

COUNTRY STRATEGIC PLAN REVISION

REVISION

GUATEMALA country strategic plan, revision 5

Gender and age marker code: 3

| Transmittal Slip Table - BUDGET OVERVIEW | | | |
|---|--------------------------------|--------------------------------|--------------------------------|
| | Current | Change | Revised |
| | 01/01/2021 - 31/12/2024 | 01/01/2021 - 31/12/2025 | 01/01/2021 - 31/12/2025 |
| Duration | | | |
| Beneficiaries | 1 155 504 | 950,893 | 2,106,397 |
| Total cost (USD) | 321 834 969 | 116 317 535 | 438 152 504 |
| Transfer | 275 558 568 | 99 972 424 | 375 530 992 |
| Implementation | 15 565 385 | 6 895 906 | 22 461 291 |
| Direct Support Costs | 21 787 338 | 6 010 079 | 27 797 417 |
| Sub-total | 312 911 291 | 112 878 409 | 425 789 699 |
| Indirect Support Costs | 8 923 678 | 3 439 127 | 12 362 805 |

1. RATIONALE

1. WFP Guatemala is extending its Country Strategic Plan (CSP) for one more year, until 31 December 2025, to align it with WFP's Strategic Plan (2022-2025) and the UNSDCF. Additionally, the new Government will be in place in 2024, and the extension will allow it to participate in the CSP design.
2. The extension of the CSP duration will also have other benefits: WFP has some ongoing multi-year funding arrangements in Guatemala, most of which will end in 2025, meaning that mid-2025 would be a natural moment for WFP to pivot to a new strategic and programmatic approach with new donor agreements. It would also be advantageous from an evidence-generation point of view. By late July 2023, the CO expects to have the CSP mid-term review results. WFP will consider these recommendations for programmatic and strategic decisions, providing a robust basis for designing the new CSP.
3. This BR implies a total budget increase of USD 116.3 million, including USD 83.0 million for operations in 2025. The revised five-year budget will total USD 438.2 million, with Strategic Outcome (SO) 5, Service Provision, representing 56 percent, evidencing a strong partnership with the Government.

2. CHANGES

Strategic orientation

4. No changes.

Strategic outcomes

5. SO1, Activity 1, Emergency Response. The budget is reduced by USD 3.2 million in 2023 and USD 2.9 million in 2024 to be aligned with current needs and the revised rations and basket composition. USD 13.1 million has been budgeted for 2025, resulting in an overall budget increase of USD 7.0 million.
6. SO2, Activity 2, Nutrition. The total budget increased by USD 4.3 million despite the cut of USD 1.5 million in 2023 and 2024 because the Government has already purchased complementary food (CSB++) to distribute and deliver during 2023 which will last until the first quarter of 2024. This commodity will be incorporated again into this Plan in 2025 when current stocks are consumed. Capacity strengthening (CS) will be enhanced to prevent malnutrition for the remaining years considering the high prevalence of stunting in the country and the imminent changes in government counterparts.

