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Agenda Item 7
WFP/EB.1/2016/7
Projects for Executive Board Approval
For approval

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Budget Increases to Development Activities — Cambodia Country Programme 200202

Cost (United States dollars)			
	Current budget	Increase	Revised budget
Food	72,462,117	12,997,773	85,459,890
Cash-based transfers	4,036,872	4,262,200	8,299,072
Capacity development and augmentation	4,009,154	9,245,657	13,254,811
Total cost to WFP	145,119,860	46,412,027	191,531,887

Draft decision*

The Board approves the proposed budget increase of USD 46.4 million for Cambodia country programme 200202 (WFP/EB.1/2016/7) with a 30-month extension from 1 July 2016 to 31 December 2018.

* 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.

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Nature of the Increase

1. This budget revision to Cambodia country programme (CP) 200202 will extend activities for 30 months from July 2016 to December 2018 to align WFP's assistance with the Government's planning cycle for 2014–2018 and the 2016–2018 United Nations Development Assistance Framework (UNDAF).
2. During the extension period, all current CP components will continue as planned. Geographical focus will remain similar, while the reduced annual scale will reflect revised resource forecasts and WFP's shift from direct implementation of activities to provision of strategic and technical assistance to the Government and other national stakeholders.
3. Specifically, this budget revision will:
 - increase the total number of beneficiaries from 2.77 million to almost 3.3 million;
 - increase food transfer costs from USD 72.5 million to USD 85.5 million;
 - increase cash-based transfer costs from USD 4.5 million to USD 9.4 million;
 - increase capacity development and augmentation costs from USD 4 million to USD 13.3 million; and
 - increase the total project budget by USD 46.4 million – from USD 145.1 million to USD 191.5 million.

Justification for Extension-In-Time and Budget Increase

Summary of Existing Project Activities

4. Cambodia is a least-developed country, but is on track to transition to lower-middle-income country status, assuming progress continues in improving incomes, human assets and tackling economic vulnerability. While substantive economic growth has reduced poverty and hunger, 19 percent of the population still lives in poverty and an estimated 20 percent is at risk of falling below the poverty line following even the slightest income shock; this situation is of increasing concern because Cambodia is extremely vulnerable to climate change.¹ The prevalence rates of stunting (32 percent) and wasting (10 percent) among children under 5 are classified as “serious” by international standards; micronutrient deficiencies among young children and women are a concern.² Cambodia ranks 136th of 187 countries on the 2014 human development index, and 105th of 152 countries on the gender inequality index.
5. WFP's CP 200202 was informed by the 2009–2013 National Strategic Development Plan (NSDP), which articulated the Government's vision for achieving Cambodia's Millennium Development Goals and reducing poverty. The National Social Protection Strategy set out the Government's approach to harmonizing and expanding social safety nets and mainstreaming food security and nutrition. The NSDP has been renewed for five years, and a five-year National Strategy for Food Security and Nutrition (NSFSN) was introduced in 2014.
6. The CP has two objectives:
 - *Beneficiary level:* Support and strengthen the food and nutrition security of the most vulnerable households and communities in ways that build long-term social capital and physical assets.
 - *Systems level:* Build models and strengthen capacities to promote the development of sustainable national food security systems.

¹ United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP). 2010. *Asia and Pacific Disaster Report*.

² Cambodia Demographic and Health Survey. 2014.

