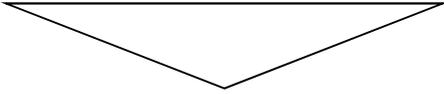




**BHUTAN
TRANSITIONAL INTERIM
COUNTRY STRATEGIC PLAN
(YEAR 2018)**

Duration	1 January 2018 – 31 December 2018
Total cost to WFP	USD 1,220,857
Gender and Age Marker Code *	

EXECUTIVE SUMMARY



Bhutan has a national philosophy, Gross National Happiness, which already encompasses the principles and priorities of the Sustainable Development Goals. As such more than 90 percent of relevant SDG targets are already embedded in Bhutan's current 11th Five Year Plan (2013-2018). The upcoming 12th Five Year Plan (2018-2023) which is currently under development is expected to be fully aligned with the SDGs.

The country has achieved remarkable socioeconomic progress and poverty declined from 23.2 percent in 2007 to 12.0 percent by 2012. Most of the poor live in rural areas which is still home to some 60 percent of the population despite a steadily increase in the urban population. Due to the challenging topography, the cultivated agricultural area accounts for only 2.93 percent of the total land area of Bhutan. The main crops cultivated domestically include paddy, maize, potatoes, vegetables and fruits, but many food commodities are imported from neighbouring India, including rice, vegetables, oils, dairy and meat products. While acute food insecurity is limited, the quality of household diets remains poor, with mainly starchy staples being consumed and little meat or fresh green vegetables.

The National Nutrition Survey of 2015 showed that, nationally, 21.2 percent of children aged 0-59 months were stunted, with nearly twice as many children stunted in rural areas compared to urban areas. Stunting was strongly related to households' relative wealth: children in the lowest wealth quintile were stunted at over six times the rate as children in the wealthiest quintile. Wasting rates for children under 5 were estimated to be 4.3 percent. Anaemia and other micronutrient deficiencies (including Thiamine deficiencies) in children and adults present themselves as a severe public health issue. Anaemia prevalence is 43.8 percent in children aged 6-59 months and the prevalence in women and adolescent girls indicated a moderate public health problem with rates between 30 and 40 percent. Anaemia rates in urban areas were slightly higher than in rural areas for all groups.

This T-ICSP will be a continuation of Development Project 200300 (2014-2018) through which WFP has been supporting the national school meals programme. Over the first four year of this project the Ministry of Education gradually took over more WFP supported schools and management roles from WFP. As such, in 2018 WFP will be providing food for only 12,000 students versus more than 65,000 supported by the government. To facilitate this increasing commitment to school meals WFP has been providing capacity development, focussing on supply chain, M&E, policy development and increasingly nutrition. To address micronutrient deficiencies, WFP introduced fortified rice and has started to work with local partners to ensure the country will be able to sustain this when WFP support to school meals is phased out by 2019.

Through this T-ICSP, WFP works towards the strategic outcomes (1) School-aged children in vulnerable areas have sustainable access to food by 2019 and (2) The Government of Bhutan has strengthened capacity to achieve the SDGs by 2030. These outcomes are fully aligned with government priorities and UNDAF (2014-2018), as well as WFP Strategic Result 1 – Everyone

has access to food – and Strategic Result 5 – Developing countries have strengthened capacity to implement the SDGs – of the WFP Strategic Plan 2017-2021).

After more than 40 years of support to school meals in Bhutan, this T-ICSP will mark the final year of food support to the programme while the focus will be shifting further towards capacity strengthening. To facilitate this, the WFP country team has been augmented with international expertise further supported backed up where needed by the Regional Bureau. WFP further increased the collaboration with the UN partners in country including UNICEF, WHO and FAO.

1. COUNTRY ANALYSIS

1.1. COUNTRY CONTEXT

Bhutan is a small Himalayan country in South Asia, landlocked between China in the north and India in the south. It has a total surface area of 38,394 square km with an estimated population of 768,577 in 2016. The country's development policies and plans are guided by the concept of Gross National Happiness (GNH), which stresses the achievement of equitable and sustainable development over economic growth.

Since Bhutan shifted from an absolute monarchy to a parliamentary democracy in 2008, the country has known two governments. Despite the political transitions, there is a sustained commitment towards development and transparency. This has resulted in growth and progress. In 2016 Bhutan ranked 27th out of 176 countries in Transparency International's corruption perception index, far ahead of any of its neighbours.¹ By end 2017 the current government will resign to prepare for elections in the first quarter of 2018.

1.2. PROGRESS TOWARDS SDG 2

➤ *Progress on SDG 2 targets*

Bhutan's national philosophy is Gross National Happiness (GNH) which encompasses the principles and priorities of the Sustainable Development Goals. As of such, the Government of Bhutan has aligned with the SDGs at the target level, with 134 out of 143 relevant targets already embedded in their current 11th Five Year Plan (2013-2018).

GNH focuses on 4 pillars:

- i. Environmental Conservation
- ii. Good Governance
- iii. Preservation and Promotion of Culture
- iv. Sustainable & Equitable Socio-Economic Development

These four pillars are further elaborated into nine domains, which articulate the different elements of GNH in detail and form the basis of GNH screening tools, indices and measurement. The domains related to health and living standards, especially given the rural context of Bhutan, are closely linked to SDG 2.

Bhutan is an emerging welfare state where essential services like healthcare and education are free to all citizens, with equal access to and enrolment in education for boys and girls in primary up to lower secondary. In case of need and emergencies, households can appeal to the Kidhu Fund of His Majesty the King of Bhutan for support; there are however no systematic social safety nets, other than school feeding. While, as stated before, food shortages reported by households are low, stunting rates, though decreasing, are still quite high and micronutrient deficiencies are widespread.

¹ Transparency International. 2017. Corruption Perceptions Index 2016. Berlin, Germany. [online]. Available from: http://www.transparency.org/news/feature/corruption_perceptions_index_2016 [last accessed 02/09/2017].

