

BUDGET INCREASE TO PROTRACTED RELIEF AND RECOVERY OPERATION PROJECT: 200453

Title of the project

Start date: 01 May 2013 **End date:** 30 April 2015 **Extension/Reduction period:** N/A

New end date: N/A

Cost (United States dollars)			
	Current Budget	Increase	Revised Budget
Food and Related Costs	162 987 825	3 383 644	166 371 469
Cash and Vouchers and Related Costs	43 877 607	(3 096 100)	40 781 507
Capacity Development & Augmentation	482 000	300 000	782 000
DSC	25 647 725	2 791 335	28 181 060
ISC	16 309 661	236 522	16 546 183
Total cost to WFP	249 304 818	3 615 401	252 920 219

NATURE OF THE INCREASE

1. The general context in Zimbabwe remains unchanged from the analysis provided in the first budget revision one (BR01) to Protracted Relief and Recovery Operation (PRRO) 200453 “Responding to Humanitarian Needs and Strengthening Resilience to Food Insecurity”.
2. Budget revision two (BR02) aligned the PRRO budget with WFP’s new Financial Framework Review (FFR).
3. Budget revision three (BR03) revised other direct operational costs (ODOC) elements to reallocate some to *C&V Related and Other Costs* budget lines and incorporate new *capacity development and augmentation* (CD&A) costs.
4. This budget revision four (BR04) for the period April 2014 to April 2015 seeks to revise beneficiary numbers as well as Direct Support Costs (DSC), Landside Transport Storage & Handling (LTSH) and CD&A costs as follows:
 - Amend the number of beneficiaries and associated food assistance costs under the health and nutrition promotion activity of the PRRO to: reduce planned school feeding beneficiaries by 10,000, assist 18,000 beneficiaries aged 6-23 months and an additional 79,000 food insecure household members hosting malnourished clients.
 - Amend the number of beneficiaries and associated food assistance costs under the disaster response and risk (DRR) reduction activity to increase the number of returnees assisted on an annual basis by 25,000.
 - Incorporate additional CD&A costs intended to enhance the Government of Zimbabwe’s ability to assess, plan and coordinate resilience-building programmes for food security and nutrition, through the food and nutrition security committees together with associated monitoring and evaluation activities.

- In addition to the support provided to the Government of Zimbabwe, specific CD&A activities shall be supported for Ministry of Health, for nutrition prevention and improvement initiatives.
- Revise the LTSH rate from US\$ 264.40 to US\$ 269.82 per mt mainly due to increases in overland port and transport costs.
- Increase the DSC budget from 12 to 14 percent of *Total Direct Operating Costs (US\$207,934,976)* to include the following:
 - i. Assessments, evaluations, monitoring, including an operations evaluation of PRRO 200453;
 - ii. Freight costs on replacement vehicles from Global Vehicle Leasing Pool (GVLP);
 - iii. Staff and travel costs associated with enhanced C&V transfers and implementation of CD&A activities; and
 - iv. Increased standard position cost rates.
- To align the PRRO to the WFP Strategic Plan (2014-2017) and its results framework.

In light of the above, the overall budget will increase from US\$ 249,304,818 to US\$ 252,920,219.

JUSTIFICATION FOR REVISION

Summary of Existing Project Activities

5. In line with WFP's Strategic Plan (2014–2017), the objectives of the PRRO are to:
 - Save lives, protect livelihoods and enhance self-reliance among vulnerable households in response to seasonal food shortages (Strategic Objective 1)¹;
 - Improve the well-being of anti-retroviral therapy (ART) and tuberculosis (TB) clients in order for them to recover their productive capacity; and stabilize or reduce under-nutrition among children and mothers (Strategic Objective 2)²;
 - Support highly vulnerable, food insecure households by strengthening their resilience to shocks and reducing disaster risks through food and nutrition assistance (Strategic Objective 3)³.

