

PROFORMA FOR PROJECT REVISION SUBMISSION

Submission through Programme Review Process and then approval by
The Executive Director (ED)

BUDGET REVISION 03 TO PROTRACTED RELIEF AND RECOVERY OPERATION PROJECT 200443:

Strengthening food and nutrition security and enhancing resilience in Somalia

Start date: 1/1/2013 End date: 31/12/2015

NATURE OF THE DECREASE

Cost (United States dollars)			
	Current Budget	Increase	Revised Budget
Food and Related Costs	592,218,218	(59,985,845)	532,232,373
Cash and Vouchers and Related Costs	55,874,653	(7,739,340)	48,135,313
Capacity Development & Augmentation	2,456,800	-	2,456,800
DSC	159,137,646	(112,275)	159,025,370
ISC	56,678,112	(4,748,622)	51,929,490
Total cost to WFP	866,365,429	(72,586,083)	793,779,347

1. The purpose of this BR is as follows:

- Reduce 2015 number of beneficiaries based on food security and nutrition trend analysis as well as the results of a recent post-Gu food security and nutrition assessment;
- Adjust commodity requirements, Cash and Voucher (C&V) requirements and related costs as per reduction in beneficiaries;
- Adjust Direct Support Costs (DSC) budget to absorb security related costs following the termination of Special Operation 200637 due to the lack of funding.
- Adjust Land Transport, Storage and Handling (LTSH) costs to account for the reduced tonnage, increase use of airfreight, increase in port charges and the use of a time charter vessel

2. This revision will decrease the overall budget by US\$72 million, from US\$866 million to US\$794 million. Overall, the food tonnage will decrease from 443,607 mt to 383,015 mt and the C&V transfer value from US\$42.1 million to US\$35.7 million.

JUSTIFICATION FOR BUDGET REVISION

Summary of Existing Project Activities

3. The objectives of PRRO 200443 are:

- Enhance the resilience of communities through food assistance for assets interventions and strengthened partnerships (aligned to SO3).
 - Rebuild household food and nutrition security with preventive and treatment interventions, school meals and food assistance for assets (aligned to SO2).
 - Protect livelihoods during shocks and seasonal vulnerability through blanket supplementary feeding and targeted relief as appropriate (aligned to SO1).
4. The previous PRRO Budget Revision (BR02) covered the period January to December 2014, leaving the PRRO's original plan for 2015 unchanged.

Conclusion and Recommendations of the Re-Assessment

5. The overall food security situation in Somalia has improved since the 2011 famine, although a deterioration has been observed from August 2014 as compared to January 2014. According to the Post Gu 2014 assessment by the Food Security and Nutrition Analysis Unit (FSNAU), an estimated 1,025,000 people were expected to be in the Crisis and Emergency phases (IPC Phases 3 and 4) between August and December 2014. This figure represents a 20 percent increase since January 2014. Internally displaced persons (IDPs) constitute a majority (62%) of the total number of people in Crisis and Emergency (IPC Phases 3 and 4) across the country. The food security situation of additional 2.1 million people remains fragile and is classified as Stressed (IPC Phase 2). Many households in this group struggle to meet their minimal food requirements as a result of eroded coping mechanisms, and remain at risk of being pushed back to food security crisis if no support is provided.
6. The Post Gu 2014 food security and nutrition survey (September 2014) indicates that 14.9 percent of the population of children under the age of five in Somalia are acutely malnourished, with 2.6 percent being severely malnourished. This translates into 218,000 acutely malnourished children, including 44,000 who are severely malnourished across Somalia¹. The majority of these children (over 74%) are located in South Central Region. The overall figure represents a seven percent increase over the number reported in the Deyr 2013/14 food security and nutrition survey (February 2014) and signifies a deterioration of the overall nutrition situation in Somalia over the past six months.
7. Somalia is emerging from its “failed state” status and is starting to develop a functioning government. Somaliland is a self-declared independent entity and Puntland is a semi-autonomous region both of which have established governance and administrative structures. In the south-central areas of Somalia, the Federal Government of Somalia (FGS) is in direct control of Mogadishu and increasingly in parts of the border areas. Recent political stabilization efforts including the 2011 London Conference, the 2012 Istanbul Conference and the 2013 COMPACT and New Deal have increased global attention on the situation in Somalia and resulted in large

