, but the high food prices eroded consumers' purchasing power. In El Salvador and Honduras the purchasing power of the poorest people fell by 50 percent, affecting their resilience.
11. Natural disasters increase food insecurity by reducing the availability of food. Local safety nets are often underfunded and unable to meet increased demands, and damage to infrastructure can impede assistance.

POLICIES, CAPACITIES AND ACTIONS OF THE GOVERNMENTS AND OTHERS

12. WFP's actions to help the four countries to respond to and recover from shocks are guided by various initiatives and bodies.
13. Regional policy frameworks for disaster preparedness and response include: i) the Regional Disaster Reduction Plan 2006–2015; ii) the Second Regional Programme for Food and Nutrition Security in Central America 2010–2016; iii) the Central American Integration System; iv) the *Centro de Coordinación para la Prevención de los Desastres Naturales en América Central* (CEPRENAC – Regional Centre for the Prevention of Natural Disasters in Central America); and v) the Council of Central American Ministers of Agriculture, which promotes capacity development for preparedness and response in national disaster management administrations.
14. Regional initiatives addressing climate change include the Central American Comprehensive Risk and Disaster Policy and the Regional Strategy on Climate Change.

Coordination

15. The Council of Ministers of Agriculture and national disaster management administrations endorsed the Resilience Agenda Plan of Action for Food and Nutrition Security in the Dry Corridor, which is sponsored by WFP and the Food and Agriculture Organization of the United Nations (FAO). It proposes four areas for coordination: i) ecosystem restoration; ii) institutional and local capacity enhancement; iii) enhancement and commercialization of production systems for sustainable livelihoods; and iv) knowledge generation and sharing.

⁷ World Health Organization. 2009. *Diarrhoeal Disease*. Fact sheet No. 330. Washington, DC; Walker, S.P, Wachs, T.D., Meeks Gardner, J., Lozoff, B., Wasserman, G.A., Pollitt, E., Carter, J.A.; and International Child Development Steering Group. 2007. Child development: risk factors for adverse outcomes in developing countries. *The Lancet* 369(9556), 145–157.

⁸ Government of Guatemala. 2009. *V Encuesta Nacional de Salud Materno Infantil 2008–2009*. Available at: <http://www.ine.gob.gt/np/ensmi/>

16. The plan of action is complemented by the WFP resilient communities initiative to promote food security by investing in disaster risk reduction in the dry corridor. The initiative scales up country programmes' best practices in asset creation and water and soil conservation to increase community capacities to cope with shocks. WFP also works with national disaster management administrations and local authorities to augment emergency preparedness and response at the national and local levels.
17. The Council of Ministers of Agriculture has a regional plan of action for mitigating the effects of coffee rust on production, developed in consultation with coffee growers' associations, FAO and WFP. With its partners, WFP is assessing the short-term impact of coffee rust on food security and nutrition.
18. To coordinate emergency preparedness and response, WFP works with governments, United Nations emergency technical teams and the Regional Task Force for Risk, Emergency and Disasters in Latin America and the Caribbean.
19. WFP leads the Logistics Cluster and co-leads the Food Security Cluster with FAO. Food security and nutrition coalitions with various organizations use early warning mechanisms such as the Early Warning System for Central America; and Purchase for Progress (P4P) partners have provided technical support for smallholder farmers in emergencies.
20. WFP manages the Regional Centre for Emergency Preparedness and Response in El Salvador. Warehousing is managed by WFP and the Division of Food Assistance in the National Secretariat for Social Inclusion.

OBJECTIVES OF WFP ASSISTANCE

21. Protracted relief and recovery operation (PRRO) 200490 will support and coordinate emergency responses in line with Strategic Objectives 1 and 2⁹ of the Strategic Plan (2014–2017) by:
 - saving lives and protecting livelihoods (Strategic Objective 1); and
 - helping to establish and stabilize livelihoods and food security through relief and recovery assistance (Strategic Objective 2).
22. Where there are geographical overlaps with WFP country programmes (CPs), PRRO 200490 will protect gains made by the resilience-building components of those CPs.¹⁰
23. The objectives of PRRO 200490 are in line with national strategies and the WFP Regional Strategic Vision for Latin America and the Caribbean. It supports the work of governments and community organizations to:
 - widen the scope of social protection networks to reduce food and nutrition insecurity;
 - improve disaster management;
 - increase resilience to natural disasters; and
 - mitigate the impact of climate change.

