



# Project Information Document (PID)

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Appraisal Stage | Date Prepared/Updated: 07-Dec-2020 | Report No: PIDA31017



**BASIC INFORMATION**

**A. Basic Project Data**

Country Honduras	Project ID P175977	Project Name Honduras Tropical Cyclones Eta and Iota Emergency Recovery Project	Parent Project ID (if any)
Region LATIN AMERICA AND CARIBBEAN	Estimated Appraisal Date 01-Dec-2020	Estimated Board Date 18-Dec-2020	Practice Area (Lead) Urban, Resilience and Land
Financing Instrument Investment Project Financing	Borrower(s) Secretaria de Finanzas	Implementing Agency SEDECOAS (Secretaría de Desarrollo Comunitario, Agua y Saneamiento)	

Proposed Development Objective(s)

The Project Development Objective is to support Honduras' response and recovery needs and strengthen institutional capacity to manage a resilient and inclusive recovery and reconstruction.

Components

- Component 1: Emergency relief, response and public health and safety operations
- Component 2: Resilient rehabilitation and reconstruction of public and community infrastructure and resumption of public services
- Component 3: Institutional support to the Government recovery and reconstruction program

The processing of this project is applying the policy requirements exceptions for situations of urgent need of assistance or capacity constraints that are outlined in OP 10.00, paragraph 12.

Yes

**PROJECT FINANCING DATA (US\$, Millions)**

**SUMMARY**

<b>Total Project Cost</b>	150.00
<b>Total Financing</b>	150.00
<b>of which IBRD/IDA</b>	150.00
<b>Financing Gap</b>	0.00



DETAILS

World Bank Group Financing

International Development Association (IDA)	150.00
IDA Credit	150.00

Environmental and Social Risk Classification

High

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

B. Introduction and Context

Country Context

1. **Between November 1 and 18, 2020, two consecutive tropical cyclones, Eta and Iota, hit and damaged all Central American Countries, with an impact magnitude comparable to 1998’s Hurricane Mitch. Honduras, Nicaragua, and Guatemala have borne the brunt of the impact.** Both storms developed slowly in the western Caribbean sea and made landfall at nearly the same location south of Bilwi, Nicaragua as Category 4 hurricanes (Iota having reached Category 5 a few hours earlier), with catastrophic impacts on local populations, critical infrastructure, crops and private assets from southern Mexico to northern Colombia. Over 7 million people are estimated to be directly affected, whom over 500,000 were evacuated and 150,000 were still in public shelters at the time this document was written.

2. **The Honduras Systematic Country Diagnostic (SCD), carried out in 2016, found that the country’s high exposure to two main types of natural hazards—extreme climate events and disease outbreaks—threatens its economic stability and the safety and well-being of its population**<sup>1</sup>. According to the Global Climate Risk Index<sup>2</sup>, Honduras was the country most severely impacted by extreme weather events between 1996 and 2015, with annual average losses equivalent to 2.1 percent of Gross Domestic Product (GDP), affecting critical sectors such as transportation, telecommunications, health, education, water and sanitation. The impacts were far greater

<sup>1</sup> Natural hazards also include geological events. Although Honduras has remained largely unaffected by the frequent earthquakes and volcanic activity that characterize other Central American countries, in 2009, a magnitude 7.1 earthquake killed 7 people and caused estimated losses of US\$100 million, including US\$35 million in damage to infrastructure. (World Bank 2010).

