

برنامج
الأغذية
العالمي



Programme
Alimentaire
Mondial

World
Food
Programme

Programa
Mundial
de Alimentos

**Executive Board
Annual Session**

Rome, 4–8 June 2007

RESOURCE, FINANCIAL AND BUDGETARY MATTERS

Agenda item 6

*For information**



Distribution: GENERAL
WFP/EB.A/2007/6-H/1
16 May 2007
ORIGINAL: ENGLISH

UPDATE ON CAPACITY-BUILDING (STRATEGIC OBJECTIVE 5)



* In accordance with the Executive Board's decisions on governance, approved at the Annual and Third Regular Sessions, 2000, items for information should not be discussed unless a Board member specifically requests it, well in advance of the meeting, and the Chair accepts the request on the grounds that it is a proper use of the Board's time.

This document is printed in a limited number of copies. Executive Board documents are available on WFP's WEB site (<http://www.wfp.org/eb>).

NOTE TO THE EXECUTIVE BOARD

This document is submitted to the Executive Board for information.

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.

Director, PDP: Mr S. Samkange tel.: 066513-2767

Chief, PDPS: Mr S. Were Omamo tel.: 066513-2178

Should you have any questions regarding matters of dispatch of documentation for the Executive Board, please contact Ms. C. Panlilio, Administrative Assistant, Conference Servicing Unit (tel.: 066513-2645).



EXECUTIVE SUMMARY

In approving the papers “Building Country and Regional Capacities” (WFP/EB.3/2004/4-B) and the “Financial Framework for Strategic Priority 5 Implementation” (WFP/EB.1/2005/5-A), the Board gave WFP permission to adopt new approaches and give greater attention to capacity development with a view to building long-term food security in the countries where WFP operates. In response to the Board’s request for regular updates and as a complement to the section in the Annual Performance Report on Strategic Objective 5,¹ this paper summarizes WFP’s progress in the implementation of Strategic Objective 5 activities since the Board approved “Financial Framework for Strategic Priority 5 Implementation” (WFP/EB.1/2005/5-A) and describes the resources that have been directed to them.

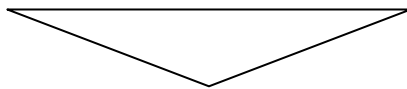
It highlights WFP’s two main modes of implementation established by the policy framework: Strategic Objective 5 “support” activities for food aid operations and Strategic Objective 5 “stand-alone” or “cash-only” projects. “Support activities” primarily refers to training and the provision of equipment and capital inputs. Stand-alone projects take strategic approaches in addressing the policy and institutional environment of a country, its systems of implementation and national capacities. Three stand-alone projects are currently implemented by WFP, two in the Latin America and Caribbean Regional Bureau and one in the Southern Africa Regional Bureau. A new trend has emerged since mid-2006 whereby country offices respond to government requests by designing new country programmes with a strong Strategic Objective 5 component in addition to food-aid operations. Some examples of this trend come from Bangladesh, Bolivia, Egypt, India and Senegal. Headquarters has been working to increase awareness of Strategic Objective 5 activities and to develop coherent approaches to capacity-building in WFP.

After describing the progress on implementation, the paper presents an estimate of the resources expended on Strategic Objective 5 activities through their main sources of funding: other direct operational costs, bilateral operations and trust funds. It also highlights the considerable efforts by countries and regions to mobilize resources locally by expanding partnerships.

¹ Strategic Objective 5 refers to “strengthening the capacities of countries and regions to establish and manage food-assistance and hunger reduction programmes”.



DRAFT DECISION*



The Board takes note of the “Update on Capacity-Building (Strategic Objective 5) (WFP/EB.A/2007/6-H/1).

* This is a draft decision. For the final decision adopted by the Board, please refer to the Decisions and Recommendations document (document WFP/EB.A/2007/15) issued at the end of the session.