6. PRRO 200453 promotes a transition from emergency assistance to recovery while maintaining a capacity for emergency response. It strikes a balance between direct implementation by WFP and support to the national Government to enhance national safety-net systems. The three main activities under the PRRO are:
 - **Disaster response and risk reduction:** A Seasonal Targeted Assistance (STA) programme provides food assistance for seasonally food-insecure vulnerable households. In addition, national capacity development for disaster response and risk management is supported.
 - **Health and nutrition promotion:** In addition to Moderately Acutely Malnourished (MAM) HIV/AIDS and TB clients, WFP assists moderately acute malnourished pregnant and nursing women and children under five at clinics. A

¹ Strategic Objective 1: Save lives and protect livelihoods in emergencies.

² Strategic Objective 2: Support or restore food security and nutrition and establish or rebuild livelihoods in fragile settings and following emergencies.

³ Strategic Objective 3: Reduce risk and enable people, communities and countries to meet their own food and nutrition needs.

stunting prevention pilot programme (which has formed an integral component of the design of the PRRO since its inception) will be implemented in a district where WFP is already implementing MAM treatment.

- **Food assistance/cash for assets (FFA/CFA):** In line with WFP's new strategic direction in Zimbabwe, these activities build resilience through the creation of productive assets. They empower vulnerable communities to move away from dependency on food assistance, promote self-reliance, reduce disaster risk and support climate change adaptation.
7. As of May 2014, WFP Zimbabwe will pilot the new corporate system for cash operations (SCOPE). Increased utilization of the cash and voucher modality for all programme activities in rural areas will allow additional benefits by supporting market dynamics and giving beneficiaries the flexibility to choose local cereal sources. At this time, electronic and paper vouchers are being used in two urban centres under the health and nutrition promotion component while cash-for-cereal transfers are being implemented in some rural districts under the STA activity.

Purpose of Extension and Budget Increase

8. **Health and nutrition promotion:** The school feeding pilot project envisaged under the health and nutrition promotion activity of the PRRO was postponed in consultation with Government of Zimbabwe to allow for a more comprehensive situation analysis to take place prior to the start of the pilot. Thus school feeding activities will not be implemented under this PRRO for the period of April 2014 to April 2015. An inter-ministerial Government of Zimbabwe study tour to the WFP Centre of Excellence in Brazil has been planned for the latter part of 2014 and will inform the pilot which is now scheduled to begin in 2015. The number of school feeding beneficiaries is therefore reduced by 10,000.
9. Within this component, a pilot for stunting prevention of children aged 6-23 months has been more clearly defined. The elaboration of the stunting prevention component in the health and nutrition portfolio of activities seeks to use the existing UN Nutrition Flagship as an entry point, operationalizing a multi-stakeholder and integrated approach already in place. The needs for such a strategy as well as the specialized nutritional product were identified in the PRRO, though the numbers of beneficiaries were not fully defined. In this context, a pilot project to prevent stunting in children aged 6-23 months will target 18,000 beneficiaries under a blanket supplementary feeding programme using the specialized nutrition product Super Cereal Plus. The pilot will be implemented in one district which has high stunting prevalence rates and in absolute numbers. Behaviour change communication will be conducted in partnership with other UN agencies and the Government. This will cover a wide range of nutrition messages including, but not limited to infant and young child feeding, health and hygiene practices, agriculture crop diversification, as well as strengthened nutrition, health surveillance and disease management.
10. Under the health and nutrition promotion activity of the PRRO, malnourished pregnant and lactating women, children 6-59 months and HIV/TB clients (Health and Nutrition clients) who belong to food insecure households are provided with a household ration. The programme initially estimated that 70 percent of malnourished clients were from food insecure households. However, based on the monitoring of this activity, WFP noted that the percentage of food insecure households in this category is closer to 90 percent. As such, this BR seeks to provide food assistance to a total of 355,000 beneficiaries through household support, which is an increase of 79,000 beneficiaries. Of the total 355,000

beneficiaries, 275,000 beneficiaries will receive food and 80,000 voucher transfers on an annual basis.