<sup>2</sup> Germanwatch 2017.



for the poorest segments of the population.<sup>3</sup> Between 1919 and 2012, floods were the phenomenon causing the greatest economic losses (48.5 percent of the total losses due to natural phenomena), followed by droughts (34.1 percent of the total).<sup>4</sup> Both phenomena mainly affect the agricultural sector, which represents 12.9 percent of GDP and employs 35 percent of the population.<sup>5</sup>

3. **Over the past 30 years, Honduras has experienced modest, volatile economic growth, insufficient to significantly reduce poverty.** Honduras is Central America's second-largest country with a population of more than 9 million and a land area of about 112,000 square kilometers. With a per capita income of US\$ 2,604 (2019)<sup>6</sup>, 50 percent of the population lives in a situation of poverty and 32 percent is in a situation of vulnerability.<sup>7</sup> Honduras' real GDP grew at an average annual rate of 3.8 percent over the past three decades, exceeding the Latin American and Caribbean (LAC) regional average of 2.6 percent and on par with the Central American (CA) average of 3.9 percent<sup>8</sup>. However, the country's sensitivity to external shocks, exposure to natural hazards, fiscal instability, limited investment, crime, migration and other challenges to competitiveness, combined with political instability, weak institutions and the thin economic base for generating more and better jobs, have inhibited economic diversification, undermined productivity growth, and slowed progress in raising incomes and reducing poverty. Real GDP growth slowed to 2.7 percent in 2019 from 3.7 percent in 2018 due to lower agricultural exports and unfavorable domestic and external factors. Output in most sectors (except services) decelerated, most notably in agriculture, where lower coffee and palm oil prices, in conjunction with severe droughts and weaker terms of trade, significantly affected production.<sup>9</sup> Economic potential is also impacted by accessibility gaps in the transport sector especially in the rural context, where only about 31 percent of the rural population of Honduras lives within 2 kilometers of an all-season road, as indicated by the Rural Access Index.

4. **Honduras entered a sharp recession in 2020 amid the COVID-19 pandemic, with around 90,000 cases and around 2,500 deaths to date.** Real GDP declined by 9.9 percent year-on year (y/y) in the first half of 2020 and the index of economic activity (IMAE) registered a 9.5 percent (y/y) decline over the first 9 months of 2020. The recession is due to a sharp fall in trade, investment and consumption amid the global slow-down and prolonged containment measures, exacerbated by a high degree of uncertainty. Based on World Bank High Frequency Phone Surveys, an estimated 18 percent of people lost employment as of August 2020, primarily women and low skilled workers in the industry and services sectors. The crisis is being exacerbated by hurricanes Eta and Iota with significant damage to infrastructure, livelihoods and crops. Both tropical cyclones' social and economic costs are expected to be high, and disaster relief and recovery are further complicated by the pandemic. The economy is expected to begin recovering in 2021 amid the reactivation of domestic economic activity and recovering investment and external demand. The potential setbacks due to the COVID-19 crisis could, if not addressed, imply a long-term hit to productivity, income growth and social cohesion.

<sup>3</sup> Indigenous Peoples and Afro-descendants are the groups most severely affected by poverty and social exclusion in Honduras, which is normally exacerbated by extreme water events and disaster risk. While these groups account for an estimated 8.6 percent of the national population, rough estimates from indigenous organizations indicate that more than 70 percent live in poverty and more than half are unemployed. A lack of information from household surveys has translated into a lack of official estimates of poverty rates among these groups.

<sup>4</sup> Honduras National Report on Comprehensive Disaster Risk Management. COPECO, CEPREDENAC, UNISDR, EC (2013).

<sup>5</sup> Analysis of agricultural policies in Honduras. IDB, 2019.

<sup>6</sup> Central Bank of Honduras and World Bank Staff calculations.

<sup>7</sup> 30 percent live on less than US \$ 3.2 a day and 20 percent between US\$ 3.2-US\$ 5.5 a day. 2011 PPP dollars (World Bank, 2020, Poverty and Distributional Impact of COVID-19 in Honduras)

<sup>8</sup> Central Bank of Honduras; World Development Index, and WB staff calculations, March 2020.

<sup>9</sup> Strong dependence on agriculture has been identified as one of the core structural challenges hindering medium-term growth in Honduras. IMF Debt Sustainability Analysis, Article IV, July 2019.



