

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

	Current	Change	Revised
Duration	1 July 2021– 31 December 2024	No change	No change
Beneficiaries	1 687 228	428 878	2 116 106
<i>(USD)</i>			
Total cost	37 330 908	18 628 048	55 958 956
Transfers	31 705 290	16 760 023	48 465 312
Implementation	1 334 813	377 894	1 712 707
Adjusted direct support costs	2 012 393	353 209	2 365 601
Subtotal	35 052 496	17 491 125	52 543 620
Indirect support costs (6.5 percent)	2 278 412	1 136 923	3 415 335

Gender and age marker code*: 4

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

Rationale

1. Cuba is experiencing the worst economic recession in the last three decades, as shown by the 10.9 percent drop in its gross domestic product in 2020 and the marginal increase of 0.5 percent in 2021. The country's complex economic and financial situation has been further affected by the coronavirus disease 2019 (COVID-19) pandemic and its impact on international logistics.
2. All of this has led to a sharp decline in sources of income at the national and household levels, affecting people differently depending on their age and gender. This situation has been further accentuated by the shortage of fuel, inputs, food, and basic goods. In addition, there has been in the past 12 months a sharp increase in the cost of food, basic goods and services and the cost of living in general, much higher than the increase in salaries and pensions. In recent months, a critical situation has been observed in the availability of food that ensures the supply of markets and physical and economic access for the population.
3. Furthermore, Cuba is one of the Caribbean countries most exposed to the impact of extreme hydro-meteorological events, which are becoming more frequent and severe due to climate change, posing a threat to the agriculture sector and food security. The current hurricane season (June–November 2022) has been forecasted to be above average, which could be the seventh consecutive year of above average activity.
4. The Government of Cuba first approached WFP in March 2022 to request assistance for the purchase and distribution of milk for children under 2 in Santiago de Cuba. However, WFP decided to wait for a better understanding of the situation in the country and the corresponding needs before initiating a budget revision.



5. WFP's response to the international crisis is in line with national priorities and the Government's plans to mitigate its impact, which will allow WFP to support national efforts to protect the most vulnerable people at major risk of food insecurity. Adequate access to food in the short and medium term would contribute to maintain an acceptable nutrition status for targeted beneficiaries.
6. The starting date of the revision is 1 January 2022 and is expected to last until 31 December 2024.

Changes

Strategic orientation

7. The proposed revision will not result in any change to the strategic orientation of the country strategic plan (CSP).

Strategic outcomes

8. This revision modifies the budget with no changes to the strategic outcomes. The aim is to adjust the budget for activities 1, 2, and 3 of the CSP to respond to the increased needs of vulnerable groups in Cuba due to the economic situation of the country resulting from the international crisis after the pandemic, and to better prepare for unforeseen emergencies that typically occur in the last quarter of each year, mainly linked to the hurricane season.
9. This revision will modify existing activities as follows:
 - Strategic outcome 1, activity 1:
 - a) Increase WFP's crisis response capacity to cover additional food assistance needs as per the Government request through:
 - i) A ration of milk powder to be distributed to 73,150 beneficiaries (all children between six and 24 months in the five eastern provinces) through the monthly food distribution system from September 2022 to February 2023.
 - ii) A ration of rice, beans, and vegetable oil to be distributed to 73,000 beneficiaries (all older people and pregnant women in the province of Guantanamo) through the monthly food distribution system from April 2022 to March 2023.
 - iii) A ration of rice, beans, and vegetable oil to be distributed to 150,000 beneficiaries (older people in the other four eastern provinces), through the monthly food distribution system from October 2022 to June 2023.
 - b) Increase capacity strengthening – as per the Government request – to have a pre-positioned stock of non-food items (mobile storage unit, 10,000 litre capacity water tanks, 16 m² family tents, electric generators for warehouses with lamps, kitchen, and canteens items) for a rapid response to a complex emergency situation in Havana in case of a major hurricane.
 - Strategic outcome 2, activity 2:
 - a) Deduction of the micronutrient powder (MNP) and Super Cereal food rations that were not distributed during the first semester of 2022 in the five eastern provinces.
 - b) Include a ration of MNP for children age 6–23 months in the central provinces of Villa Clara, Cienfuegos and Sancti Spiritus, and in La Habana province from



January 2023 to December 2024. It may be noticed that the milk programme in Cuba targets children older than 6 months. WFP promotes exclusive breastfeeding until 6 months of age in line with Cuban government policies. WFP works with government partners and communities on nutrition messaging to promote exclusive breastfeeding during the first six months of life and continued breastfeeding until the child is at least 2 years old. As part of its initiatives, WFP provides specific messaging on healthy eating habits, which also covers breastfeeding and nutrition among others, to ensure people are better informed and can make healthy choices for themselves and their families.