11. **Disaster Response and Risk Reduction:** The PRRO originally planned to provide food assistance to 5,000 returnees annually. However, WFP has been providing food assistance to 3,500-4,000 returnees at the Beitbridge and Plumtree centres on a monthly basis. This caseload is not projected to reduce significantly up to the end of the PRRO as illegal migrants continue to be deported from neighbouring countries. This BR therefore increases the number of beneficiaries in this category to align with the actual situation on the ground.

12. **Cash and vouchers:** In line with corporate guidance, WFP Zimbabwe will assume direct responsibility for cash and voucher retailer management and a beneficiary database. The C&V Related Costs budget line was increased under BR3 to include costs of retailer assessment and monitoring in final delivery points in rural areas. Costs for offline payment options were also included in view of the lack of adequate network coverage and electricity shortages in some rural areas. This BR will increase Direct Support Costs (DSC) elements associated with the enhanced use of the C&V modality, primarily travel and staffing.

13. **Capacity development and augmentation:** In order to determine the nature of capacity transfer activities a short-term consultancy was launched to conduct an assessment of the food and nutrition council (FNC). This is supported by the CO's Vulnerability Analysis Monitoring Evaluation (VAME) which is a two year strategy outlining the roadmap of WFP's technical engagement. Additional efforts to assist the national Government in analyses on food security and nutrition include: support for the pilot micro-nutrient powder study and food consumption survey; behaviour change communication and nutrition training; finalization of fortification and nutrition strategies; and support to World Aids day and HIV profiling studies.

TABLE 1: BENEFICIARIES BY ACTIVITY^[1]				
Activity	Category of beneficiaries	Current	Increase	Revised
Asset creation and resilience				
	Food for Assets	140,000	0	140,000
	Cash/food for Assets	210,000	0	210,000
Health and Nutrition Promotion				
	Treatment of moderate acute malnutrition			
	<ul style="list-style-type: none"> • Anti-Retroviral treatment (ART) clients 	50,000	0	50,000
	<ul style="list-style-type: none"> • TB clients 	3,000	0	3,000
	<ul style="list-style-type: none"> • Pregnant and lactating women 	5,000	0	5,000
	<ul style="list-style-type: none"> • Children under 5 	21,000	0	21,000
	Stunting prevention			
	<ul style="list-style-type: none"> • Children 6-23 months 	0	18,000	18,000
	Support for food-insecure households hosting			

^[1] Some 624,000 beneficiaries will receive assistance through cash and vouchers across the three programme activities.

	malnourished HIV/TB clients			
	<ul style="list-style-type: none"> Recipients of food 	226,000	49,000	275,000
	<ul style="list-style-type: none"> Recipients of cash and vouchers 	50,000	30,000	80,000
	Pilot: school feeding	10,000	(10,000)	0
Disaster Response and Risk Reduction				
	Recipients of food	1,260,000		1,260,000
	Recipients of cash and food	540,000		540,000
	Returnees	5,000	25,000	30,000
	Contingency	10,000	0	10,000
ACTUAL TOTALS		2,530,000	112,000	2,642,000

TABLE 1A: BENEFICIARIES BY ACTIVITY^[2]

Activity	Category of beneficiaries	Male	Female	Total
Asset creation and resilience				
	Food for Assets	67,200	72,800	140,000
	Cash/food for Assets	100,800	109,200	210,000
Health and Nutrition Promotion				
	Treatment of moderate acute malnutrition			
	<ul style="list-style-type: none"> Anti-Retroviral treatment (ART) clients 	24,000	26,000	50,000
	<ul style="list-style-type: none"> TB clients 	1,440	1,560	3,000
	<ul style="list-style-type: none"> Pregnant and lactating women 		5,000	5,000
	<ul style="list-style-type: none"> Children under 5 	10,080	10,920	21,000
	Prevention of stunting			
	<ul style="list-style-type: none"> children 6-23 months 	8,640	9,360	18,000
	Support for food-insecure households hosting malnourished HIV/TB clients			
	<ul style="list-style-type: none"> Recipients of food 	132,000	143,000	275,000
	<ul style="list-style-type: none"> Recipients of cash and vouchers 	38,400	41,600	80,000
	Pilot: school feeding			0
DRR Seasonal Targeted Assistance				
	Recipients of food	576,000	624,000	1,200,000
	Recipients of cash and food	144,000	156,000	300,000
	Returnees	14,400	15,600	30,000
	Contingency	4,800	5,200	10,000

^[2] Some 624,000 beneficiaries will receive assistance through cash and vouchers across the three programme activities.

