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Agenda item 8
WFP/EB.2/2018/8-C
Operational matters – Budget increases to country strategic plans
For consideration

Executive Board documents are available on WFP's website (<https://executiveboard.wfp.org>).

Revision of Honduras country strategic plan and budget increase

	Current	Change	Revised
Duration	1 January 2018– 31 December 2021		1 January 2018– 31 December 2021
Beneficiaries	1 103 904	1 365 414	2 469 318
<i>(USD)</i>			
Total cost	115 656 368	58 986 602	174 642 970
Transfer	94 907 706	54 410 750	149 318 456
Implementation	5 501 112	882 715	6 383 827
Adjusted direct support costs	8 188 711	93 016	8 281 727
Subtotal	108 597 529	55 386 481	163 984 010
Indirect support costs (6.5 percent)	7 058 839	3 600 121	10 658 960

Gender and age marker* 2A

* <http://gender.manuals.wfp.org/en/gender-toolkit/gender-in-programming/gender-and-age-marker/>

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Draft decision*

The Board approves the revision of the Honduras country strategic plan and corresponding budget increase of USD 58,986,602 outlined in the present document.

Rationale

1. Four years of drought and plagues have led to a decrease in agricultural production in the southern and western regions of Honduras. The year 2017 saw a second consecutive below average harvest, and household food reserves for 61 percent of families had, as a result, run out by May 2018. Low levels of rainfall are forecast for the first cropping season of 2018, increasing the risk of crop failure in the Dry Corridor, and the hurricane season is expected to be of above-average intensity.
2. The Government of Honduras is currently designing a legal and regulatory framework for the national school feeding law, which calls for comprehensive coverage for all public pre-school and primary schoolchildren and for an increase in the proportion of locally procured food served.
3. In the light of the change in strategy and policies, WFP proposes to revise the Honduras country strategic plan such that WFP and the Government work together to increase the coverage of the school meals programme; WFP would also provide additional equipment and technology to smallholder farmer associations, schools and municipalities; increase the coverage of nutrition support activities for pregnant and lactating women and girls and for children under 2 years of age; and expand the coverage of community resilience-building and capacity strengthening.

Changes

Strategic orientation

4. The proposed revision does not include changes to strategic outcomes or activities.

Strategic outcomes

5. For the implementation of the national school meals programme (activity 1), WFP proposes to increase the number of beneficiaries and geographic coverage and, based on the results of a joint nutritional analysis carried out with the school meals programme technical team, will provide differentiated rations according to the Government's priorities and the beneficiaries' needs.
6. Regarding capacity strengthening for school meals (activity 2), WFP proposes to supply equipment and technology to smallholder farmers, schools and municipalities and will further strengthen support for a decentralized, locally-owned, home-grown school meals programme.
7. In the area of mother and child health and nutrition (activity 3), increases in the number of beneficiaries would require additional resources for capacity strengthening at the central, regional and local levels, including for pre- and post-natal care, nutrition surveillance and the provision of equipment to health centres.

* 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.

8. Regarding food assistance for assets (activity 4), WFP proposes to enhance resilience through additional capacity-strengthening activities in integrated watershed management and protection, climate change adaptation, disaster risk reduction, food production and food and nutrition security.
9. In the area of crisis response (activity 5), WFP proposes to update its supply chain costs based on current market prices.

Beneficiary analysis

10. The proposed increase in the number of school meals beneficiaries is in line with the national school feeding law and the strategy of the newly re-elected Government to extend programme coverage from 398,000 to 1,698,000 children in public pre-schools and primary schools (activity 1).
11. Greater investment in the supply of equipment and technology for smallholder farmers, schools and municipalities would increase the number of tier 3 beneficiaries from 19,000 to 34,500.
12. The additional availability of resources for nutrition-related activities would allow WFP to provide services, including in regard to specialized nutritious foods, to an additional 40,000 nutritionally vulnerable mothers, boys and girls.