➤ **Macro-economic environment**

Around 60 percent of the Bhutanese population lives in rural areas. Over the last four decades the country has enjoyed continuous economic growth and development, attributable largely to political stability and good leadership. Gross Domestic Product (GDP) growth on average has been over 6 percent since 1982; in 2015, the GDP growth was 6.5 percent. The Gross National Income (GNI) per capita currently stands at USD 2,380.²

Bhutan has an external debt which is more than the size of its economy. While GDP size stands at BTN 104 billion total external debt was recorded at BTN 113 billion as of June 2015.³ A significant part of public sector borrowing stems from large scale development of the hydropower industry. External debt is largely denominated in Indian rupees – related to hydropower sector debt – which accounts for two-thirds of the country’s external debt.⁴

Some 84.1 percent of all of Bhutan’s imports coming from India, which is also the destination for 89.4 percent of the country’s exports. Overall imports exceed exports by 120 percent, suggesting an economy that is heavily reliant on imports.⁵

Bhutan’s economy is largely based on hydropower, agriculture and forestry, which provide the main livelihood for more than half of the population. As mentioned above, the economy is closely aligned with India’s through strong trade and monetary links and is dependent on India for financial assistance and migrant labourers for development projects, especially for public and private infrastructure construction.⁶

➤ **Key cross-sectorial linkages**

Bhutan has achieved remarkable socioeconomic progress and poverty reduction in recent years. Poverty incidence has declined from 23.2 percent in 2007 to 12.0 percent in 2012.⁷ Much of the reduction in poverty took place in rural areas where about 94 percent of the country’s poor reside. A slight increase in the urban share of the total population of the poor- from 1.9 percent in 2007 to 4.6 percent in 2012 – may partly be due to rapid migration from rural to urban areas.

In 2012, 12 percent of the population was living below the extreme poverty line, defined at USD 1.25 per day. A large percentage of the population, however, especially those residing in rural areas and employed in the informal sector, remain at risk of falling below the extreme poverty line, due to economic shocks.⁸

While Bhutan has not experienced a major earthquake for more than a century, the country is vulnerable to earthquakes due to its position along the Assam Gap. In 2009 a 6.3 on the Richter scale earthquake hit eastern Bhutan, killing 12 and damaging many homes and infrastructure.⁹ Due to the impact of climate change the country also suffers increasingly of heavy rainfall, resulting in landslides and flooding, as well as droughts.

² World Bank. 2017. *Bhutan Country Overview*. Washington DC, USA. [online]. Available from: <http://www.worldbank.org/en/country/bhutan/overview#1> [last accessed 09/02/2017].

³ BBS. 2015. *Bhutan heading towards a debt crisis?* Thimphu, Bhutan. [online]. Available from: <http://www.bbs.bt/news/?p=52123> [last accessed 09/02/2017].

⁴ World Bank. 2015. *Bhutan Development Update, April 2015*. Washington DC, USA

⁵ The Economist. 2014. *Intelligence Unit: Bhutan. 2014*. London, UK.

⁶ CIA. 2017. *The World Factbook: Bhutan*. Washington DC, USA.

⁷ National Statistics Bureau. 2014. *Bhutan Poverty Assessment 2014. Thimphu, Bhutan*.

⁸ World Bank. 2014. *Bhutan Poverty Assessment*. Washington DC, USA.

⁹ Wasbir Hussain (2009), *Strong earthquake kills 12 in Bhutan*. The Sydney Morning Herald. [online]. Available from: <http://www.smh.com.au/breaking-news-world/strong-earthquake-kills-12-in-bhutan-20090922-fytk.html> [last accessed 05/06/2017].

1.3. HUNGER GAPS AND CHALLENGES

The cultivated agricultural area accounts for only 2.93 percent of the total land area of Bhutan. The main crops cultivated domestically include paddy, maize, potatoes, vegetables and fruits. The main food commodities imported include rice, vegetables, oils, dairy and meat products.¹⁰

Close to 100 percent of the population has access to improved water sources.¹¹ According to the 2015 National Nutrition Survey (NNS), only 2.2 percent of households nationally reported that they faced instances of food insecurity, however, the quality of household diets remains poor, with low meat and fresh green vegetable consumption rates. Dietary diversity patterns show that nationally starchy staples were the most important food group, with the average household eating starchy staple foods (rice, potatoes) 7 days a week.¹² In 2015, nationally, 21.2 percent of children aged 0-59 months were stunted, with regional large variations and nearly twice as many children are stunted in rural areas compared to urban areas. Unfortunately no gender disaggregated data is available. Wasting rates for children under 5 were estimated to be 4.3 percent.¹³ Anaemia is a severe public health issue affecting 40 percent of the population affecting 43.8 percent of children aged 6-59 months and between 30 and 40 percent of women and adolescent girls. Anaemia rates in urban areas were slightly higher than in rural areas for all groups in the 2015 NNS.¹⁴

While data on micronutrient deficiencies in children and adults is scarce in the country, peripheral neuropathy outbreaks have been a quite common occurrence amongst boarding schoolchildren across the country in the recent 5 years, indicating that there are existing deficiencies for micronutrients, such as Thiamine (Vitamin B1).¹⁵

1.4. KEY COUNTRY PRIORITIES

➤ *Government priorities*

Following the announcement of the SDGs, the Government of Bhutan identified 3 SDGs which it would prioritize: SDG 1 (No poverty), SDG 13 (Climate action) and SDG 15 (Life on land). At the same time it stressed that all SDGs – with the exception of SDG 14 (Life below water), given it is a landlocked country – were equally important.

The Government is in the process of developing its 12th Five Year Development Plan which will run from mid-2018 to mid-2023. This plan is being profiled as the SDG plan, the plan which will set Bhutan on achieving the SDGs by 2030. The recently released guidelines for the preparation for this plan has 16 National Key Results areas (NKRA)¹⁶:

1. Macroeconomic stability ensured
2. Economic diversity and productivity enhanced
3. Poverty eradicated and inequality reduced
4. Culture and tradition preserved and promoted
5. Healthy ecosystem services maintained

¹⁰ Ministry of Agriculture and Forests, Royal Government of Bhutan. 2015. *Bhutan RnR statistics 2015*. Thimphu, Bhutan.

¹¹ National Statistics Bureau. 2010. *Bhutan Multiple Indicator Survey 2010: Water and Sanitation*. Thimphu, Bhutan.

¹² Ministry of Health, UNICEF. 2015. *National Nutrition Survey (NNS) 2015*. Thimphu, Bhutan.

¹³ Ibid.

