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Agenda Item 7

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Operational Matters

For information

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

Budget increase for Nicaragua country programme 200434

Cost (United States dollars)			
	Current budget	Increase	Revised budget
Food and related costs	24 044 088	4 921 824	28 965 912
Capacity development and augmentation	3 595 640	782 681	4 378 321
Total cost to WFP	36 240 203	7 534 310	43 774 513

Gender marker code 2A

<https://www.humanitarianresponse.info/system/files/documents/files/gm-overview-en.pdf>

Decision

The Board approved by correspondence the budget increase of USD 7.5 million for Nicaragua country programme 200434 for a nine-month extension of the programme from 1 April to 31 December 2018.

22 August 2017

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Nature of the Increase

1. The purpose of this budget revision is to extend Nicaragua country programme 200434 from 1 April to 31 December 2018, to allow the continuation of activities until the end of 2018, in line with the timeframe of the transitional interim country strategic plan. The revision will:
 - extend assistance under component 1 – mother-and-child health – from 180 to 360 days, to cover the 1,000-day “window of opportunity” for preventing stunting in children, and reduce the number of beneficiaries from 8,200 to 2,500 pregnant and lactating women and girls (PLW/G) and children under 3, to align activities with the current funding forecast;
 - include wheat flour in the food basket of component 2 – school meals – in the North Caribbean Coast Autonomous Region (RACCN), in line with the dietary preferences of indigenous communities;
 - discontinue component 3 – community and household resilience – which has not been implemented as planned because of funding constraints and changes in government strategies;
 - modify component 4 – mitigating the impact of HIV – to provide individual take-home rations instead of family rations, at the Government’s request;
 - incorporate an additional component 6 – scale up school meals for schoolchildren in shock-affected areas – to facilitate the access of schoolchildren in vulnerable areas to food and education during times of scarcity; and
 - incorporate emergency preparedness and response activities previously implemented through regional protracted recovery and relief operation 200490, which ends in December 2017; a new component 7 – ensure access to adequate and nutritious food for shock-affected populations after an emergency – will include the pre-positioning of food stocks for rapid response during crises, and emergency preparedness activities.
2. The revision will result in an overall budget increase of USD 7.5 million. This includes USD 783,000 for capacity development and augmentation to support: i) the implementation of the national school meals programme; ii) the Ministry of Health with non-food items and technical assistance; iii) smallholder farmers; and iv) national emergency preparedness efforts. The total food requirements will increase by 4,939 mt, with a revision of the landside transport, storage and handling matrix. Direct support costs will increase, by USD 1.3 million.

Justification for Extension-In-Time and Budget Increase

Summary of Existing Project Activities

3. Country programme 200434 aims to support the Government of Nicaragua in designing and implementing long-term solutions to break the intergenerational cycle of undernutrition and hunger. All activities include a strong capacity development component aimed at enabling national institutions to design, manage and implement their programmes better.
4. This country programme is aligned with Nicaragua’s National Human Development Plan (2012–2016), the United Nations Development Assistance Framework, and Strategic Objectives 3 and 4 of WFP’s Strategic Plan (2014–2017). It consists of five components:
 - Component 1 – provide nutritional support for vulnerable groups. WFP targets PLW/G and children aged 6–36 months in support of national efforts to prevent stunting, micronutrient deficiencies and health deterioration (Strategic Objective 4).
 - Component 2 – support access to education. WFP supports pre- and primary schoolchildren with school meals, infrastructure improvements and school gardens to increase attendance and retention rates (Strategic Objective 4).

- Component 3 – enhance community and household resilience. WFP planned to carry out food assistance-for-assets and food assistance-for-training activities to improve livelihoods and strengthen community and household resilience to shocks and climate change (Strategic Objective 3).
- Component 4 – mitigate impact of HIV. WFP provides food assistance to support adherence to anti-retroviral therapy among people living with HIV (Strategic Objective 4).
- Component 5 – support increased productivity, quality and access to markets for smallholder farmer organizations (Strategic Objective 4).