5. **Indigenous peoples in Honduras fare the worst both in terms of poverty and access to services and opportunities.** The 2013 Population Census shows that 717,620 people (8.64%) self-identify as Indigenous and/or Afro-descendent. Indigenous peoples mostly live in rural areas (538,952 thousand, or 82.9 percent). For those living in urban areas, the Lencas are the most represented with 44,901 people; followed by Miskito population with 27,244, Garifunas with 22,144, and Maya Chortí with 10,891. In general, Indigenous Peoples (IPs) exhibit higher rates of poverty and extreme poverty relative to the non-IP population, as well as poorer access to basic services: 72 percent of indigenous households, compared to 41.6 percent of households nationally, cannot afford a basic food basket, which puts them on the extreme poverty line. The average monthly income of IPs amounts to 36.8 percent of the national average, and much less in the case of the Tolupán, Chortí, Pech and Lenca. IPs also face discrimination, which makes them vulnerable in general to unfair and precarious working conditions.

#### Situation of Urgent Need of Assistance

6. **The proposed US\$150 million project aims to support Honduras' response and recovery needs and strengthen institutional capacity to manage resilient reconstruction and recovery from disasters.** Of all affected countries, Honduras is the most severely affected by hurricanes Eta and Iota. While both hurricanes were downgraded to tropical storm status when reaching Honduras, they generated cataclysmic water discharge resulting in widespread flooding, erosion, and landslides, and the ensuing destruction and heavy damage of critical public infrastructure (bridges, schools, health infrastructure), private homes and crops, and loss of life. One of the hardest-hit areas was the Valle de Sula, where after the passage of Eta, water reached rooftops in parts of the cities of San Pedro Sula and La Lima, and hundreds of people waited for rescue on rooftops and second story of buildings. Water levels along the Ulúa River in western Honduras rose 13 feet higher than the peak during Hurricane Mitch in 1998. The most recent government estimates<sup>10</sup> indicate that, as a consequence of the impact of both storms, over 4.5 million people were affected in the country by Eta and Iota, which caused 99 deaths, and the evacuation of over 1 million people (of whom 95,739 remain in shelters). The two disasters compounded the vulnerability of the country which was already facing major setbacks owing to the COVID-19 pandemic, and the ongoing La Niña southern oscillation, affecting fiscal and financial systems and limiting the country's capacity to prepare and respond to the disasters.<sup>11</sup> Combined with the fall in tourism revenues and remittances, the compound effects of COVID-19, Eta and Iota, and La Niña will severely hit the country.<sup>12</sup>

7. **The Government of Honduras (GoH) declared a State of Emergency, and the National Disaster Risk Management (DRM) Agency COPECO (*Comisión Permanente de Contingencia*) and the Army have been carrying out emergency response and rescue to tend to the needs of the affected population.** Municipal Emergency Committees (CODEM) and Local Emergency Committees (CODEL) also worked to support the population during emergency, including evacuation in red alert provinces upon request of COPECO.

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<sup>10</sup> COPECO Situation Report December 1, 2020

<sup>11</sup> Prior to the pandemic, the region's development model was facing severe structural limitations: high inequality, balance-of-payments constraints, debt crises, low growth, high informality and poverty, and high vulnerability to climate change and natural disasters. United Nations, 2020.

<sup>12</sup> According to revised official poverty estimates based on an updated methodology, an estimated 48.3 percent of Hondurans (around 4.3 million people) lived below the national poverty line in 2018, a decline from 50.2 percent in 2014. An estimated 22.9 percent of Hondurans (around 2 million people) lived below the national extreme poverty line in 2018, down from 26 percent in 2014. International headcount estimates for 2018 show that 16.5 percent of the Honduran population lived on less than US\$1.90 per day (the international poverty line); and around half (50.3 percent) lived on less than US\$5.50 per day (the upper middle-income global poverty line).