⁹ Strategic Objective 1 – Save lives and protect livelihoods in emergencies; Strategic Objective 2 – Support or restore food security and nutrition and establish or rebuild livelihoods in fragile settings and following emergencies

¹⁰ Guatemala CP, component 2 – Improving livelihoods for subsistence farmers; Honduras CP, component 3 – Agroforestry and watershed management to adapt to shocks and climate change; and Nicaragua CP, component 3 – Improving infrastructure and community resilience to adapt to shocks and climate change. El Salvador is developing a trust fund for adaptation to climate change of small farmers in the dry corridor to improve food and nutrition security.

WFP RESPONSE STRATEGY

Nature and Effectiveness of Food Security-Related Assistance to Date

24. WFP has worked on preparedness and emergency response in the four countries since 2000, particularly through its four regional PRROs. The four governments and the donor community have appreciated the regional approach, which was validated by a WFP review in 2012.
25. The approaches proposed in PRRO 200490 are in line with the preliminary recommendations of an external evaluation of the Central America regional portfolio commissioned by the Office of Evaluation. The evaluation recommended that PRRO 200490 be used to enable the country offices to move from preparedness and response to prevention.
26. In Nicaragua, WFP's conditional cash transfer pilot, implemented through an asset creation project, resulted in increased vegetable production, greater household access to diversified foods, the empowerment of women through increased household incomes, and the preservation of household assets during crises.

Strategy Outline – Regional Framework

27. In cases where governments lack the capacity to respond to a disaster, WFP will intervene through PRRO 200490, which is part of a regional framework that includes emergency preparedness and response and long-term resilience delivered through CPs and other operations. Emergency preparedness, response and recovery activities under PRRO 200490 are planned for the areas most vulnerable to food insecurity and recurrent shocks. The PRRO itself does not aim to build resilience, but by focusing on relief and recovery it will safeguard the investments in resilience made through complementary activities.
28. WFP's 2012 review supported the regional approach, highlighting: i) the shared geophysical and socio-economic attributes of the four countries; ii) the need for coordinated responses, given that natural disasters often transcend national boundaries; iii) the need to move staff and food rapidly between countries; and iv) the operational and managerial simplicity of having a single project designed to address an emergency in any of the countries.

Strategy Outline – PRRO 200490

29. Preparedness activities will include pre-positioning of food in each country each year, development of enhanced protocols for responding to rapid and slow-onset disasters, and disseminating best practices and standards for asset creation.
30. Relief will focus on response to sudden-onset emergencies, saving lives and protecting the livelihoods of vulnerable populations. It will use the preparedness activities, particularly pre-positioned food and stocks procured by the Forward Purchasing Facility. High-energy biscuits may be used during the first days of a sudden-onset emergency while general food distributions are arranged.
31. The recovery component will contribute to restoring the livelihoods of vulnerable populations affected by disasters, to improve their access to food, prevent asset depletion and reduce negative coping mechanisms. It will include community planning involving men and women, and early-recovery interventions focusing on low-tech and labour-intensive work schemes; in accordance with the recommendations of the 2012 review, the focus will be on the quality rather than the quantity of assets created.

32. The operation will draw on lessons learned from previous emergency responses, such as the need to consider people's preferences for types of intervention that best meet their needs. Three phases of emergency response have been defined.

⇒ *Phase I – Immediate relief*

33. This will be implemented if a shock causes loss of livelihoods, assets and means of survival. Immediate general food distribution for 30 days is recommended to maintain food security and to provide for families needing immediate food assistance. The suitability, efficiency and cost-effectiveness of different transfer modalities will be determined through rapid assessments and feasibility studies.

⇒ *Phase II – Relief*

34. This phase will commence when populations have returned to their homes to resume their livelihoods. An additional 30 to 60 days of unconditional transfers of cash, vouchers or food is recommended, provided that assessments show the need for continued support.

35. Assistance during the first two phases will help to preserve household resilience. Because productive assets may be damaged or destroyed, unconditional relief assistance will reduce the likelihood of negative coping strategies. Conditional asset creation approaches may also be used.

