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Programa
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de Alimentos

**Executive Board
Second Regular Session**

Rome, 4–7 November 2013

PROJECTS FOR EXECUTIVE BOARD APPROVAL

Agenda item 7

For approval



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DEVELOPMENT PROJECTS – BHUTAN 200300

Improving Children's Access to Education

Number of beneficiaries	30,000
Duration of project	5 years (January 2014–December 2018)
WFP food tonnage	9,396 mt
Cost (United States dollars)	
Food transfers	4,662,559
Capacity development and augmentation	900,000
Total cost to WFP	8,579,519

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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 the Conference Servicing Unit (tel.: 066513-2645).

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EXECUTIVE SUMMARY

Bhutan has made considerable progress since opening to the outside world in the 1960s, when it embarked on a development strategy articulated in a series of five-year development plans. The 11th Five-Year Plan (2014–2018) continues the use of targeted investments for human, social and economic development. Bhutan is on track to achieve the Millennium Development Goals.

Gross national income rose from US\$730 in 2000 to US\$2,070 in 2011, and annual gross domestic product growth is projected at a strong 12.5 percent in 2012/13. Poverty rates fell from 23 percent in 2007 to 12 percent in 2012. However, there are geographical differences; 6 of the country's 20 *dzongkhags* (districts) have poverty levels above the national average.

Agricultural land covers only 8 percent of the country, and difficult terrain and problematic access to markets leads to low food production at the national and household levels. Domestic cereal production meets only 60 percent of the total demand, with the balance having to be imported. However, price controls and traditional social networks play important roles in providing access to food for poor and vulnerable families.

The Government has also made advances in universal education. Gross and net enrolment ratios are 120 and 96 percent, respectively, and unlike much of the rest of South Asia, gender parity in primary education is high, at 99 percent. Much of this success can be attributed to WFP's engagement in school feeding programmes across the country.

The Government has set self-reliance – in social development – especially in education and health services – as its goal for 2020. Nationwide programmes such as school feeding will therefore be managed, implemented and resourced directly by the Government, without external assistance. About 11 percent of the budget for the 11th Five-Year Plan will be devoted to the education sector.

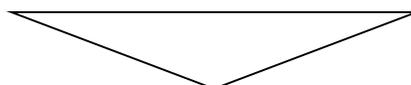
For 2014–2018, WFP's goal is to help the Government achieve self-reliance in the management, coordination and implementation of a cost-effective, equitable and quality school feeding programme across the country. To achieve this goal, WFP's objectives are to:

- strengthen the capacity of the Ministry of Education to run a nationwide school feeding programme; and
- work with the Government to maintain access to, and ensure gender parity in, primary education.

WFP will pursue two interrelated strategies: continue supporting primary schools in remote areas, while gradually handing over this responsibility to the Ministry of Education; and strengthen the Ministry's capacities in policy and priority setting, supply chain management and programme oversight, enabling it to administer a countrywide school feeding programme independently.

These objectives correspond to WFP's Strategic Objective 4 and Millennium Development Goal 2; are aligned with the Government's 11th Five-Year Plan (2014–2018) and the United Nations Development Assistance Framework (2014–2018). They contribute to the One UN Programme outcome of providing equitable access to and utilization and quality of essential social services for all, with a focus on contributing to the Millennium Development Goals and addressing emerging challenges.

DRAFT DECISION*



The Board approves the proposed development project Bhutan 200300 "Improving Children's Access to Education" (WFP/EB.2/2013/7-A).

* 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.

SITUATION ANALYSIS

1. Bhutan is a small, mountainous, land-locked country with a population of 735,000 people spread over 39,384 km,² mostly in the central highlands; almost two-thirds in rural areas. Bhutan has seen significant political changes in recent years. In 2008, the country underwent a transition from absolute monarchy to democratic constitutional monarchy. In 2013, the second round of parliamentary elections were held in March, and elections for the National Assembly in July.

Macroeconomic Context

2. In 2011, the World Bank classified Bhutan as a lower-middle income country. Per capita gross national income has risen consistently, from US\$730 in 2000, to US\$2,070 in 2011. Annual gross domestic product growth is projected to reach 12.5 percent in 2012/13, primarily because of investments in the hydropower sector. However, macroeconomic concerns remain. Approximately 80 percent of the country's imports are from India, and its currency is tied to the Indian rupee.¹ Its foreign currency holdings (Indian rupees) declined significantly in early 2012 as a result of increased domestic demand for imports; inflation rates reached 8.45 percent.
3. Bhutan has a debt of US\$45.6 million on outstanding Indian rupee loans. Eighty-four percent of this debt is public sector borrowing for hydropower projects, which are the main source of current export earnings.² The latest projections suggest that rupee borrowing will reach US\$700 million in 2014/15.