I. BACKGROUND

1. The United Nations reform agenda and the Paris Declaration on Aid Effectiveness have affirmed that capacity development must be a major focus of the work of the United Nations at the country level. The “Delivering as One” report of the High-Level Panel on the United Nations System-Wide Coherence has recently restated the importance of adopting coordinated United Nations strategies to strengthen local capacity and resilience.
2. In line with this international agenda, “Building Country and Regional Capacities” (WFP/EB.3/2004/4-B) emphasizes that WFP in partnership with other agencies “...has a role to play in supporting national and regional capacities in fighting hunger...” and that “...WFP will move from an ad-hoc to a systematic approach...”² for developing national capacities.
3. The strategic recommendations of the 2005 Independent External Evaluation³ of WFP’s Enabling Development policy states that WFP should promote more systematically “...activities in which food aid is a complement to other resources rather than the main element of the intervention... This should translate into support for existing, already-resourced national strategies and programmes...”; “...closer attention, during country programme (CP) formulation and policy dialogue, is to be given to the integration of WFP food assistance into broader development programming.... to extend the benefits of WFP-supported development activities beyond the local and project levels...”.
4. In 2005, the Board approved “Financial Framework for Strategic Priority 5 Implementation” (WFP/EB.1/2005/5-A), which outlined the guiding mechanisms and funding modalities for Strategic Priority 5 (Strategic Objective 5)⁴ “Strengthen the capacities of countries and regions to establish and manage food-assistance and hunger-reduction programmes” and stated that WFP “...within existing resources, should continue to undertake and should mainstream ancillary capacity-building activities...” and that “...any significant stand-alone capacity-building efforts should be funded from voluntary contributions given for this purpose...”. It specified that “...pending subsequent approval by the Executive Board of the financing modalities, undirected multilateral resources should not be allocated for new capacity-building activities, unless there is specific consent for this from the donor government...”.
5. The policy framework for Strategic Objective 5 has given WFP the opportunity to work more proactively and systematically in capacity development. A systematic approach to Strategic Objective 5 activities involves transferring WFP’s knowledge and skills, influencing policies and strategies and strengthening the role of civil society, communities and local actors. Nevertheless, such efforts could be considered ambitious given the contexts in which WFP operates. There are also organizational challenges, because developing a systematic approach to Strategic Objective 5 requires appropriate expertise and adequate resources.

² Included in “Consolidated Framework for WFP Policies Compendium” (WFP/EB.2/2005/4-D/Rev.1).

³ *Joint Evaluation of the Effectiveness and Impact of the Enabling Development Policy of the World Food Programme (WFP)*. Synthesis Report, February 2005.

⁴ A change in terminology occurred: in the 2005 “Financial Framework for Strategic Priority 5 Implementation” capacity development was referred to under Strategic Priority 5; however the term “priority” was superseded by the term “Strategic Objective” in the Strategic Plan (2006–2009).



6. Therefore, in approving “Financial Framework for Strategic Priority 5 Implementation”, the Board asked the Secretariat to provide this information paper (i) to highlight progress in implementing Strategic Objective 5 activities and (ii) to update on the resources directed to new capacity-building.

II. PROGRESS IN THE IMPLEMENTATION OF CAPACITY DEVELOPMENT (STRATEGIC OBJECTIVE 5) ACTIVITIES IMPLEMENTED BY WFP SINCE 2005

7. In compliance with Strategic Objective 5 policies, significant work has been done since 2005 to develop country and regional capacities. This section describes the progress made through: (i) mainstreamed Strategic Objective 5 activities linked to food-aid operations; (ii) stand-alone Strategic Objective 5 projects funded independently of food aid, normally through direct cash contributions; (iii) new CPs with a strong Strategic Objective 5 component in addition to food aid operations; and (iv) Headquarters initiatives.

A) Mainstreamed Strategic Objective 5 Activities

8. The main channel of implementation for capacity development remains the “support” activities where costs are covered through WFP’s food aid operations, technically defined as other direct operational costs (ODOC). These activities address programme needs or weaknesses. WFP’s funding mechanisms are mainly structured in this way.
9. According to standard project reports, from 2005 to 2006 the number of WFP country offices with mainstreamed Strategic Objective 5 activities increased from 30 to 37; the number providing technical services to governments increased from 22 to 30. The principal areas in which WFP is developing capacities include vulnerability analysis and mapping (VAM), monitoring and evaluation (M&E), nutrition, food management, logistics, emergency needs assessment (ENA) and school feeding.
10. The main modalities that WFP country offices use to develop these local capacities are training, workshops, consultations, studies and technical surveys, and provision of equipment and capital services. For instance, through technical assistance in 2006, WFP trained 88,000⁵ governmental and non-governmental organization (NGO) counterpart staff and members of community institutions at the local, regional and national levels. The most significant training programmes were in Afghanistan, Cambodia, Egypt, Georgia, Guinea, Guinea Bissau, Malawi, Mauritania, Peru and Sri Lanka, accounting for 95 percent of counterparts trained. Sri Lanka trained 72,000 local actors in technical aspects of project implementation related to nutrition and VAM.

⁵ This number has been calculated by aggregating the figures from different sources: the 2006 SO5 survey, the 2006 standard project reports (SPRs) and regional submissions for the Annual Performance Report (APR).



