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Mundial  
de Alimentos

**Executive Board  
First Regular Session**

**Rome, 13 - 16 February 2001**

# **PROJECTS FOR EXECUTIVE BOARD APPROVAL**

**Agenda item 9**

***For approval***



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**WFP/EB.1/2001/9-B**

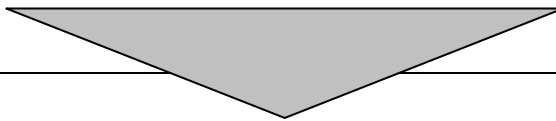
27 December 2000

ORIGINAL: ENGLISH

## **BUDGET INCREASE TO DEVELOPMENT PROJECT— BHUTAN 3734.02**

**Support to Primary Education**

# Note to the Executive Board



**This document is submitted for approval by the Executive Board.**

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 matters of dispatch of documentation for the Executive Board, please contact the Supervisor, Meeting Servicing and Distribution Unit (tel.: 066513-2328).



# Executive Summary

## BACKGROUND

1. The Government of Bhutan has always placed great emphasis on self-reliance. In this spirit, WFP and the Government of Bhutan had planned to phase WFP assistance out of Bhutan by the end of the Eighth Five-Year Plan, i.e. December 2002.
2. Project 3734.02, "Support to Primary Education", was approved in 1998. Activities began in March 1999<sup>1</sup> for a duration of four years, through December 2002. The project targets 99,640 boarding and day-school students, providing meals to community, primary, junior high and high schools. The table under paragraph 6 provides greater detail.
3. The project programmed for the phasing out of high school boarders after the first year and junior high school boarders after the second year. It also planned a progressive phasing down of primary school day students from 10,220 in year one to 4,000 in year four. Lastly, primary and community school boarders were to receive two meals a day from WFP, while the remaining student beneficiaries would be provided with one meal.

## RATIONALE

4. In 1999, the Government of Bhutan requested WFP to reconsider its phase-out decision. A WFP Policy Review Mission was fielded in September/October 1999 to re-assess the situation. The mission recommended that WFP assistance continue through the Ninth Five-Year Plan, i.e. until 2007.
5. Further, the mission recommended that a new Country Strategy Outline be prepared and be followed by a Country Programme. It was also recommended that in lieu of the gradual phasing down, as originally programmed, WFP food assistance should remain at the 1999 level until the start of the Country Programme.
6. Accordingly, in 2000 the Government of Bhutan was authorized to proceed with accelerated use of commodities within the original budget. This was to accommodate the increased food requirements resulting from the revised number of meals per day and the increase in the number of beneficiaries.

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<sup>1</sup> Project activities started in March 1999, as the school year in Bhutan runs from March through December. However, the project life runs from 01.01.1999 to 31.12.2002.



| Beneficiary type                      | Number of meals<br>per day |         | Number of beneficiaries |               |               |               |
|---------------------------------------|----------------------------|---------|-------------------------|---------------|---------------|---------------|
|                                       | Original                   | Revised | Original                | Revised       |               |               |
|                                       |                            |         |                         | 2000          | 2001          | 2002          |
| Community and primary school boarders | 2                          | 2       | 12 700                  | 6 918         | 7 319         | 7 778         |
| Primary school day students           | 1                          | 1       | 8 000                   | 7 285         | 7 229         | 7 692         |
| Junior high boarders                  | 1                          | 2       | 7 700                   | 6 122         | 7 164         | 7 532         |
| Junior high day students              | 1                          | 1       | N/A                     | 1 841         | 2 294         | 2 412         |
| High school boarders                  | 0                          | 2       | N/A                     | 8 114         | 9 768         | 11 794        |
| High school day students              | 0                          | 1       | N/A                     | 642           | 764           | 852           |
| <b>Total beneficiaries</b>            |                            |         | <b>28 400</b>           | <b>30 922</b> | <b>34 538</b> | <b>38 060</b> |

7. There were two additional reasons for an increase in beneficiaries, hence an increased food requirement.
8. First, the original design of the project had not taken into account the Bhutanese definition of junior high and high school students. Formal education in Bhutan starts at the age of 6 with pre-primary class. A school is classified by the highest level of grade that is offered at that particular school. *Primary schools* include classes pre-primary to 6; *junior high schools* include pre-primary to 8; and *high schools* normally cover grades pre-primary to 10 and in limited cases up to 12. Thus, many primary students were disadvantaged in the number of meals received as a result of their schools being classified as junior or high schools. Since the education system has been expanded, individual schools have been re-classified from primary to junior high to high school. Thus, junior high or high schools have been steadily replacing the number of primary schools in Bhutan. Nevertheless, the primary grade level students, no matter how their school is categorized, need to be considered for school feeding.
9. Second, after the approval of the project, the Government extended the length of basic education in Bhutan to Grade 8 from the original Grade 6. Therefore, there now is a greater number of students remaining in school through grades 7 and 8. Basic education will further be increased to grade 10 starting in 2002, i.e. from the beginning of the Ninth Five-Year Plan. More food will therefore be required.
10. In summary, an increase in the original budget is necessary for the additional food and cash requirements resulting from:
  - A reversal of the phasing out schedule;
  - an increase in the number of meals per student; and
  - the correction of exclusion errors in targeting beneficiaries.