FOOD REQUIREMENTS

14. This BR does not reflect any retroactive changes for the period from May 2013 to March 2014. Increases and decreases to tonnage are based on the difference with the PRRO project document and BR01. Going forward from April 2014 to April 2015, the changes are as follows for the PRRO components:

- Under the DRR component, this BR has increased the returnee numbers and the total associated tonnage increase is 3,825 mt.
- Under the health and nutrition promotion activity, the increase of 9,506 mt is due to the increase in beneficiary figures. This includes the 976 mt for the prevention of stunting activity. While the plan for this activity is to provide 200 gms of super cereals plus per child (the possibility of sharing among household members has been considered), WFP will be conducting an intensive campaign to discourage this behavior, with partners and WFP staff closely monitoring the sharing through the monthly post distribution monitoring activity. The objective would be to reduce the ration size as the sharing is shown to have decreased.
- Under the Food /Cash for Assets component, the decreased tonnage of 10,449 mt and US\$ 3.855 million is due to the reduction in beneficiaries for the April 2014 to April 2015 period. Please note, there is no overall decrease in beneficiary numbers as more F/CFA beneficiaries were reached in the May 2013 to March 2014 period.

TABLE 3: FOOD / CASH & VOUCHER REQUIREMENTS BY ACTIVITY TYPE

Activity		Current		Increase (Decrease)		Requirement	
		Total Food/MT	Total \$ C&V	Total Food/MT	Total \$ C&V	Total Food/MT	Total \$ C&V
Health & Nutrition	Treatment of MAM for ART/TB clients	6,096	-	170	-	6,266	-
	Treatment of MAM For PLW and children under five	4,800	-	(615)	-	4,185	-
	Support for food-insecure households hosting malnourished HIV/TB clients through food	27,586	-	9,191	-	36,777	-
	Support for food-insecure households hosting malnourished HIV/TB clients through C&V	-	9,600,000	-	(560,000)	-	9,040,000
	Stunting Prevention	200	-	976	-	1,176	-
	Pilot: School Feeding	432	-	(216)	-	216	-
Disaster Risk Reduction	STA - Food	90,952	-	0	-	90,952	-
	STA - Cash	9,684	14,086,000	-	-	9,684	14,886,000
	Returnees	72	-	3,825	-	3,897	-

	Contingency	3,060	-	-	-	3,060	-
Cash/FFA	Cash for Cereal/ Cash for full basket	8,085	11,760,000	(4,648)	(3,295,000)	3,437	7,665,000
	Food	24,990	-	(5,801)	-	19,189	-
Total Requirements		175,957	35,446,000	2,882	(3,855,000)	178,839	31,591,000

Activity		Cereals	Pulses	Oil	Super Cereal	Supercereal Plus	Total Food
Health & Nutrition	Treatment of MAM for ART/TB clients	-			170		170
	Treatment of MAM For PLW and children under five	-			(615)		(615)
	Support for food-insecure households hosting malnourished HIV/TB clients through food	7,209	1,442	541			9,192
	Support for food-insecure households hosting malnourished HIV/TB clients through C&V	-					0
	Stunting Prevention	-				976	976
	Pilot: School Feeding	-		(18)	(198)		(216)
Disaster Response & Risk Reduction	STA - Food						0
	STA – Cash for cereals	-					0
	Returnees	3,000	600	225			3,825
	Contingency	-					0
Cash/FFA	CfC/Full Cash	-	(3,380)	(1,268)			(4,648)
	Food	(4,550)	(910)	(341)			(5,801)
Total Requirements		5659	(2248)	(861)	(643)	976	2883