¹⁴ Ibid.

¹⁵ Ibid.

¹⁶ Gross National Happiness Commission (2016), Guidelines for preparation of the 12th Five Year Plan (FYP) 2018-2023.

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6. Carbon neutral climate and disaster resilient development enhanced
 7. Quality of education and skills improved
 8. Water, food and nutrition security ensured
 9. Infrastructure, communication and public service delivery improved
 10. Gender equality promoted, women and girls empowered
 11. Productive and gainful employment created
 12. Corruption reduced
 13. Democracy and decentralization strengthened healthy and caring society enhanced
 14. Healthy and caring society enhanced
 15. Livability, safety and sustainability of human settlements improved
 16. Justice services and institutions strengthened.

In the guidelines for the 12th five year plan, NKRA 8 – Water, food and nutrition security ensured – is closely linked to SDG 2, while at the same time having links with SDGs 1, 3 and 6. The Key Performance Indicators (KPI) under this NKRA include ‘food sufficiency’, ‘food insufficiency in the country’, ‘stunting’ and ‘prevalence of anaemia in adolescent girls’, while also looking at ‘agriculture land under cultivation’, ‘land under assured irrigation’, ‘households with access to 24 hours supply of piped drinking water’ and a ‘water security index.’

➤ *United Nations and other partners*

Bhutan being a self-starter Delivering as One country¹⁷, the United Nations System in Bhutan is working under the Bhutan One Programme 2014-2018. This has 4 main outcomes: (1) Sustainable Development; (2) Essential Social Services, which has two sub-outcome areas: (2a) increased and equitable access, utilization and quality of inclusive essential social services for all with a focus on sustaining the MDGs and addressing emerging challenges and (2b) communities and institutions strengthened at all levels to achieve enhanced gender equality, empowerment and protection of women and children; (3) Gender Equality and Child Protection; (4) Good Governance and Participation. WFP is providing support to school meals under outcome 2a.

To ensure that the UN System’s support is fully aligned with Government priorities, the UN System has started a Common Country Assessment (CCA) which will lead to a new United Nations Development Framework (UNDAF) for the 2019-2023 period. This new UNDAF will be focused on supporting the Government in achieving the SDGs by 2030. WFP has initiated its support to the holding of a Country Strategic Review. While ensuring the independent nature of the process, sister agencies like FAO, IFAD and UNICEF have agreed to provide strategic support to the process.

With Bhutan’s imminent graduation from Low Develop Country (LCD) status, an increasing number of bilateral agencies have been, or are in the process of, phasing out their presence in the country. This also affects the fundraising of multilateral agencies, including the UN agencies, while World Bank and the Asian Development Bank assistance now comes with less favourable financial terms for the recipient country. The development partners of Bhutan are also shifting the nature of their assistance from material support towards more capacity development.

¹⁷ The DaO (Delivering as One) programme design seeks to enhance coordination between normative UN organizations, specialized organizations and civil societies, and the country level UN programs. The Delivering as One initiative transformed from a larger theoretical inter-state framework into the Delivering as One at a Country level initiative. There were initially 8 pilot countries. Countries who voluntarily adopted the DaO are dubbed “self-starters.” (Jagel K. (2012), The “Delivering as One” (DaO) Initiative: System-wide Coherence reform 2008 to present. Center for UN Reform Education. [online] Available from: <http://www.centerforunreform.org/?q=node/475>.

2. STRATEGIC IMPLICATIONS FOR WFP

2.1. WFP'S EXPERIENCE AND LESSONS LEARNED

WFP has played an important role in helping the Government achieve its education goals by supporting a national school meals programme since 1974. Initially supporting children at boarding schools, school meals efforts subsequently evolved along with MoE priorities and focused on increasing primary and lower secondary school enrolment and attendance – especially of girls.

At the start of Development Project (DEV) 200300 (2014-2018) a SABER¹⁸-School Feeding (SABER-SF) exercise helped to identify the status of the national school meals programme in Bhutan. The SABER exercise clearly highlighted the importance of capacity development to ensure that in the near future, the Ministry of Education (MoE) will have all required skills and policies in place to sustain the quality of the programme independently. In follow-up to the SABER-SF, a roadmap for the school meals programme in Bhutan was formulated and a School Feeding Technical Committee (SFTC) established, to oversee and guide the implementation of the roadmap. While the roadmap for the school meals programme remained valid, priorities were identified for WFP to focus on for capacity development. The priorities included: policy development, nutrition aspects, monitoring and evaluation and strengthening the supply chain.

Adopting WFP's model, the MoE engaged the Food Corporation of Bhutan Ltd (FCBL) as its logistical partner to procure non-perishable commodities for the national school meals programme. FCBL stores, handles and delivers the MoE and WFP commodities to the schools. To ensure the School Health and Nutrition Division (SHND), which manages the national school meals programme, has the necessary capacity to guide FCBL through that process, mid-2016, WFP changed its logistical modalities and now hands the WFP procured food over to SHND which then – through its logistical partner – handles the food up to the delivery at schools. This change was effectuated with the introduction of LESS in Bhutan and also came with a shift from reimbursement of cost incurred to FCBL to payment of a fixed rate per metric ton delivered by the MoE. This changed modality of its logistics, has created a better opportunity for WFP to develop the logistical capacity of the MoE and should allow the MoE to simplify payments to the FCBL.

2.2. OPPORTUNITIES FOR WFP

In the past 5 years, Bhutan schools covered by the national school meals programme have experienced several cases of beri-beri (due to vitamin B1 deficiencies). Similarly other micronutrient deficiencies (i.e. iron, vitamin B12 and others) continue to exist. As a response, WFP agreed to incorporate fortified rice in its school meals food basket. WFP is also ensuring that required technology and skills are transferred to the Government of Bhutan so that fortified rice will also be used in schools that are not supported by WFP.

This fortification effort is part of an overall effort to make sure that nutrition is featured more prominently in the school meals programme. Furthermore, together with the SHND, WFP started a pilot in a few schools to integrate the school meals programme with the School Agriculture Programme (SAP), the School Health Programme and nutrition education in the school's science curriculum. The aim is to bring about long-term behavioural changes in the dietary habits of the students.