11. Although training enables a transfer of knowledge at the individual level, passing on WFP's capacities in fighting hunger and malnutrition requires the creation of sound strategies and approaches to address the institutional and organizational environment of a country. An approach increasingly adopted by WFP is the secondment of staff, normally United Nations volunteers (UNVs) or professionals, to ministries. A 2006 survey of Strategic Objective 5 activities in 19 countries indicated that 20 staff are currently employed in national bodies. Seven country offices are "outposting" staff: Angola, Egypt, Ethiopia, Malawi, Mauritania, South Africa and Zambia. These professionals are mainly working on the harmonization of tools and the enhancement of VAM, logistics, and results-based management (RBM); they also support the development of policy frameworks for government programmes addressing hunger and malnutrition.

B) Stand-Alone or "Cash-Only" Strategic Objective 5 projects

12. Since the approval of the Strategic Objective 5 policy, three stand-alone or "cash-only" capacity-building projects have been implemented that introduce a new area of activity for WFP. Projects 10411 and 10421 are in the Latin America and Caribbean Regional Bureau; project 10394 is in the Southern Africa Regional Bureau.

⇒ *Latin America and Caribbean Regional projects (LAC projects 10411 and 10421)*

13. In Latin America, the capacity-building package of projects 10411 and 10421 benefits from a unique political environment. The relatively stable developing states of the region face persistent widespread chronic malnutrition, but they have increasing political commitment to address the problem, so work on institutional strengthening, advocacy and policy formulation has potentially high returns.
14. WFP's innovative regional approach is based on alliances with regional political entities and strong partnerships with specialized technical institutions. It has enabled WFP to generate synergies among the countries in the region at the programme and policy levels to carry out capacity-building activities. WFP's recognized comparative advantage in nutritional and hunger-related issues has positioned it as the lead agency in regional initiatives aimed at the eradication of chronic malnutrition and micronutrient deficiencies.
15. For example, in coordination with the Inter-American Development Bank (IDB) and in collaboration with United Nations partners, WFP proposed an initiative entitled "Towards the Eradication of Chronic Malnutrition in Central America and the Dominican Republic by 2015", which received high-level political and institutional endorsements from the heads of state of the Central American Integration System (SICA; Declaration of Panama, July 2006), the health ministers of Central America and the Dominican Republic (RESSCAD XXII, September 2006), and finance ministers (IDB Annual Meeting of Governors, March 2007). The two capacity-building projects described below were developed in this context of increasing political commitment.

LAC/10411:

16. Capacity-Building in Support of Food-Based Social-Protection Programmes aims to institutionalize information sharing, build local and regional technical capacities and advocate for investments in hunger and nutrition programmes at the policy level. The strategy is based on a range of activities including targeted high-level advocacy, participatory implementation of technical studies, support for information-sharing mechanisms, extensive stakeholder consultations and workshops, joint assessments and



inter-agency coordination. The regional approach enhances ODP's ability to support country offices.

17. The development of specialized methods and technical studies such as *The Economic Impact of Child Malnutrition in Central America and the Dominican Republic* and the *Atlas of Hunger and Malnutrition in the Dominican Republic* have given WFP important tools for public advocacy and the enhancement of national programme delivery. These methods have been validated by government counterparts and guided by technical steering committees including representatives from the World Bank, the Economic Commission for Latin America and the Caribbean (ECLAC), the International Food Policy Research Institute (IFPRI), the Nutrition Institute for Central America and Panama (INCAP), the Caribbean Food and Nutrition Institute (CFNI), the Hunger Task Force and experts from academic institutions.
18. National capacity-building workshops carried out with government counterparts to develop these study tools have led to the creation of governmental inter-institutional committees in Bolivia, Colombia, Ecuador, Paraguay, Peru and Venezuela, which are analysing the economic costs of childhood malnutrition and developing national cost-of-hunger studies. The involvement of national stakeholders in developing research and exchanging knowledge helps to ensure that the ultimate ownership of these initiatives is in the hands of institutional partners, especially governments.
19. For example, the recommendations of a participatory assessment of food-based social programmes by WFP, the United Nations Children's Fund (UNICEF) and the United Nations Population Fund (UNFPA) led to improved targeting, greater coverage and increased efficiency for complementary fortified-food activities in government mother-and-child health and nutrition (MCHN) programmes in Panama.
20. WFP's facilitation of knowledge-sharing for hunger reduction includes development of a knowledge-management portal with services such as an MCHN e-learning course in partnership with a national nutrition institute, a nutrition project database and an inventory of nutrition institutions in the region. Strategies have been formulated for creating networks related to MCHN and food for education (FFE).
21. In line with this and in the spirit of south-south collaboration, WFP and the governments of Peru and Chile in collaboration with the Pan-American Health Organization (PAHO)/World Health Organization (WHO), UNICEF and the Andean Community of Nations (CAN) organized a high-level technical consultation on eradicating child malnutrition by 2015 in the Andean region. The main conclusions and recommendations were presented and endorsed at the Andean Council meeting of ministries of social development and a meeting of ministries of health of the Andean region.
22. In partnership with the Joint United Nations Programme for HIV/AIDS (UNAIDS) and cosponsors and in line with its role in the UNAIDS Technical Support Division of Labour, WFP has taken the lead in integrating food and nutrition themes in inter-agency and inter-governmental planning for the harmonized regional response to HIV/AIDS. WFP has recently been requested to join the Pan-Caribbean AIDS Partnership (PANCAP) to promote the full inclusion of food and nutrition components into PANCAP's strategic plan. The Horizontal Technical Cooperation Group of the national AIDS programme directors of 17 countries in Latin America has requested the development of a technical cooperation agreement with WFP to support the integration of food and nutrition considerations into the national AIDS plans of member countries.
23. This advocacy to increase political commitment to incorporate food and nutrition concerns into multi-sectoral responses to HIV have been rolled out as part of the first phase



