



Distribution: General

Agenda item 7

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Operational matters — Budget increases to country strategic plans

For approval

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

Revision of Peru country strategic plan and corresponding budget increase

	Current	Change	Revised
Duration	1 January 2018– 31 December 2022	-	1 January 2018– 31 December 2022
<i>(USD)</i>			
Total cost	13 251 288	17 748 712	31 000 000
Transfers	7 764 175	12 814 508	20 578 683
Implementation	1 697 422	1 398 812	3 096 234
Adjusted direct support costs	2 980 927	2 452 137	5 433 064
Subtotal	12 442 524	16 665 457	29 107 981
Indirect support costs (6.5 percent)	808 764	1 083 255	1 892 019

Gender and age marker code*: 3

*<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 Peru country strategic plan and the corresponding budget increase in the country portfolio budget of USD 17,748,712 outlined in the present document.

Rationale

1. The country strategic plan (CSP) for Peru was approved in November 2017 for the period from 2018 to 2022. It proposes a significant strategic shift of WFP's work in the country, moving from the provision of technical assistance to enhanced advocacy, partnerships and communications. The CSP includes a strategic outcome aligned with Sustainable Development Goal (SDG) 17 on partnerships, which has the aim of creating a national alliance against hunger, mobilizing the private sector, academia and civil society. In addition, through high-level political engagement, WFP intends to influence the Government's policy, strategy and funding decisions in ways that facilitate the achievement of SDG 2 by 2030.
2. In late 2017 and 2018, the country office started implementing elements of the new strategy, including innovations such as a national television show that reached 12 percent of Peruvian households. Strategic partnerships were established at the highest levels of government, including the President and the Prime Minister, and with the three most important media outlets. WFP was also able to ensure that hunger was one of the issues included in the National Accord, a mechanism used by political parties and various sectors of society to guide discussion of, and agreement on long-term national policies.
3. Over the past two years, activities have had the aim of preparing WFP for a broader and enhanced role in advocacy and for the start of CSP implementation. The early strategic repositioning was very successful as it increased WFP's visibility and credibility in the country, positioning the organization as the partner of choice in working towards SDG 2 with the Government and emerging donors, including from the private sector. This has led to a considerable increase in funding. In response to the sharp increase in migration from Venezuela, WFP's Peru country office is expanding its social protection activities. By April 2019, more than 730,000 Venezuelan migrants were living in Peru, and numbers are expected to increase. Among the countries in the region, Peru hosts the second largest number of migrants and the arrival of large numbers of people from Venezuela has increased the demand for basic social services. WFP is working with the Ministry of Economy and Finance and the Ministry of Development and Social Inclusion on strengthening the national response to migrants' needs.
4. The purpose of this revision is to increase the CSP's budget to incorporate the additional contributions received as a result of WFP's new approach in Peru. No changes are proposed to the strategic direction, outcomes or activities.

Changes

5. No strategic changes are being made to the CSP.
6. The increase in funding will affect all three strategic outcomes of the CSP.
7. The CSP does not include food or cash-based transfers to beneficiaries.

* 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.

Strategic orientation

8. In response to an increased demand for WFP action, the budget adjustment includes funding for the additional staff and capacities needed carry out new sub-activities, mainly related to field projects and disaster risk reduction.
9. During the first year of CSP implementation, addressing anaemia became a priority in the national policy agenda. Recent data report that rates of overweight and obesity are increasing, while the chronic malnutrition rate is stagnant. This has resulted in the Government and donors expressing growing interest in WFP's technical capacities. For example, following WFP's successful experience with anaemia reduction in the coastal regions of Sechura and Ventanilla, the Government has requested it to extend the approach to other regions of the country.
10. Private sector entities are increasingly interested in generating social change in the country, particularly in anaemia reduction. In the current complex political climate, WFP is increasingly recognized for its role in facilitating public-private partnerships.
11. WFP is working with the Ministry of Economy and Finance and the Ministry of Development and Social Inclusion on the development and implementation of new mechanisms for enhancing emergency preparedness and response through social protection programmes. This work includes the introduction of shock-responsive social protection schemes that support Venezuelan migrants.

Cost breakdown

12. The revised CSP budget is expected to be 87 percent funded, with new contributions from, among other sources:
 - the Government of Peru, prioritizing activities for fighting hunger and reducing anaemia rates;
 - private sector entities, contributing to new field projects, mainly in coastal and Andean highland regions;
 - China, supporting communication activities – including a television show – under strategic outcome 1, and disaster response; and
 - the Office of United States Disaster Assistance and the Disaster Preparedness Programme of the European Community Humanitarian Aid Office, enhancing the development and implementation of new government mechanisms for emergency preparedness and response such as social protection activities that can be adapted to emergency situations, including large-scale migration from Venezuela.

TABLE 1: COST BREAKDOWN OF THE REVISION ONLY (USD)

	Strategic Result 8/SDG Target 17.16	Strategic Result 2/SDG Target 2.2	Strategic Result 5/SDG Target 17.9	Total
	Strategic outcome 1	Strategic outcome 2	Strategic outcome 3	
Focus area	Root causes	Root causes	Resilience building	
Transfers	2 419 689	6 660 220	3 734 600	12 814 509
Implementation	154 991	1 010 664	233 157	1 398 812
Adjusted direct support costs				2 452 136
Subtotal				16 665 457
Indirect support costs (6.5 percent)				1 083 255
Total				17 748 712

TABLE 2: OVERALL CSP COST BREAKDOWN, FOLLOWING REVISION (USD)

	Strategic Result 2/SDG target 2.2	Strategic Result 5/SDG target 17.9	Strategic Result 8/SDG target 17.16	Total
	Strategic outcome 2	Strategic outcome 3	Strategic outcome 1	
Focus area	Root causes	Root causes	Resilience building	
Transfers	10 481 132	5 837 033	4 260 519	20 578 684
Implementation	715 318	491 769	889 147	3 096 234
Adjusted direct support costs	2 827 333	1 418 796	1 186 934	5 433 063
Subtotal	15 023 783	7 747 598	6 336 600	29 107 981
Indirect support costs (6.5 percent)	976 546	503 594	411 879	1 892 019
Total	16 000 329	8 251 192	6 748 479	31 000 000