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**Executive Board
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PROJECTS FOR EXECUTIVE BOARD APPROVAL

Agenda item 9

For approval



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BUDGET INCREASES TO DEVELOPMENT ACTIVITIES — ARMENIA DEVELOPMENT PROJECT 200128

Development of Sustainable School Feeding

Cost (United States dollars)			
	Current budget	Increase	Revised budget
WFP food cost	3,305,590	4,561,729	7,867,318
Total cost to WFP	8,255,290	10,053,450	18,308,740

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NOTE TO THE EXECUTIVE BOARD

This document is submitted to the Executive Board for approval

The Secretariat invites members of the Board who may have questions of a technical nature with regard to this document to contact the WFP staff focal points indicated below, preferably well in advance of the Board's meeting.

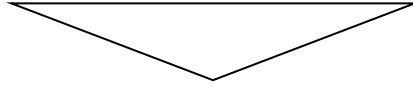
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Should you have any questions regarding availability of documentation for the Executive Board, please contact Ms I. Carpitella, Senior Administrative Assistant, Conference Servicing Unit (tel.: 066513-2645).

* Regional Bureau Cairo (Middle East, North Africa, Eastern Europe and Central Asia)

DRAFT DECISION*



The Board approves the budget increase of US\$10.0 million for Armenia development project 200128 “Development of Sustainable School Feeding” (WFP/EB.2/2012/9-B/2), with a three-year extension from 1 July 2013 to 30 June 2016.

* 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.

NATURE OF THE INCREASE

1. The Government of Armenia has expressed strong interest in adopting school feeding as a productive safety net that will contribute to social and economic development. This budget revision to development project (DEV) 200128 seeks:
 - a three-year extension from 2013 to 2016 to allow WFP to complete the hand-over of school feeding and to assist the Government in setting up a sustainable school feeding policy and programme embedded in national priorities and budgets;
 - expansion of the coverage of school feeding into the additional administrative districts of Ararat, Vayots Dzor and Syunik and an increase of 10,000 beneficiaries to reach a total of 60,000 primary schoolchildren;
 - an additional 5,508 mt of food valued at US\$4.6 million;
 - an increase in other direct operating costs and direct support costs of US\$4.8 million; and
 - an increase in indirect support costs of US\$657,700.
2. During the first year of the extension most of the food will be imported; the intention during the second and third years is to purchase most food locally. The Government will continue to cover landside transport, storage and handling costs.

JUSTIFICATION FOR EXTENSION-IN-TIME AND BUDGET INCREASE

Summary of Existing Project Activities

3. The project supports inclusive education policies to ensure that vulnerable children have access to quality schooling, and to foster attendance, retention and learning. It will help to reduce hunger and to achieve universal primary education in line with Millennium Development Goals (MDGs) 1 and 2¹ by enabling children from poor rural areas to benefit fully from primary education. The goals are to: i) improve children's access to primary education; ii) maintain high levels of school attendance; and iii) support the establishment of a sustainable Home-Grown School Feeding Programme.
4. Expected outcomes include: i) increased access to education in assisted schools; ii) improved food consumption during DEV 200128 for primary schoolchildren; and iii) progress towards nationally owned hunger solutions. The project addresses Strategic Objectives 4 and 5.²
5. The project targets 50,000 primary schoolchildren in 700 schools in seven administrative districts. School meals are provided five days a week during the 180-day school year in the form of hot soup and fortified bread in two-thirds of the schools, and fortified fruit bars in schools where meals cannot be prepared. WFP food is supplemented with fruit and vegetables purchased by parent-teacher committees from local smallholder farmers to enhance nutritional value of the meals.
6. Under protracted relief and recovery operation 100532, food for assets complements government work to upgrade schools that have no kitchens or cafeterias.

¹ MDG 1 – Eradicate extreme poverty and hunger; MDG 2 – Achieve universal primary education.

² Strategic Objective 4 – Reduce chronic hunger and undernutrition; Strategic Objective 5 – Strengthen the capacities of countries to reduce hunger, including through hand-over strategies and local purchase.