¹ The figures are comparable to the same period in 2013 where 206,000 children under the age of five were acutely malnourished (of which 40,950 were cases of Severe Acute Malnutrition). It should be noted however that the conclusions of this survey are reached through extrapolation and based on limited number of areas surveyed. Reliable data and recent population figures are not available hence there is a significant difference between the assessment estimates and the larger number of cases found during programme implementation.

international pledges for rebuilding of the federal state. However, this has yet to result in concrete political and security solutions.

Purpose of Extension and Budget Decrease

The purpose of this budget revision is to 1) re-align the 2015 beneficiary targets, commodity and C&V requirements and 2) adjust LTSH and DSC rates.

1) Re-alignment of 2015 beneficiary targets, commodity and C&V requirements

8. The current PRRO 200443 followed the relief operation that addressed the 2011 famine in Somalia. While the PRRO prioritizes building the resilience of vulnerable populations to future shocks, a large contingency of relief was included to ensure WFP could respond should another crisis emerge, based on the EMOP experience.
9. Given the frequent fluctuations of the food security situation in Somalia and the uncertainty of food requirements in 2015, the previous PRRO budget revision (BR02) only made adjustments for year 2014 and left year 2015 unchanged from the original PRRO.
10. Based on the latest food security and nutrition assessments, the current budget revision reduces the contingency caseload from 400,000 to 200,000 beneficiaries. It also reduces the relief household rations component by 234,000 beneficiaries, remaining with 341,000 beneficiaries in 2015. While this caseload does not support the entire population currently classified as IPC phase 3 and 4, it is in line with WFP's operational capacity and accessibility in South Central Somalia². Relief beneficiaries will also be considered as much as possible for follow-on livelihoods programming. It should be noted that as the ongoing AMISOM offensive in Southern Somalia continues, there is increased access to areas previously controlled by Al-Shabaab, including urban locations around Southern Somalia. Given the high level of food insecurity in several of these newly accessible towns, and continued insecurity of overland routes, WFP provided airlifts of nutrition commodities to vulnerable populations in Hudur, Gabaharey, Wajid and other locations. As overland transport to these newly accessible locations becomes possible, WFP will seek to expand its range of programming to stabilize the food security situation and support early recovery efforts.
11. The hot meal programme will be expanded to 30,000 additional beneficiaries to address the increased displacement caused by the presence of Al Shabab in rural areas of South Central Somalia and the ongoing AMISOM offensive to dislodge Al Shabab.
12. The livelihoods component, implemented through Food Assistance for Assets and Food Assistance for Training activities, will be scaled up to reach an additional 405,000 beneficiaries in 2015 across Somalia. The proposed increase is in line with the number of beneficiaries that WFP reached in 2014 under the livelihood component. Since the inception of the PRRO two years ago, WFP has worked closely with FAO and UNICEF within the framework of the Joint Resilience Strategy to identify opportunities and built capacities of agency staff cooperating partner staff and

² Other actors, including FAO, IFRC, OIC and NGOs complement WFP assistance in accessible areas.

government technical staff to implement FFA activities. The Seasonal livelihood programming (SLP) and community based participatory planning (CBPP) approaches have been used with communities and other stakeholders to ensure complementary interventions, layering of multi-sectoral interventions and appropriate activity implementation. Examples of community identified infrastructure include 35 water pans constructed and 182 shallow wells excavated; 9,924 Ha of agricultural land conserved, rehabilitated and irrigated and 15,732 m³ of check dams and gully rehabilitation structures constructed. In partnership with these WFP outputs, where possible, FAO also provided inputs for the technical design of infrastructure in cases of irrigation canals and water source/river bank rehabilitation; UNICEF complemented education activities with stationary, incentives for teachers and start-up packages for trainees in the vocational skills project. In 2015, WFP intends to build on this experience and expand the approach to other geographic areas as agreed with UNICEF and FAO.³