¹⁸ SABER: Systems Approach for Better Educational Results

Following the devastating earthquake in Nepal in 2015, the UN agencies in Bhutan offered the Government support in terms of emergency preparedness. As part of this joint effort, in 2017, WFP will be conducting a Logistical Capacity Assessment (LCA) which will feed into a Government-UN contingency plan. This contingency plan will then be tested during a simulation exercise.

2.3. STRATEGIC CHANGES

Challenges in Bhutan include identifying and mobilizing the right technical expertise for specific capacity development interventions. Inability to do so at the time required, can lead to a number of unfortunate delays in capacity development efforts. To address this challenge, WFP engaged an experienced international consultant who has relevant experience in school meals programmes and food technology.

Given the Bhutan Country Office manages only one project, DEV 200300, of which this is largely a continuation, the changes required for the one year implementation of this T-ICSP are relatively simple. As capacity development provided is becoming increasingly important, a review of the staffing profiles might be necessary, to verify if capacity levels and skills available within the country office can meet the expectations set, and if needed external expertise will be hired while reprofiling and expanding the skills of existing staff.

3. WFP STRATEGIC ORIENTATION

3.1. DIRECTION, FOCUS AND INTENDED IMPACTS

To a large extent this T-ICSP is a continuation of DEV 200300 with expanded focus on capacity strengthening in nutrition sensitive school meals, rice fortification and emergency preparedness. This T-ICSP is to prepare the way for a new CSP which will be in support of the Government's new Five Year Development Plan. As such, this T-ICSP is further reducing the in-kind assistance while expanding capacity development, which remains the main focus throughout the T-ICSP. At the same time however related areas like fortification and nutrition education are being incorporated as well as emergency preparedness. At the end of the one-year period, the MoE should be sufficiently capacitated to continue with a strong national school meals programme which would be more nutrition sensitive and as such also use – locally blended – fortified rice. With the UN System's support in emergency preparedness, in the unfortunate event Bhutan gets hit by a natural disaster, the Government should be better placed to coordinate an international emergency response.

3.2. STRATEGIC OUTCOMES, FOCUS AREAS, EXPECTED OUTPUTS AND KEY ACTIVITIES

3.2.1. STRATEGIC OUTCOME 1: SCHOOL-AGED CHILDREN IN VULNERABLE AREAS HAVE SUSTAINABLE ACCESS TO FOOD BY 2019

➤ *Outcome description*

While at the end of 2018, after more than 40 years, WFP will discontinue its support to school meals, all students that were previously supported by WFP will have been absorbed in the national school meals programme of the Government of Bhutan, a programme that over the past few years has been expanding in size and covers already more than one third of the students from pre-primary to grade 12 across the country. By providing capacity development to the responsible agencies, especially over the duration of DEV 200300 (2014-2018), WFP is ensuring the Government has the necessary capacity to ensure sustainable access to school

meals by school-aged children beyond the duration of the T-ICSP in vulnerable areas of the country where the national school feeding programme is implemented.

➤ ***Focus Areas***

Through school meals and emergency preparedness root causes respectively linked to vulnerabilities such as food insecurity, micronutrient deficiencies and natural disasters will be addressed.

➤ ***Expected outputs***

- Output 1.1: School children in targeted schools (tier 1) receive school meals after distribution of food, fortified food and non-food items by WFP to schools (output category A1) in order to partially cover student's food and nutrition needs (SR1, SR2).
- Output 2.1: School children (tier 3) benefit from enhanced capacity of public institutions to manage the national school meals programme (output category C) in order to partially cover their food and nutrition needs.
- Output 2.2: School children (tier 3) benefit from introduction of national school feeding policies and frameworks (output category C) which contribute to meeting their food and nutrition needs (SR1, SR2).
- Output 2.3: School children (tier 3) benefit from dietary assessments conducted in schools allowing national programmes (output category C) to better contribute to their nutritional needs (SR2).

WFP will continue to provide school meals to some 12,000 school-aged children – pre-primary to grade 6 – in schools covered by the national school meals programme of the Government. The WFP supported schools are situated in the most vulnerable parts of the country in terms of food insecurity and poverty. WFP support is provided to day-time students who would normally not receive support through the Government's national school meals programme which prioritizes boarding students. This and other limitations of the national school meals programme are being addressed through capacity development support which is to ensure there is a school meals policy in place, nutrition considerations are fully integrated in the programme, the supply chain is strengthened and includes fortified rice, while the MoE has a robust monitoring capacity for the programme.

➤ ***Key activities***

- Activity 1: Provide nutritious meals to school children in vulnerable schools.

WFP will provide 875 mt of rice, which will be fortified in Bhutan using Fortified Rice Kernels (FRK) procured in neighbouring Bangladesh or India, as well as 63 mt of yellow split peas, 63 mt of chickpeas and 63 mt of fortified vegetable oil to be complemented with fresh vegetables and occasionally meat or eggs provided by local communities, the MoE and through the School Agriculture Programme (SAP). Both breakfast and lunch will be provided to the students so that the daily food basket will provide 1,303 kcal, 62 percent of the required daily energy needs and 58 percent of the daily protein needs of targeted schoolchildren.

- Activity 2: Provide technical assistance to the Government of Bhutan to enhance critical aspects of school meals management.

In parallel to providing food commodities, WFP will continue to strengthen the capacity of its counterparts and the activities started in DEV 200300 will continue throughout 2018. This diverse series of interventions include support to strengthen linkages between the school meals

with ongoing school health, home economics, school agriculture programme and nutrition education activities at school level, improving the food basket for the school meals including use of fortified rice, support to finalize the national school meals strategy, support to develop a school meals monitoring and reporting system integrated into the M&E system of the MoE, support to optimize the supply chain for school meals and the strengthening of the day-to-day management of the national school meals programme. To complement the capacity of the country office the Regional Bureau provides support when needed and an international consultant was engaged with expertise in food technology, policy development and nutrition sensitive programming.

3.2.2. STRATEGIC OUTCOME 2: THE GOVERNMENT OF BHUTAN HAS STRENGTHENED CAPACITY TO ACHIEVE THE SDGs BY 2030

➤ *Outcome description*

With high rates of micro-nutrient deficiencies – including anemia and vitamin B1 deficiencies – the Government of Bhutan ways to address this in a comprehensive manner. Through DEV 200300, WFP introduced fortified rice in the school meals. By end 2018, all rice used in the national school feeding programme provided by the Government of Bhutan will be fortified while national standards for fortified rice will be under development.