⇒ *Phase III – Recovery*

36. Restoring or creating community assets will support medium-term household food security and enable the transition to resilience initiatives, which will be supported by food for training and cash for training to provide livelihood skills and build capacities for community disaster management. Conditional assistance to support the building or rehabilitation of assets is recommended. In slow-onset emergencies, such as drought or crop disease, phase III activities only are recommended.

37. The involvement of men and women in the design and implementation of activities will ensure that WFP interventions are gender-appropriate. Households headed by women and households with children under 5 and/or pregnant women will be prioritized.

38. Lessons learned from gender participation in P4P will be applied in PRRO 200490, particularly in view of women's greater involvement in farmers' organizations and the 30 percent increase in women's participation in production value chains.

39. WFP's 2012 feasibility studies noted that the environment is favourable for cash and voucher transfers. Seasonal fluctuations in food prices and wages, and other factors affecting beneficiary needs, show that analyses of cost efficiency and effectiveness are required to ensure selection of the optimum modality for each intervention.

40. Cash and voucher transfers will be introduced gradually as experience is gained. They could be implemented in 25 percent of interventions in 2014, and 50 percent in 2016. This expansion will be based on assessments and feasibility studies.

41. The regional bureau in Panama City will: i) facilitate the exchange of best practices among countries; ii) support the establishment of training norms and operational procedures for asset creation; iii) foster coordination of resilience-building in CPs, activities for enhancing emergency preparedness and response capacity, and PRRO 200490; and iv) increase country office capacities to manage cash and vouchers and help them to mobilize resources. The regional bureau will continue to provide expertise, tools and funds for the cash and voucher feasibility studies, risk analyses and operational plans, and to support sector assessments and the establishment of standard operating procedures and training.

Hand-Over Strategy

42. As the emergency response and early recovery mechanism of a multi-stakeholder, regional framework to support governments in addressing sudden-onset and slow-onset disasters in coordination with regional structures, PRRO 200490 protects resilience work in support of CPs, P4P, school feeding and nutrition interventions.
43. Identifying and sharing lessons learned with governments and other partners helps to improve future interventions and supports the hand-over strategy. During PRRO 200490, expertise in managing cash and vouchers will be developed in country offices, with support from the regional bureau; this may provide opportunities to help governments to maximize the cost efficiency and effectiveness of their social protection systems.

BENEFICIARIES AND TARGETING

44. The intervention areas and the number of food-insecure people to be assisted are based on trend analyses and emergency food security assessments. Assessments after individual emergencies will determine the levels of assistance to be provided.
45. The number of people requiring assistance in the first year of the coffee rust crisis is based on preliminary assessments, which have been triangulated with data provided by EM-DAT and country offices, and with past trends in WFP's food assistance.
46. Table 3 gives estimates of the numbers of people likely to be affected, by type of emergency and country.

| | Sudden-onset emergencies | Slow-onset emergencies | Slow-onset – coffee rust | Annual beneficiaries, year 1 (including coffee rust) | Annual beneficiaries, years 2 and 3 (excluding coffee rust) |
|--------------|---------------------------------|-------------------------------|---------------------------------|---|--|
| Honduras | 51 000 | 50 000 | 11 000 | 112 000 | 101 000 |
| El Salvador | 89 000 | 10 000 | 12 000 | 111 000 | 99 000 |
| Guatemala | 78 000 | 70 000 | 5 000 | 153 000 | 148 000 |
| Nicaragua | 44 000 | 18 000 | 29 000 | 91 000 | 62 000 |
| TOTAL | 262 000 | 148 000 | 57 000 | 467 000 | 410 000 |

47. The beneficiaries of PRRO 200490 are primarily: i) smallholder households headed by women; ii) rural households without access to land and dependent on daily wages; iii) smallholder farmers affected by coffee rust and families with limited access to credit or work; and iv) vulnerable populations such as the elderly and people with disabilities. Beneficiaries will be selected in coordination with local authorities and community committees, following established criteria.
48. In responses to sudden-onset emergencies, targeted groups will include displaced families with limited access to food, host families, and families that have lost productive assets and income-generating opportunities.