of WFP's Regional Capacity-Building Strategy on HIV, Food and Nutrition (2006–2007). WFP is beginning to develop and implement the second phase of the regional strategy, which includes technical assistance, training and knowledge-management projects for national AIDS programmes, associations of people living with HIV (PLHIV), non-governmental organizations (NGOs) and others participating in national AIDS partnerships.

LAC/10421:

24. The Capacity-Building of Integrated Micronutrient Programmes in Central America and Belize project combines technical assistance to develop, produce and distribute nutritious foods for young children with advocacy to increase government commitment to formulating policies that address vitamin and micronutrient deficiencies in young children. As part of Towards the Eradication of Chronic Malnutrition in Central America and Dominican Republic by 2015, WFP and IDB sponsored a stakeholder and technical consultation in Panama in mid-2006, of which the main outcome was agreement on support for the development of national plans focusing on preventive approaches to malnutrition, the enhancement of thematic sectors such as M&E and interventions to address micronutrient deficiencies in infants and young children. National technical consultations with governments, United Nations agencies, the private sector and NGOs have been carried out in El Salvador, Nicaragua and Panama to agree on priorities and next steps in formulating national strategies for project implementation.
25. WFP has recently been appointed lead agency of the Latin America Working Group for the Development of a Ten-Year Strategy for the Reduction of Vitamin and Mineral Deficiencies. In collaboration with the Canadian International Development Agency (CIDA), the Global Alliance for Improved Nutrition (GAIN), IDB, PAHO, UNICEF, the United States Agency for International Development (USAID), the World Bank and national representatives, WFP will coordinate the development of this regional strategy and the subsequent implementation plans.

Southern Africa Regional project 10394

26. The Republic of South Africa funded a two-year regional project to enhance the ability of member states of the Southern Africa Development Community (SADC)⁶ to undertake food security monitoring and vulnerability assessments through national vulnerability analysis committees (VACs) and to improve the formulation of food security policy and programme management in South Africa. By providing technical staff, the regional VAC gave constant technical support to national VACs to enhance their capacity to undertake annual vulnerability assessments.
27. A review of vulnerability assessment methods and tools was undertaken through an inclusive process to ensure ownership of the standardized methods. This produced an important outcome: a five-year programme plan for strengthening vulnerability analysis and assessments in SADC, which was adopted and approved by the Southern Africa Integrated Committee of Ministers in Lesotho in June 2005. In 2006, WFP and the Food and Agriculture Organization of the United Nations (FAO) established a regional programme management unit (PMU) with two regional experts that manages the five-year programme. SADC member countries are initiating, implementing and managing food security assessments in the sub-region; five countries have included a nutrition component

⁶ Angola, Botswana, Lesotho, Madagascar, Malawi, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe.



in their annual assessments. The PMU aims to enhance country ownership and performance, with a view to institutionalizing the national VACs in governments, with their own budgets and experts.