## Sectoral and Institutional Context

8. **The GoH carried out substantive efforts to shift its focus from disaster response to disaster prevention over the past 15 years.** Since the GoH adopted the United Nations (UN) Hyogo Framework for Action (HFA) 2005-2015,<sup>13</sup> and established the *Sistema Nacional de Gestion de Riesgos* (SINAGER) system for disaster risk management, substantive efforts have led to institutional strengthening of the disaster management system. In 2015, Honduras adopted the UN Sendai Framework for Action 2015-2030,<sup>14</sup> and designated COPECO as focal point for coordinating actions under the Sendai framework. In 2016, the GoH began the process of harmonizing its National DRM Plan (2014-2019) with the Sendai Framework and also aligning it with the Central America Policy for DRM (PCGIR).<sup>15</sup> In 2017, Honduras updated its National Emergency Operations Plan in alignment with these instruments; and in 2019, COPECO was elevated to the ministerial level and designated as SINAGER's Executive Secretariat, responsible for coordinating DRM efforts among the relevant ministries and sectors.

9. **The relatively limited loss of life comparable to hurricane Mitch indicate that the above efforts were mostly successful.** While hurricane Mitch claimed at least 7,000 lives, Eta and Iota seemed to have claimed less than 100 lives, suggesting a greater popular awareness of exposure and vulnerability to natural adverse events, and that the authorities' efforts to proceed to the evacuation of close to 200,000 people may have paid off. Nevertheless, the overall exposure and vulnerability of the country to adverse natural events remain very high, which translates into still catastrophic impacts on poverty and assets when storms like Eta and Iota affect the country.

10. **While the full damage and loss assessment will take weeks to finalize as the emergency is still ongoing and compounded by the pandemic, a preliminary assessment suggests an impact of about US\$2.8 billion, with transport and local/municipal infrastructure sectors, the agriculture sector, and the housing sector bearing the brunt of it.** The GoH is currently undertaking a damage and loss assessment of the disasters, with the support of the international community led by the UN Economic Commission for Latin American and the Caribbean (ECLAC) and with participation of the World Bank. Given the complex nature of the impact of Eta and Iota and the still ongoing field damage assessment, there is significant challenges and uncertainty in the overall economic estimate of the two events. However, preliminary internal Bank assessment estimate about US\$2.8 billion in total economic impact of Eta and Iota (considering direct and indirect impacts on assets and loss in flows), including about US\$1.5 billion in capital damage. Preliminary damage reports and geo spatial analysis also suggest the agriculture sector has suffered heavily. Considering the impact of other sectors, these estimates are likely to change. The considerable infrastructure loss also suggests a more severe impact of the Government's contingent liabilities; and the impact of extensive flooding is significant and may impede short term recovery measures. The national damage assessment presently available is COPECO's *Evaluacion de Daños y Necesidades* (covering mostly emergency response needs) and situation reports which points to significant damages in the private housing sector (with affected private dwellings in the order of 85,000 units), the transport sector (including over 130 bridges nation-wide damaged or totally destroyed, as well as over 900 road segments damaged), and the agricultural sector with at least 800,000 acres of crops destroyed, mostly in the Cortes, Atlantida and Colon

<sup>13</sup> UN Hyogo Framework for Action 2005-2015: Building the Resilience of Nations and Communities to Disasters.

<sup>14</sup> The Sendai Framework for Disaster Risk Reduction 2015-2030 (Sendai Framework) was the first major agreement of the UN's post-2015 development agenda, with seven targets and four priorities for action. It was endorsed by the UN General Assembly following the 2015 Third UN World Conference on Disaster Risk Reduction (WCDRR).