Poverty Trends

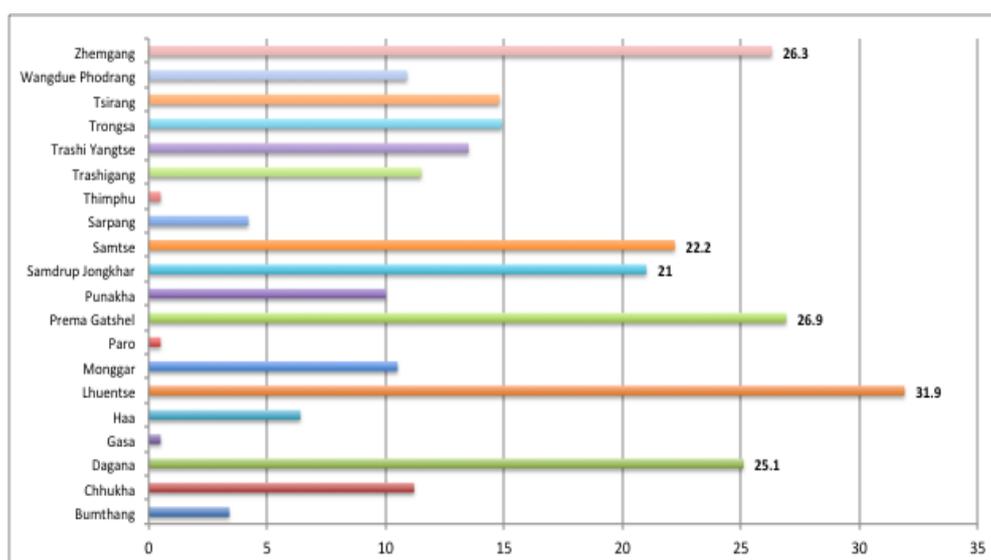
4. Poverty rates fell from 23 percent in 2007 to 12 percent in 2012 – a notable success.³ However, there are variations in poverty levels across the 20 *dzongkhags* (districts) in Bhutan (Figure 1).

¹ World Bank. 2012. *Bhutan Country Overview*. Washington, DC.

² National Statistics Bureau (NSB). 2012. *Statistical Yearbook of Bhutan 2012*. Thimphu.

³ NSB. 2013. *Bhutan Poverty Analysis 2012*. Thimphu. A person is considered poor if his or her consumption is below BTN (Bhutanese ngultrum) 1,704.84 per month (approximately US\$30).

Figure 1: Poverty Rates by Dzongkhag*



*Adapted from NSB. 2013. *Bhutan Poverty Analysis 2012*.

- Poverty and geography are intertwined in Bhutan. Mountainous terrain and poor road access isolate rural populations from markets and social services, limiting livelihood opportunities. The Government and development partners have responded by constructing more than 1,500 km of farm roads. The proportion of rural people within one-hour's walk of a road increased from 40 percent in 2000 to 53 percent in 2008.¹

Food Insecurity and Nutrition

- Agricultural land covers only 8 percent of the country, and food production at the national and household levels remains low. Domestic cereal production meets only 60 percent of total cereal demand, and import levels are significant in some years. For example, in 2010, imports accounted for 64 percent of national wheat requirements, 52 percent of rice and 20 percent of millet.⁴
- With assistance from WFP, the Food Corporation of Bhutan (FCB) established a National Food Security Reserve (NFSR) to ensure availability of domestically produced and imported rice, sugar and oil for the general population. The FCB also advises the Government on price controls. In 2012, the FCB marketed about 1,660 mt of food through 20 regional and local FCB depots across the country. Non-cereal and animal products are available throughout Bhutan.
- The 2012 Bhutan living standards survey (BLSS) reports that the mean monthly per capita expenditure of Bhutanese households amounts to BTN 4,000 (Bhutanese ngultrum), of which 39 percent is devoted to food. Two-thirds of this food expenditure is for three main food groups: cereals –25 percent; meat/fish and oil – 21 percent; and dairy products – 20 percent.⁵

⁴ Ministry of Agriculture and Forests. 2012. *2012 Agricultural Overview*. Thimphu.

⁵ Asian Development Bank and NSB. 2012. *Bhutan Living Standards Survey 2012*. Thimphu.

9. The BLSS also indicates that more than 95 percent of respondents have enough food to feed their families throughout the year. Traditional social networks play a significant role in Bhutan, enhancing access to food for vulnerable groups. In rural areas, remittances from relatives in urban areas, cash and in-kind loans, and the exchange of labour for food are all part of this support network.
10. Results from the 2010 Bhutan multiple-indicator survey show that moderate wasting among children was a relatively low 5.9 percent. However, chronic malnutrition affects about one-third of all children, and 13 percent are severely stunted. Inappropriate infant and young child feeding practices are among the major contributing factors for stunting: only 62 percent of children aged 6–23 months receive the right number of daily meals, and only 67 percent of those aged 6–8 months have solid, semi-solid and soft foods in their diets.⁶ The Government and the United Nations Children’s Fund (UNICEF) are addressing this issue through greater investments in a nationwide infant and young child feeding programme and widespread nutrition education at clinics and schools.