C) New Country Programmes with A Strong Strategic Objective 5 Component in Addition to the Food Aid Operations

28. Since mid-2006, a new trend has emerged: WFP country offices in Bangladesh, Egypt, India and Senegal have designed programmes in which technical assistance is a major component of operations. This hybrid category mixes WFP's two main modes of implementing Strategic Objective 5 activities – support activities and stand-alone projects. In a sense, these new CPs mark a transition from WFP's food-delivery interventions to technical assistance and capacity development in support of national programmes. WFP Bolivia is formulating a new CP for 2008–2012 that will reflect this new orientation.
29. **Bangladesh.** The Strategic Objective 5 component of the new CP for 2007–2011 covers (i) policy analysis, (ii) enhanced programme delivery through improvements in targeting, monitoring, reporting and impact assessment and (iii) disaster risk reduction and disaster response. This Strategic Objective 5 component complements capacity-building such as training counterpart officials in quality monitoring, RBM and the Enhanced Commitments to Women (ECW). A major achievement in 2006 was a memorandum of understanding (MOU) with the Ministry of Food and Disaster Management on strengthening food-security measures, which will be implemented through activities such as an impact assessment of social safety-net programmes, the establishment and enhancement of commodity tracking and food-security monitoring systems at the ministry and training in policy analysis, emergency food-security assessment (EFSA) and food-security monitoring. Another achievement was the design and launch of a national policy debate on social safety-net reforms and the appropriate use of food and cash. WFP commissioned a study, now being finalized by the International Food Policy Research Institute (IFPRI), entitled *Relative Efficacy of Food and Cash in Improving the Livelihoods of the Extreme Poor*.
30. **Bolivia.** WFP's programme in Bolivia, designed in coordination with the Government's development plan and food sovereignty strategy, has three elements, all of which involve moving WFP away from traditional food aid operations into capacity-building and technical assistance. Under the Government's "Zero Malnutrition" programme, WFP will not provide any traditional food assistance but will work as part of an inter-agency technical assistance project with UNICEF, UNDP, FAO, WHO and others, focusing on children under 2 and pregnant and lactating women.
31. Under the Government's "Integrated Attention to Children" programme for children aged 2–6, WFP will start the 2008–2012 programme cycle with a CP focusing on traditional food assistance only in the most vulnerable areas identified by VAM, while providing assistance to the Government food assistance programme in other areas. Traditional food aid will be phased out during this cycle. In the school feeding programme for children aged 6–14, WFP will follow the same strategy of focusing on the most vulnerable areas, with a plan to phase out by end of the programme cycle. WFP and other agencies will simultaneously set up a sustainable school feeding programme based on local agriculture and livestock, which will build the capacity of municipal governments to implement the programme.
32. With regard to emergency preparedness and response, WFP is part of the Government strategy to support longer-term mitigation programmes and response strategies. The recent



floods in Bolivia saw WFP and the Government deliver food to 150,000 people within a few weeks.

33. **Egypt.** The Strategic Objective 5 component of WFP's intervention in Egypt for 2007-2011 will strengthen the Government's capacity to reform its national safety-net programme which consists of a food subsidy programme, school feeding and wheat flour fortification. In 2005, WFP and the Ministry of Supply and Internal Trade reviewed the national food subsidy programme; some recommendations of the review were implemented in 2006. At the Government's request, in 2006 WFP reviewed the national school feeding programme; the findings were shared at a high-level conference. WFP supports national capacities to improve pro-poor targeting through support for the Food Security Monitoring and Analysis Unit in the Ministry of Economic Development, which was established in 2005. For food fortification, WFP's high-level work with the Government resulted in prime ministerial approval to fortify *baladi* bread, the staple food of Egyptians, with iron and folic acid. Fortification of wheat flour in subsidized *baladi* will address widespread iron deficiency anaemia, which affects 50 percent of the population. WFP will also launch a national nutrition strategy and prepare for and respond to emergencies through updated food security and vulnerability information and training.
34. **India.** WFP's Strategic Objective 5 activities for 2008–2012 will support the main government food-assistance programmes. WFP will build state-level capacities in supply chain management of government food-based programmes, fortification of midday meals (MDMs), village-level fortification of locally-prepared food for MCHN centres, nutrition education and the development of information, education and communication (IEC) to change dietary habits; WFP will also provide technical assistance to improve the design and operation of village grain banks to mitigate seasonal hunger gaps. In partnership with the National AIDS Control Organization and UNAIDS, WFP will provide technical assistance to ensure that food and nutritional support are part of the treatment package for PLHIV.
35. Several states in which WFP operates are willing to have WFP's support for technical innovations to improve the impact of food-based schemes. The most noticeable ongoing examples include cost-sharing for Indiamix (a fortified blended food for MCHN programmes) and full state funding for the distribution of Indiamix/fortified biscuits in non-WFP intervention districts. In January 2007, an MOU with Uttarakhand state was signed in which the state committed itself to cost-sharing a MDM fortification pilot in 1,200 primary schools.
36. **Senegal.** WFP's assistance for 2007–2011 will enhance institutional and organizational capacities in nutrition, VAM and design and management of food-security strategies and programmes. It will also focus on improving government capacity to prepare and manage a national school feeding programme in the context of promoting its Essential Education Package. The new National Division for School Feeding (DNCS) at the Ministry of Education will direct this activity. The division was established in 2006 with WFP support; its creation is part of WFP's exit strategy.