CONCLUSION AND RECOMMENDATIONS OF THE RE-ASSESSMENT

7. Despite high national-level school attendance, dropouts and absenteeism are increasing in rural areas. A United Nations Children's Fund study reported an annual 250 percent increase in dropouts between 2002/03 and 2004/05, with children aged 7 to 13 most likely to leave school.³ WFP monitoring shows that food assistance is an incentive for parents to send children to school and has increased attendance in the areas currently targeted by WFP school feeding. The Government has requested WFP to expand the project to the districts of Ararat, Vayots Dzor and Syunik in a move towards universal coverage envisaged for the government programme.
8. The Government reports that 300,000 children – 41 percent – live in poverty, well above the 36 percent for the population as a whole.⁴ In view of high food prices and the protracted economic crisis, the Government is committed to establishing a cost-effective and sustainable school feeding programme that will help to meet children's food and nutrition needs and that will serve as a safety net in times of crisis.
9. The Government is committed to taking over WFP's school feeding, to continuing to cover landside transport, storage and handling costs and to funding pilot school feeding projects in one administrative district from 2013/14. The Government/WFP workshop with development partners in 2011:
 - agreed quality standards for a sustainable national school feeding programme;
 - considered an assessment of the WFP school feeding project and options for hand-over to the Government;
 - identified resources, capacities, gaps and next steps for sustainable school feeding;
 - identified project modalities; and
 - recognized that partnerships with communities and local governments were crucial for sustainability.
10. A coordination body involving the ministries of education, science, health and agriculture supported by a technical working group will coordinate school feeding and guide the development of a national strategy and its technical, legal and budgetary elements.

PURPOSE OF EXTENSION AND BUDGET INCREASE

11. In cooperation with the Russian non-governmental organization the Social and Industrial Food Services Institute and other development partners, WFP will continue to assist the Government in operationalizing its school feeding policy with a view to handing over WFP-supported projects by 2016. The project will maintain a strong element of community support and will continue to facilitate the development of a sustainable decentralized programme funded by the Government.
12. The hand-over of WFP school feeding programme to the Government will involve training for government staff, support in planning, monitoring and evaluation and system development, and awareness-raising and advocacy. A hand-over plan will be developed with the Government specifying the details of WFP's support and a timeline.

³ Haiyan, H. 2008. School Wastage Study focusing on Student Absenteeism in Armenia. New York, United Nations Children's Fund. In 2002/03, 235 students aged 7 to 13 dropped out of school; in 2003/04 the figure was 2,368; in 2004/05 it was 3,620.

⁴ Government of Armenia. 2011. Social Snapshot and Poverty in Armenia. Yerevan.

13. The project will target an additional 10,000 children, bringing the total to 60,000 schoolchildren in 800 schools in the most food-insecure areas; it will also be extended into the districts of Ararat, Vayots Dzor and Syunik. WFP will continue to work with district-level education departments to select communities and schools in the poorest areas and ensure that adequate facilities are in place.
14. School meals – hot meals or fortified fruit bars – will continue to be provided five days a week over the 180-day school year. This budget revision proposes minor adjustments to the hot meal component in line with the Government's request to ensure nutritional diversification leading up to hand-over. WFP food assistance will continue to be supplemented with fruit and vegetables provided by parent-teacher committees.
15. The implementation strategy and food basket may be adjusted during the transition period, as agreed by WFP and the Government. Changes will be guided by studies such as an investigation of the feasibility of a cash or voucher component and a multi-stakeholder assessment of the extent to which school feeding has improved children's food security and nutrition.⁵
16. School feeding management bodies such as parent-teacher organizations will continue to be central to implementation of DEV 200128, with monitoring support from WFP and the Ministry of Education and Science. Monitoring at the regional and corporate levels will continue with a view to integrating lessons learned and best practices.
17. During the first year of the extension, most of the food will be imported. After the first year, the options for using locally produced and processed foods will be reviewed in the light of a feasibility study to be carried out by the Social and Industrial Food Services Institute.
18. Food procured internationally will arrive by rail through the port of Poti in Georgia for delivery to the warehouse in Vanadzor. WFP will maintain its main office in Yerevan and its warehouse in Vanadzor. Food will be delivered to project sites by private transporters contracted on a competitive basis, and tracked by the Commodity Movement Processing and Analysis System.
19. The main contextual risks are tremors and earthquakes, escalation of political unrest in the disputed Nagorni Kharabakh area, disasters related to climate change, and volatile food and fuel prices. A contingency plan to address these risks will be developed. Programme risks are related to the capacity of the institutions involved as WFP transfers responsibility for implementation to the Government; with this in mind, capacity development is an integral part of all activities with a view to optimal hand-over subsequent sustainability.