Human and Social Development

11. The 2013 United Nations Development Programme human development index 2013 ranks Bhutan 140th of 187 countries. Life expectancy at birth rose from 65 years in 2005 to 69 in 2010.¹ Ninety-six percent of the population has a safe source of drinking water, and access to improved sanitation ranges from 65 to 84 percent, depending on how “improved sanitation” is defined.⁷ Infant mortality declined from 59 per 1,000 live births in 2005 to 47 in 2011; under-5 mortality rates are 69 per 1,000 live births; and maternal mortality rates in 2010 were estimated at 180 deaths per 100,000 live births.⁶
12. Bhutan has made remarkable progress in educational attainment, largely because of strong Government commitment. The Constitution provides for 11 years of free basic education for every child, from pre-primary to grade 10. In 2011, gross and net primary enrolment ratios were 120 and 96 percent, respectively.⁸ Unlike much of the rest of South Asia, gender parity in primary education is high, at 99 percent; almost 90 percent of enrolled students complete primary school, and about 71 percent finish secondary school.⁵ Bhutan’s success in education is attributed to significant public investments in the education sector, with targeted school feeding programmes providing an incentive for enrolment and attendance.

Government Priorities

13. The overarching framework for both the 10th and 11th Five-Year Plans is Bhutan’s Vision 2020 and the development philosophy of Gross National Happiness. Formulated in 1999, Vision 2020 outlines the principles guiding development. Economically, the Vision is based on development and growth led by hydropower production helping the country achieve self-reliance – by 2020, Bhutan is expected to be able to sustain social sector investments, meet its growing physical infrastructure requirements and stimulate the expansion and growth of economic activities to raise living standards and quality of life. Socially, the Vision anticipates that by 2020, delivering and providing equitable access to improved social services will no longer be an issue.

⁶ NSB. 2011. Bhutan multiple-indicator survey. Thimphu.

⁷ The 2005 Population and Housing Census of Bhutan indicated 84 percent, while the 2010 World Health Organization (WHO)/UNICEF Joint Monitoring Programme for Water Supply and Sanitation reported a figure of 65 percent.

⁸ Ministry of Education. 2011. *Annual Education Statistics, 2011*, page 7.

14. A draft National Education Policy (NEP) emphasizing school feeding programmes will be issued by the end of 2014, along with school feeding guidelines based on the following policy principles:
- Eligibility for school feeding will continue to be based on vulnerability criteria such as walking distance to the closest school, prevalence of poverty, and gender parity ratios.
 - All schools with feeding programmes will be provided with guidelines on meeting food safety and nutritional needs.
 - All schools with feeding programmes will be provided with sufficient cash resources to ensure that the right number of nutritionally balanced meals are provided daily to students.
 - In remote rural areas where markets are not fully functioning, the Ministry of Education and development partners will facilitate the supply of food to ensure successful school feeding programmes, and will work to catalyse markets to meet the demand for these activities.

PAST COOPERATION AND LESSONS LEARNED

15. WFP has assisted the Government in achieving its education goals by supporting school feeding since 1974. Initially supporting children at boarding schools, school feeding efforts evolved along with the Ministry of Education's changing priorities, focusing on increasing primary and lower-secondary school enrolment and attendance – especially of girls.
16. Bhutan development project 105790 “Improving Rural Children’s Access to Basic Education with a Focus on Primary Education” (WFP/EB.A/2007/9-A/2) supports national efforts to increase primary school enrolment, retention and graduation. With a budget of US\$12.17 million, an average of 37,000 students are assisted annually. In partnership with the School Agriculture, Feeding and Environment Division (SAFED) of the Ministry of Education, WFP school feeding activities are implemented in 232 schools across the 20 *dzongkhags*. In addition to providing food, WFP also helps schools construct and rehabilitate kitchens and storerooms, and provides fuel-efficient stoves and kitchen utensils.
17. About half of WFP-supported schools are in the six *dzongkhags* with the highest poverty rates. Net enrolment, attendance and graduation rates in WFP-supported schools are 95, 92 and 90 percent, respectively.
18. Students in WFP-supported schools receive breakfast and lunch; in boarding schools, the Government provides a third meal. Between 2008 and 2013, responsibility for feeding 11,000 secondary school students previously receiving WFP assistance was handed over to the Ministry of Education. The goal is for full hand-over over the course of the project.
19. In non-WFP-supported schools, the Ministry of Education provides a flat-rate cash stipend of BTN1,000 per student, per month, and makes school administrators and local-level Ministry staff responsible for purchasing food in local markets to cover three meals a day. This task poses challenges as not all schools are connected to local markets and suppliers, so quality of food and prices vary. Schools near urban areas and in the south benefit from competitive prices and stable supplies of cereals, pulses and fresh vegetables. Remote rural schools still require in-kind assistance from the Ministry of Education.