D) Headquarters Initiatives

37. In 2005, PDP and the Assessment, Analysis and Preparedness Division (ODA) agreed an action plan to ensure programme quality in capacity development and to enhance the ability of country offices and regional bureaux to implement Strategic Objective 5 programmes. In 2006, activities focused on initial guidance, learning and



participation in United Nations harmonization through the United Nations Development Group (UNDG) Working Group on Capacity Development.

38. Requests for programme support from country and regional offices have increased, many of them resulting from pilot Strategic Objective 5 activities undertaken through Headquarters trust funds such as the Danish Trust Fund, the Canadian Impact Grant, the German Quality Improvement Grant, the Institutional Strengthening Funds (ISP-DFID) and the Swedish Trust Fund. PDP and ODA studied capacity-building as a basis for developing an initial operational framework for Strategic Objective 5 and a capacity-building strategy on ENA and preparedness.
39. In 2007, several Strategic Objective 5 workshops were carried out. One focused on reviewing the experience of supporting the development of a national school feeding strategy in Madagascar; another examined the capacity development strategy in ENA and response.

III RESOURCES DIRECTED TO STRATEGIC OBJECTIVE 5 ACTIVITIES BETWEEN 2005-2006

40. This section outlines the resources allocated to Strategic Objective 5 activities through the main sources of funding for capacity-building: ODOC, bilateral operations and trust funds. The figures are indicative, but it is estimated that WFP has expended US\$59 million on Strategic Objective 5 activities since 2005.

A) Mainstreamed Strategic Objective 5 activities

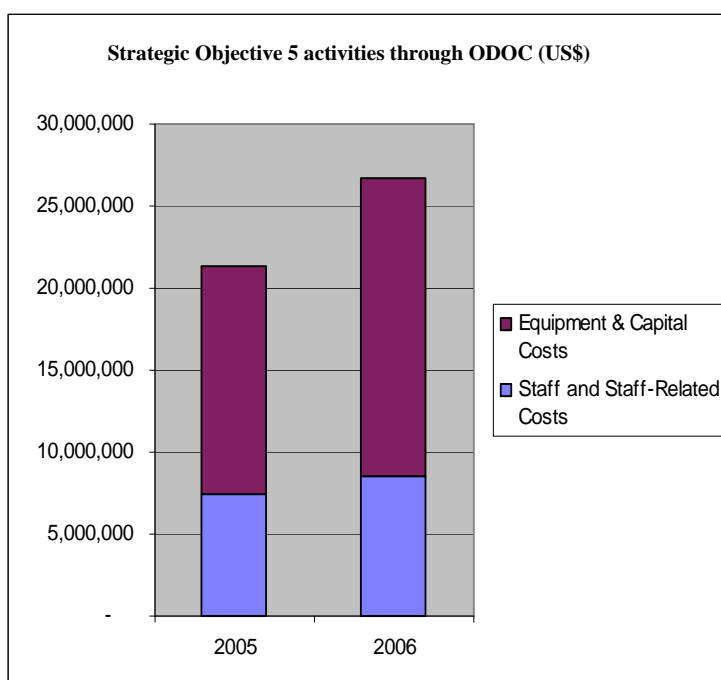
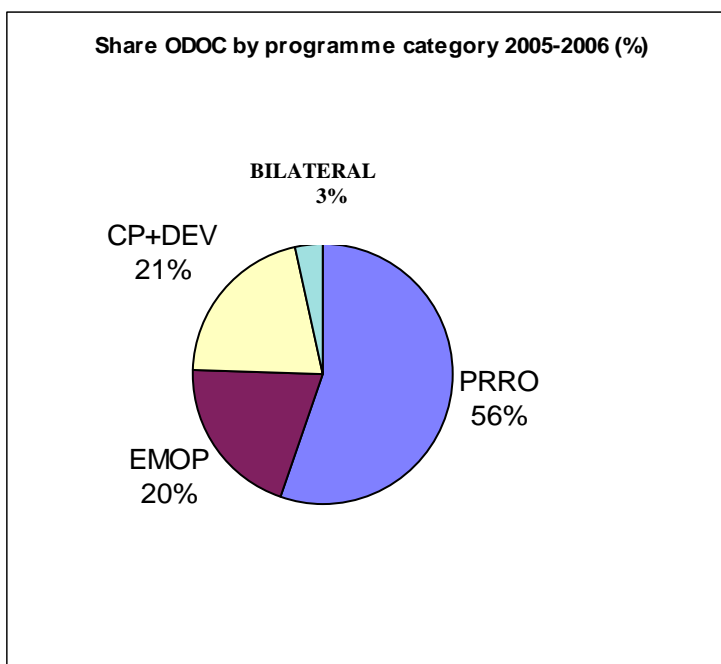
41. The mainstreamed Strategic Objective 5 activities are mainly funded through ODOC,⁷ which includes non-food items, services and training for beneficiaries and implementing partners. The budget lines for capacity development are those for staff and staff-related costs and equipment and capital costs. Staff such as UNVs are normally outposted to recipient governments. Staff-related costs include training and technical assistance for governments, counterparts and implementing partners. Non-food items are usually provided for the government of the recipient country or implementing partners for monitoring purposes.
42. The amount expended through ODOC⁸ between 2005 and 2006 was slightly over US\$48 million, of which 56 percent was through protracted relief and recovery operations (PRROs), 21 percent under CPs and development projects (DEVs), 20 percent through emergency operations (EMOPs) and 3 percent through bilateral operations.
43. The use of ODOC for capacity development increased from US\$21 million in 2005 to US\$27 million in 2006, attributable to increased provision of equipment and capital inputs such as vehicles, computers and agricultural tools. In 2006, US\$18 million was spent on these budget items; the training of counterpart staff accounted for slightly over