13. Due to the critical rates of malnutrition in South Central Somalia, coupled by poor harvest due to failed GU rains, the preventative nutrition programme (BSFP) will be expanded to assist an additional 72,000 children and PLW through blanket supplementary feeding. In areas with high rates of GAM, the BSFP period was extended by four months to prevent children from becoming acutely malnourished. Vulnerable rural populations have also been included in Lower and Middle Shebelle and in all the accessible districts in central region; this is in addition to all IDPs.
14. The planned number of TSFP beneficiaries will be reduced from 718,000 to 500,000 children under five and PLW, to align with the latest data on prevalence of acute malnutrition and current trends of beneficiaries reached in 2014. Currently, out of the planned 718,000 nearly 400,000 children under five and PLW are assisted through the supplementary feeding programme. As WFP gains access to the newly liberated districts in South Central Somalia, and the scaling up of services in Somalia, this figure is expected to increase up to 500,000.
15. Nutrition support for HIV and TB patients and their households will remain unchanged, targeting 100,000 beneficiaries.
16. Preventive Mother-and-Child Health and Nutrition (MCHN) targets will be left unchanged at 199,000 beneficiaries in 2015. On the other hand, beneficiary targets for MCHN as a one-off incentive to promote healthy pregnancies and medically supervised deliveries will increase to reach 315,000 people.
17. PRRO 200443 developed its school feeding programme targets based on a combination of access and institutional capacity. However, with the increasing security gains made by the FGS in South and Central Somalia and in partnership with United Nations Children Fund's (UNICEF) 'Go to School' Programme⁴, this revision adds 15,000 school age children to receive school meals and take home incentive rations for additional 6,500 girls.

³ FAO/UNICEF/WFP Somalia. 2012. Somalia: a Resilience Strategy. A background document for the Istanbul II Conference on Somalia.

⁴ http://www.unicef.org/somalia/SOM_resources_gotoschool.pdf and http://www.unicef.org/infobycountry/somalia_70560.html

18. With the establishment of an elected Federal Government and improved security in specific areas of Somalia, there is growing interest in voluntary repatriation. A Returnees Consortium (RC) was established in 2012 to provide holistic support to returnees. Through the consortium, WFP has supported voluntary returns of 300 IDPs⁵ in 2013 and 2014. The planned returnee targets⁶⁷ for 2015 remains unchanged at 10,000 and is incorporated under the relief household rations component.
19. Cash and voucher (C&V) transfer values will be reduced by approximately US\$6.4 million in 2015. The reduction is based on the operational capacity to implement cash transfer modalities in the past couple of years.
20. In the first two years of the PRRO implementation WFP Somalia has integrated gender sensitive programming throughout its activities and collected sex-disaggregated data on gender related outcomes and outputs in line with WFP corporate indicators. All PRRO activities have the potential through time and continuous engagement to transform gender social norms and to empower women at the household and community level. WFP has employed gender sensitive beneficiary targeting in all its projects and, where possible, prioritized women headed households. Community consultations have been carried out with men and women separately to ensure that women's voices were heard in the identification of sites for the creation of proposed assets and to ensure safety and accessibility for all. Male household members have been targeted for nutrition sensitization by Community Nutrition Workers. Gender awareness trainings for WFP staff and partners will be integrated into year three of the PRRO to strengthen the understanding and involvement of all stakeholder in mainstreaming gender in WFP's work.
21. The beneficiary complaints and feedback hotline is in place. Information received through the hotline is triangulated with monitoring data received from the Cooperating Partners.

2) Adjustment of LTSH and DSC rates

22. The LTSH budget has been adjusted in line with the reduced tonnage, resulting in a decrease of US\$22 million. Additionally, the LTSH rate has been adjusted to cater for i) use of airfreight for delivery of humanitarian assistance in the newly liberated areas in south-central Somalia where overland supply routes are yet to be accessible; ii) use of time charter vessel for delivery of commodities across Somalia for operational efficiency; iii) significant increase in port charges in Mogadishu following a change in port operating company.

⁵ To date, WFP, through the consortium, has assisted 300 IDP households return to their village of origin in Hirran Region.