15. CO food procurement strategy is guided by the principle ‘of ensuring that appropriate commodities are available to WFP beneficiaries in a timely and cost-effective manner’, guided by the Donor conditions in contribution Memorandum of Understanding (MOU). Cereals, pulses and super cereal will be procured by the OMJ regional bureau, while vegetable oil will be procured OSPF. If commodities are available in the Southern Africa Forward Purchase Facility (FPF) CO will draw from existing stocks. CO will also work with OMJ regional bureau in order to explore local purchases of cereals in areas of potential surplus and with a view to support smallholder farmers. Super cereal plus will continue to be procured internationally in a timely manner as this commodity has a long lead time (currently only produced in Europe).

Hazard / Risk Assessment and Preparedness Planning

16. Operational risks related to the use of the cash and voucher transfer modality include those related to the availability of reliable retailers and retailer management in rural areas, as well as risks associated with financial institutions/service providers delivering cash or making payments. To mitigate such operational risks, additional control mechanisms will be put in place when contracting retailers to ensure they can provide the services required by WFP and its cooperating partners. The Government of Zimbabwe supports the use of cash and voucher transfers and this aspect has also been incorporated into the recent extension of the MOU between the Government and WFP.
17. Contextual risks to successful implementation of the health and nutrition programme include lack of sufficient donor funding, which would mean that highly vulnerable groups and their households do not receive nutritional products and food rations. This risk will be mitigated by specific and intensified donor outreach for this programme, building on the Scaling Up Nutrition initiative as well as the nutrition flagship programme. WFP will continue to seek to mobilize new and traditional funding streams for this programme. Another key contextual risk for successful implementation is the lack of adequate Government partners' capacities. This risk will be mitigated through the implementation of CD&A activities.

RECOMMENDATION OF THE EXECUTIVE DIRECTOR

The proposed additional commitment of food, resulting in the revised budget for project 200453 is recommended to the Executive Director for approval.

Approved by:

Ertharin Cousin
Executive Director, WFP

Date

ANNEX I-A

PROJECT COST BREAKDOWN			
	Quantity (mt)	Value (US\$)	Value (US\$)
<i>Food Transfers</i>			
Cereals	5,659	1,874,538	
Pulses	-2,249	-1,484,779	
Oil and fats	-861	-1,072,827	
Mixed and blended food	333	849,112	
Others	-	-	
Total Food Transfers	2,882	166,044	
External Transport		(3,857)	
LTSH		2,086,619	
ODOC Food		1,134,838	
Food and Related Costs ¹		3,383,644	
C&V Transfers		-3,855,000	
C&V Related costs		758,900	
Cash and Vouchers and Related Costs		-3,096,100	
Capacity Development & Augmentation		300,000	
<i>Direct Operational Costs</i>			587,544
Direct support costs (see Annex I-B)			2,791,335
Total Direct Project Costs			3,378,879
Indirect support costs (7,0 percent) ²			236,522
TOTAL WFP COSTS			3,615,401

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

² The indirect support cost rate may be amended by the Board during the project.