7. SO3, Activity 3, School Feeding. This programme is increasing its budget by USD 3.4 million for 2023-2025 and is also incorporating the food transfer modality to strengthen the national school meals program, favoring purchases from smallholder farmers, linking resilience, nutrition, and gender.
8. SO3, Activity 4, Resilience Building. WFP will scale up the resilience portfolio, including strengthening its integrated programming, i.e., linkages with nutrition, school feeding, and emergency preparedness. The budget increases by USD 35.3 million: USD 1.4 m in 2023, USD 9.4 m in 2024, and USD 24.5 m for 2025.
9. SO4, Activity 5, Social Protection. WFP will scale up its policy incidence and strengthen the social protection system linking it to CBT in relatively new target groups such as youth in urban settings. USD0.8 million out of the USD1.9 million budget increase corresponds to the one-year extension, the rest evenly distributed between 2023 and 2024 for the scale-up.
10. SO4, Activity 6, Emergency Preparedness. The main changes correspond to the incorporation of 2025 with USD 0.5 million and a budget increase in 2024 of USD 0.2 million to implement actions at the local level that strengthen Emergency Preparedness and Response and the risk management system.
11. SO5, Activity 7, Service Delivery – Food. The budget is increasing by USD 42.4 million: USD 14.8 million in 2023 to support the Ministry of Social Development (MIDES) to purchase new CSB++ (9,000 MT); USD 0.7 in 2024 and USD 26.9 million in 2025 for food procurement on behalf of MIDES and the Ministry of Agriculture.
12. SO5, Activity 8, Service Delivery – Technical Assistance and Non-Food Items (NFI). The increase is USD 11.5 million: USD 7.2 million in 2023, USD 2.0 million in 2024, and USD 2.3 million in 2025 in preparation for a new service provision request from the Government to procure seeds as part of the Government’s efforts to minimize the impact of lean season and contribute to increasing the food security of vulnerable populations.
13. SO5, Activity 9, Service Delivery – CBT. The USD 0.3 million increase, corresponds to the one-year extension.
14. Risk Management: All risks related to the activities included in BR#5 have been assessed and updated through the Risk Register (July 2023). Three risks have high residual risks, related to limited funding sources and change in the Government after recent presidential elections. The CO is implementing mitigation measures, such as strengthened resource mobilization strategies and political approaches. Other moderate risks include cooperating partners' capacity, beneficiary targeting, selection and protection, and food losses in the supply chain. To mitigate them, the CO is implementing measures such as strengthening the CP’s capacity and having spot-checks, SOP for beneficiary targeting, strengthening the CFM, and working with local authorities for beneficiaries’ protection; the CO is also exploring new transfer modalities. Regarding on-demand service provision activities, SOPs have been developed, supply chain assessments have been completed, and the staff has been trained on supply chain corporate practices.

As per fluctuation, Guatemala’s exchange rate is stable with low volatility. Although on-demand service provision agreements result in local currency cash management, the CO mitigates risks by procuring 70 percent of the food locally and in local currency every six months. Also, the CO closely monitors cash balances and utilizes cash in local currency for regular programs including CBT and CS; salaries, DSA, office, and vehicle running costs, among others, are also being paid from balances in local currency, and no replenishments are being requested to HQ Treasury while balances in local currency are sufficient.

Beneficiary analysis

15. Act.1: Emergency cash transfer beneficiaries increased to 125,000 per year; FFA (early recovery) beneficiaries decreased to 20,000 per year; food modality beneficiaries decreased to 40,000 per year. Beneficiaries for value voucher modality do not change.
16. Act.2: beneficiaries increase by 100,058. Given the integrated resilience approach, the analysis accounts for beneficiary overlap between activities 2 and 4. WFP reduced food beneficiaries to 60,000, considering the capacity of the Government to distribute complementary food with its resources.

17. Act.3: beneficiaries increase by 56,363 for years 2023-2025 after the inclusion of the food transfer modality (3,750 students receiving milk) to support nutritional products in the school menu and the inclusion of beneficiaries for the capacity strengthening transfer modality for smallholders farmers (4,940) and for parents organizations and school staff (47,673) to reflect WFP's support to the Ministry of Education in its expansion to provide coverage to over 3 million children.
18. Act.4: unique beneficiaries total 385,750, increasing by 239,299. Microinsurance beneficiaries will remain totalling 50,201 participants, which are now being estimated to 251,005 beneficiaries after being established by HQ that the assistance benefits the whole family (production of food for consumption). CBT beneficiaries will increase to 104,500 in 2023 and 129,250 in 2024 and 2025, of which 189,750 are expected to be assisted in more than one year and 77,000 new beneficiaries are being added considering the finalization of the multi-annual contribution from the EU (April 2024) and forecasted needs for similar projects. It also accounts for the need for scale-up and the integration of activities committed in the approved projects. The Capacity Strengthening activities are also scaled to support institutional capacity strengthening as part of the changing lives agenda.
19. Act.5: beneficiaries increase by 7,200; adjustments also reflect the forecasted needs of supporting urban social protection and rural areas' situation of land conflict.