⁶ 3 month returnees packages are incorporated into the relief household rations targets for 2015. In addition, as returnee households are integrated into their communities of origin, they will be incorporated into the existing livelihood, nutrition, WASH and education programmes provided by WFP, FAO and UNICEF either through the tri-agency resilience strategy or ongoing sectorial programmes by other actors. Coordination for the integration of the returnees into existing programmes is through the returns consortium working group.

⁷ Depending on the evolution of the tripartite agreement between Somalia-Ethiopia-Kenya for voluntary refugee returns, should the planned caseload exceed the current figures outlined in the PRRO, the CO will either consider a further budget revision or a new project.

23. All security costs previously included in PRRO 200443 were removed and transferred to the Special Operation 200637, approved in July 2014 as a means to bring attention to the high costs associated with Somalia operations. However, the SO 200637 did not receive any funding since inception. Consequently, the SO will be closed and the related security costs re-introduced in PRRO 200443, increasing the DSC rate from 2 percent to 27 percent.

TABLE 1: BENEFICIARIES BY ACTIVITY (2015)						
Activity [or Component]	Category of beneficiaries	Current	Increase/Decrease	Revised		
				Male	Female	Total
Cash/Food for Asset/Training ⁸	SO3-Enhancing resilience / mitigating shocks	145,000	30,000	85,750	89,250	175,000
Cash/Food for Asset/Training ⁹	SO2 - Recovery from shocks through strengthening resilience and regular/institutional safety nets	125,000	375,000	245,000	255,000	500,000
Targeted supplementary feeding programme (TSFP) – Individuals		718,000	(218,000)	240,000	260,000	500,000
Mother-and-child health and nutrition (MCHN) – PLW and Children 6-23 months		199,000	-	97,510	101,490	199,000
Delivery incentive for MCHN		265,000	50,000	-	315,000	315,000
School meals		135,000	15,000	85,250	67,500	150,000
Take home ration for girls		61,000	6,500	-	67,500	67,500
HIV/TB Care and Treatment (individual ration) ¹⁰		47,000	-	27,730	19,270	47,000
HIV/TB Mitigation and Safety Net (household ration)		53,000	-	31,270	21,730	53,000
		100,000	-	59,000	41,000	100,000
Blanket	SO1 -	122,000	72,000	93,120	100,880	194,000

⁸ Increases in C/FFA under SO3 reflect a gradual transition from SO2 approaches (15 percent in year one and 25 percent in year two).

⁹ 24,166 participants or 145,000 FFT beneficiaries are included in the 675,000 Cash/Food for Asset/Training beneficiaries

¹⁰ Eight months average for TB-DOTS patients and 12 months for HIV clients. 66 percent (25,740) beneficiaries are TB patients; there is 8 percent (3,120) co-infection of TB patients with HIV leading to the 39,000 HIV clients/TB patients without double counting or 42,120 HIV clients/TB patients with double counting.

supplementary feeding programme (BSFP) - children aged 6 -36 months						
Food Assistance for Assets (work)	Predictable seasonal relief and emergency response	50,000	-	24,500	25,500	50,000
Relief household rations		575,000	(234,000)	167,090	173,910	341,000
Hot meals		70,000	30,000	49,000	51,000	100,000
Subtotal		1,605,000	126,500			1,731,500
Contingency household relief cash/food	SO1	400,000	(200,000)	98,000	102,000	200,000
TOTAL		2,005,000	(73,500)	906,691	1,024,809	1,931,500¹¹¹²

¹¹ The total beneficiary figure is without double counting but exceeds PPIF by 200,000 beneficiaries as it includes contingency caseload and PPIF does not.

¹² Total caseload includes 100,086 cash and voucher beneficiaries.