49. Early recovery beneficiaries will be people needing support in addition to initial relief assistance. Experience shows that half of the people affected by shocks require early recovery support because they cannot recover their livelihoods, assets or incomes during the emergency assistance phase. People affected by slow-onset emergencies will be supported through the recovery component.
50. When new information becomes available to support geographical targeting and preparedness planning, the trend analyses will be updated with a view to accelerating emergency responses; the trend analysis maps will inform the regional disaster risk reduction strategy.

| TABLE 4: BENEFICIARIES, BY ACTIVITY | | | | | |
|--|----------------|----------------|----------------|--------------|----------------|
| | 2014 | 2015 | 2016 | % men | % women |
| RELIEF | | | | | |
| Phase 1 – food | 262 000 | 262 000 | 262 000 | 48 | 52 |
| Phase 2 – food | 207 000 | 157 000 | 131 000 | 48 | 52 |
| Phase 2 – cash and vouchers | 55 000 | 105 000 | 131 000 | 46 | 54 |
| Subtotal | 262 000 | 262 000 | 262 000 | | |
| RECOVERY | | | | | |
| Phase 3 FFA* – food | 154 000 | 89 000 | 74 000 | 48 | 52 |
| Phase 3 FFA – cash and vouchers | 51 000 | 59 000 | 74 000 | 46 | 54 |
| Phase 3 food or cash for training | 193 000 | 140 000 | 124 000 | 42 | 58 |
| Subtotal | 205 000 | 148 000 | 148 000 | | |
| TOTAL | 467 000 | 410 000 | 410 000 | | |

* Food for assets.

NUTRITIONAL CONSIDERATIONS AND RATIONS / VALUE OF CASH / VOUCHER TRANSFERS

51. Emergency food security assessments show that the beneficiaries' diets contain sugars and are rich in carbohydrates from rice, maize and beans. Protein comes from eggs and fats.
52. In the first 30 days of a sudden-onset emergency, general food distributions will provide a ration that meets beneficiaries' energy and nutrition requirements. It will include SuperCereal to prevent deterioration of the nutrition status of vulnerable women and children.¹¹ In the following 30 to 60 days, beneficiaries will receive either unconditional cash or vouchers, or a general food distribution ration with reduced SuperCereal.
53. The recovery ration does not address nutrition, so conditional cash and vouchers will be provided, or rations of cereals, pulses and vegetable oil. The cash or voucher value will be equivalent to the market value of the food, or substitutes, in the WFP daily food ration.

¹¹ PRRO 200490 does not include a nutrition intervention because acute malnutrition remains well below emergency thresholds, and nutrition activities are supported through complementary operations.

54. The nutrition situation will be monitored throughout. The activities of PRRO 200490 may be adapted, for example by continuing to include SuperCereal in the ration. Any additional beneficiary needs will be assessed.
55. Each country will maintain an annual contingency stock of 450 mt of food, sufficient for immediate assistance for 13,000 beneficiaries.

| TABLE 5: FOOD TRANSFER, BY ACTIVITY (g/person/day) | | |
|---|---------------------|---------------------|
| | Relief | Recovery |
| Maize | 200 | 200 |
| Rice | 200 | 200 |
| Pulses | 60 | 60 |
| SuperCereal* | 150 | - |
| Vegetable oil | 25 | 40 |
| Salt | 5 | - |
| Cash/voucher (US\$/person/day) | US\$0.40/person/day | US\$0.37/person/day |
| Kcal/day | 2 405 | 1 974 |
| % kcal from protein | 11.8 | 9.8 |
| % kcal from fat | 17.4 | 22.6 |
| No. of feeding days per year | Up to 60 days | Up to 90 days |

* In phase II the SuperCereal ration is 60 g/person/day.

IMPLEMENTATION ARRANGEMENTS

Participation

56. WFP will work with government counterparts at the national and sub-national levels. Municipal authorities will help to coordinate emergency responses and will provide financial resources, non-food items and technical assistance. Coordination will involve technical support for counterparts in contingency planning and emergency food security assessments. The regional bureau will coordinate regional preparedness and response with CEPREDENAC.
57. At the community level, emergency preparedness and response will be coordinated with projects being implemented by national and international organizations.
58. The participation of women in community decision-making bodies will be encouraged, to promote women's participation and leadership.

