

## Crisis response revision of Guatemala country strategic plan (2021–2024) and corresponding budget increase

	Current	Change	Revised
<b>Duration</b>	<b>1 January 2021– 31 December 2024</b>	<b>No change</b>	<b>No change</b>
<b>Beneficiaries</b>	<b>897 084</b>	<b>220 000</b>	<b>1 117 084</b>
<i>(USD)</i>			
<b>Total cost</b>	<b>166 455 430</b>	<b>40 376 590</b>	<b>206 832 020</b>
Transfers	140 252 225	27 641 523	167 893 748
Implementation	9 980 343	3 384 728	13 365 071
Adjusted direct support costs	9 948 709	7 044 145	16 992 854
<b>Subtotal</b>	<b>160 181 277</b>	<b>38 070 396</b>	<b>198 251 673</b>
Indirect support costs (6.5 percent)	6 274 153	2 306 194	8 580 347

Gender and age marker code\*: 3

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

### Rationale

1. The current four-year budget totals USD 166.5 million with an annual average of USD 41.6 million per year. Strategic outcome 1 currently represents 18 percent of the total country strategic plan (CSP) budget, with a yearly budget of USD 7.3 million. In 2021, however, due to the unprecedented level of humanitarian needs in the country and the receptive response of the donor community, WFP executed a total of USD 15.5 million under strategic outcome 1, representing about 237 percent of the yearly plan and about 60 percent of the four-year budget. The role of emergency response continues to be pivotal in the country due to the high risk of climatic shocks and protracted food insecurity in many areas affected by multiple overlapping crises.

### Changes

2. In July 2021, the Guatemala country office approved the budget revision 1 to increase the country portfolio budget by USD 8,853,929 and to correct a discrepancy between the total amount of cash-based transfers (CBTs) in strategic outcome 3, activity 4 in the narrative documents, and the corporate systems. Thus, the rations were adjusted and the transfer value was increased by USD 1,175,850 with no changes to beneficiary numbers or results. The revision incorporated food items under activity 2 for nutritious specialized food to partner with the Ministry of Health in the Grand National Crusade for Nutrition.
3. Budget revision 2 is necessary to increase the total budget for strategic outcome 1 and incorporate changes in rations and assistance duration, resulting from the latest vulnerability analysis and mapping (VAM) unit analysis on minimum expenditure basket and transfer values. This revision will also allow the implementation of early recovery actions with a capacity strengthening component under strategic outcome 1, complementing unconditional transfers for emergency response.



4. In addition, this budget revision aims to include a new activity under strategic outcome 5 for on-demand CBT service provision. This change is based on the request of a local non-governmental organization (NGO) (Food for the Hungry) to use WFP platforms and systems to distribute CBTs under their projects. This represents an opportunity for WFP to strengthen local partners on CBT processes and standards, while providing a service to the humanitarian community and beneficiary populations. It is expected that more NGOs and/or United Nations agencies could use the service in the future.
5. The total increase in the country portfolio budget with this budget revision 2 totals USD 40.4 million.

### Strategic orientation

6. Under this budget review, there are no changes in strategic orientation.

### Strategic outcomes

7. The new output *“Humanitarian actors and other private institutions benefit from more efficient and transparent services”* is linked to the new activity 9 *“Provide on-demand cash-based transfer services”* which were incorporated under strategic outcome 5 *“National partners have access to efficient services and technical assistance throughout the year”* for on-demand CBT service provision activities with a total budget in service delivery of USD 328,000 per year. This was based on requests from NGOs and other United Nations agencies to use WFP platforms and contracts with financial service providers for cash distributions.

### Beneficiary analysis

8. The number of beneficiaries for cash-based transfers under strategic outcome 1, activity 1 *“Provide direct nutrition and gender responsive assistance to crisis-affected populations”* increases from 50,000 per year to 110,000 in 2022, and 100,000 per year in 2023 and 2024. This is to reflect the current operational requirements in the country and forecasted needs for the next years. At the same time, beneficiaries for the CBT commodity voucher modality will decrease from 30,000 to 10,000 per year. In 2021, the most used CBT modality was cash due to its flexibility, rapid implementation and context-based analysis. With these changes, the total number of beneficiaries under strategic outcome 1 increases from 740,000 to 930,000 for the entire CSP.

TABLE 1: DIRECT BENEFICIARIES BY STRATEGIC OUTCOME AND ACTIVITY							
Strategic outcome	Activity	Period	Women (18+ years)	Men (18+ years)	Girls (0-18 years)	Boys (0-18 years)	Total
1	1	Current	166 500	151 700	214 600	207 200	<b>740 000</b>
		Increase	49 500	45 100	63 800	61 600	<b>220 000</b>
		Revised	216 000	196 800	278 400	268 800	<b>960 000</b>
<b>Total (without overlap)</b>		<b>Current</b>	<b>186 996</b>	<b>172 037</b>	<b>280 031</b>	<b>258 019</b>	<b>897 084</b>
		<b>Increase</b>	<b>48 697</b>	<b>44 405</b>	<b>64 580</b>	<b>62 319</b>	<b>220 000</b>
		<b>Revised</b>	<b>235 693</b>	<b>216 442</b>	<b>344 611</b>	<b>320 338</b>	<b>1 117 084</b>

### Transfers

9. The CBT ration for strategic outcome 1 activity 1 increases by 40 percent to USD 1 per person per day, based on the analysis conducted by the VAM unit between January and March 2022 using national data on food basket prices, household agricultural production, average food consumption and food expenditure shares of WFP beneficiaries from surveys 2020–2021.