TABLE 2: FOOD RATION/TRANSFER BY ACTIVITY (g/person/day)

Activity	Ration Sizes (grams/person/day)							Total number of feeding days per year	Energy (kcal)	% Energy from protein	% Energy from fat
	Cereal	Pulse	Veg. oil	CS B	Sugar	Plumpy Sup	Plumpy Doz				
Food Assistance for Assets	417	56	29	56				120	2,119	12.5	21.6
TSFP						92		60-90	500	10.2	54.9
MCHN – PLW			25	250				270 - 365	1,161	13.2	35
MCHN – children 6-23 months							50	365 MCHN	272	10.2	54.9
BSFP children 6-36months							50	90	272	10.2	54.9
School meals	150	30	25	80	10			225	1,386	12.5	25.7
Girl's take-home ration			120					270	177	0	100
TB/HIV Nutrition			25	250				90-180	1,161	13.2	35
TB/HIV household support	139	56	29	56				180-270	1,167	11.7	28.1
MCHN Delivery	139	56	29	56				30	1,167	11.7	28.1
Hot meals	375	150	30	40	3			312	2310	13.0%	16.1%
Relief Rations – 75% ration	278	56	29	56				30-180	1631	12.3%	25.0%
Relief Rations – 50% ration	139	56	29	56				30-180	1146	12.6%	31.2%

FOOD REQUIREMENTS

24. The budget revision decreases food requirements by 60,592 mt and cash requirements by \$6,438,613. Reductions in tonnage are largely related to the decreased contingency caseload. Cash reductions are in line with adjustments to account for operational capacity to implement C&V and related experience during the first two years of the PRRO.

TABLE 3: FOOD/CASH AND VOUCHER REQUIREMENTS BY ACTIVITY [OR COMPONENT]				
		Food requirements (mt) Cash/voucher (US\$)		
Activity [or Component]	Commodity¹³ / Cash & voucher	Current	Increase/Decrease	Revised total
CFA/FFA/FFT	Commodity	90,447	33,928	124,375
TSFP - children 6-59 months, PLW	Commodity	15,356	(556)	14,800
BSFP MCHN children 6-23 months	Commodity	24,618	1,086	32,559
BSFP MCHN -PLW	Commodity			
BSFP seasonal - children 6-36 months	Commodity			
Delivery incentive for MCHN clinics	Commodity	7,187	473	7,660
School meals	Commodity	29,132	31	29,163
School snacks	Commodity	0	-	0
Cash/food incentive for girls attendance	Commodity	2,753	2,103	4,856
TB, HIV nutrition, and household support	Commodity	28,648	(7,614)	21,034
Hot Meals	Commodity	45,065	1,627	46,692
Relief Rations – 80% ration	Commodity	193,546	(91,670)	101,876
Relief Rations – 50% ration	Commodity			
Cash and Voucher	Cash transfer	US\$7,199,267	US\$2,394,277	US\$4,804,990
	Voucher transfer	US\$34,916,005	(US\$8,832,890)	US\$26,083,115
TOTAL	Commodity C&V	443,607mt US\$ 42,115,272	(60,592) (US\$ 6,438,613)	383,015mt US\$ 35,676,659

Hazard and Risk Assessment

25. Insecurity is the single greatest risk to implement the operation and a change in the current conflict dynamics could also lead to a further reduction of access in some areas. The possibility of Al Shabaab regaining control in parts of South-Central Somalia cannot be ruled out.

26. The main operational risks related to PRRO 200443 and this BR are wide ranging and interconnected and can be classified as contextual, programmatic or institutional. Consequently, efforts intended to mitigate a particular risk have, or will have, a knock-on impact, increasing exposure to new risks or heightening existing risks.

¹³ Please only present overall food requirement. Do not split by commodity.

27. WFP has put in place a multitude of interlinked mitigation efforts and initiatives focusing on ensuring greater oversight of staff, partners and processes through a number of checks and balances including third party monitoring, improved programme design, greater inclusivity and transparency in planning, strengthened targeting approaches, a series of standard operating procedures to provide greater guidance on implementation and a focus on developing the capacity of partners.
28. There are risks with any transfer modality in Somalia, but key risks which could affect the use of cash and vouchers such as volatile market dynamics are summarized in the annexed risk matrix along with mitigation and contingency measures.
29. Due to the complex nature of risk in Somalia, since 2010 the Somalia Country Office has established a Compliance Unit, staffed by international and national officers. The Unit oversees the implementation of control mechanisms and compliance measures recommended by the Inspector General, the Oversight Office and 2010 external audit. This has allowed WFP to significantly tighten the distribution procedures through to the FDPs and beneficiaries.