In view of its geological vulnerable position in the eastern Himalayas, Bhutan is regularly affected by earthquakes, while over the past decades the impact of earthquakes has been modest, the possibility of a major earthquake affecting the country is real. It is thus essential that responsible Government agencies have necessary capacities to respond to such an event. As part of a joint UN initiative, WFP will ensure the Government has capacity in emergency logistics and food relief response. The capacity developed will also allow the Government to respond to smaller emergencies like those brought about by climate change – windstorms, drought, floods.

➤ *Focus Areas*

This outcome addresses root cause vulnerabilities in terms of dietary composition and those resulting from the geographical and topographical position of Bhutan by ensuring the Government and related agencies have sufficient capacities to address them.

➤ *Expected outputs*

- Output 3.1: People in Bhutan (tier 3) benefit from increased capacity of the food system (output category C) to provide fortified food in order to support sufficient nutrient intake (SR2).
- Output 3.2: People in Bhutan (tier 3) benefit from the introduction of frameworks and quality control mechanism on national production and import of fortified food (output category C) in order to support sufficient nutrient intake (SR2).
- Output 4.1: People in Bhutan (tier 3) benefit from the introduction and testing of contingency plans for emergencies (output category C) in order to safeguard their access to food and other essential needs (SR1, SR2).

By the end of the T-ICSP, Bhutan will have domestic capacity to blend white rice with FKR with a capacity to address all the need for fortified rice in the school feeding programme, i.e. approximately 5,000 mt. The composition of the fortified rice, i.e. which micronutrients to add, will also have been determined and basic rules to guide the processes will be in place. The process to establish the necessary legislative and regulatory frameworks will have established, but will likely require continued support beyond the duration of this T-ICSP.

Through interagency support the Government of Bhutan is expected to be better prepared to address the impact of an earthquake within the country and coordinate international assistance accordingly. The contingencies and approaches developed to address an earthquake could also be used to address smaller scale emergencies like storms, landslides, floods or droughts.

➤ **Key activities**

- Activity 3: Provide policy and technical assistance to the Government of Bhutan to scale up fortification in the country.

During DEV 200300, WFP established capacity with a private sector company to blend white rice with FRK. Upon request of the Government, similar capacity will be established within the FCBL. This encompasses both establishing the necessary infrastructure as well as training of staff and introducing quality control measures throughout production as well as post production. In addition the establishment of a national standard for fortified rice will be initiated including support to develop national level regulations, legislation and enforcement capacity.

- Activity 4: Strengthen the capacity in emergency preparedness of the Government of Bhutan.

As part of a joint UN initiative WFP will support the Government with reviewing and strengthening its logistical capacity to respond to emergencies. An emergency simulation exercise will be set up with the help of OCHA and other UN agencies and development partners.

3.3. TRANSITION AND EXIT STRATEGIES

With the completion of the T-ICSP, WFP will end its in-kind food support to Bhutan and shift its focus towards providing technical assistance to the Government of Bhutan. The priority areas will be defined during the Country Strategic Review (CSR) process, however they are likely to include providing input to the Government's efforts in setting up social safety nets to address the impact of natural disasters brought about by climate change and other activities to enhance the food security of rural and urban vulnerable groups. As of such, emergency preparedness as a whole is an area where WFP's expertise could be required.

While by end-2018 the Government of Bhutan would be able to provide fortified rice to the schools, the regulatory and legislative framework to expand fortification to the general population will however need further development. Similarly, it might be necessary that some residual technical support to the school meals programme in the country would still need to be provided.

4. IMPLEMENTATION ARRANGEMENTS

Seeing this T-ICSP is a continuation of DEV 200300, most capacities to implement the programme are already in place. Over the past two years the country office team has been strengthened by an international staff and international consultant who are guiding the processes and at the same time developing the capacities of their national colleagues. In terms of supply chain and institutional arrangements with government partners the developed Standard Operating Procedures (SOP) will continue to be used.

4.1. BENEFICIARY ANALYSIS

In 2018 WFP will support 12,000 children nationwide. Schools for WFP support are selected by the MoE, generally based on vulnerability to food insecurity, poverty levels, walking distance to schools, remoteness, and as recommended by the district education officials. The MoE then requests WFP for support, which depending on available resources is provided. Over the course of the project, and in line with the policy of achieving national self-reliance by 2020, efforts have been undertaken to phase out WFP’s administration of the school meal programme in a gradual manner, to enable the MoE to manage the school meal programme, with WFP repositioning itself as a partner providing technical assistance.

As part of its capacity strengthening activity, WFP will continue to focus on four priority areas: policy development, improving nutrition in school meals, strengthening the supply chain and developing monitoring systems. The recipients of the technical assistance for management of the school meals programme by WFP will mainly be Government ministries, in particular the MoE and other relevant ministries, such as the Ministry of Agriculture and Forests (MoAF), Ministry of Health (MoH) and specialized agencies like the FCBL and Bhutan Agriculture and Food Regulatory Authority (BAFRA). The private sector (e.g. rice processing mills) are likely to benefit from capacity strengthening activities as well.

The immediate beneficiaries of the transfer of technology and policy assistance will be the school children – pre-primary up to higher secondary – enrolled in the schools included in the national school meals programme (estimated at around 65,000 students for the moment, accounting for over one-third of the students in the country). In the longer term, seeing the high level of political commitment, it is expected that the rice fortification programme will expand beyond school meals to other government supported feeding schemes (e.g. monks and hospitals) and even the commercial sector.

On the institutional side the MoH, MoAF as well as the MoE will benefit from the technical assistance with specialized agencies like BAFRA and the FCBL as direct beneficiaries. Private companies whose services will be used may also benefit from the technical assistance.

The beneficiaries of the emergency preparedness activities will be the people affected by future natural disasters such as earthquakes and floods. They are likely to include all age and gender groups but will especially be those most vulnerable to the impact of emergencies.

The institutional beneficiaries of this activity will be in the first place the Department of Disaster Management (DDM) under the Ministry of Home Affairs. They coordinate all other relevant sectors and the local government branches who will also benefit from this.