TABLE 1: DIRECT BENEFICIARIES BY SO, ACTIVITY & MODALITY

| SO | Activity | Period | Women | Men | Girls | Boys | Total |
|--------------------------------|----------|----------|----------------|----------------|----------------|----------------|------------------|
| | | | (18+ years) | (18+ years) | (0-18 years) | (0-18 years) | |
| 1 | 1 | Current | 216,000 | 196,800 | 278,400 | 268,800 | 960,000 |
| | | Increase | 46,800 | 35,555 | -12,155 | -5,200 | 65,000 |
| | | Revised | 262,800 | 232,355 | 266,245 | 263,600 | 1,025,000 |
| 2 | 2 | Current | 0 | 0 | 35,613 | 22,138 | 60,000 |
| | | Increase | 13,600 | 3,600 | 36,016 | 49,091 | 100,058 |
| | | Revised | 13,600 | 3,600 | 71,629 | 71,229 | 160,058 |
| 3 | 3 | Current | 0 | 0 | 0 | 0 | 0 |
| | | Increase | 1,875 | 1,875 | 10,523 | 42,090 | 56,363 |
| | | Revised | 1,875 | 1,875 | 10,523 | 42,090 | 56,363 |
| 3 | 4* | Current | 59,913 | 28,788 | 35,613 | 22,138 | 146,452 |
| | | Increase | 178,668 | 175,710 | 177,406 | 173,840 | 705,624 |
| | | Revised | 238,581 | 204,498 | 213,019 | 195,978 | 852,076 |
| 4 | 5 | Current | 1,596 | 1,385 | 1,351 | 1,368 | 5,700 |
| | | Increase | 1,501 | 1,672 | 1,784 | 2,243 | 7,200 |
| | | Revised | 3,097 | 3,057 | 3,135 | 3,611 | 12,900 |
| TOTAL (without overlap) | | Current | 264,025 | 223,810 | 345,963 | 321,706 | 1,155,504 |
| | | Increase | 255,928 | 221,575 | 218,588 | 254,802 | 950,893 |
| | | Revised | 519,953 | 445,385 | 564,551 | 576,508 | 2,106,397 |

*Kindly note that COMET does eliminate the overlap number of beneficiaries at the planning stage, therefore the unique number of beneficiaries is 385,750 and not 852,076 as per the table.

Transfers

20. Act.1: the CBT ration for FFA activities is reduced to USD 0.50 per person/day. The food transfer is adjusted to include two rations, one for sudden emergencies (ready-to-eat) and one for slow tract emergencies (basic grains and dry food). The ready-to-eat ration covers the basic food needs of a family of 5 members for 10 days, while the dry ration covers 50 percent of the caloric needs for a family of 5 for 15 days. The composition is described in Table 2.
21. Act.3: Food transfer modality will be included, with USD 0.3 million.

**TABLE 2: FOOD RATION (g/person/day) or CASH-BASED TRANSFER VALUE (USD/person/day)
BY STRATEGIC OUTCOME AND ACTIVITY**

| SO | 1 | | | | 2 | 3 | | | 4 |
|---|-----------------------|--------------------|--------------------|-----------------------|----------------------------|----------------------------|--|---|--|
| Activity | 1 | | | | 2 | 3 | 4 | | 5 |
| Beneficiary type | Shock-affected people | | | | Children with malnutrition | Students (primary Schools) | Vulnerable local population and Small farmers impacted by climate shocks | Vulnerable local population covered by an insurance | Vulnerable people in agrarian conflict |
| Modality (indicate food or CBT) | CBT (GD) | CBT (FFA) | Food (dry) | Food (ready to eat) | Food | Food | CBT | CBT | CBT |
| Cash-based transfers (USD/person/day; use average as needed). Food (g/person/day) | 1 USD person/day | 0.5 USD person/day | 296 (g/person/day) | 921.24 (g/person/day) | 100 (g/person/day) | 257.50 (g/person/day) | 0.6 USD person/day | 0.5 USD person/day | 1 USD person/day |
| Maize | | | | 80 | | | | | |
| Maize Meal | | | 90,68 | | | | | | |
| Oat | | | 30,23 | | | | | | |
| Rice | | | 42,32 | | | | | | |
| Milk - Uht | | | | | | | | | |
| Sardine Fish - Canned | | | | 80 | | | | | |
| Bars cereals | | | | 14 | | | | | |
| Super Cereal Plus (CSB++) | | | | | 100 | 257.5 | | | |
| Vitacereal | | | 30,23 | 480 | | | | | |
| Peanut Butter | | | | 8,6 | | | | | |
| Vegetable Oil | | | 12,1 | | | | | | |
| Beans - Black | | | 90,68 | 160 | | | | | |
| Vegetables - Canned | | | | 98,64 | | | | | |
| Number of feeding days per year | 60 | 90 | 15 | 10 | 365 | 180 | 75 | 20 | 60 |