Partners and Capacities

59. WFP offices will work with government counterparts¹² on asset creation and training related to food, cash and vouchers; counterparts will have experience of cooperating with WFP, for example on joint activities. The roles of partners will be reviewed, with a view to

¹² In El Salvador, the *Fundación Salvadoreña para la Salud y el Desarrollo Humano* and *Fundación para el Desarrollo y Humanismo Maquilishuatl*; in Guatemala, the Ministry of Agriculture; in Honduras, the Ministry of Agriculture; in Nicaragua, the *Sistema Nacional para la Prevención, Mitigación y Atención de Desastres* and municipal offices.

increasing their participation in PRRO 200490. Cash and in-kind donations will be matched through twinning arrangements.

60. The role of PRRO 200490 will be reviewed annually by a partnership advisory committee comprising representatives of the four governments, local organizations, United Nations agencies, non-governmental organizations (NGOs) and donors. The committee will share best practices and consider implementation and coordination issues.

Procurement

61. The project will adhere to WFP procedures for local, regional and international purchases of food and non-food items. Most items will be available locally from smallholder farmers; SuperCereal is produced in Guatemala. When appropriate, WFP will leverage its purchasing power to procure grain for regular food-based operations from smallholder farmers engaged in P4P, which will help to build resilience and expedite responses.
62. To mitigate risks of delayed deliveries of international purchases, a forward purchase facility in El Salvador will be regularly replenished. Use of the advance financing mechanism will help with scaling up procurement from smallholder farmers.
63. To maintain operational flexibility, allowances have been made to purchase food locally, regionally and internationally, bearing in mind that some governments require certain items to be procured locally.

Logistics

64. In El Salvador, WFP will be responsible for logistics coordination. National counterparts and NGOs will provide secondary transport and will distribute food assistance.
65. In Guatemala, WFP and the National Institute for Agricultural Trade will be responsible for receipt of goods, customs clearance, primary transport, handling and storage. The Government will make six warehouses available as a contribution to landside transport, storage and handling costs. WFP will contract transport companies to deliver food to project sites.
66. In Honduras, WFP and the *Comisión Permanente de Contingencias*¹³ will be responsible for receipt and customs clearance of goods, transport, handling and storage in Comayagua, San Lorenzo, San Pedro Sula and Tegucigalpa. Food will then be dispatched to municipal warehouses, where partners and local authorities will be responsible for deliveries to the final distribution points.
67. Remote areas in Nicaragua and Honduras have poor roads, few extended delivery points and a shortage of partners with logistics capacity. This adds to landside transport, storage and handling costs, but the regional approach of PRRO 200490 will help to increase the capacity of local transport markets and improve cost efficiency by gradually reducing overall operational costs.
68. WFP will purchase non-food items to support communities with early recovery activities such as rehabilitation of land, water catchments and irrigation systems, and repair of schools and clinics.

¹³ A Honduran disaster management administration.

PERFORMANCE MONITORING

69. At the strategic results level, the logical framework of PRRO 200490 will be managed using the Country Office Monitoring and Evaluation Tool; at the management results level WFP's new Performance and Risk Organizational Management Information System will be used to measure performance.
70. WFP field monitoring teams in each country will oversee distribution for all transfer modalities and asset creation activities; they will carry out post-distribution monitoring and report on outputs and outcomes.
71. The regional bureau will support country offices in analysing and reporting project results; this will include the collection of baseline data from emergency food security assessments, ministries and other national sources.
72. The supervision system for cash and voucher transfers will operate at the community level and through cooperating partners, as with in-kind distributions. Financial data will be compiled and analysed at the country level. The Cash Transfer Compliance Unit will oversee the quality of implementation.
73. Information collected from early warning systems, country reports and post-distribution monitoring will be used for self-evaluations. An external evaluation at the end of PRRO 200490 will contribute to a review of WFP's future disaster risk reduction and food and nutrition security approaches in Central America.
74. Monitoring and evaluation will incorporate gender and humanitarian protection issues. It will be part of normal reporting procedures and will contribute to the implementation of WFP's policies.