<sup>15</sup> PCGIR contains guidelines, commitments and general and medium-term actions to be realized through a structure (consisting of policies, strategies and plans) based on regional commitments, with the aim of reducing and preventing disaster risk in Central America, thereby contributing to the region's comprehensive and safe development.



departments. The latter impact is particularly critical given the sowing cycle the storms have interrupted, raising prospects of food scarcity in the first half of 2021. Moreover, critical local infrastructures (health infrastructure, roads, schools, governance and first responders' facilities) are also estimated to be severely impacted. Destruction of agricultural produce combined with damage of rural transport infrastructure is likely to pose a dual shock to agri-businesses and hurt the economic potential of small and medium-sized enterprises (SMEs), while exacerbating rural poverty. Loss of rural transport connectivity both cut off access to basic services (food, jobs, health facilities, schools) and hinder timely delivery of critical relief aid (personnel, medical and food supplies) to affected populations in remote areas.

11. **Some of the most affected departments of Honduras are territories of IPs and ADs.** La Mosquitia, home in particular to the Miskito people among others, was severely impacted by storm surge and river flooding induced by Eta, although other departments have also been impacted by severe floods. Colón, Atlántida, Cortés, and Santa Barbara departments, home to Indigenous Peoples (IP) such as Lencas, Maya Chorti, and Tolupan have suffered direct impacts, with sometimes entire colonies destroyed. Major damages were also reported to crops and livestock affecting food security and livelihoods in areas with large IPs and ADs presence. Garifuna communities in Colón, Cortés and Atlántida also experienced extreme flooding, damage to housing and loss of crops, as well as tourism-oriented community built infrastructure, which is the community's main source of income.

12. **To respond to the emergency of both cyclones, the GoH requested a multi-pronged financing package from the World Bank.** Specifically, in addition to the proposed Project, the GoH requested the activation of the Contingent Emergency Response Component (CERC) under the World Bank-financed COMRURAL 2 project (P168385) for US\$40 million, the preparation of a follow-up operation in the agriculture sector, additional support for a cash transfer program, and a new operation in the health sector. The GoH and World Bank are also reviewing other operations to determine if and how they could support recovery efforts. Separately, the GoH has also reached out to other multi-lateral Banks, donors, and individual countries seeking financing support for the recovery and reconstruction efforts.

13. **Despite the current financial support sought by the GoH, the funding gap will remain significant.** In some affected areas, the immediate response is now transitioning to longer-term recovery and reconstruction. The fast recovery of roads, bridges and education infrastructure is needed to limit the long-term effects of the disaster on humanitarian and poverty outcomes. Moreover, the effects of the current COVID-19 will exacerbate the situation of people in shelters, as a substantial part of them is expected to remain in shelters over the next few months. The GoH faces a substantial financing gap to fulfill these transitional recovery and reconstruction needs across sectors. This proposed Project is therefore critically needed to help restore basic productive capacities, rehabilitate basic public infrastructure and services as a first step towards a properly planned reconstruction and recovery. Project preparation is being closely coordinated with the GoH, and project interventions will be selected based on a prioritization process detailed in the Project Operations Manual.

14. **The GoH continues to work towards a more comprehensive approach to financing disaster response, but a large share of the resources needed to respond to the damage caused by tropical cyclones Eta and Iota have already been absorbed by the COVID-19 crisis.** The National Fund for Preparedness and Response (FONAPRE) was created as part of the National Disaster Risk Management System (SINAGER Law, Art. 21) and is intended to be a first line of fiscal defense against natural disasters; however, it was never operationalized due to its technical design, inadequate identification of contingent liabilities, and unclear delineation of roles and



responsibilities within the Ministry of Finance (SEFIN). Until recently, there was no financial instrument in place to facilitate the rapid disbursement of funds in response to disasters.

### C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

15. The Project Development Objective (PDO) is to support Honduras' response and recovery needs and strengthen institutional capacity to manage a resilient and inclusive recovery and reconstruction.