TABLE 1: FOOD AND CASH-BASED TRANSFER BENEFICIARIES BY STRATEGIC OUTCOME, ACTIVITY AND TIER

Strategic outcome	Activity	Tier	Current			Increase			Revised		
			Women and girls	Men and boys	Total	Women and girls	Men and boys	Total	Women and girls	Men and boys	Total
1	1. Provide daily nutritious school meals, sourced from smallholder farmers, to pre-school- and primary school-aged children, complemented with health, hygiene and nutrition activities, gender-transformative education and school gardens.	1	203 000	195 000	398 000	663 000	637 000	1 300 000	866 000	832 000	1 698 000
	2. Provide capacity strengthening to local authorities, school staff, parents and smallholder farmers, - including technical assistance and training in the management of the school meals programme, its logistics, food quality standards, transparency, accountability, nutrition education, smallholder farmers' access to institutional markets and risk management.	1	2 000	1 500	3 500	0	0	0	2 000	1 500	3 500
		3	35 000	23 000	58 000	0	0	0	35 000	23 000	58 000
		3	11 500	7 500	19 000	9 080	6 220	15 300	20 580	13 720	34 300

TABLE 1: FOOD AND CASH-BASED TRANSFER BENEFICIARIES BY STRATEGIC OUTCOME, ACTIVITY AND TIER

Strategic outcome	Activity	Tier	Current			Increase			Revised		
			Women and girls	Men and boys	Total	Women and girls	Men and boys	Total	Women and girls	Men and boys	Total
2	3. Provide capacity strengthening to health institutions at all levels and fortified nutritious foods in targeted areas to girls, pregnant women and, lactating women and girls, and children under 2.	1	35 000	21 000	56 000	20 000	12 000	32 000	55 000	33 000	88 000
		1	13 000	0	13 000	18 000	0	18 000	31 000	0	31 000
		3	342 000	328 000	670 000	0	0	0	342 000	328 000	670 000
3	4. Provide food assistance for assets to food-insecure households to support the creation and rehabilitation of livelihood assets complemented by capacity strengthening for decentralized government authorities in the management of resilience-building and climate change adaptation programmes.	1	51 000	49 000	100 000	0	0	0	51 000	49 000	100 000
		1	13 000	12 000	25 000	0	0	0	13 000	12 000	25 000
		2	150	150	300	0	0	0	150	150	300
4	5. Complement government transfers to the most vulnerable households affected by disasters to facilitate relief and early recovery while supporting strengthened institutional emergency response capacities.	1	97 000	93 000	190 000	0	0	0	97 000	93 000	190 000
		1	184 000	176 000	360 000	0	0	0	184 000	176 000	360 000
		2	73 000	70 000	143 000	0	0	0	73 000	70 000	143 000
		2	3 500	3 500	7 000	0	0	0	3 500	3 500	7 000

TABLE 1: FOOD AND CASH-BASED TRANSFER BENEFICIARIES BY STRATEGIC OUTCOME, ACTIVITY AND TIER

Strategic outcome	Activity	Tier	Current			Increase			Revised		
			Women and girls	Men and boys	Total	Women and girls	Men and boys	Total	Women and girls	Men and boys	Total
5	6. Provide technical assistance and capacity strengthening in emergency preparedness and response, including linkages to social protection, to institutions at the national and subnational levels.	3	5 000	5 000	10 000	0	0	0	5 000	5 000	10 000
	7. Support an advocacy platform and communicate strategically about the 2030 Agenda, with an emphasis on SDG 2, to the general public, the private sector and partners.	3	5 500	5 000	10 500	0	0	0	5 500	5 000	10 500
	Total tier 1 food/cash-based transfers		570 000	534 000	1 104 000	683 000	649 000	1 332 000	1 253 000	1 183 000	2 436 000
	Total tier 1 capacity strengthening		28 000	13 500	41 500	18 000	0	18 000	46 000	13 500	59 500
	Total tier 2		77 000	74 000	151 000	0	0	0	77 000	74 000	151 000
	Total tier 3		399 000	369 000	768 000	9 100	6 200	15 300	408 100	374 700	782 800
	Total tiers 1, 2 and 3		1 048 000	979 000	2 027 000	692 000	655 000	1 347 000	1 740 000	1 634 000	3 374 000

Transfers

13. Based on the results of the joint nutritional analysis carried out with the national school meals programme technical team in areas not yet receiving fresh food rations, WFP proposes to provide enhanced daily dry rations providing 499 kcal per day per person.