Conclusion and Recommendations from the Reassessment

5. A mid-term evaluation of the country programme confirmed its pertinence, effectiveness and efficiency, and proposed recommendations for improving implementation. These were incorporated into the budget revision and include extending the annual days of assistance for component 1; revising the resilience component; and enhancing synergies among WFP operations in Nicaragua.
6. The extension will allow WFP to transition towards its new country strategic plan (2019–2023). During this interim period, WFP will assess Nicaragua’s current needs and policies and align its portfolio with government priorities.

Purpose of Extension and Budget Increase

7. Under component 1, WFP planned to provide nutritional assistance for 180 days in eight municipalities in Nueva Segovia and Madriz, resulting in a six-month gap in food assistance. To cover the 1,000-day window of opportunity, this budget revision doubles the number of feeding days to cover the entire year. Given continuous funding constraints, the number of beneficiaries will be reduced from 8,200 to 2,500 PLW/G and children in Madriz. WFP will focus implementation of this component in Madriz, the department with the highest prevalence of stunting. At the national level, stunting affects 17 percent of children under 5 – 18 percent of boys and 16 percent of girls.¹
8. In 2018, WFP will continue providing meals to 163,000 pre- and primary schoolchildren in Jinotega and RACCN, benefiting boys and girls equally as there are no gender inequalities in school attendance, enrolment or retention. In addition to school meals, WFP contributes to school gardens, including improvements in storage, kitchens and dining facilities, and strengthening the capacities of the Ministry of Education. The food basket includes maize, rice, beans, vegetable oil, dates, milk and SuperCereal. As maize is not part of the diet of indigenous groups in RACCN, this budget revision incorporates wheat flour into their ration. The 2018 approved budget will be increased to extend activities for nine months until 31 December 2018.
9. Because of a lack of funding and the Government’s shifting views on component 3, activities have not been implemented as foreseen. Instead, WFP has adopted a resilience-building focus in all other components. Therefore, component 3 will be discontinued in 2017 and 2018.
10. The HIV component was introduced as a pilot project and was planned to be implemented until 2017. It was designed to provide take-home family rations to 320 families of people living with HIV (PLHIV). At the Government’s request, HIV activities will continue, with WFP providing individual take-home rations to 1,600 PLHIV. Currently, 8,860 people are registered as living with HIV – mostly between the ages of 15 and 49 – but the real number could be higher. HIV prevalence is higher among men, who comprise 60 percent of HIV patients.²

¹ National Information and Development Institute, and Ministry of Health. 2014. Nicaragua Demographic and Health Survey (2011–2012).

² This figure is based on Ministry of Health estimates from 2008–2013.

11. The budget increase will also enable the continuation of gender-focused capacity development activities to improve smallholder farmers' access to formal markets. To bridge the agricultural gender gap, women farmers will receive an enhanced package of support through the Women's Economic Empowerment Strategy and gender workshops will be held with women and men. In response to the drought in Nicaragua's dry corridor, WFP will enhance communities' resilience through technical assistance and the provision of non-food items that enable farmers to prepare for and withstand shocks.
12. Starting in 2018, the country programme will include emergency response activities that were previously implemented under regional protracted relief and recovery operation 200490. Given Nicaragua's high exposure to natural disasters, WFP will pre-position stocks for immediate response. WFP will also foster emergency preparedness and resilience to the impacts of hazards through technical assistance and support to the National System for Disaster Prevention, Mitigation and Attention. WFP will support the national emergency preparedness and response training plan, provide equipment and supplies to operational emergency centres, and support a communication campaign to promote awareness of emergencies among Nicaragua's population.
13. WFP will support the Government in scaling up its national school meals programme as a shock-responsive social safety net during crisis. WFP plans to support the Government through the distribution of an additional school meal to 40,000 schoolchildren affected by extreme weather, complementing the mid-morning ration. In response to the drought, the Government began piloting this strategy in 2014, with WFP providing support since 2016. The food basket includes maize, rice, SuperCereal, vegetable oil and pulses.