#### Key Results

16. The key indicators for tracking progress toward the PDO can be found below.

- People benefiting from sustained livelihoods through emergency response and relief services from the GoH (number, of which percentage are women, IPs and ADs)
- People benefiting from restored public services in a resilient manner (number, of which percentage are women, IPs and ADs)
- Local recovery participatory planning processes (number)

### D. Project Description

#### Component 1: Emergency Relief, Response and Public Health and Safety Operations

17. **The GoH has rolled out a number of immediate relief and response measures to anticipate, alleviate, and mitigate the impacts of both cyclones on the population**, such as emergency evacuation and rescue including renting out private transport equipment and payment of fuel, distribution of food/non-food items and Personal Protective Equipment to affected populations, short term and long term sheltering etc. An estimated 95,739<sup>16</sup> people were in shelters following the passage of Eta and Iota, out of which a number of affected people are expected to remain in need of sheltering (with applied COVID prevention measures) and/or receiving basic nutrition for an extended period owing to destruction, heavy damage or persisting flooding of their dwellings.

18. **This component will finance the expenditures incurred by the above-mentioned preparation and response to the cyclones.** Immediate relief and response measures are expected to be largely undertaken by the GoH before the Project is effective or at the early stage of the project effectiveness. Coordination with government entities implementing response interventions will be needed to determine the list of eligible expenditures (goods, works and services).

#### Component 2: Resilient rehabilitation and reconstruction of public and community infrastructure and resumption of public services

19. **During disasters, the continued functioning and prompt rehabilitation of critical infrastructure is key to efficient response and recovery.** A significant number of roads and bridges, as well as public buildings including, among others, public schools, health infrastructure, local government and first responders' facilities, were

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<sup>16</sup> COPEC) Situation Report December 1, 2020





heavily damaged if not destroyed. This component will finance the technical preparation (including works requirements, specifications, designs or drawings, etc.), and implementation of urgent repairs as well as resilient rehabilitation and reconstruction of high priority public and community infrastructure, including the cost of temporary relocation, and survey or design activities needed for high priority facilities requiring new construction. In some cases, demolition will be required to clear the way for reconstruction and urgently remove debris hazards. Additional eligible measures, undertaken before the project effectiveness, may include repairs to damaged public buildings and housing, measures to restore basic services and the functionality of public infrastructure (including, in some cases, the use of non-permanent solutions to address urgent needs, such as the construction of bailey or modular bridges). This component will be implemented by the Government's *Secretaría de Desarrollo Comunitario, Agua y Saneamiento* (SEDECOAS). The proposed Project will rely upon a flexible institutional coordination mechanism between SEDECOAS and technical support ministries, to be included in the POM.

20. **As reconstruction needs far exceeds the financing available under this component, the GoH will provide a prioritized public infrastructure list to be addressed under this activity which will be finalized with the agreement of the World Bank.** Indicative prioritization criteria for the critical public infrastructure include: (a) identifying damage and criticality levels to ensure that structures made most vulnerable by the tropical cyclone are prioritized, supporting life safety; (b) emphasizing sectoral relevance to focus investments on sector outcome objectives and service delivery needs; (c) technical and financial eligibility criteria to prioritize repair and rehabilitation of partially damaged infrastructure, as opposed to new construction, in order to ensure the efficiency of investment with limited public funds; and (d) ensuring that climate change mitigation and adaptation, and environmental and social risks and opportunities are duly considered in order to ensure that investments will enhance the resilience of the rebuilt infrastructure, do not cause significant unforeseen environmental or social impacts, and leverage social opportunities for inclusive development. To ensure that, despite the urgency of needs, the operation supports investments which maximize climate co-benefits, all investments supported under the Project will be designed to be resilient to climate-induced events such as floods, storm surge and landslides, e.g. by using design standards increasing assets resilience to higher return period events and enforcing building code legislation or upgrading from its provisions where needed. Where relevant, selected investments will include appropriate energy efficiency measures. Detailed eligibility criteria will be included in the POM as will the institutional process for selection of investments.