7. The CP's three components contribute to WFP's Strategic Objectives 3 and 4:
 - *Education:* WFP, the Ministry of Education, Youth and Sports and partners provide school meals, take-home rations (THR) and cash scholarships in rural primary schools in the most vulnerable areas. To enhance institutional capacities, WFP established platforms for real-time information systems to improve programme management and oversight capacity, and in 2015 WFP led a study visit on school feeding and nutrition to the Brazil Centre of Excellence against Hunger. In May 2015 WFP and the Ministry of Education, Youth and Sports agreed on a roadmap for transitioning to a nationally owned school feeding programme by 2021.
 - *Nutrition:* Since mid-2014, WFP has shifted its focus from direct food assistance for mother-and-child health and nutrition towards technical support for national nutrition strategies. Support has included working with research institutions to explore the impact of malnutrition on Cambodia's economic development, measuring the impact of fortified rice on children's micronutrient status, and investigating the acceptability of different rice fortification technologies and opportunities for local fortification involving the private sector. WFP is exploring opportunities for improving young child feeding, focusing on food- and market-based solutions.
 - *Productive assets and livelihood support:* WFP supports the development of community infrastructure for agricultural production, access to markets and mitigation of disaster risks. Interest in climate change adaptation (CCA) has increased following collaboration with the Mekong Basin Adaptation and Resilience to Climate Change project funded by the United States Agency for International Development.
8. WFP works with national authorities to improve understanding of resilience patterns and analysis of transient shocks and vulnerabilities. Analysis of livelihood resilience informs long-term development programmes and seasonal drought and flood preparedness.

Conclusion and Recommendations of the Reassessment

9. The 2016–2018 UNDAF brings the United Nations into alignment with the Government's Rectangular Strategy for Growth, Employment, Equity and Efficiency Phase III and the NSDP. The UNDAF is based on a common country assessment, which recommended that the United Nations focus its support in Cambodia on equitable growth and social development, decentralization and local governance, technical assistance for policy development, coherent approaches to nationally owned programming, and leveraging of civil society to reach the most vulnerable groups. The 2014 strategic review commissioned by WFP³ identified structural and institutional challenges to social protection, food security and nutrition, and concurred with WFP's intention to strengthen national capacities and institutional infrastructure.
10. The 2014 mid-term evaluation of CP 200202 highlighted the need for: i) more attention to hand-over roadmaps and strategies, and programme synergies; ii) sharper geographical targeting; iii) more focus on nutrition-sensitive approaches and enhanced community engagement; and iv) research to inform national food security and nutrition decision-making.

Purpose of Extension and Budget Increase

11. This budget revision allows WFP to develop its future programme in the context of socio-economic developments and progress towards lower-middle-income country status. The programme follows the original strategy, supporting the Government in its commitment to achieving the national zero hunger targets established with the Food and Agriculture Organization of the United Nations (FAO) in May 2015. It provides the platform for integrating the Sustainable Development Goals with national development policies and priorities and for WFP's support to preparation of the new NSDP and NSFSN.

³ Cambodia Development Research Institute. 2014. *Cambodia: Strategic Review of Food and Nutrition Security Issues for an Emerging Middle Income Country (2014–2018)*.

12. The adjusted scale of the CP reflects projections of resource availability based on trends and forecasts. Direct food assistance is reduced, while cash-based assistance increases, along with the number and cost of activities for capacity development and augmentation. The programme will focus on communities in areas with the lowest household resilience, high migration, the greatest risk of drought/floods, activity convergence and the presence of partners with strong community engagement.

Education – Component 1

13. WFP will continue supporting the provision of school meals in rural primary schools. Opportunities will be explored for shifting from breakfast to lunch provision to support the education system's transition to full-day teaching. WFP will expand modalities for the local sourcing of ingredients by schools, in line with the home-grown school feeding (HGSF) approach, engaging small-scale farmers, local industry and retailers. Wholesalers' direct deliveries to schools will be explored to establish public-private partnerships.
14. While managerial responsibilities are being handed over to the Government, full hand-over of all schools will occur after this CP extension, when national budget allocations are confirmed and a national school feeding policy comes into effect. Using donor grants, WFP and partners will implement activities for improving water, sanitation and hygiene infrastructure, health and nutrition education and literacy, establishing the foundation for future national ownership.
15. WFP will continue to provide food and cash-based transfers for the poorest children in grades 4 to 6, conditional on the children's attending 80 percent of school days. Transfers occur three times a year and will gradually be replaced by the Government's cash scholarship programme, initiated in 2014. In 2015, 2,154 schools in eight provinces transitioned to the government programme; an additional 925 schools in four provinces are expected to do so during the extension period.
16. Studies of the intra-household gender and protection dynamics associated with the receipt of food and cash-based transfers and decision-making on their use will inform future programming and assist the Government in scaling up its cash transfer programme.