⁷ Budget items are divided into (i) staff and staff-related costs, (ii) recurring costs and (iii) equipment and capital costs.

⁸ This number has been calculated excluding "recurring expenses", which are only applicable as ODOC for special operations (SOs) where relevant.



US\$3 million. Training accounts on average for 13 percent of ODOC⁹ (see diagrams below).



B) Stand-alone or “cash-only” Strategic Objective 5 activities

44. The stand-alone Strategic Objective 5 projects are funded by bilateral donors, recipient governments through locally-generated trust funds or a bilateral donor to the government through donor trust funds. Between 2005 and 2006, US\$4.5 million was spent on the three stand-alone projects, but the cost of the Southern Africa regional project 10394 accounted for 60 percent of the total.

⁹ See footnote 7.

45. Project 10394 “Strengthening Vulnerability Analysis in the Southern Africa Development Region” was entirely funded with US\$2.7 million from the Government of the Republic of South Africa.

LAC/10411-10421:

46. The Latin America projects are facing significant shortfalls in funding: (i) 84 percent for project 10411 – of a budget of US\$8 million, only US\$1.3 million has been funded, and (ii) 92 percent for project 10421 – of a budget of US\$6 million, only US\$505,000 has been funded. Spain was the principal donor. ODP has established a resource-mobilization task force and is working to leverage resources to address the current shortfalls. Governments in the region have expressed interest in financial support for the regional initiatives. WFP is developing agreements with the Secretariat for Central American Integration (SICA) and the Organization of American States (OAS). Resources have been leveraged for joint activities in support of these projects with the Inter-American Development Bank (IADB) and the Micronutrient Initiative (MI) through the establishment of a trust fund to combat vitamin and micronutrient deficiencies in Latin America and the Caribbean; the Government of Chile has been helpful. WFP has established agreements with foundations to carry out a joint advocacy campaign including publications and mass media and fundraising activities.

C) Resource Mobilization Strategy for New CPs

47. “Financial Framework for Strategic Priority 5 Implementation” (WFP/EB.1/2005/5-A) specified that “...pending subsequent approval by the Executive Board of the financing modalities, undirected multilateral resources should not be allocated for new capacity-building activities, unless there is specific consent for this from the donor government...”. This section describes the work by Bangladesh, Bolivia, Egypt, India and Senegal to mobilize resources to fund the Strategic Objective 5 component of their new CPs.
48. **Bangladesh.** Strategic Objective 5 activities are being implemented under the DFID/WFP partnership agreement (PA), which has completed its first three-year phase (2004–2007) and is about to enter a second phase (2007–2010) with an estimated budget of US\$10 million. Strategic Objective 5 activities have been mainstreamed into the core CP activities with an estimated US\$122,000 planned expenditure allocated from ODOC for 2007–2010.
49. **Bolivia.** WFP has built partnerships with the United Nations country team (UNCT), the European Union (EU), the World Bank and others to raise resources. The country office has raised US\$3 million from a non-traditional budget line of the EU for the sustainable school feeding programme and has support from Italy and the United States for the phase-out strategy. On average, WFP Bolivia has raised US\$5 million per year and hopes to continue at the same level during the new CP. WFP has been requested to draft a resource-mobilization strategy for the United Nations joint programme to eradicate undernutrition in Bolivia. Implementation will be coordinated through the United Nations Regional Coordinator in conjunction with the Government, which will invite international cooperation agencies to a donor briefing. Some of the resources will come from the Bolivian Government. The joint programme has been well received by bilateral donors, the World Bank and the EU.
50. **Egypt.** The Strategic Objective 5 component is mainly funded through enhanced local partnerships with development actors and contributions from the Government. With regard