	Strategic outcome 1	
	Activity 1	
Beneficiary type	School and pre-school children in newly covered areas	
Modality	Food and cash-based transfers: primary schoolchildren	Food and cash-based transfers: pre-school children
Fortified maize meal	60	30
Cereals (rice)	30	30
Pulses	25	25
Oil	10	10
Total g/person/day	125	95
Total kcal/day	499	389
Kcal from protein (%)	10.4	10.7
Cash-based transfers (USD/person/day)	0.25	0.25
Number of feeding days per year	180	180

Food type/ cash-based transfer	Current budget		Increase		Revised budget	
	Total (mt)	Total (USD)	Total (mt)	Total (USD)	Total (mt)	Total (USD)
Cereals	17 966	10 281 627	40 830	25 037 254	58 796	35 318 880
Pulses	4 273	4 087 384	12 189	11 658 656	16 462	15 746 040
Oil and fats	2 218	3 766 778	4 743	8 064 180	6 960	11 830 959
Mixed and blended foods	4 382	4 583 880	1 623	(31 777)*	6 005	4 552 103
Other	1 317	1 739 638	1 241	1 701 590	2 557	3 441 228
Total (food)	30 156	24 459 307	60 625	46 429 902	90 781	70 889 209
Cash-based transfers		56 995 499		(8 900 047)*		48 095 452
Total (food and cash-based transfer value)	30 156	81 454 806	60 625	37 529 855	90 781	118 984 661

* Figures in brackets indicate decreases.

Supply chain

14. WFP proposes to revise its supply chain costs under various activities of the country strategic plan to reflect changes in the costs pertaining to quantitative and qualitative inspection, international purchasing, transport and warehouse services and other matters.

Other considerations

Impact on country office capacity and partnerships

15. The proposed revision reflects a continued strengthening of the primary partnership with the key line ministries responsible for the national school meals programme (strategic outcome 1) and mother and child nutrition-related activities (strategic outcome 2).

Major risks and consequent mitigation measures

16. While delays in the timely deposit of donor funds in WFP's account would remain an important risk, this would be partially offset by strengthened coordination and planning with national counterparts, and by WFP advocacy for the inclusion of the school meals programme in the national budget.

Cost breakdown

17. Taking into account the latest funding forecast, this proposed revision would result in an overall budget increase of USD 58,986,602.

TABLE 4: COST BREAKDOWN OF THE REVISION ONLY (USD)						
	Strategic Result 1/SDG Target 2.1	Strategic Result 2/SDG Target 2.2	Strategic Result 3/SDG Target2.3	Strategic Result 1/SDG Target 2.1	Strategic Result 5/SDG Target 17.9	Total
	Strategic outcome 1	Strategic outcome 2	Strategic outcome 3	Strategic outcome 4	Strategic outcome 5	
Focus area	Root causes	Root causes	Resilience-building	Crisis response	Resilience-building	
Transfer	46 278 954	3 666 820	3 868 693	596 284	-1	54 410 750
Implementation	317 851	114 862	449 995	5	2	882 715
Adjusted direct support costs						93 016
Subtotal						55 386 481
Indirect support costs (6.5%)						3 600 121
Total						58 986 602

TABLE 5: COST BREAKDOWN OF THE FULL COUNTRY STRATEGIC PLAN FOLLOWING THE REVISION (USD)

	Strategic Result 1/SDG Target 2.1	Strategic Result 2/SDG Target 2.2	Strategic Result 3/SDG Target 2.3	Strategic Result 1/SDG Target 2.1	Strategic Result 5/SDG Target 17.9	Total
	Strategic outcome 1	Strategic outcome 2	Strategic outcome 3	Strategic outcome 4	Strategic outcome 5	
Focus area	Root causes	Root causes	Resilience-building	Crisis response	Resilience-building	
Transfer	101 158 463	9 291 967	13 905 068	23 940 481	1 022 477	149 318 456
Implementation	2 477 464	916 226	1 695 422	1 032 978	261 736	6 383 827
Adjusted direct support costs	5 427 066	568 881	866 572	1 349 965	69 244	8 281 727
Subtotal	109 062 993	10 777 074	16 467 062	26 323 424	1 353 457	163 984 010
Indirect support costs (6.5%)	7 089 095	700 510	1 070 359	1 711 023	87 975	10 658 961
Total	116 152 087	11 477 584	17 537 422	28 034 447	1 441 431	174 642 970