- Strategic outcome 3, activity 3:
 - a) Reduce the days of coverage of WFP food assistance (cash-based transfers (CBTs)) for full boarding and external primary schoolchildren in the five eastern provinces during the first eight months of 2022.
 - b) Include a food ration (CBTs) for children in half boarding primary schools in the five eastern provinces for the last four months of 2022, and 2023 and 2024.
 - c) Eliminate WFP food assistance of fresh vegetables (CBTs) for children in pre-school and half-boarding primary schools in the framework of the ProAct Project in Villa Clara province for 2022, 2023, and 2024, since the project ended in June 2022, and there are no foreseen contributions to continue this component of food assistance.
 - d) Increase the capacity strengthening to implement activities previously planned for 2020 and 2021, which could not be executed because of the restrictions imposed by the pandemic.
- In general:
 - a) Update the food and external transport prices to reflect current international market prices. The CSP was designed in 2018 and 2019 when prices were not as high as today due to the international crisis.
 - b) Increase the supply chain rates in activity 1 to include the new terminal handling charges that were previously covered by the Government.
 - c) Increase the supply chain rates in activity 2 to include the new terminal handling charges that were previously covered by the Government, the use of 40 containers and related to the quantity and quality survey and additional analysis needed for the MNP, which is subject to several import regulations.
 - d) Increase in implementation non-staff costs under activities 1 and 3 due to the leasing of five vehicles for monitoring activities in the five eastern provinces.
 - e) Increase in implementation staff costs with the recruitment of new staff in the programme unit, under activities 3 and 4, and the change in terms of reference of two positions under activities 2 and 3.
 - f) Adjustments in direct support costs (DSC) staff costs as the portion of the office staff that was previously charged to programme support and administrative budget funds are now financed with DSC funds. Additionally, new staff recruited are also funded under DSC.
 - g) Increase in the DSC non-staff costs with the leasing of four vehicles for the main office in Havana.

Beneficiary analysis



10. As part of the United Nations collective response to the impact of COVID-19 pandemic in Cuba, WFP has been distributing emergency food assistance among vulnerable groups since June 2020.
11. However, due to the economic situation that the country is facing, and as per the Government's request, WFP decided to include beneficiaries from vulnerable groups in need of emergency food assistance that were not planned originally in the CSP. Including:
- Under strategic outcome 1, activity 1: WFP will target 73,150 children between six and 24 months in the eastern provinces to be assisted with the distribution of milk powder for a period of six months (from September 2022 to February 2023).
 - Under strategic outcome 1, activity 1: 70,000 older people over 65 years and 3,000 pregnant women in Guantanamo province with the distribution of rice, beans, and vegetable oil for 12 months (April 2022 to March 2023).
 - Under strategic outcome 1, activity 1: 150,000 older people over 65 years in the eastern provinces of Las Tunas, Holguín, Granma, and Santiago de Cuba with the distribution of rice, beans, and vegetable oil for nine months (October 2022 to June 2023).
 - Under strategic outcome 2, activity 2: 96,000 children under 2 in the central provinces (Villa Clara, Sancti Spiritus and Cienfuegos) and in La Habana province with the distribution of four cycles of MNP for two years (January 2023 to December 2024).
 - Under strategic outcome 3, activity 3: 14,550 children in half boarding primary schools in the five eastern provinces for the last four months of 2022, and the years 2023 and 2024 with a food ration of fresh vegetables.

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	568 943	563 635	146 361	155 975	1 434 914
		Increase/ (decrease)	82 788	79 042	56 369	59 180	277 379
		Revised	651 730	790 586	202 730	67 247	1 712 293
2	2	Current	26 246	13 911	86 200	89 971	216 328
		Increase/ (decrease)	0	0	70 487	73 513	144 000
		Revised	26 246	13 911	156 687	163 484	360 328
3	3	Current	9 836	13 184	6 313	6 653	35 986
		Increase/ (decrease)	(5 596)	(4 566)	8 631	9 030	7 499
		Revised	4 240	8 618	14 944	15 683	43 485
Total (without overlap)		Current	605 026	590 728	238 875	252 599	1 687 228
		Increase/ (decrease)	77 191	74 477	135 486	141 724	428 878
		Revised	682 217	665 205	374 361	394 323	2 116 106