Strategic Outcome	Activities	Female	Male	Total
Strategic Outcome 1: School-aged children in vulnerable areas have sustainable access to food by 2019	Provide nutritious meals to vulnerable school-aged children to ensure equitable access to education.	5,880	6,120	12,000
	Provide technical assistance to the Government of Bhutan to enhance critical aspects of school meals management.			
	Strengthen the Government of Bhutan’s capacity in emergency preparedness.			

Strategic Outcome 2: Support the Government of Bhutan in achieving the SDGs by 2030	Provide policy and technical assistance to the Government of Bhutan to scale up fortification in the country.			
TOTAL		5,880	6,120	12,000

4.2. TRANSFERS

4.2.1. FOOD AND CASH-BASED TRANSFERS

Strategic Outcome	Strategic Outcome 1						Strategic Outcome 2		
Activity	Activity 1			Activity 2 etc. (if multiple activities lead to a Strategic Outcome)			Activity		
Beneficiary type	Girls	Boys	Total						
modality									
cereals	275	275	275						
pulses	40	40	40						
oil	20	20	20						
salt	-	-	-						
sugar	-	-	-						
Supercereal	-	-	-						
Supercereal Plus	-	-	-						
micronutrient powder	-	-	-						
total kcal/day	1,303	1,303	1,303						
% kcal from protein	9.1%	9.1%	9.1%						
cash (USD/person/day)	-	-	-						
Number of feeding days	266	266	266						

Food type / cash-based transfer	Total (mt)	Total (USD)
Cereals	875	350,000
Pulses	126	84,420
Oil and Fats	63	55,440
Mixed and Blended Foods	-	-

¹⁹ Verify that the ration is in line with WFP guidelines in terms of energy, protein, fat, and micronutrient content (use the NUTVAL food basket calculator on the PGM, along with specific WFP programmatic guidance). For commodity vouchers and cash-based transfer values see relevant manual.

Other	-	-
TOTAL (food)	1,064	489,860
Cash-Based Transfers (USD)	-	-
TOTAL (food and CBT value – USD)		489,860

The ration scale used for the school meals has been established by the MoE and WFP several years ago. While WFP as part of its capacity development tries to improve the quality of the meals, this is primarily for the complementary commodities such as vegetables.

4.2.2. CAPACITY STRENGTHENING INCLUDING SOUTH-SOUTH COOPERATION

The main focus of this T-ICSP is on strengthening of the capacity of the Government of Bhutan partner institutions. Under DEV 200300, in order to support these objectives, WFP has positioned staff members with the SHND, which manages the national school meals programme. The positioning of staff members in the SHND has allowed for constant communication and interaction between WFP and the government partners and helped deliver the provision of guidance and technical assistance to the government in a number of different areas, from monitoring and evaluation to recruitment of temporary staff.

Together with the SHND and other stakeholders a few pilots on that nutrition integration as well as logistics, have been worked out to develop and test new approaches. These pilots at the same time allow introducing international best practises and adjusting them to the local context, demonstrating what is possible and provide an opportunity to train officials in new ways. An international consultant with previous experience in this kind of activities has been engaged to lead this.

The concept of rice fortification was introduced during a visit by government officials from Bangladesh and the first batch of fortified rice was procured in Bangladesh, after which local blending capacity has been developed. Visits by officials from the Government of Bhutan to Bangladesh or India to learn more on the topic are scheduled.

In 2016 Bhutan hosted the first SAARC Regional School Meals Meeting. This has created a network that emphasises exchange of experience among practitioners from neighbouring countries. Government of Bhutan officials also participated in the Global Child Nutrition Forum for two consecutive years.

4.3. SUPPLY CHAIN

WFP plans, budgets and procures four commodities, carries out quality and quantity checks for the commodities and then hands them over to the MoE for storage and distribution to the schools supported by the WFP. At the school, there is a mess committee comprising of teachers and student representatives (equal male female) to oversee the overall management of the mess.

Fortified Rice Kernels are procured in neighbouring Bangladesh or India subject to competitiveness and quality of the products. The FRK are blend with white rice procured locally. The necessary capacity to blend fortified rice has already been established in the country with support by WFP during DEV 200300. Pulses and oil are procured from regional or international markets with the assistance of the Regional Bureau.

4.4. COUNTRY OFFICE CAPACITY AND PROFILE

The WFP Bhutan country office is small with less than 10 staff members and while most staff have plenty of experience in schools meals activities, capacity development is relatively new to them. Given WFP will be discontinuing its in-kind food assistance as of 2019, there is some

discomfort as to what the current staff's role will be in a country office that is shifting more and more towards the strengthening of government capacity. This T-ICSP which is gradually expanding the capacity development support from school meals to also include nutrition, fortification, M&E and emergency preparedness, thus creates an opportunity for the national staff to expand their knowledge to new areas which are likely to be relevant for the CSP following this T-ICSP.

4.5. PARTNERSHIPS

As a Delivering as One country, WFP partners with the other UN agencies (in particular UNICEF and UNFPA) under the Education Outcome Group and works through one common Annual Work Plan. In the past WFP also partnered with the FAO to support the SAP.

WFP's primary partner for technical assistance is the MoE. Other partners include the School Feeding Technical Committee (SFTC) consisting of key government agencies such as the MoAF, MoH, Ministry of Finance (MoF) and the GNHC.

When introducing rice fortification as a concept, WFP worked with the MoAF to establish a fortification taskforce which has members from the MoAF, MoH, MoE, BAFRA, FCBL and WFP. WFP also made links with the WFP country office in Bangladesh as well as some government partners in the country. WFP India also has a number of relevant partners – government and commercial – in the neighbouring state of Odisha. These multiple partnerships should allow to establish the necessary domestic and regional contacts to advance fortification in Bhutan.

For emergency preparedness the technical assistance will come as a joint intervention of WFP together with the rest of the United Nations Country Team (UNCT). Bringing together the strengths of all agencies in support of the Government. The UNCT will engage the technical input of the OCHA and WFP Regional Bureaux.

5. PERFORMANCE MANAGEMENT AND EVALUATION

5.1. MONITORING AND EVALUATION ARRANGEMENTS

Since this T-ICSP is a continuation of DEV 200300, the monitoring will be in continuity with the DEV monitoring procedures, making use of data collected under the DEV for baseline establishment as relevant.