Nutrition – Component 2

17. The CP contributes to government strategies for reducing chronic malnutrition through nutrition interventions outlined in the NSFSN and the Fast-Track Roadmap for Improving Nutrition 2014–2020. Led by the Ministry of Health and in collaboration with FAO, the United Nations Children's Fund (UNICEF), the World Health Organization and international non-governmental organizations (NGOs), WFP will undertake studies and pilot projects for improving young child feeding and creating a conducive environment for national food fortification. WFP and UNICEF will work towards an integrated nutrition rehabilitation approach appropriate to the health system.
18. With Cambodia joining the global Scaling Up Nutrition movement in 2014, WFP will assist the national secretariat in developing a multi-stakeholder action plan based on a thorough understanding of nutrition-specific and -sensitive investment options and focusing on increasing private-sector and academic engagement and enhancing United Nations participation.
19. All CP activities will contribute to nutrition-sensitive strategies that focus on improving water, sanitation and hygiene infrastructure and practices, and changing health and nutrition behaviour. The introduction of fortified rice for school meals will enhance the component's relevance to nutrition objectives and inform consultations on fortification policy.

Productive assets and livelihood support – Component 3

20. The CP will support the Government's decentralization reforms, the National Adaptation Plan for disaster risk reduction (DRR), and the Cambodia Climate Change Strategic Plan 2014–2023. Programme activities will follow the existing food assistance for assets and training approaches while increasing attention to CCA, DRR and water, sanitation and hygiene. The programme aims to strengthen decentralized planning at the commune level, particularly by increasing participation of marginalized groups. Capacity strengthening efforts will facilitate

district authorities' development of commune investment plans that take CCA and DRR into account.

21. WFP will work with partners specialized in community participation to establish community consultation on project design and implementation that are socially inclusive and gender-responsive, with equitable representation. All asset and training activities will complement partners' broader portfolios of community development activities.

Cross-cutting activities: Strategic knowledge management, evidence-building and institutional capacity support

22. WFP will facilitate study visits, consultations and information generation, including studies of the economic dimensions, fiscal consequences and aspects of institutional infrastructure that influence national hunger solutions. WFP will build on innovations in information management, introducing tools for improved mobile and remote data collection and enhancing beneficiary feedback mechanisms. WFP will contribute to national research on issues such as migration and remittances, urbanization and access to social services and economic opportunities, to inform articulation of the new NSDP and NSFSN.
23. WFP will combine CP interventions with support to national efforts to protect development gains from natural hazards, in line with the recently approved law on disaster management. WFP will continue to coordinate the humanitarian response forum, which comprises United Nations and NGO partners. The forum provides technical support to national and provincial committees for disaster management and to the Cambodian Red Cross to improve emergency management information systems; and enhances the linkages between emergency preparedness and response and DRR.

Beneficiaries

24. Annual beneficiary numbers for school meals and productive assets and livelihood support activities are considerably reduced in this budget revision: the former largely because of the transition of WFP's THR and cash-based transfer activities to the Government's scholarship programme.
25. The nutrition beneficiaries indicated in Table 1 are participants in a proposed cash-based transfer pilot project to enhance the uptake of health and nutrition services and access to complementary foods for children.

TABLE 1: BENEFICIARIES BY ACTIVITY									
Activity	Current			Increase			Revised		
	Boys/ men	Girls/ women	Total	Boys/ men	Girls/ women	Total	Boys/ men	Girls/ women	Total
School meals including HGSF	366 868	353 177	720 045	237 613	228 295	465 908	405 000	390 000	795 000
HGSF	-	-	-	16 625	15 973	32 598	17 000	16 000	33 000
THR	539 650	539 650	1 079 300	71 108	71 108	142 216	694 000	694 000	1 388 000
Cash scholarships	60 200	60 200	120 400	108 731	108 731	217 462	163 000	163 000	326 000
Nutrition	75 725	106 568	182 293	4 865	4 865	9 730	81 000	111 000	192 000
Food for assets/training	297 408	297 420	594 828	31 000	31 000	62 000	328 000	328 000	656 000
Cash for assets/training	36 564	36 564	73 128	33 750	33 750	67 500	70 000	70 000	140 000
TOTAL*	1 376 415	1 393 579	2 769 994	456 524	446 554	903 078	1 635 000	1 650 000	3 285 000

* Totals take into account the beneficiary overlaps in school meals, THR and cash scholarships, and in school feeding and productive assets and livelihood-support programmes.