⁵ The Ministry of Health is interested in measuring child and maternal levels of iron, folic acid and zinc. A study is planned for 2013 involving the United Nations Children's Fund, the Institute of Human Nutrition of Columbia University and WFP to examine the impact of iron-fortified bread on children's nutritional status.

TABLE 1: BENEFICIARIES BY ACTIVITY				
Activity	Category of beneficiaries	Current	Increase	Revised
School feeding	Primary schoolchildren (grades 1– 4)	50 000	10 000	60 000

TABLE 2: REVISED DAILY FOOD RATION BY ACTIVITY (g/person/day)	
	In-school meal
Wheat flour	130
Buckwheat*	10
Rice*	10
Pasta*	10
Vegetable oil	10
Pulses	15
TOTAL	185
<i>Total kcal/day</i>	700
No. of feeding days per year	180

* Foods will be used on an alternating or rotational basis to ensure nutritional variety.

FOOD REQUIREMENTS

TABLE 3: FOOD REQUIREMENTS BY ACTIVITY				
		Food requirements (mt)		
Activity	Food/cash	Current	Increase	Revised total
School feeding	Mixed foods	5 255	5 508	10 763

ANNEX I-A

BUDGET INCREASE COST BREAKDOWN			
Food¹	Quantity (mt)	Value (US\$)	Value (US\$)
Cereals	4 779	3 559 543	
Pulses	432	333 936	
Oil and fats	297	668 250	
Total food	5 508	4 561 729	
Subtotal food			4 561 729
Landside transport, storage and handling [*]			-
Other direct operational costs			2 089 158
Direct support costs ² (see Annex I-B)			2 744 861
Total WFP direct costs			9 395 748
Indirect support costs (7.0 percent) ³			657 702
TOTAL WFP COSTS			10 053 450

* Costs will be fully covered by the Government

¹ This is a notional food basket for budgeting and approval. The contents may vary.

² Indicative figure for information purposes. The direct support costs allotment is reviewed annually.

³ The indirect support cost rate may be amended by the Board during the project.

ANNEX I-B

DIRECT SUPPORT REQUIREMENTS (US\$)	
Staff and staff-related costs	
International professional staff	791 490
Local staff – national officers	816 325
Local staff – general service	225 882
Local staff – temporary assistance	267 863
Hazard pay and hardship allowance	2 625
Staff duty travel	242 375
Subtotal	2 346 561
Recurring expenses	
Rental of facility	73 800
Utilities	4 800
Office supplies and other consumables	21 600
Communications services	66 000
Equipment repair and maintenance	7 200
Vehicle running costs and maintenance	100 800
Office set-up and repairs	21 600
United Nations organization services	12 000
Subtotal	307 800
Equipment and capital costs	
Vehicle leasing	30 600
Communications equipment	46 700
Local security costs	13 200
Subtotal	90 500
TOTAL DIRECT SUPPORT COSTS	2 744 861