As part of the strengthening of the capacity of the MoE, WFP has been providing support to the monitoring unit of the ministry. This team is jointly tasked by the SHND and WFP to monitor schools supported by WFP while also visiting Government supported schools with the aim to visit at least a quarter of randomly selected schools every year. This monitoring team produces monthly reports which are shared with the school meals team in the ministry and WFP. This centrally based monitoring team works in addition to the monitoring done by the District Education Offices which visit all schools in the district twice annually. Combined monitoring findings are then used to identify corrective actions necessary, so that they can be taken at the appropriate place in a timely manner. The findings also help in operational resource allocation decisions.

In addition to the field level monitoring WFP is developing an online system for real-time reporting of commodity and government cash movements and utilization, in addition to outcome and output indicators related to school meals and associated activities. This system is

expected to be online in the 2018 school year and should allow to get more accurate and timely information.

Progress in terms of capacity will be monitored against the capacities expected following the theory of change approach. At outcome level capacity will be assessed using the SABER framework.

Dev 200300 was subject of an operations evaluation in 2016. With the T-ICSP being a continuation of that project, an evaluation is set for 2018 with a special focus on the capacity development efforts under the DEV and the T-ICSP. This could then feed into the preparation of the CSP following the Country Strategic Review in 2017.

5.2. RISK MANAGEMENT

➤ *Contextual Risks*

Bhutan will have a parliamentary election in early 2018. In anticipation of this, the current government is expected to resign end 2017 after which a caretaker government will prepare the elections. This caretaker government will not be able to make policy decision which may affect some of the policy related work WFP is supporting concerning school meals and fortification. The election fever may also have a polarizing effect; while all parties agree education is a priority, the best way to approach this has over the years been a point of discussion and school meals could possibly become part of that. Information sharing with a broad range of stakeholders on the importance of school meals and fortification are ways this risk could be contained.

➤ *Programmatic Risks*

Capacity development requires close interactions with partners and time. While the partners of the school meals team in the MoE are highly committed, unfortunately they are limited in number and have limited time, so it is always important to find a balance between the need to develop capacity and their regular work obligations. To anticipate this, WFP impresses regularly with the ministry and other government partners on the importance of having sufficient and qualified staff assigned to the school meals programme.

➤ *Institutional Risks*

With the shift from operational implementation towards capacity development, the profile of the staff in the country office needs to be adjusted. To the extent possible staff are being trained and coached to adjust to these new roles and where the internal capacity is not available and cannot be identified within the country, support of international consultants and the Regional Bureau is sought.

6. RESOURCES FOR RESULTS

6.1. COUNTRY PORTFOLIO BUDGET

TABLE 5: COUNTRY PORTFOLIO BUDGET (USD)		
	Year 1	Total
Strategic Outcome 1	980,485	980,485
Strategic Outcome 2	240,372	240,372
TOTAL	1,220,857	1,220,857

The large majority of the resources are required for the first activity of strategic outcome 1, i.e. the in-kind support to school meals for which food commodities are procured. Equally, of the three types of capacity development support, the majority of the funds go to the capacity development in support of the national school meals programme under strategic outcome 1. The activities under strategic outcome 2 require approximately 20 percent of the total budget.

6.2. RESOURCING OUTLOOK

This T-ICSP will be receiving most of its funding through a resource transfer from DEV 200300 which is approximately 90 percent funded to date. The expected funds carried over amount to USD 800,000. Expected new funding amounts to around USD 300,000 so that no further resources would be required in 2018.

6.3. RESOURCE MOBILIZATION STRATEGY

Fund raising for Bhutan is becoming increasingly difficult, especially now the country is graduating from LDC status. Many bilateral donors have withdrawn from the country, the private sector is still nascent and the number of embassies is very limited. While there are occasional visits by ambassadors based in India or Bangladesh, opportunities to engage with the development specialists are limited and one is better to meet them in their bases. With the help of the Regional Bureau and the India country office, the Bhutan country office intends to visit embassies and donors in New Delhi to seek their support for the CSP which will be prepared during the T-ICSP's implementation.

ANNEX I: SUMMARY OF LOGICAL FRAMEWORK OF BHUTAN TRANSITIONAL INTERIM COUNTRY STRATEGIC PLAN (YEAR 2018-2018)

Period: Jan 2018 - Dec 2018

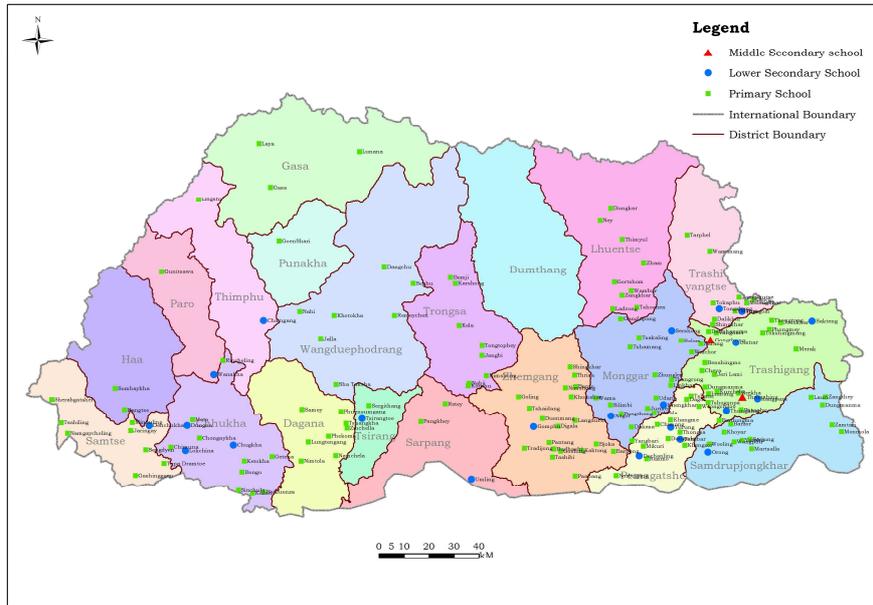
STRATEGIC GOAL 1: Support countries to achieve zero hunger		
STRATEGIC OBJECTIVE 1: End hunger by protecting access to food		
STRATEGIC RESULT 1: Everyone has access to food		
STRATEGIC OUTCOME 01: School-aged children in vulnerable areas have sustainable access to food by 2019	Outcome Category: Maintained/enhanced individual and household access to adequate food	Nutrition Sensitive
	Focus Area: Root Causes	
Assumptions: There are sufficient and qualified staff in the Ministry of Education assigned to the school meals programme.		
OUTCOME INDICATORS Enrolment rate Retention rate Zero Hunger Capacity Scorecard		
ACTIVITIES and OUTPUTS		
1 Provide nutritious meals to vulnerable school-aged children to ensure equitable access to education. (SMP: School meal activities)		
Food, including fortified foods, and non-food items, distributed in sufficient quantity and quality and in a timely manner to targeted schools. (A: Resources transferred)		
Food, including fortified foods, and non-food items, distributed in sufficient quantity and quality and in a timely manner to targeted schools. (B: Nutritious foods provided)		
2 Provide technical assistance to the Government of Bhutan to enhance critical aspects of school meals management. (CSI: Institutional capacity strengthening activities)		
Dietary assessment conducted in schools across Bhutan. (C: Capacity development and technical support provided)		
National school feeding policies and frameworks are in place (C: Capacity development and technical support provided)		
Technical support provided to enhance management of school feeding. (C: Capacity development and technical support provided)		