20. WFP has trained school administrators and Ministry of Education partners in reporting and management of school feeding programmes, and with UNICEF has trained school cooks and staff in personal hygiene, nutrition and food preparation. WFP has helped some schools establish school agriculture programmes (SAPs) that provide fresh produce to complement WFP food assistance. In partnership with the Ministry of Agriculture and Forests, this initiative includes nutrition training of teachers. WFP has also provided training for its main logistics partner, FCB, in stock management and the renovation and maintenance of warehouses.
21. The United Nations system in Bhutan has also made significant progress in its Delivering as One Programme; WFP was allocated 19 percent of the total funds for school feeding. The Government and the United Nations system are committed to bringing together the comparative advantages of different agencies under one planning, implementation, and monitoring and evaluation framework.
22. A mid-term review of project 105790 in 2010 found that school feeding was functioning well and recommended that WFP phase out its operations by 2015. WFP and the Government concurred with this recommendation, and WFP began to develop a project for 2013–2015; in 2011, during its budget planning exercise for the 11th Five-Year Plan (2014–2018), the Government asked WFP to extend its support until 2018.
23. Two factors precipitated this request: i) significant revenue from hydropower projects will go to debt repayments to India, limiting the budget for nationalizing the entire school feeding programme by 2015; and ii) delivery of food to schools in very remote areas cannot be guaranteed. The Ministry of Education also acknowledged a need for additional WFP technical support.
24. It was therefore agreed that WFP would continue its support to school feeding programmes until 2018, by which time the conditions would be in place for the Government to take full responsibility for a nationwide programme. Development project 105790 was extended until 31 December 2013 to bridge to the new project in 2014–2018, in line with the 11th Five-Year Plan, the new United Nations Development Assistance Framework (UNDAF) and the new One UN programme for Bhutan.

STRATEGIC FOCUS OF THE DEVELOPMENT PROJECT

Goals and Objectives

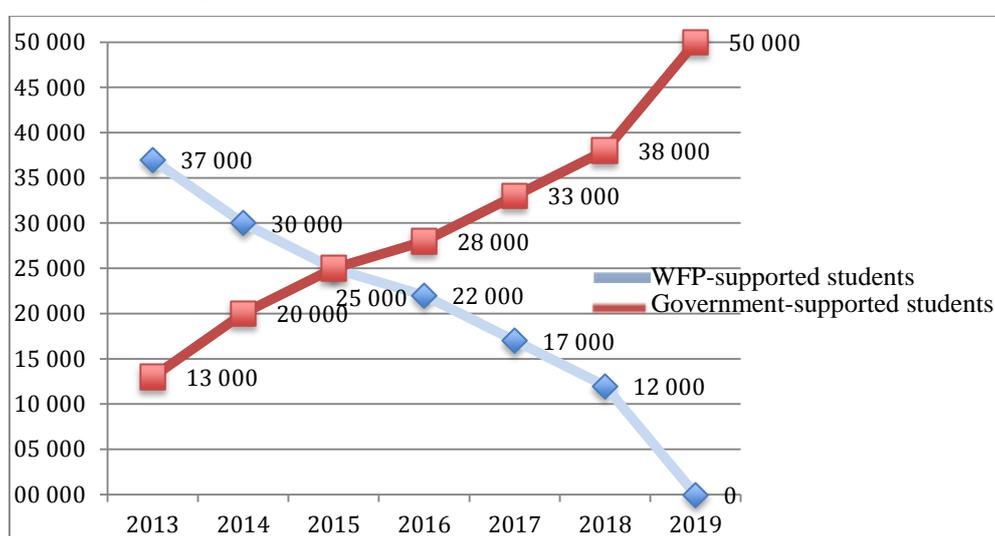
25. The overall goal of WFP assistance in 2014–2018 is to help the Government achieve self-reliance in the management, coordination and implementation of a cost-effective, equitable and quality school feeding programme across the country. To achieve this goal, WFP's objectives are to:
- strengthen the capacity of the Ministry of Education to run a nationwide school feeding programme; and
 - work with the Government to maintain access to and gender parity in primary education.

26. These objectives correspond to WFP Strategic Objective 4 and Millennium Development Goal (MDG) 2.⁹ WFP will pursue them through two inter-related activities: i) continuing direct assistance for selected schools, with gradual hand-over to the Ministry of Education; and ii) strengthening of the Ministry's capacities in policy setting, supply chain management and programme oversight, enabling it to absorb more students and, over time, to manage the countrywide school feeding programme independently.

School Feeding Component

27. From 2014 until the end of 2018, WFP will hand over responsibility for feeding agreed numbers of students to the Ministry of Education. While this plan is based on individuals, specific schools will also be examined to determine whether the necessary conditions are present to enable responsible hand-over. The selection criteria will be refined in conjunction with the Ministry of Education, and reviewed biannually or annually. Figure 2 illustrates the hand-over process, including the planned transfer of an additional 7,000 students to the Ministry of Education by the end of 2013.

Figure 2: WFP Hand-Over Schedule 2013–2019



28. Given the potential problems in sourcing food in very remote rural areas, WFP will start to phase out of these areas towards the end of the project, allowing sufficient time for the Ministry of Education to prepare a sourcing and delivery strategy. Table 1 shows the maximum numbers of girls and boys who will receive WFP food assistance under the new project, while Table 2 provides details on rations.

⁹ Strategic Objective 4 – Reduce undernutrition and break the intergenerational cycle of hunger. MDG 2 – Achieve universal primary education.