Transfers

TABLE 2: FOOD RATION (g/person/day) AND CASH-BASED TRANSFER VALUE (USD/person/day) BY STRATEGIC OUTCOME AND ACTIVITY																					
	Strategic outcome 1						Strategic outcome 2						Strategic outcome 3								
	Activity 1						Activity 2						Activity 3								
Beneficiary type	Shock-affected population	Older people in SAF	Older people in FDP	Pregnant women in FDP	Children under 2	Beneficiaries in hospitals (COVID-19)	Children 6-11 months	Children 12-23 months	Adolescents	Pregnant women in maternity homes	Older people		Children in day-care centres	Children (half-boarding)	Children (full-boarding)	Children in external primary schools	Pregnant women in maternity homes	Older people in community canteens			
											Community canteens and OH institutions	Full boarding day-care									
Modality	Food		Food	Food	Food	Food	Food	Food	Food	Food	Food	Food	CBTs	Food	CBTs	CBTs	Food	CBTs	CBTs	CBTs	
Cereals	50		50	33.33	33.33																
Pulses	30		30	16.66	16.66	60															
Oil	30.66		30.66	15.33	15.33	61.32															
Canned fish		250																			
Milk powder						100	25		25		25	50	50				25				
Fresh vegetables																					
Salt																					
Sugar																					
Super Cereal										50	50	50	50								
Micronutrient powder							1	1													
Total kcal/day	556	520	556	309	309	362	759	n/a	n/a	91	188	278	369	19	369	19	19	91	477	19	19
% kcal from protein	7.0	47.3	7.0	7.7	7.7	40.0	7.2	n/a	n/a	40.0	16.3	24.0	27.9	66.3	27.9	66.3	66.3	40.0	16.8	66.3	66.3
Cash-based transfers* (average USD/person/day)														0.049		0.049	0.049		0.133	0.049	0.049
Number of feeding days per year	60	2	180	360	360	180	180	60	120	220	360	360	360	231	231	220	220	220	220	360	360

* To be transferred to local institutions to supply 100 g/person/day of fresh vegetables and a full lunch for targeted children in external primary schools who do not receive school meals.

Abbreviations: SAF = Sistema de Atención a la Familia (family support system); FDP = food distribution point; OH = Office of the Historian of Havana City.



Food type/ cash-based transfer	Current budget		Increase		Revised budget	
	Total (mt)	Total (USD)	Total (mt)	Total (USD)	Total (mt)	Total (USD)
Cereals	4 067	2 562 001	2 226	1 472 351	6 292	4 034 352
Pulses	2 467	2 096 951	1 113	1 545 550	3 580	3 642 501
Oil and fats	2 521	8 294 988	1 024	3 368 098	3 545	11 663 086
Mixed and blended foods	546	257 481	(3)	(1 577)	544	255 904
Other	733	4 322 839	1 265	6 302 641	1 998	10 625 480
Total (food)	10 334	17 534 261	5 624	12 687 063	15 958	30 221 324
Cash-based transfers		830 509		343 332		1 173 841
Total (food and cash-based transfer value)	10 334	18 364 770	5 624	13 030 395	15 958	31 395 165

	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	Total
	Strategic outcome 1	Strategic outcome 2	Strategic outcome 3	Strategic outcome 4	
Focus area	Crisis response	Root causes	Resilience building	Resilience building	
Transfers	14 869 128	152 780	1 738 115	0	16 760 023
Implementation	507 555	(92 077)	139 771	(177 356)	377 894
Adjusted direct support costs	-	-	-	-	353 209
Subtotal	-	-	-	-	17 491 125
Indirect support costs (6.5 percent)	-	-	-	-	1 136 923
Total	-	-	-	-	18 628 048

Abbreviation: SDG = Sustainable Development Goal.



TABLE 5: 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	Total
	Strategic outcome 1	Strategic outcome 2	Strategic outcome 3	Strategic outcome 4	
Focus area	Crisis response	Root causes	Resilience building	Resilience building	
Transfers	35 284 987	1 397 079	10 395 901	1 387 944	48 465 312
Implementation	588 992	152 475	708 975	262 264	1 712 707
Adjusted direct support costs	1 675 330	79 385	540 264	70 623	2 365 601
Subtotal	37 548 710	1 628 939	11 645 140	1 720 832	52 543 620
Indirect support costs (6.5 percent)	2 440 666	105 881	756 934	111 854	3 415 335
Total	39 989 376	1 734 820	12 402 074	1 832 686	55 958 956