TABLE 1: BENEFICIARIES BY COMPONENT*

Component	Beneficiary category	Current			Increase/decrease			Revised		
		Boys/ men	Girls/ women	Total	Boys/ men	Girls/ women	Total	Boys/ men	Girls/ women	Total
Component 1	PLW/G	-	15 000	15 000	-	1 700	1 700	-	16 700	16 700
Component 1	Children 6–36 months	13 000	13 000	26 000	400	400	800	13 400	13 400	26 800
Component 2	Schoolchildren Jinotega/ RACCN	180 000	180 000	360 000	-	-	-	180 000	180 000	360 000
Component 3	Households	25 000	25 000	50 000	-10 000	-10 000	-20 000	15 000	15 000	30 000
Component 4	PLHIV	4 000	4 000	8 000	800	800	1 600	4 800	4 800	9 600
Component 6	Shock-affected schoolchildren	-	-	-	20 000	20 000	40 000	20 000	20 000	40 000
Component 7	Shock-affected households	-	-	-	14 000	14 000	28 000	14 000	14 000	28 000
TOTAL		222 000	237 000	459 000	25 200	26 900	52 100	247 200	263 900	511 100

* Component 5 is not included in the table because it provides capacity development and augmentation activities only, and therefore has no food beneficiaries.

	Component 1		Component 2		Component 3	Component 6	Component 7
	Revised PLW/G	Revised children 6–36 months	Revised Jinotega	Revised RACCN	Removed	Revised	Revised
Maize	-	-	40	-	-	40	200
Rice	-	-	40	40	-	40	200
Wheat flour	-	-	-	40	-	-	-
Pulses	-	-	30	30	-	25	60
Vegetable oil	40	-	15	15	-	10	25
SuperCereal	200	-	35	35	-	30	60
SuperCereal Plus	-	200	-	-	-	-	-
Dried skim milk	-	-	10	10	-	-	-
Dried fruits	-	-	10	10	-	-	-
TOTAL	240	200	180	180	-	145	545
<i>Total kcal/day</i>	<i>1 116</i>	<i>787</i>	<i>720</i>	<i>720</i>	<i>-</i>	<i>576</i>	<i>2 100</i>
% kcal from protein	11.1	17	13	13	-	12	11
% kcal from fat	45.5	23	26	24	-	23	18
Number of feeding days per year	360		180	180	-	60	30

* Component 5 provides capacity development and augmentation activities only and therefore involves no food rations.

Component	Food requirements (mt)		
	Current	Increase/decrease	Revised total
Component 1	1 543	14	1 557
Component 2	18 605	4 463	23 068
Component 3	1 620	-405	1 215
Component 4	307	62	369
Component 6	-	348	348
Component 7	-	458	458
TOTAL	22 075	4 939	27 014

* Component 5 provides capacity development and augmentation activities only and therefore involves no food rations.

ANNEX I-A

BUDGET REVISION COST BREAKDOWN (2018)			
	Quantity (mt)	Value (USD)	Value (USD)
Food			
Cereals	2 582	1 558 089	
Pulses	700	888 272	
Oil and fats	377	742 950	
Mixed and blended food	869	367 284	
Others	410	895 386	
Total food	4 939	4 451 980	
External transport		30 781	
Landside transport, storage and handling		404 820	
Other direct operational costs: food		34 243	
Food and related costs¹			4 921 824
Capacity development and augmentation			782 681
Direct operational costs			5 704 505
Direct support costs (see Annex I-B) ²			1 336 906
Total direct project costs			7 041 411
Indirect support costs (7.0 percent) ³			492 899
TOTAL WFP COSTS			7 534 310

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 (USD)	
Staff and staff-related	
Professional staff	50 255
General service staff	687 091
Subtotal	737 345
Recurring and other	174 744
Capital equipment	22 640
Security	102 024
Travel and transportation	45 338
Assessments, evaluations and monitoring¹	254 815
TOTAL DIRECT SUPPORT COSTS	1 336 906

¹ Reflects estimated costs when these activities are carried out by third parties.

ANNEX II

WFP's presence in Nicaragua



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.

Acronyms used in the document

PLHIV	people living with HIV
PLW/G	pregnant and lactating women and girls
RACCN	North Caribbean Coast Autonomous Region