26. WFP will assist approximately 600,000 beneficiaries per year during the extension period. As many children in the education programme are already CP beneficiaries, the additional beneficiaries amount to 374,000.

Rations and cash-based transfers

27. The school meal ration changes slightly, reducing pulses and increasing fish, in line with local food preferences. Fortified rice will contribute considerably to micronutrient intake.
28. The values of the THR and the cash scholarship are aligned with the Government's cash scholarship.
29. Cash-based transfers will enable schools participating in HGSF to purchase food for school meals locally. Schools with full HGSF purchase all food locally; those with hybrid HGSF purchase only perishable products and receive in-kind deliveries of staples.
30. Food and cash-based transfers for asset-creation and training are provided over a period of six months; actual transfers per household depend on the work norms applied and project-specific targets.

	Component 1					Component 2	Component 3	
	School meals (g/person/day)	HGSF (full)	HGSF (hybrid)	THR (kg/person/month)	Cash scholarship (monthly)	Nutrition	Food for assets/training (g/person/day)	Cash for assets/training
Rice	115	-	-	10	-	-	333	-
Fish	20	-	-	-	-	-	-	-
Pulses	10	-	-	-	-	-	-	-
Oil	5	-	-	1	-	-	-	-
Salt	3	-	-	-	-	-	-	-
Cash/voucher (USD/person/day)	-	0.15	0.08	-	6.00	6.00	-	0.17
TOTAL	153 g	USD 0.15	USD 0.08	11 kg	USD 6.00	USD 6.00	333	USD 0.17
<i>Total kcal/day</i>	553	555	-	367	-	-	-	-
% kcal from protein	11	10	-	-	-	-	-	-
% kcal from fat	8	8	-	9	-	-	-	-
Number of feeding days per year	200	200	200	10 months	10 months	6 months	120	120

Food Requirements

TABLE 3: FOOD/CASH-BASED TRANSFER REQUIREMENTS BY COMPONENT				
Component	Transfer modality	Current	Increase	Revised total
1 – Education	Food	102 837	20 408	123 245
	Cash-based transfer	2 940 000	2 692 200	5 632 200
2 – Nutrition	Food	10 734	-	10 734
	Cash-based transfer	-	70 000	70 000
3 – Productive assets and livelihood support	Food	17 845	2 481	20 326
	Cash-based transfer	1 096 872	1 500 000	2 596 872
TOTAL	Food (mt)	131 416	22 889	154 305
	Cash-based transfers (USD)	4 036 872	4 262 200	8 299 072

ANNEX I-A

BUDGET REVISION COST BREAKDOWN			
	Quantity (mt)	Value (USD)	Value (USD)
Food			
Cereals	18 462	8 228 082	
Pulses	1 084	553 700	
Oil and fats	844	851 855	
Others	2 499	3 364 136	
Total food	22 889	12 997 773	
External transport		1 459 918	
Landside transport, storage and handling		3 531 542	
Other direct operational costs – food		935 218	
Food and related costs¹		18 924 451	18 924 451
Cash-based transfers		4 262 200	
Related costs		674 492	
Cash-based transfers and related costs		4 936 692	4 936 692
Capacity development and augmentation		9 245 657	9 245 657
Direct operational costs			33 106 800
Direct support costs (see Annex I-B) ²			10 268 926
Total direct project costs			43 375 726
Indirect support costs (7.0 percent) ³			3 036 301
TOTAL WFP COSTS			46 412 027