Approved by:

Ertharin Cousin
Executive Director, WFP

Date

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ANNEX I-A

PROJECT COST BREAKDOWN			
	Quantity (<i>mt</i>)	Value (<i>US\$</i>)	Value (<i>US\$</i>)
<i>Food Transfers</i>	-	-	
Cereals	(32,437)	(11,116,712)	
Pulses	(12,755)	(7,987,537)	
Oil and fats	(3,974)	(6,646,739)	
Mixed and blended food	(11,280)	(6,865,660)	
Others	(145)	(96,870)	
Total Food Transfers	(60,592)	(32,713,518)	
External Transport		(7,326,383)	
LTSH		(20,096,060)	
ODOC Food		150,117	
Food and Related Costs ¹⁴			(59,985,845)
C&V Transfers		(6,438,613)	
C&V Related costs		(1,300,727)	
Cash and Vouchers and Related Costs			(7,739,340)
Capacity Development & Augmentation			
<i>Direct Operational Costs</i>			(67,725,185)
Direct support costs (see Annex I-B)			(112,275)
Total Direct Project Costs			(67,837,460)
Indirect support costs (7,0 percent) ¹⁵			(4,748,622)
TOTAL WFP COSTS			(72,586,083)

¹⁴ This is a notional food basket for budgeting and approval. The contents may vary.

¹⁵ The indirect support cost rate may be amended by the Board during the project.

ANNEX I-B

DIRECT SUPPORT REQUIREMENTS (US\$)	
WFP Staff and Staff-Related	
Professional staff *	(3,568,977)
General service staff **	(521,955)
Danger pay and local allowances	(153,727)
Subtotal	(4,244,659)
Recurring and Other	2,407,265
Capital Equipment	1,748,333
Security	672,463
Travel and transportation	(695,677)
Assessments, Evaluations and Monitoring¹⁶	0
TOTAL DIRECT SUPPORT COSTS	(112,275)

* 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

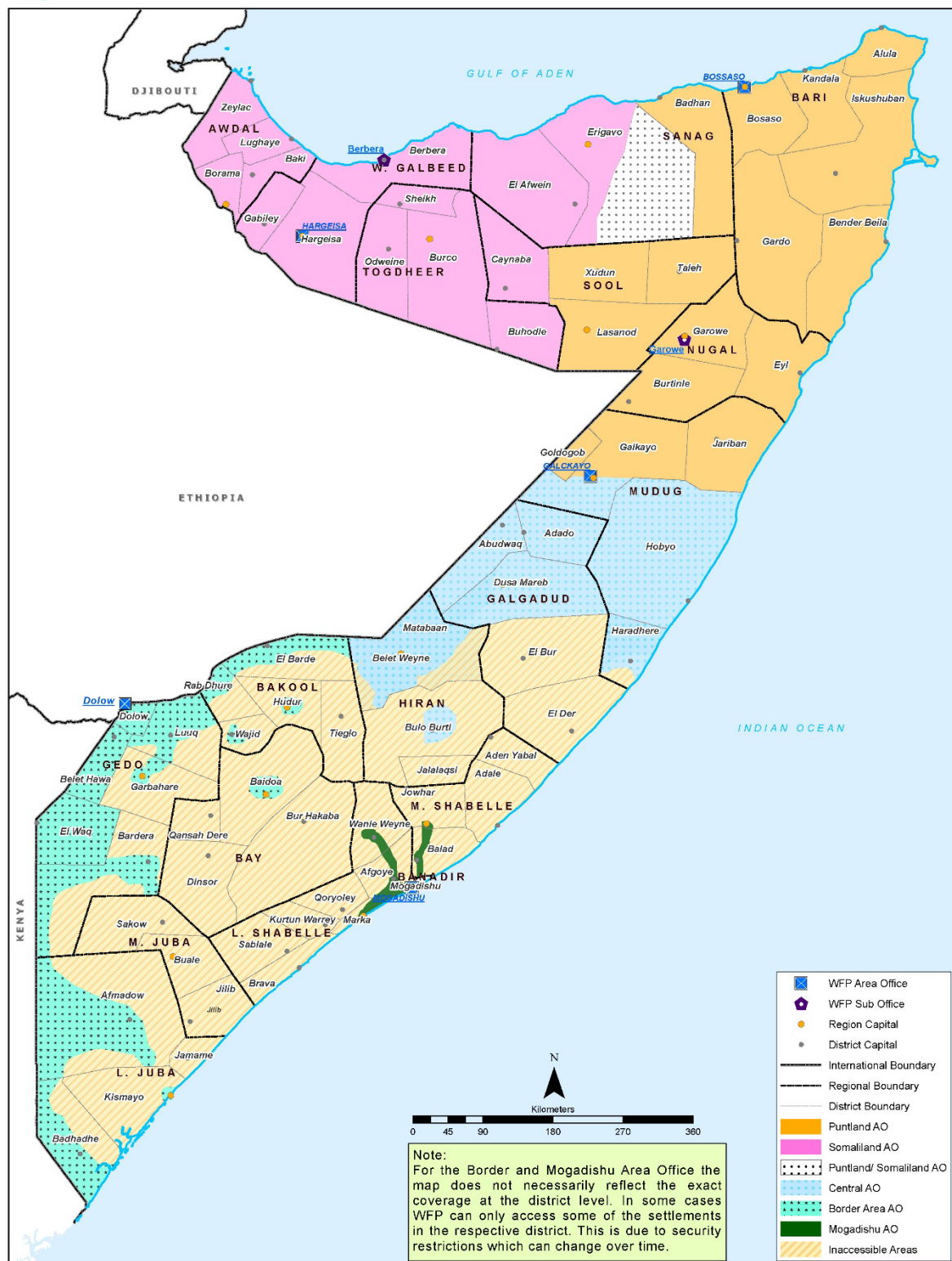
** Costs to be included in this line are under the following cost elements: International GS Staff, Local Staff- General Service, Local Staff - Temporary Assist. (SC, SSA, Other), Overtime