TABLE 1: SCHOOL FEEDING BENEFICIARIES			
Year	Boys	Girls	Total
2014	15 300	14 700	30 000
2015	12 750	12 250	25 000
2016	11 220	10 780	22 000
2017	8 670	8 330	17 000
2018	6 120	5 880	12 000

TABLE 2: FOOD RATIONS (g/person/day)	
Rice	275
Chick peas	20
Yellow split peas	20
Vegetable oil	20
TOTAL	335
Total kcal/day	1 303
% kcal from protein	9.1%
% kcal from fat	15.1%
Number of feeding days	266 days per year

29. The daily food basket will provide 1,303 kcal: 62 percent of the daily energy needs and 58 percent of the daily protein needs of targeted schoolchildren. The WFP ration will be supplemented by fresh vegetables and iodized salt provided by the Ministry of Education, local communities and SAPs.

TABLE 3: TOTAL FOOD REQUIREMENTS (mt)		
	School feeding	Total
Rice	7 716	7 716
Pulses (chick and yellow split peas)	1 120	1 120
Vegetable oil	560	560
TOTAL	9 396	9 396

30. Committees of school staff and students will supervise implementation, ensuring that food is properly utilized; at least 50 percent of committee members will be women.
31. WFP will work with the Ministry of Health, the Ministry of Education and UNICEF to improve sanitation, hygiene and nutrition awareness among primary school students, including through nutrition education in the school curriculum and training for school health coordinators. WFP efforts will be complemented by UNICEF iron and vitamin A supplementation programmes, and a World Health Organization (WHO) deworming

programme. WFP will also work with the Ministry of Agriculture and Forests, the Ministry of Education and the Food and Agriculture Organization of the United Nations (FAO) to strengthen and expand the SAP approach as a means of supplying fresh vegetables to complement daily rations.

Capacity Strengthening Component

32. Successful hand-over will depend on the Ministry of Education's ability to take on more operational responsibilities over time. WFP's role will therefore change from direct implementation to the provision of technical advice, and the second component of the new project focuses on capacity strengthening. Three pillars have been identified as essential elements of this strategy: i) joint policy analysis and priority setting; ii) supply chain management; and iii) programme management, oversight and monitoring.

⇒ *Joint policy analysis and priority setting*

33. WFP's main government partners in supporting the development and implementation of the NEP will be the Policy and Planning Division (PPD) of the Ministry of Education, SAFED and the Gross National Happiness Commission (GNHC).

34. WFP will strengthen the capacities of PPD and SAFED in:

- *stipends and resource allocation*: developing a decision-making model to determine the appropriate level for school stipends, based on better analysis of markets, suppliers, transporters, local production patterns and the geographic locations of schools; and
- *standards for school feeding programmes*: preparation of normative and operational guidelines for school feeding, including standards for the nutritional contents of meals, management of school feeding programmes, financial management and performance monitoring.

35. WFP activities in this pillar include:

- joint Ministry of Education-WFP analysis of capacity gaps in SAFED and PPD at the national and district levels;
- an updated operational assessment of school feeding programmes, identifying significant bottlenecks in market and supply chains;
- development of a school feeding manual with training modules and packages on basic management and oversight of school feeding programmes for district education officers (DEOs) and school administrators; and
- establishment of criteria for the selection of schools and student caseloads, to be handed over to the Ministry of Education beginning in 2015 – including variables for measuring whether specific conditions are met, such as: i) adequate storage and cooking facilities; ii) availability of local suppliers and vendors from whom food can be procured; and iii) sufficient financial resources for school administrators to handle additional responsibilities.

⇒ *Supply chain management*

36. School administrators will need to have the right systems in place to maximize their use of Ministry of Education stipends. FCB will be an essential player with its established transport and storage facilities and network of local suppliers, even in the most remote parts of Bhutan. Ultimately, FCB and local suppliers will become the source of food in areas while WFP gradually withdraws its presence; to ensure the smooth transfer of responsibilities, it will therefore be essential to build the capacities of FCB and local suppliers in all aspects of supply chain management – procurement, food quality and safety, and logistics – in tandem with the Ministry of Education.
37. The expertise, skills and systems required will depend largely on the capacity constraints associated with full hand-over of supply chain responsibilities to the Ministry of Education or local market actors.
38. WFP's main areas of focus for this pillar are:
- *strengthening of Ministry of Education procurement procedures*: review and revision of the ground rules and procedures for procuring food and non-food items for school feeding programmes;
 - *augmenting and developing the FCB's logistics capacities*: putting food safety and quality assurance mechanisms into place, upgrading warehouse and commodity management, and tracking the skills of FCB staff; and
 - *supporting the development of a network of local suppliers and local markets to complement the FCB*: improving the logistics capacities of local suppliers, especially in quality assurance and food storage.
39. WFP activities in this pillar include:
- analyses of the components of the supply chain, to identify the capacity and operational gaps of main stakeholders in school feeding programmes;
 - preparation of a procurement manual for school feeding programmes, including principles and standard guidance for good procurement practice;¹⁰
 - development and delivery of procurement training modules and packages to Ministry of Education and SAFED staff, DEOs and school administrators; and
 - training packages on basic commodity management, storage and tracking for local suppliers and FCB staff.