TABLE 3: TOTAL FOOD/CASH-BASED TRANSFER REQUIREMENTS AND VALUE

| Food type / cash-based transfer | Current Budget | | Increase | | Revised Budget | |
|---|----------------|-------------------|--------------|-------------------|----------------|-------------------|
| | Total (mt) | Total (USD) | Total (mt) | Total (USD) | Total (mt) | Total (USD) |
| Cereals | 1 200 | 531 432 | - 197 | 119 178 | 1 003 | 650 610 |
| Pulses | 180 | 207 000 | 230 | 629 269 | 410 | 836 269 |
| Oil and Fats | 75 | 102 577 | - 10 | - 1 821 | 65 | 100 756 |
| Mixed and blended foods | 5 988 | 6 252 785 | - 526 | 143 770 | 5 462 | 6 396 555 |
| Other | 0 | 0 | 210 | 588 222 | 210 | 588 222 |
| TOTAL (food) | 7 443 | 7 093 794 | - 292 | 1 478 618 | 7 151 | 8 572 412 |
| Cash-Based Transfers (USD) | | 58 573 300 | | 14 077 000 | | 72 650 300 |
| TOTAL (food and CBT value – USD) | 7 443 | 65 667 094 | - 292 | 15 555 618 | 7 151 | 81 222 712 |

3. COST BREAKDOWN

| COST BREAKDOWN OF THE REVISION ONLY (USD) | | | | | | |
|--|---|---|---|--|---|--------------------|
| SDG targets/ WFP Strategic outcomes | SDG Target 2.1 - WFP Strategic Outcome 1 | SDG Target 2.2 - WFP Strategic Outcome 2 | SDG Target 2.4 - WFP Strategic Outcome 3 | SDG Target 17.9 - WFP Strategic Outcome 4 | SDG Target 17.16 - WFP Strategic Outcome 5 | TOTAL |
| CSP Outcomes | 01 | 02 | 03 | 04 | 05 | |
| Focus Area | Crisis Response | Resilience Building | Resilience Building | Resilience Building | Resilience Building | |
| Transfer | 5 899 674 | 4 102 931 | 36 109 226 | 2 288 525 | 51 572 069 | 99 972 424 |
| Implementation | 1 107 819 | 191 047 | 2 596 887 | 280 038 | 2 720 115 | 6 895 906 |
| Direct support costs | | | | | | 6 010 079 |
| Subtotal | | | | | | 112 878 409 |
| Indirect support costs | | | | | | 3 439 127 |
| TOTAL | | | | | | 116 317 535 |

| OVERALL CSP COST BREAKDOWN, FOLLOWING THE REVISION (USD) | | | | | | |
|---|---|---|---|--|---|--------------------|
| SDG targets/ WFP Strategic outcomes | SDG Target 2.1 - WFP Strategic Outcome 1 | SDG Target 2.2 - WFP Strategic Outcome 2 | SDG Target 2.4 - WFP Strategic Outcome 3 | SDG Target 17.9 - WFP Strategic Outcome 4 | SDG Target 17.16 - WFP Strategic Outcome 5 | TOTAL |
| CSP Outcomes | 01 | 02 | 03 | 04 | 05 | |
| Focus Area | Crisis Response | Resilience Building | Resilience Building | Resilience Building | Resilience Building | |
| Transfer | 55 814 252 | 13 623 576 | 87 771 111 | 5 543 456 | 212 778 596 | 375 530 992 |
| Implementation | 6 553 970 | 531 398 | 6 333 504 | 926 007 | 8 116 413 | 22 461 291 |
| Direct support costs | 4 605 011 | 1 033 498 | 6 996 299 | 464 914 | 14 697 694 | 27 797 417 |
| Subtotal | 66 973 233 | 15 188 472 | 101 100 915 | 6 934 377 | 235 592 703 | 425 789 699 |
| Indirect support costs | 4 353 260 | 987 251 | 6 571 559 | 450 734 | 0 | 12 362 805 |
| TOTAL | 71 326 493 | 16 175 723 | 107 672 474 | 7 385 111 | 235 592 703 | 438 152 504 |