to the national food-subsidy reform, WFP has spent US\$1.2 million, with some “seed-money” from ISP grants. WFP is negotiating for an additional US\$2.6 million from local development partners to continue the cooperation with the Government in the context of the new CP. To address micronutrient deficiencies, an agreement has been reached where the Government will finance part of the operation, with funding from the Canadian Impact Grant and an additional grant of US\$3 million through an international NGO. WFP has signed an agreement with the European Commission for a €2 million grant to support rural development and capacity-building in Sinai. WFP has also mobilized funding from GAIN to enhance the national fortification alliance.

51. **India.** The requirements for Strategic Objective 5 activities in India have been estimated at US\$5.4 million. Funding will be sought from foundations, the private sector and cost-sharing with the Government. WFP intends to expand its partnerships with MI and GAIN. A salt-fortification pilot is being co-funded with MI in Rajasthan; two fortification pilots in Gujarat and Tamil Nadu with GAIN funding are ongoing. An MDM fortification pilot in Uttarakhand, co-funded by MI and with state cost-sharing, will start in 2007.
52. **Senegal.** WFP Senegal is mobilizing resources for its CP Strategic Objective 5 component from ODOC and special grants and trust funds where appropriate. The country office is exploring other funding opportunities.

D) Headquarters Initiatives

53. Over the years WFP has benefited from trust funds from donors to help to build capacity in nutrition, contingency planning, VAM and needs assessments that have been vital in developing new initiatives as described above. Because trust funds are not directly linked to PSA costs, ODOC or direct support costs (DSC), this channel is separate from the regular budgets. Overall, WFP spent US\$6 million in 2006 on pilot projects under Strategic Objective 5, including Headquarters support activities.

CONCLUSIONS

54. Capacity development for Strategic Objective 5 requires changes it is an “outcome” that occurs gradually as a result of learning; it takes time before the change can be measured and evaluated.
55. Capacity development is most successful where WFP commits itself to partnerships with government counterparts or with governments and other organizations.
56. WFP has been more successful where it builds on technical areas in which it has established a good reputation through support for traditional food aid operations. But some country offices and regions have seen niches where WFP can have a comparative advantage, bring innovation and contribute to national development processes.



ACRONYMS USED IN THE DOCUMENT

AIDS	auto-immune deficiency syndrome
APR	Annual Performance Report
CAN	Andean Community of Nations
CFNI	Caribbean Food and Nutrition Institute
CIDA	Canadian International Development Agency
CP	country programme
DEV	development project
DFID	Department for International Development
DNCS	<i>Division nationale des cantines scolaires</i> , National Division for School Feeding
DSC	direct support costs
ECLAC	Economic Commission for Latin America and the Caribbean
ECW	Enhanced Commitments to Women
EFSA	emergency food security assessment
EMOP	emergency operation
ENA	Emergency needs assessment
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FFE	food for education
GAIN	Global Alliance for Improved Nutrition
HIV	human immune-deficiency virus
IADB	Inter-American Development Bank
IEC	information, education and communication
IFPRI	International Food Policy Research Institute
INCAP	Nutrition Institute for Central America and Panama
M&E	monitoring and evaluation
MCHN	mother-and-child health and nutrition
MDM	midday meal
MI	Micronutrient Initiative
MOU	memorandum of understanding
NGO	non-governmental organization
OAS	Organization of American States
ODA	official development assistance



ODOC	other direct operational costs
ODP	Latin America and Caribbean Regional Bureau
PA	partnership agreement
PAHO	Pan-American Health Organization
PANCAP	Pan-Caribbean AIDS Partnership
PDP	Policy Strategy and Programme Support Division
PLHIV	people living with HIV
PMU	programme management unit
PRRO	protracted relief and recovery operation
PSA	Programme Support and Administrative (budget)
RBM	results-based management
RVAC	Regional Vulnerability Analysis Committee
SADC	Southern Africa Development Community
SICA	Secretariat for Central American Integration
SO	special operation
SPR	standard project report
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNCT	United Nations country team
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
UNV	United Nations volunteer
USAID	United States Agency for International Development
VAC	vulnerability analysis committee
VAM	vulnerability analysis and mapping
WHO	World Health Organization