10. The country office updated the Minimum Expenditure Basket value (MEB) in March 2022, based on inflation and the variations of the official Basic Food Basket (CBA). The idea is to address gaps to reach an acceptable food consumption for households in crisis situations. The average expenditure is USD 2.40 per day per family member with a gap of USD 1.04 per day, per family member. The value was established according to the preliminary data of the MEB<sup>1</sup>.
11. The ration is estimated for five-member households. The institute of national statistics (INE) has determined that a family in Guatemala, on average, is composed of 4.77 family members (rounding up to 5). WFP sociodemographic data of assisted households in 2020-2021 showed an average of 4.66 members (rounding up to 5).
12. The assistance days for activity 1 were also increased from 30 to 60 days to reflect the assistance response provided in 2021, which is deemed appropriate as a response after a crisis.
13. The capacity strengthening transfer modality for strategic outcome 1, activity 1 increases by USD 4.2 million for the 3 years (2022-2024) to allow the implementation of the food assistance for assets modality, which was already included in the CSP, and for which the country office has already received resources to start implementation of early recovery activities.

**TABLE 2: FOOD/CASH-BASED TRANSFER REQUIREMENTS AND VALUE**

Food type/ cash-based transfers	Current budget		Increase		Revised budget	
	Total (mt)	Total (USD)	Total (mt)	Total (USD)	Total (mt)	Total (USD)
Cereals	1 200	531 432	-	-	1 200	531 432
Pulses	180	207 000	-	-	180	207 000
Oil and fats	75	102 577	-	-	75	102 577
Mixed and blended foods	5 988	6 252 785	-	-	5 988	6 252 785
Other	-	-	-	-	-	-
<b>Total (food)</b>	<b>7 443</b>	<b>7 093 794</b>	-	-	<b>7 443</b>	<b>7 093 794</b>
Cash-based transfers	-	34 947 950	-	20 940 000	-	55 887 950
<b>Total (food and cash-based transfer value)</b>	<b>7 443</b>	<b>42 041 744</b>	-	<b>20 940 000</b>	<b>7 443</b>	<b>62 981 744</b>

<sup>1</sup> The draft document is under RBP and HQ revision, however main data on food basket values and Food Gap will not change.



## Cost breakdown

TABLE 3: COST BREAKDOWN OF THE REVISION ONLY (USD)						
	Strategic Result 1/ SDG target 2.1	Strategic Result 2/ SDG target 2.2	Strategic Result 4/ SDG target 2.4	Strategic Result 5/ SDG target 17.9	Strategic Result 8/ SDG target 17.16	Total
	Strategic outcome 1	Strategic outcome 2	Strategic outcome 3	Strategic outcome 4	Strategic outcome 5	
Focus area	Crisis response	Resilience building	Resilience building	Resilience building	Resilience building	
Transfers	26 657 523	-	-	-	984 000	<b>27 641 523</b>
Implementation	3 339 314	-	-	-	45 414	<b>3 384 728</b>
Adjusted direct support costs	-	-	-	-	-	<b>7 044 145</b>
<b>Subtotal</b>	-	-	-	-	-	<b>38 070 396</b>
Indirect support costs (6.5 percent)	-	-	-	-	-	<b>2 306 194</b>
<b>Total</b>	-	-	-	-	-	<b>40 376 590</b>

Abbreviation: SDG = Sustainable Development Goal.

TABLE 4: OVERALL CSP COST BREAKDOWN, AFTER REVISION (USD)						
	Strategic Result 1/ SDG target 2.1	Strategic Result 2/ SDG target 2.2	Strategic Result 4/ SDG target 2.4	Strategic Result 5/ SDG target 17.9	Strategic Result 8/ SDG target 17.16	Total
	Strategic outcome 1	Strategic outcome 2	Strategic outcome 3	Strategic outcome 4	Strategic outcome 5	
Focus area	Crisis response	Resilience building	Resilience building	Resilience building	Resilience building	
Transfers	49 914 578	9 520 646	49 236 931	2 225 594	56 996 000	<b>167 893 748</b>
Implementation	5 446 151	340 351	3 358 254	444 046	3 776 269	<b>13 365 071</b>
Adjusted direct support costs	5 350 557	915 032	5 009 266	243 939	5 474 060	<b>16 992 854</b>
<b>Subtotal</b>	<b>60 711 287</b>	<b>10 776 028</b>	<b>57 604 451</b>	<b>2 913 578</b>	<b>66 246 329</b>	<b>198 251 673</b>
Indirect support costs (6.5 percent)	3 946 234	700 442	3 744 289	189 383	-	<b>8 580 347</b>
<b>Total</b>	<b>64 657 520</b>	<b>11 476 470</b>	<b>61 348 740</b>	<b>3 102 961</b>	<b>66 246 329</b>	<b>206 832 020</b>