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	3 963 305
General service staff	2 852 663
Danger pay and local allowances	67 500
Subtotal	6 883 468
Recurring and other	
Capital equipment	120 894
Security	354 500
Travel and transportation	1 129 870
Assessments, evaluations and monitoring¹	530 000
TOTAL DIRECT SUPPORT COSTS	10 268 926

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

ANNEX II: LOGICAL FRAMEWORK		
Results	Performance indicators	Assumptions
Cross-cutting results		
Gender Gender equality and empowerment improved	Proportion of households where males make decisions over the use of cash, voucher or food Proportion of households where females make decisions over the use of cash, voucher or food Proportion of households where females and males together make decisions over the use of cash, voucher or food Proportion of women beneficiaries in leadership positions of project management committees Proportion of women project management committee members trained on modalities of food, cash, or voucher distribution	Greater gender equality is achieved and women are empowered to make household decisions.
Protection and Accountability to Affected Populations WFP assistance delivered and utilized in safe, accountable and dignified conditions	Proportion of assisted people (men) who do not experience safety problems travelling to, from and/or at WFP programme site Proportion of assisted people (women) who do not experience safety problems travelling to, from and/or at WFP programme sites Proportion of assisted people (men) informed about the programme (who is included, what people will receive, where people can complain) Proportion of assisted people (women) informed about the programme (who is included, what people will receive, where people can complain)	Beneficiaries are informed about the complaint mechanism and are able to access it. Schools and provincial and district departments of education inform communities and beneficiaries regularly concerning implementation procedures.
Partnership Food assistance interventions coordinated and partnerships developed and maintained	Proportion of project activities implemented with the engagement of complementary partners Amount of complementary funds provided to the project by partners (including non-governmental organizations (NGOs), civil society, private sector organizations, international financial institutions and regional development banks) Number of partner organizations that provide complementary inputs and services	When entering into partnership the cost-sharing portion from partners is highlighted. Partners with sufficient resources are available in WFP assisted areas.