RISK MANAGEMENT

Risk Assessment

75. A formal risk assessment will be conducted annually, and considered in mid- and end-of-year performance reviews. Mitigation actions are integrated into planning processes to ensure that risks are appropriately addressed.
76. Major risks associated with PRRO 200490 include the limited resources of government counterparts and NGO partners, which could result in budget cuts that weaken the social protection and food security interventions. Early recovery responses depend on financial, technical and other resources provided by partners. The high turn-over of counterpart staff could impede the effectiveness of responses.
77. Each country has its own cash and voucher risk analysis, with mitigation measures. Contingency plans for cash and voucher interventions will be established with financial and implementing partners.
78. Contingency planning is central to WFP's emergency preparedness and response approach, the Early Warning System for Central America and regional food security monitoring. Food assistance protocols and food security scenarios at the regional level will be updated with CEPREDENAC, and at the national level with other United Nations agencies. WFP-sponsored national emergency simulations will continue during PRRO 200490.

Security Risk Management

79. Guatemala and El Salvador are at United Nations security level 3 (moderate). In Honduras, the northeast, San Pedro Sula and Tegucigalpa are also at level 3; the rest of the country is at level 2 (low). In Nicaragua, Managua is at level 2; the rest of the country is at level 3.
80. According to the United Nations Office on Drugs and Crime, El Salvador, Honduras and Guatemala have some of the highest homicide rates in the world; the growing presence of criminal groups such as street gangs and the increasing influence of drug cartels have contributed to an increase in violence.
81. To mitigate these risks and ensure the safety of humanitarian workers and beneficiaries, minimum operating security standards and internal and external security assessments will be integrated into PRRO 200490, in accordance with WFP's security guidelines. In extreme situations, WFP may need to operate with fewer staff and from alternative locations.

ANNEX I-A

| PROJECT COST BREAKDOWN | | | |
|---|------------------|-------------------|-------------------|
| | Quantity (mt) | Value (US\$) | Value (US\$) |
| Food | | | |
| Cereals | 35 453 | 18 135 085 | |
| Pulses | 5 318 | 4 680 331 | |
| Oil and fats | 2 969 | 4 499 283 | |
| Mixed and blended food | 4 559 | 3 531 607 | |
| Others | 192 | 54 138 | |
| Total food | 48 491 | 30 900 444 | |
| External transport | | 1 583 938 | |
| Landside transport, storage and handling | | 4 638 918 | |
| Other direct operational costs: food | | 1 466 267 | |
| Food and related costs¹ | | 38 589 567 | 38 589 567 |
| Cash and vouchers | | 15 417 038 | |
| Related costs | | 1 974 095 | |
| Cash and vouchers and related costs | | 17 391 133 | 17 391 133 |
| Capacity development and augmentation | | 264 300 | 264 300 |
| Direct operational costs | | | 56 245 000 |
| Direct support costs ² (see Annex I-B) | | | 9 633 001 |
| Total direct project costs | | | 65 878 001 |
| Indirect support costs (7.0 percent) ³ | | | 4 611 460 |
| TOTAL WFP COSTS | | | 70 489 461 |

¹ This is a notional food basket for budgeting and approval. The contents may vary.

² Indicative figure for information purposes. The direct support cost allotment is reviewed annually.

³ The indirect support cost rate may be amended by the Board during the project.

ANNEX I-B

| DIRECT SUPPORT REQUIREMENTS (US\$) | |
|---|------------------|
| WFP staff and staff-related | |
| Professional staff | 2 841 817 |
| General service staff | 3 139 651 |
| Danger pay and local allowances | 5 070 |
| Subtotal | 5 986 538 |
| Recurring and other | 1 507 908 |
| Capital equipment | 417 982 |
| Security | 158 791 |
| Travel and transport | 1 561 782 |
| TOTAL DIRECT SUPPORT COSTS | 9 633 001 |