¹⁶ Reflects estimated costs when these activities are performed by third parties. If WFP Country Office staff perform these activities, the costs are included in Staff and Staff Related and Travel and Transportation.

ANNEX III MAP



WFP SOMALIA AREA OFFICE COVERAGE



The boundaries and names on this map do not imply official endorsement or acceptance by the United Nations.
The regional and District boundaries reflect those endorsed by the Government of the Republic of Somalia in 1986.
Produced on 13 November 2014 by VAM WFP-Somalia

Datum: WGS 1984, 38N
Data Sources: UNDP, FSNAU, WFP

Annex VIII– C&V Related Macro Risk Analysis and Contingency Plan (PRRO)

Statement of Risk	Underlying Causes	Potential Implications	Mitigation & Contingency	Risk Classification	Extent/Severity Acceptable?
Price/currency inflation or fluctuation	Suppliers raising prices due to increased demand Market volatility Lack of rain and thus low production levels Supply shortages	Recipients unable to purchase food of adequate quality or quantity Negative implications on non-beneficiaries	Monthly evaluation of cash transfer value based on market prices, revision of transfer value or modality	Manageable	Yes
Market closure/supply shortages	Low market commodity availability as result of poor harvests, security, import challenges, infrastructure etc.	People unable to buy food at all/ or inadequate quantity and quality	Ongoing market monitoring to review the most appropriate locations for a C&V intervention Careful trader selection and sensitisation to ensure sufficient capacity, market integration and general market functionality Revision of transfer value or modality	Manageable	Yes
Inability to adequately monitor intervention	Insecurity developing leading to monitoring restrictions Reliance on Cooperating Partners of varying capacity operating in difficult circumstances	Potential wrongdoing is uncovered and unreported Highly negative impact on WFP reputation Donors withdraw funding	Careful selection of locations for cash/voucher distribution, taking into account staff accessibility. Monitoring SOPs will be developed for Cooperating Partners If security significantly decreases below tolerable levels then third party agencies would be deployed or intervention suspended.	Manageable	Yes
Political interference	WFP operating in difficult and hostile environment	Taxation/diversion of funds to local authorities Highly negative impact on WFP reputation Politically influenced targeting	Ensure Cooperating Partners selected are respected with local leadership Ongoing monitoring by AO staff Regular engagement with local authorities	Manageable	Yes
Spending diverted to non-food items	People have a diversity of needs Poor targeting of beneficiaries (inclusion error) Traders not complying with regulations Poor beneficiary sensitisation	Objectives of increased dietary diversity and household food consumption not achieved Loss of credibility of programme Funds intended for food used to negative effect (ie: khat,	Strong systematic monitoring and additional spot checks to ensure that traders are adhering to agreements and that beneficiaries are adequately sensitised. Strong penalties and disqualification for traders not adhering to regulations.	Manageable	Yes