ANNEX II: LOGICAL FRAMEWORK

Results	Performance indicators	Assumptions, Risks
<p>United Nations Development Assistance Framework outcome 3: Access and quality of social services is improved especially for vulnerable groups</p> <p>Outcome 3.3: Inclusive education policies and strategies ensure access to retention in quality schooling for the most vulnerable:</p> <p>Output 3.3.1 The capacity of the Ministry of Education and Science at the national and sub-national level to ensure inclusive equal access to quality education strengthened</p> <p>Output 3.3.3: National capacity to improve children's developmental readiness to start primary school on time, especially for marginalized children, developed</p>	<p>United Nations Development Assistance Framework outcome indicators</p> <p>Drop-out rate:</p> <ul style="list-style-type: none"> ➤ baseline: 1.6% for all age groups (2004/05 school year) ➤ target for 2015: 0.5% <p>Net enrolment rate and net attendance rate for primary schools, disaggregated by sex:</p> <ul style="list-style-type: none"> ➤ baseline: primary schools 97.2% (2010 demographic health survey), of which 97.3% boys and 97% girls ➤ target for 2015: primary schools 99.4% <p>Gross enrolment of children under 6, both girls and boys in pre-school programmes:</p> <ul style="list-style-type: none"> ➤ baseline (2010): 22% ➤ target (2015): 95%¹ <p>Government expenditures for social sectors as % of gross domestic product:</p> <ul style="list-style-type: none"> ➤ baseline for education: 3% (2008) ➤ target for 2015: 4% 	<p>Assumption</p> <p>Commitment of Government to improve access to and quality of schooling, especially for most vulnerable groups.</p> <p>Risk</p> <p>Weak capacities of duty-bearers to develop and implement inclusive educational policies and strategies to ensure equal access to education</p>



¹ As part of the change to a 12-year mandatory school programme, pre-school children from the age of 5 will be included in schools targeted by WFP school feeding – hence the large increase in the target percentage.

ANNEX II: LOGICAL FRAMEWORK		
Results	Performance indicators	Assumptions, Risks
Strategic Objective 4 – Reduce chronic hunger and undernutrition		
Outcome 4.2: Increased access to education and human capital development in assisted schools	<ul style="list-style-type: none"> ➤ Attendance rate: no. of schooldays in which girls and boys attend as % of total Target: increase in attendance_rate of 100% in 80% of assisted schools ➤ Drop-out rate: number of girls and boys who drop out of school Target: decrease to 0% in 80% of assisted schools ➤ Improved learning Target: pass rate of 70% met or exceeded in 80% of assisted schools 	<p>Assumptions</p> <p>Commitment and support of national and local authorities to improve access to school and quality of education, especially for the most vulnerable groups</p> <p>Participation by school associations</p> <p>Risk</p> <p>Insufficient government funds</p>
Output 4.2: School feeding coverage aligned with programme of work	<ul style="list-style-type: none"> ➤ No. of schools assisted by WFP Target: 100% coverage of planned schools ➤ No. of children assisted as % of planned ➤ Quantity of food provided as % of planned 	<p>Assumption</p> <p>Adequate implementation capacity at the school and community levels</p> <p>Risk</p> <p>Late arrival of donor funds</p>
Outcome 4.3: Improved food consumption achieved over the assistance period for primary schoolchildren in targeted schools	<ul style="list-style-type: none"> ➤ Household food consumption score Target: maintain at least borderline consumption with daily nutritious meals five days a week during the school year 	<p>Assumption</p> <p>Timely food arrivals and distributions</p> <p>Risk</p> <p>Natural disaster interrupts planned implementation</p>
Strategic Objective 5 – Strengthen the capacities of countries to reduce hunger, including through hand-over strategies and local purchase		
Outcome 5.1: Increased marketing opportunities at the national level, with cost-effective local purchases	<ul style="list-style-type: none"> ➤ Food purchased locally as % of food distributed in-country 	<p>Assumption</p> <p>National prices are competitive</p>
Output 5.1: Food purchased locally	<ul style="list-style-type: none"> ➤ Tonnage of food purchased locally, by type; tonnage of processed food 	<p>Risks</p> <p>No adequate policy to support local production. Insufficient financial leverage Volatility of food and fuel prices</p>