## FOOD REQUIREMENTS

11. The programmed acceleration of project 3734.02 will result in a depletion of the originally



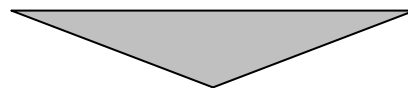
approved budget by the end of 2001. It is therefore necessary to increase the budget to meet requirements until the beginning of the Country Programme in July 2002.

12. Individual rations per meal consist of 100 grams of rice, 50 of *kharang* (maize grits), 20 of pulses and 10 of vegetable oil.
13. An additional commitment of 1,652 tons of rice, 787 of *kharang*, 320 of pulses and 162 of oil is recommended. WFP will also have to mobilize cash contributions totalling US\$16,801 in order to cover external transport of oil, US\$11,632 costs for landside transport and US\$112,021 for internal transport, storage and handling (ITSH) costs.

#### **RECOMMENDATION OF THE EXECUTIVE DIRECTOR**

14. The proposed budget increase, reflecting an additional requirement of food and cash, is recommended to the Executive Board for approval. Details are provided in the Annex.

## **Draft Decision**



The Board approves the budget increase of US\$1,049,692 to development project Bhutan 3734.02—Support to Primary Education (WFP/EB.1/2001/9-B).



**PROJECT BHUTAN 3734.02—SUPPORT TO PRIMARY EDUCATION  
TOTAL COST BREAKDOWN**

|  | Latest       | Revised       | Difference   | Latest<br>cost | Revised<br>cost | Latest total<br>value | Revised total<br>value | Difference       |
|--|--------------|---------------|--------------|----------------|-----------------|-----------------------|------------------------|------------------|
|  | (tons)       |               |              | (dollars)      |                 |                       |                        |                  |
| <b>WFP COSTS</b>                         |              |               |              |                |                 |                       |                        |                  |
| <b>A. Direct operational costs</b>       |              |               |              |                |                 |                       |                        |                  |
| Commodity                                |              |               |              |                |                 |                       |                        |                  |
| Rice                                     | 4 312        | 5 964         | 1 652        | 280            | 280             | 1 207 360             | 1 669 920              | 462 560          |
| <i>Kharang</i> (maize grits)             | 2 157        | 2 944         | 787          | 225            | 225             | 485 325               | 662 400                | 177 075          |
| Pulses                                   | 863          | 1 183         | 320          | 500            | 500             | 431 500               | 591 500                | 160 000          |
| Vegetable oil                            | 431          | 593           | 162          | 750            | 750             | 323 250               | 444 750                | 121 500          |
| Soya chunks                              | 625          | 140           | (485)        | 300            | 300             | 187 500               | 42 000                 | (145 500)        |
| Canned fish                              | 130          | 130           | -            | 2 000          | 2000            | 260 000               | 260 000                | -                |
| <b>Total commodities</b>                 | <b>8 518</b> | <b>10 954</b> | <b>2 436</b> |                |                 | <b>2 894 935</b>      | <b>3 670 570</b>       | <b>775 635</b>   |
| Transport costs                          |              |               |              |                |                 | 53 873                | 60 758                 | 6 885            |
| LTSH a) or b)                            |              |               |              |                |                 |                       |                        |                  |
| a) Landslide transport                   |              |               |              |                |                 | 40 392                | 52 056                 | 11 664           |
| b) ITSH                                  |              |               |              |                |                 | 391 828               | 503 884                | 112 056          |
| <b>Subtotal direct operational costs</b> |              |               |              |                |                 | <b>3 381 028</b>      | <b>4 287 268</b>       | <b>906 240</b>   |
| <b>Other direct operating costs</b>      |              |               |              |                |                 | <b>193 500</b>        | <b>261 000</b>         | <b>67 500</b>    |
| <b>Total direct costs</b>                |              |               |              |                |                 | <b>3 574 528</b>      | <b>4 548 268</b>       | <b>973 740</b>   |
| <b>B. Direct support costs</b>           |              |               |              |                |                 | <b>173 055</b>        | <b>173 055</b>         | <b>-</b>         |
| <b>C. Indirect support costs</b>         |              |               |              |                |                 | <b>485 759</b>        | <b>561 711</b>         | <b>75 952</b>    |
| <b>TOTAL PROJECT COSTS</b>               |              |               |              |                |                 | <b>4 233 342</b>      | <b>5 283 034</b>       | <b>1 049 692</b> |