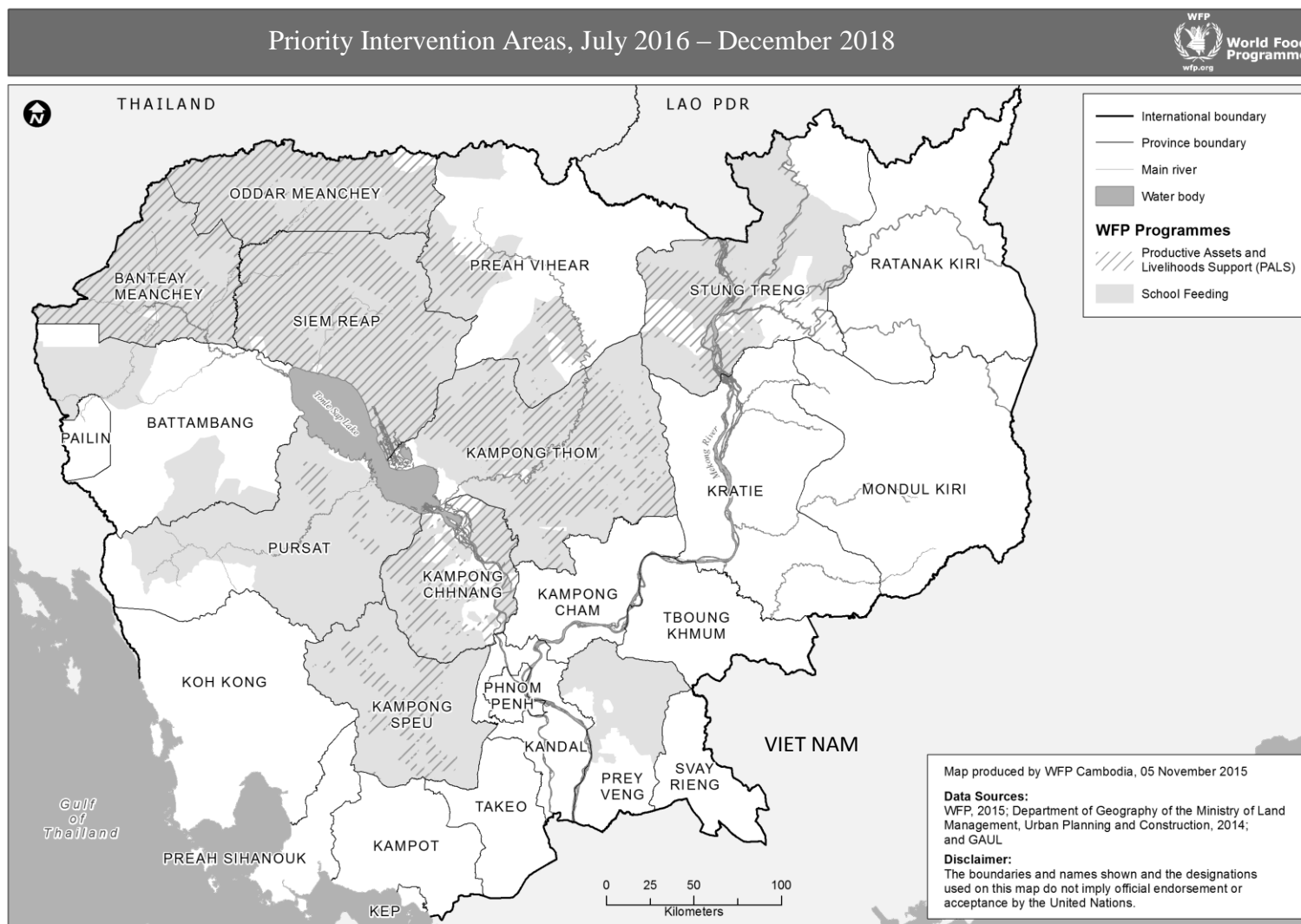
ANNEX II: LOGICAL FRAMEWORK		
Results	Performance indicators	Assumptions
Strategic Objective 3: Reduce risk and enable people, communities and countries to meet their own food and nutrition needs		
<p>Outcome 3.1 Improved access to livelihood assets has contributed to enhanced resilience and reduced risks from disaster and shocks faced by targeted food-insecure communities and households</p>	<p>CAS: percentage of communities with an increased Asset Score</p> <p>CSI (Food): Percentage of households with reduced/stabilized Coping Strategy Index</p> <p>CSI (Food): Percentage of male-headed households with reduced/stabilized Coping Strategy Index</p> <p>CSI (Food): Percentage of female-headed households with reduced/stabilized Coping Strategy Index</p> <p>Diet Diversity Score</p> <p>Diet Diversity Score (male-headed households)</p> <p>Diet Diversity Score (female-headed households)</p> <p>FCS: percentage of households with poor Food Consumption Score</p> <p>FCS: percentage of households with poor Food Consumption Score (male-headed)</p> <p>FCS: percentage of households with poor Food Consumption Score (female-headed)</p> <p>FCS: percentage of households with borderline Food Consumption Score</p> <p>FCS: percentage of households with borderline Food Consumption Score (male-headed)</p> <p>FCS: percentage of households with borderline Food Consumption Score (female-headed)</p> <p>FCS: percentage of households with acceptable Food Consumption Score</p> <p>FCS: percentage of households with acceptable Food Consumption Score (male-headed)</p> <p>FCS: percentage of households with acceptable Food Consumption Score (female-headed)</p>	<p>Disasters are not too frequent or intense.</p> <p>Cooperating partners and expertise are available to support implementation.</p> <p>The political and economic situation is stable.</p> <p>The Government provides adequate support and is strongly committed.</p>