STRATEGIC GOAL 2: Partner to support implementation of the SDGs		
STRATEGIC OBJECTIVE 4: Support SDG implementation		
STRATEGIC RESULT 5: Countries have strengthened capacity to implement the SDGs		
STRATEGIC OUTCOME 02: Support the Government of Bhutan in achieving the SDGs by 2030	Outcome Category: Enhanced capacities of public and private-sector institutions and systems, including local responders, to identify, target and assist food-insecure and nutritionally vulnerable populations	Nutrition Sensitive
	Focus Area: Root Causes	
Assumptions: With the shift from operational implementation towards capacity development, the profile of the staff in the country office are being trained and coached to adjust to these new roles and where the internal capacity is not available and cannot be identified within the country, support of international consultants and the Regional Bureau is sought.		
OUTCOME INDICATORS Zero Hunger Capacity Scorecard		
ACTIVITIES and OUTPUTS		
3 Provide policy and technical assistance to the Government of Bhutan to scale up fortification in the country. (CSI: Institutional capacity strengthening activities) Country capacity strengthened for regional and local sourcing of fortified food and infrastructure and technology transferred to enable domestic production of fortified food. (C: Capacity development and technical support provided) Regulatory framework and quality control mechanism established to regulate the national production and import of fortified food. (C: Capacity development and technical support provided)		
4 Strengthen the Government of Bhutan's capacity in emergency preparedness. (CSI: Institutional capacity strengthening activities) Contingency plan created for multiple emergency scenarios and tested during simulation exercise. (C: Capacity development and technical support provided)		

ANNEX II: INDICATIVE COST BREAKDOWN

INDICATIVE COST BREAKDOWN ALONG STRATEGIC OUTCOMES (USD)						
WFP Strategic Results / SDG Targets	SR 1 – Everyone has access to food (SDG Target 2.1)	SR 1 – Everyone has access to food (SDG Target 2.1)	SR 5 – Countries have strengthened capacities to implement the SDGs (SDG Target 17.9)	SR 5 – Countries have strengthened capacities to implement the SDGs (SDG Target 17.9)		Total
WFP Strategic Outcomes	Strategic Outcome 1	Strategic Outcome 2	Strategic Outcome 3	Strategic Outcome 4		
Focus Area	School meal activities	Institutional capacity strengtheni ng activities	Institutional capacity strengthenin g activities	Institutional capacity strengthenin g activities		
Transfer	646,398	117,230	154,271	19,910		937,809
Implementation	32,834	16,000	25,000			73,834
Adjusted DSC (%)	86,844	17,034	22,921	2,546		129,345
Sub-total	766,076	150,264	202,192	22,456		1,140,988
ISC (7%)	53,625	10,518	14,153	1,572		79,869
TOTAL	819,701	160,782	216,354	24,028		1,220,857

ANNEX III: MAP(S)



ANNEX IV: ACRONYMS

BAFRA	Bhutan Agriculture and Food Regulatory Authority
BTN	Bhutanese Ngultrum
CCA	Common Country Strategy
CRF	Corporate Results Framework
CSP	Country Strategic Plan
CSR	Country Strategic Review
DDM	Department of Disaster Management
DEV	Development Project
DSC	Direct Support Costs
FAO	Food and Agriculture Organization
FCBL	Food Corporation of Bhutan
FRK	Fortified Rice Kernel
GDP	Gross Domestic Product
GNH	Gross National Happiness
GNHC	Gross National Happiness Commission
GNI	Gross National Income
ICSP	Interim Country Strategic Plan
IFAD	International Fund for Agriculture Development
ISC	Indirect Support Costs
KPI	Key Performance Indicator
LCA	Logistics Capacity Assessment
LCD	Least Developed Country
LESS	Logistics Execution Support System
MDG	Millennium Development Goals
M&E	Monitoring and Evaluation
MIC	Middle Income Country
MoAF	Ministry of Agriculture and Forests
MoE	Ministry of Education
MoFA	Ministry of Foreign Affairs
MoH	Ministry of Health
NKRA	National Key Result Area
NSS	National Nutrition Survey
OCHA	Office for the Coordination of Human Affairs

SAARC	South Asia Association for Regional Cooperation
SABER-SF	System Approach for Better Education Results – School Feeding
SAP	School Agriculture Programme
SOP	Standard Operating Procedures
SABER	Systems Approach for Better Education Results
SDG	Sustainable Development Goals
SFTC	School Feeding Technical Committee
SHND	School Health and Nutrition Division
SR	Strategic Result
TBC	To Be Confirmed
T-ICSP	Transitional Interim Country Strategic Plan
UNCT	United Nations Country Team
UNDAF	United Nations Development Assistance Framework
UNFPA	United Nations Fund for Populations Affairs
UNICEF	United Nations Children’s Fund
USD	United States Dollar
WFP	World Food Programme
WHO	World Health Organization