21. **The proposed Project will utilize inclusive and gender-sensitive participatory processes to define priority investments.** Such processes are expected to involve local authorities (municipalities) and local/municipal risk management committees (CODEL/CODEM), among others, and will be tailored for cultural, social, and geographic specificities in affected IP and AD areas, as outlined within the Project's Indigenous Peoples and Afro-descendant Plan. The Project aims to strengthen the links between communities and the local government for an inclusive and resilient recovery response. These activities will also endeavor to support high-intensity local labor operations to boost employment and adopt efficient engineering techniques such as the use of bailey or modular bridges to ensure that vital connections are rapidly restored. The Project's social assessment may identify potential community groups who would benefit from labor and short-term training that they may need prior to the construction of works. Moreover, principles of universal design to allow access for persons with disabilities will also be followed in all rehabilitation and reconstruction efforts. Finally, the activities financed under this component will also be implemented in a gender-informed fashion.

22. **This component may also finance equipment needs.** When critically needed, and as acceptable to the Bank, equipment that is essential for the resumption of public services, such as vehicles, information and



communication technological materials, firefighting and first responders’ equipment, may also be eligible under this component as well as the elaboration of the technical specifications for such equipment when relevant, including standards of fuel efficiency where applicable.

**Component 3: Institutional support to the Government recovery and reconstruction program**

23. **This component will finance the costs of the project implementing unit (PIU)’s as well as operational costs**, including, *inter alia*, project management, procurement, contract management, public outreach and dissemination, financial management (FM) activities, technical audits, compliance monitoring of construction activities, oversight of compliance with social and environmental standards, oversight of compliance with social inclusion targets, monitoring and evaluation (M&E) activities, and a grievance redress mechanisms. M&E entails, *inter alia*, preparation of project reports, including for the project’s mid-term review and completion, baseline studies, audits (financial and technical, environmental, social as needed). This component also includes the costs of equipment (renting or purchase as applicable), services and small works necessary for the good performance of the agency’s tasks, such as fuel-efficient vehicles, information and communication equipment (including laptops, printers, etc), office furniture and materials, renting of premises, upgrade/refurbishment works, *inter alia*.

24. **This component would also finance consultancy services to build specific technical capacity of SEDECOAS and other key agencies involved, including the Ministry of Finance.** In particular, the component will pilot integrated approaches for better asset management of infrastructure consisting of criticality analysis, improved technical/design standards, and preventative maintenance programs – all with a view to reduce their vulnerability to future adverse natural events and climate change induced shocks. As relevant, this component may also include other consultancy services critically needed for the resilient reconstruction and recovery of the country, as agreeable with the Bank.

25. **Finally this component will also strongly focus on defining and rolling out a communication strategy** aiming at regularly informing potential direct and indirect beneficiaries on the scope and timelines of the activities so as to ensure their support and manage their expectations.

Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	Yes
Projects in Disputed Areas OP 7.60	No

Summary of Assessment of Environmental and Social Risks and Impacts

**E. Implementation**

Institutional and Implementation Arrangements



26. **The Government designated SEDECOAS as agency responsible for the implementation and overall project coordination, planning and monitoring, through a dedicated PIU.** All project implementation arrangements will be detailed in the POM, which will be prepared and adopted as a condition for project effectiveness. Special arrangements for oversight and fiduciary control of the implementation through third-party verification mechanisms are foreseen (e.g. six-monthly technical, financial and system audits) and also included in the POM.

27. **The PIU will be under the leadership of a General Coordinator and will also include, as core staff, a technical coordinator and specialists in the areas of procurement, financial management, M&E, social development and gender, health, environment, and communication.** The General Coordinator will have the overall responsibility to supervise the PIU staff in their planning, organizing, and executing of all day-to-day administrative, technical, and legal activities of the Project. The POM will include the PIU's organizational structure and describes the duties and responsibilities of PIU staff along with the Project's technical, administrative, financial, procurement, safeguards, and M&E procedures.

## CONTACT POINT

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### Implementing Agencies

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**APPROVAL**

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