ANNEX II: LOGICAL FRAMEWORK		
Results	Performance indicators	Assumptions
Outcome 3.2 Risk reduction capacity of countries, communities and institutions strengthened	NCI: Resilience programmes national capacity index	The political and economic situation is stable. The Government provides adequate support and is strongly committed.
Output 3.1 Food, nutritional products, non-food items, cash transfers and vouchers distributed in sufficient quantity and quality and in a timely manner to targeted beneficiaries	Total amount of cash transferred to targeted beneficiaries, disaggregated by sex and beneficiary category, as % of planned Quantity of food assistance distributed, disaggregated by type, as % of planned Number of women, men, boys and girls receiving food assistance, disaggregated by activity, beneficiary category, sex, food, non-food items, cash transfers and vouchers, as % of planned Quantity of non-food items distributed, disaggregated by type, as % of planned	Performance and accountability at the local level is sufficient to implement the project.
Output 3.2 Community or livelihood assets built, restored or maintained by targeted households and communities	Number of assets built, restored or maintained by targeted households and communities, by type and unit of measure	Disasters are not too frequent or intense.
Output 3.3 National safety nets for food security, nutrition, education, community assets and overall contribution to resilience-building supported	Number of people trained, disaggregated by sex and type of training Number of technical assistance activities provided, by type	The Government provides adequate support and is strongly committed.
Strategic Objective 4: Reduce undernutrition and break the intergenerational cycle of hunger		
Outcome 4.1 Increased equitable access to and utilization of education	Retention rate (boys) in WFP-assisted primary schools Retention rate (girls) in WFP-assisted primary schools	The economic situation is stable. The Government is strongly committed. The Government and partners are able to provide complementary resources. The quality of education in the communities is adequate.

ANNEX II: LOGICAL FRAMEWORK		
Results	Performance indicators	Assumptions
<p>Outcome 4.2 Ownership and capacity strengthened to reduce undernutrition and increase access to education at regional, national and community levels</p>	<p>NCI: School feeding national capacity index NCI: Nutrition programmes national capacity index</p>	<p>The economic situation is stable. The Government is strongly committed. The Government and partners are able to provide complementary resources.</p>
<p>Outcome 4.3 Reduced undernutrition, including micronutrient deficiencies among children aged 6–59 months, pregnant and lactating women, and school-aged children</p>	<p>Average number of schooldays per month on which multi-fortified foods or at least four food groups were provided</p>	<p>Cooperating partners, technical expertise, and updated strategies, guidelines, evaluations and products are available on time to support implementation. Non-food inputs are available. Links with government strategy and social protection services are adequate.</p>
<p>Output 4.1 Food, nutritional products, non-food items, cash transfers and vouchers distributed in sufficient quantity and quality and in a timely manner to targeted beneficiaries</p>	<p>Number of women, men, boys and girls receiving food assistance, disaggregated by activity, beneficiary category, sex, food, non-food items, cash transfers and vouchers, as % of planned Quantity of food assistance distributed, disaggregated by type, as % of planned Quantity of non-food items distributed, disaggregated by type, as % of planned Total amount of cash transferred to targeted beneficiaries, disaggregated by sex and beneficiary category, as % of planned Number of institutional sites assisted (e.g. schools, health centres), as % of planned</p>	<p>The economic situation is stable. Stable funding is available from major donors. No pipeline breaks occur.</p>

ANNEX II: LOGICAL FRAMEWORK		
Results	Performance indicators	Assumptions
<p>Output 4.2 Policy advice and technical support provided to enhance management of food security, nutrition and school feeding</p>	<p>Number of government staff trained by WFP in nutrition programme design, implementation and other nutrition-related areas – technical/strategic/managerial – disaggregated by sex and type of training</p> <p>Number of technical assistance activities provided, by type</p>	<p>The new school feeding programme model is cost-effective, easy to implement and sustainable, and the Government agrees to own and scale up the programme.</p>
<p>Output 4.3 National nutrition, school feeding, safety net policies and/or regulatory frameworks in place</p>	<p>Number of national programmes developed with WFP support – nutrition, school feeding, safety net</p>	<p>The new models are aligned with national policy; institutional frameworks are strong; funding and budgeting are stable; programme design is of high quality; and stakeholder participation is strong.</p>

ANNEX III



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

CCA	climate change adaptation
CP	country programme
DRR	disaster risk reduction
HGSF	home-grown school feeding
NGO	non-governmental organization
NSDP	National Strategic Development Plan
NSFSN	National Strategy for Food Security and Nutrition
THR	take-home ration
UNDAF	United National Development Assistance Framework
UNICEF	United Nations Children's Fund