| ANNEX II: LOGICAL FRAMEWORK ¹ | | |
|--|---|--|
| Results | Performance indicators | Risks and assumptions |
| Cross-cutting results and indicators | | |
| Gender Gender equality and empowerment improved. | <ul style="list-style-type: none"> ➤ No. of women/men in leadership positions of project management committees; no. and % of women committee members trained in distribution, by modality | |
| Protection WFP assistance delivered and utilized in safe, accountable and dignified conditions. | <ul style="list-style-type: none"> ➤ Proportion of assisted people reporting safety problems in relation to WFP programme sites; proportion of assisted people reporting receipt of information about PRRO 200490 | |
| Partnership Food assistance interventions coordinated and partnerships developed. | <ul style="list-style-type: none"> ➤ Proportion of project activities implemented with the engagement of complementary partners; no. of United Nations agencies and international organizations providing complementary inputs or services | |
| Strategic Objective 1: Save lives and protect livelihoods in emergencies Goal 1 – Meet urgent food and nutrition needs of vulnerable people and communities and reduce undernutrition to below emergency levels | | |
| Outcome 1.1 Improved food consumption over assistance period for target households | <ul style="list-style-type: none"> ➤ Food consumption score Target: 100% of beneficiary households have at least borderline consumption | Risks Food distribution is disrupted by natural disaster or insecurity. Distributed nutrition products are improperly or inadequately utilized. |

¹ The logical framework will be finalized when the Board approves the WFP Strategic Results Framework (2014–2017).

ANNEX II: LOGICAL FRAMEWORK¹

| Results | Performance indicators | Risks and assumptions |
|--|---|--|
| <p>Output 1.1 Food, non-food items, cash transfers and vouchers distributed in sufficient quantity and quality and in time to targeted households and individuals</p> | <ul style="list-style-type: none"> ➤ No. of women, men, girls and boys receiving assistance, by activity, transfer modality, beneficiary group and as % of planned ➤ Quantity of food assistance and cash and vouchers distributed, by type and as % of planned ➤ Quantity of non-food items distributed, by type and as % of planned ➤ No. of health centres, schools, etc. assisted | <p>Assumptions PRRO 200490 has the resources to maintain the pipeline and ensure that food is available on time. Local and regional food prices are stable. Personnel are available to be trained and to implement the distribution modalities. Partners' storage and distribution capacity is adequate</p> |
| <p>Strategic Objective 2: Support or restore food security and nutrition and establish or rebuild livelihoods in fragile settings and following emergencies Goal 1 – Support or restore food security and nutrition of people and communities and contribute to stability, resilience and self-reliance Goal 2 – Assist governments and communities to establish or rebuild livelihoods, connect to markets and manage food systems</p> | | |
| <p>Outcome 2.1 Adequate food consumption reached or maintained by targeted households</p> | <ul style="list-style-type: none"> ➤ Food consumption score Target: 80% of beneficiary households have acceptable consumption ➤ Coping strategy index; asset-depleting strategies Target: 80% of beneficiary households are not applying asset-depleting strategies | <p>As for Strategic Objective 1</p> |
| <p>Outcome 2.2 Improved access to assets and basic services including community and market infrastructure</p> | <ul style="list-style-type: none"> ➤ Community asset score Target: at least 80% of targeted communities have increased score | |