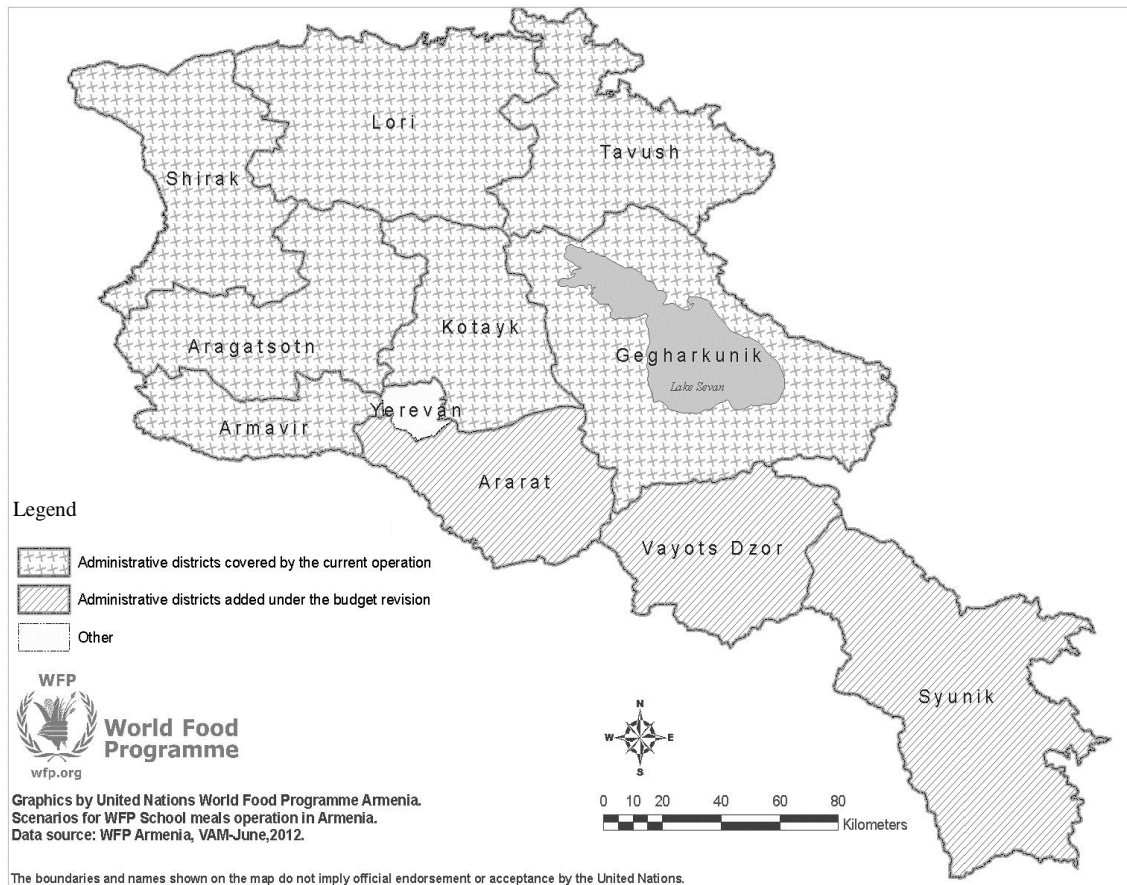


ANNEX II: LOGICAL FRAMEWORK		
Results	Performance indicators	Assumptions, Risks
Outcome 5.2: Progress made towards nationally owned hunger solutions	<ul style="list-style-type: none"> ➤ National Capacity Index Baseline for National Capacity Index: 9 (2012) Target for National Capacity Index: 15 (2016) ➤ Transition to a government school feeding programme put in place: <ul style="list-style-type: none"> i) development of operational plans ii) agreed milestones achieved on time iii) adequate staff assigned by Government iv) budget allocated to school feeding 	<p>Assumption Commitment of the Government to a national school feeding programme</p> <p>Risk Weak capacity in government departments to develop and implement school feeding and allocate sufficient funds</p>
Output 5.2: Capacity and awareness developed through WFP-led activities	<ul style="list-style-type: none"> ➤ No. of technical assistance projects supported by WFP to enhance national capacity in: <ul style="list-style-type: none"> i) knowledge transfer and learning, through studies and training; ii) support in planning and monitoring and evaluation; iii) awareness raising and advocacy; and iv) systems development and enhancement 	

ANNEX III

ARMENIA DEVELOPMENT PROJECT 200128

Geographical Targeting



The designations employed and the presentation of material in this publication do not imply the expression of any opinion whatsoever on the part of the World Food Programme (WFP) concerning the legal status of any country, territory, city or area or of its frontiers or boundaries.