¹⁰ The manual will include: i) standard procurement forms; ii) management arrangements; iii) measures for fair competition; iv) accountability and responsibilities; v) roster of suppliers; vi) tendering processes; vii) receiving and evaluating offers; viii) awarding of contracts; and ix) conditions for waiving competition.

⇒ *Programme management, oversight and monitoring*

40. Building on past achievements, WFP will seek to consolidate and refine its capacity-enhancing efforts in programme management, oversight and monitoring. Particular emphasis will be placed on:

- *strengthening SAFED operational capacity*: development of SAFED staff's capacities in aspects of the WFP school feeding project cycle, such as pipeline and logistics planning and implementation, distribution monitoring and reporting, and commodity reconciliation;
- *standardizing Ministry of Education school feeding monitoring and reporting protocols*: adapting WFP methodologies and tools for monitoring the implementation and results of school feeding programmes and integrating them into Ministry of Education systems – especially in schools that have been handed over to the Ministry;
- *improving school-level monitoring and record-keeping*: enhancing the capacities of school administrators and committees to track financial expenditures, assess commodity quality and identify potential supply chain gaps, both food and non-food; and
- *evaluating the outcomes and impacts of school feeding*: supporting the Ministry of Education's PPD in preparing evaluation methodologies and tools to determine the efficiency and effectiveness of school feeding programmes in Bhutan.

41. WFP activities in this pillar include:

- gap assessment of the Ministry of Education's capacities in programme cycle management, at both the national and district levels;
- development and delivery of specialized training modules to address capacity gaps;
- training of DEOs in project monitoring and reporting;
- district-level consultations and training for school administrators and committees on record-keeping and downstream supply chain management; and
- collation and synthesis of good evaluation practice in school feeding programmes, for submission to the Ministry of Education's Policy Unit.

42. Capacity strengthening activities will be phased in gradually throughout the project, in line with the hand-over schedule for the school feeding component. Table 4 outlines the proposed implementation schedule for capacity strengthening.

TABLE 4: CAPACITY STRENGTHENING ACTIVITY SCHEDULE	
2014	<ul style="list-style-type: none"> ➤ Gap assessments: supply chain, Ministry of Education, FCB, local markets and suppliers ➤ Development of school feeding manual and training module ➤ Updated vulnerability assessment and mapping ➤ Establishment of capacity strengthening baselines for each pillar
2015	<ul style="list-style-type: none"> ➤ Training of SAFED, DEOs, FCB, local suppliers, and school administrators in topics/themes such as targeting, stipend levels, monitoring, supply chains and record-keeping ➤ Review and refinement of training based on lessons learned during roll-out
2016	<ul style="list-style-type: none"> ➤ Continued training until the end of the second quarter ➤ Mid-term evaluation of school feeding and capacity strengthening efforts ➤ Testing of supply chain models
2017	<ul style="list-style-type: none"> ➤ Refresher training on specific modules, as required ➤ Pilot implementation of an appropriate supply chain model ➤ Scale-up of a supply chain model for schools handed over to the Ministry of Education
2018	<ul style="list-style-type: none"> ➤ School feeding programme management, supply chain and monitoring led by the Ministry of Education in selected districts, with WFP on standby for troubleshooting and advice ➤ Ministry of Education evaluation of WFP hand-over ➤ Supply chain models fully functional for all schools handed over to the Ministry of Education
2019	<ul style="list-style-type: none"> ➤ Government continuing school feeding programme with own resources

PROGRAMME MANAGEMENT, MONITORING AND EVALUATION

43. WFP procures locally produced food whenever feasible: half of WFP food currently comes from local or regional sources. WFP will cover 50 percent of internal transport, storage and handling (ITSH) costs, delivering the food to FCB warehouses for delivery to extended delivery points (EDPs). FCB will play important roles in the implementation of school feeding and in capacity strengthening activities.
44. Regarding project implementation, the Ministry of Education will be responsible for:
- monitoring, evaluation and reporting functions;
 - training of school personnel and committees on the day-to-day management of school feeding activities, including nutrition and hygiene training for school cooks;
 - provision of non-food items such as utensils, fuel-efficient stoves and storage units;
 - commodity tracking and warehouse management at centralized levels;
 - 50 percent of ITSH costs;
 - the salaries of school cooks;
 - transportation of food from EDPs to off-road schools;
 - provision of additional financial and technical support to SAPs;
 - provision of stipends to the schools handed over by WFP;