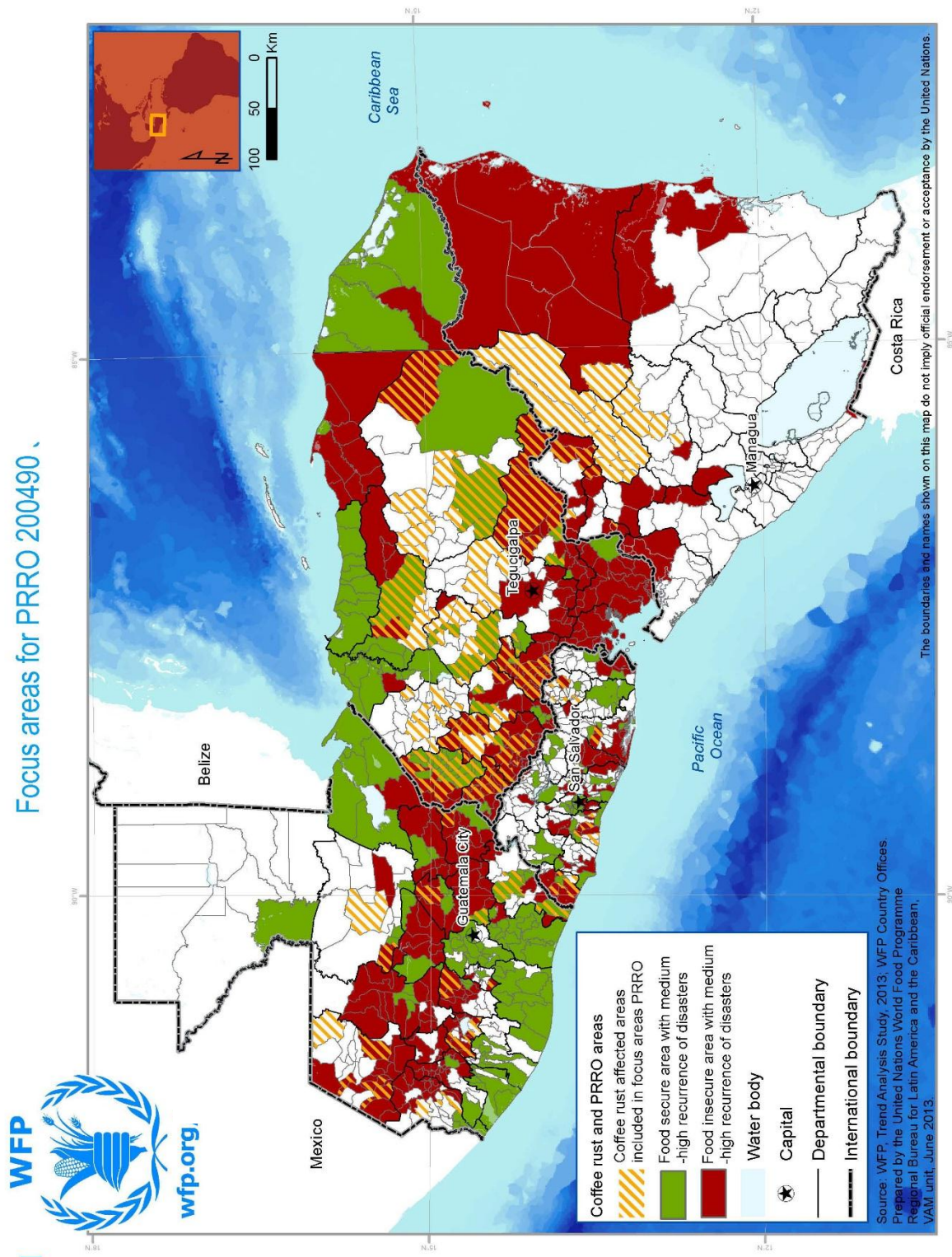


ANNEX II: LOGICAL FRAMEWORK¹

| Results | Performance indicators | Risks and assumptions |
|--|---|-----------------------|
| <p>Output 2.1 Food, non-food items, cash transfers and vouchers distributed in sufficient quantity and quality and in time to targeted households and individuals</p> | <ul style="list-style-type: none"> ➤ No. of women, men, girls and boys receiving assistance, by activity, transfer modality, beneficiary group and as % of planned ➤ Quantity of food assistance and cash and vouchers distributed, by type and as % of planned ➤ Quantity of non-food items distributed, by type and as % of planned ➤ No. of health centres, schools, etc. assisted | |
| <p>Output 2.2 Livelihood assets restored and/or built by targeted households and communities</p> | <ul style="list-style-type: none"> ➤ No. of community assets restored or maintained by targeted communities and individuals, by type and unit of measure | |



ANNEX III



The designations employed and the presentation of material on this map do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations concerning the legal status of any country, territory, city or the area of its authority, or concerning the delimitation of its frontiers or boundaries.

ACRONYMS USED IN THE DOCUMENT

| | |
|------------|---|
| CEPREDENAC | <i>Centro de Coordinación para la Prevención de los Desastres Naturales en América Central</i> (Regional Centre for the Prevention of Natural Disasters in Central America) |
| CP | country programme |
| EM-DAT | International Disaster Database, Centre for Research on the Epidemiology of Disasters |
| FAO | Food and Agriculture Organization of the United Nations |
| NGO | non-governmental organization |
| P4P | Purchase for Progress |
| PRRO | protracted relief and recovery operation |