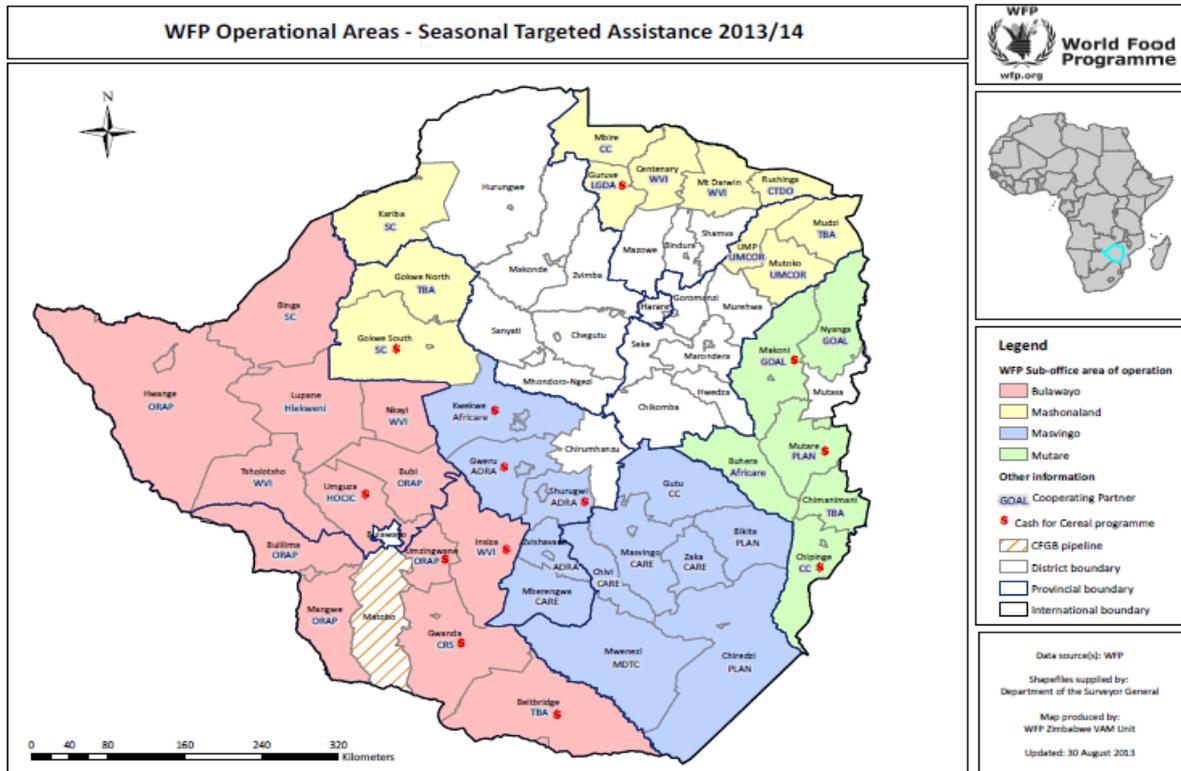
ANNEX I-B

* Costs to be included in this line are under the following cost elements: International Professional Staff (P1 to D2), Local Staff - National Officer, International Consultants, Local Consultants, UNV

** Costs to be included in this line are under the following cost elements: International GS Staff, Local Staff- General Service, Local Staff - Temporary Assist. (SC, SSA, Other), Overtime

DIRECT SUPPORT REQUIREMENTS (US\$)	
WFP Staff and Staff-Related	
Professional staff *	752,096
General service staff **	416,944
Danger pay and local allowances	0
Subtotal	1,169,040
Recurring and Other	326,000
Capital Equipment	8,001
Security	13,400
Travel and transportation	499,999
Assessments, Evaluations and Monitoring¹	516,895
TOTAL DIRECT SUPPORT COSTS	2,533,335

MAP



ACRONYMS USED IN THE DOCUMENT

ART	Anti-Retroviral Treatment
C&V	Cash & Voucher
CD&A	Capacity Development and Augmentation
DRR	Disaster Risk and Reduction
DSC	Direct Support Costs
FFA/CFA	Food assistance/cash for assets
FFR	Financial Framework Review
FNC	Food Nutrition Council
FPF	Forward Purchase Facility
GVLP	Global Vehicle Leasing Pool
HAP	Humanitarian Action Plan
HIV	Human immune deficiency virus
ISC	Indirect Support Costs
LTSH	Land Transport, Storage and Handling
MAM	Moderately Acutely Malnourished
MOU	Memorandum of Understanding
ODOC	Other Direct Operational Costs
PLHIV	People Living with HIV/AIDS
PRRO	Protracted Relief and Recovery Operation
SOs	Strategic Objectives
STA	Seasonal Targeted Assistance
TB	Tuberculosis
VAME	Vulnerability Analysis Monitoring Evaluation

ANNEX IV - [LTSH-matrix](#)

ANNEX V - [Project Budget Plan](#)

ANNEX VI - [Project Statistics](#)