- enactment of policies to stimulate local markets and ensure adequate supplies of quality commodities in remote areas; and
 - oversight and guidance on commodity procurement options at the national and district levels.
45. Schools will maintain daily attendance records and use them to release rations; submit quarterly food receipt reports; and pass food distribution reports and stock balances to DEOs at the end of each quarter. The Ministry of Education will be responsible for providing information on gross and net enrolments at each school.
46. WFP will strengthen DEOs' monitoring capacity, to facilitate more joint monitoring exercises, especially in schools that have been handed over. WFP monitoring visits will focus on schools where significant problems have been identified, including inadequate food storage or preparation facilities and reported losses.
47. As resources permit, WFP will facilitate the construction or rehabilitation of school kitchens and stores, fuel-efficient stoves, water points, latrines for girls, accommodation for women wardens and hostel facilities, and will provide support for school agriculture.
48. Where feasible, WFP will initiate joint evaluations with other United Nations agencies and participate in the UNDAF evaluation, to be conducted jointly by the United Nations country team (UNCT) and the Government. Review committees for conducting periodic evaluations will be established with government counterparts, including GNHC, the Ministry of Education and the Ministry of Agriculture and Forests.
49. A mid-term evaluation scheduled for 2016 will assess the impact of both the school feeding and the capacity strengthening components, enabling corrections to be made for the remainder of the project.

RISK MANAGEMENT

50. Bhutan is vulnerable to changes in the global economy, particularly those affecting its main trading partner, India. Shortages of Indian rupees may result in a rapid rise in the cost of essentials. WFP and the UNCT are addressing the longer-term consequences of these trends by assisting the Government in targeting interventions more effectively and strengthening social protection and support schemes. However, sudden changes in the short- to medium-term economic outlook could require the Government to rethink its priorities.
51. Bhutan's recent economic transition and rapid growth may also have an impact on public finances, particularly access to external financing and debt repayment. The Government is working with international financial institutions to anticipate and respond to financial shocks. Natural disasters, such as earthquakes, floods, windstorms and unexpected epidemics attributed to climate change, continue to be risks, and WFP will continue to pre-position food to avoid pipeline breaks, and to plan field activities to reduce risks.

ANNEX I-A

PROJECT COST BREAKDOWN			
	Quantity (mt)	Value (US\$)	Value (US\$)
Food			
Cereals	7 716	3 395 040	
Pulses	1 120	770 239	
Oil and fats	560	497 280	
Total food	9 396	4 662 559	
External transport		73 723	
Landside transport, storage and handling		723 210	
Other direct operational costs: food		474 750	
Food and related costs¹		5 934 242	5 934 242
Capacity development and augmentation		900 000	900 000
Direct operational costs			6 834 242
Direct support costs ² (see Annex I-B)			1 184 000
Total direct project costs			8 018 242
Indirect support costs (7.0 percent) ³			561 277
TOTAL WFP COSTS			8 579 519

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

² Indicative figure for information purposes. The direct support cost 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\$)	
WFP staff and staff-related	
Professional staff	65 000
General service staff	254 000
Subtotal	319 000
Recurring and other	345 000
Capital equipment	34 000
Security	25 000
Travel and transport	461 000
TOTAL DIRECT SUPPORT COSTS	1 184 000

ANNEX II: LOGICAL FRAMEWORK ¹		
Results	Performance indicators	Risks and assumptions
<p>UNDAF Outcome 2: By 2018, increased and equitable access to and utilization and quality of inclusive essential services for all, with a focus on the MDGs and addressing emerging challenges</p>	<p>UNDAF Outcome indicators: Adjusted basic net enrolment rate (girls/boys) Baseline: 95% (girls/boys) Target: 100% (girls/boys)</p>	<p>Risks</p> <ul style="list-style-type: none"> ➤ Changes in new Government's priorities affect allocation of resources from Government and other sources. ➤ External factors such as the global recession, and fuel and commodity price inflation have direct impacts on resource allocation. ➤ Natural disasters hamper service delivery. ➤ Quality data for monitoring indicators are lacking. ➤ Data and information consolidation is not coordinated among government agencies. <p>Assumptions</p> <ul style="list-style-type: none"> ➤ National economic growth continues at present rates. ➤ Government continues to give the social sector high priority in its budget.
Component 1: Improving children's access to education		
Strategic Objective 4: Reduce undernutrition and break the intergenerational cycle of hunger		
<p>Outcome 4.2: Increased equitable access to, and utilization of, quality education</p>	<ul style="list-style-type: none"> ➤ Enrolment of girls and boys Target: Annual increase of 6% ➤ Retention rate of girls and boys Target: 85% 	Same as above.

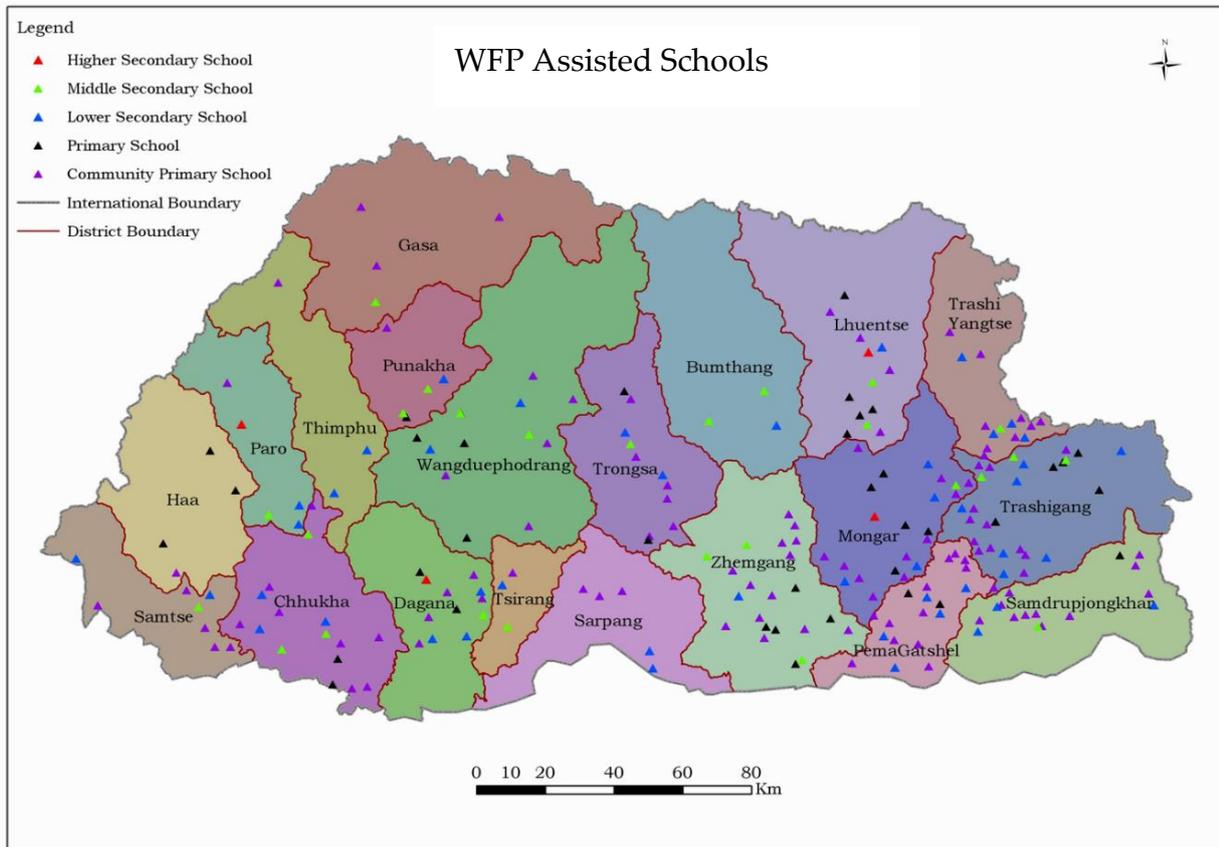
¹ The logical framework will be finalized when the Board approves the WFP Strategic Results Framework (2014–2017).





ANNEX II: LOGICAL FRAMEWORK ¹		
Results	Performance indicators	Risks and assumptions
Output 4.1.1: Food, nutritional products and non-food items, cash transfers and vouchers distributed in sufficient quantity and quality and in time to targeted households	<ul style="list-style-type: none"> ➤ Numbers of beneficiaries receiving assistance, as % of planned distribution by activity; by food, non-food items, cash transfers and vouchers; and by women, men, girls, boys ➤ Quantities of food assistance distributed, as % of planned distribution, by type ➤ Quantities of non-food items distributed, as % of planned distribution, by type 	Same as above.
Outcome 4.3: Regional, national and community ownership and capacity strengthened to reduce undernutrition and increase access to quality education	<ul style="list-style-type: none"> ➤ National capacity index (NCI) Targets: Project-specific	
Output 4.3.1: Policy advice and technical support provided to enhance management of food supply chain, food assistance, nutrition and food security systems, including food security information systems	<ul style="list-style-type: none"> ➤ Number of national assessments/data collection exercises with food security and nutrition integrated through WFP support ➤ Numbers of technical support activities provided on food security monitoring and food assistance, by type 	
Output 4.3.2: Policy advice and technical support provided to enhance management of food security and nutrition	<ul style="list-style-type: none"> ➤ Number of government staff trained by WFP in nutrition programme design and implementation and other nutrition-related areas (technical, strategic, managerial) ➤ Number of technical assistance activities provided by type 	
Output 4.3.3: National nutrition, school feeding, safety net policies and/or regulatory frameworks in place with WFP support	<ul style="list-style-type: none"> ➤ Number of national nutrition, school feeding and safety net programmes developed with WFP support 	

ANNEX III



The designations employed and the presentation of material on this map do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations concerning the legal status of any country, territory, city or the area of its authority, or concerning the delimitation of its frontiers or boundaries.

ACRONYMS USED IN THE DOCUMENT

BLSS	Bhutan living standards survey
BTN	Bhutanese ngultrum
DEO	district education officer
EDP	extended delivery point
FCB	Food Corporation of Bhutan
GNHC	Gross National Happiness Commission
ITSH	internal transport, storage and handling
MDG	Millennium Development Goal
NEP	National Education Policy
NSB	National Statistics Bureau
PPD	Policy and Planning Division
SAFED	School Agriculture, Feeding and Environment Division
SAP	school agriculture programme
UNCT	United Nations country team
UNDAF	United Nations Development Assistance Framework
UNICEF	United Nations Children's Fund
WHO	World Health Organization