Statement of Risk	Underlying Causes	Potential Implications	Mitigation & Contingency	Risk Classification	Extent/Severity Acceptable?
		weapons)	Review of beneficiary/selection procedures		
Vouchers attractive to non-beneficiaries	Resources are limited so inevitably some people will be excluded during targeting Poor targeting (exclusion errors) Voucher transfer value set too high	Unrest, jealousy, dissatisfaction, attacks on beneficiaries, loss of programme credibility	Strong targeting arrangements Distributions slightly staggered and not publicly announced. Physical verification of beneficiary lists with ID Increased security measures at distribution points Confidential beneficiary lists Programme sensitisation	Manageable	Yes
Exclusion of traders in the community	Poor selection process Low trader capacity to apply for programme involvement Political manipulation	Unrest, dissatisfaction amongst traders Distortion of market prices	Ensure that all traders have the opportunity to apply to be part of the intervention. The selection process must be transparent Must be mindful not to exclude certain clans completely	Manageable	Yes
Corruption and fraud (internal and external)	Advantageous individuals/organisations Weak systems and accountability	Theft of vouchers or redeemed food Beneficiaries not receiving entitlements Loss of credibility of programme	Robust delivery system designed with checks and balances regularly reviewed Issuance and use of high quality beneficiary ID Timely and systematic verification and settlement of payments	Manageable	Yes
Gender (disadvantages for women and children)	Men may take the money and negatively divert the funds Transfer not allocated to primary care giver at the household level	Protection issues, gender based violence Programme objectives compromised	Sensitisation will be given before distribution on household allocation and control of resources Transfer given to primary care giver	Manageable	Yes
Capacity not present to properly implement programme (WFP and Partner)	Poor planning Insufficient human resources Poor selection of partners Lack of WFP and Partner staff training	Ineligible recipients receiving transfers Poor level of programme implementation Inadequate monitoring of operation	Partnering with NGO with known cash-based response capacity Adequate training of WFP and Partner staff Adequate budgeting for staff levels necessary	Manageable	Yes
Insecurity in operating areas	Insecurity due to underlying political situation	Food supplies cut off due to inaccessible trade routes. Beneficiaries unable to access	Monitor situation and discuss programme implementation with local authorities and UN security	Potentially not manageable	Yes or No depending on situation

Statement of Risk	Underlying Causes	Potential Implications	Mitigation & Contingency	Risk Classification	Extent/Severity Acceptable?
		vouchers WFP and Partner staff unable to visit sites			
Security of WFP and Partner staff, Service Provider and beneficiaries is compromised	Poor programme management Intra-household tensions Beneficiary and non-beneficiary conflict Trader non-performance Service provider non-performance Poorly managed registration and distributions Political interference	Injury to staff, service providers or beneficiaries Lack of programme credibility Gender-based violence Unrest at registration/distribution points Violence against traders	Programme sensitisation with all players Strong operating procedures Strong process monitoring Regular review of programme functionality Liaison with local authorities and security personnel	Manageable	Yes
Failure of payment service providers to deliver as per contract	Low capacity Fraudulent practices Unregulated telecoms companies and payment service providers	Late/no delivery of cash due to poor network, lack of power etc Loss of money Beneficiaries not receiving funds	Check that hawalas (remittance companies used in Somalia) have been vetted by the US and European countries for compliance with anti-terrorism and money laundering laws ¹⁷ . Systematic process monitoring of distribution mechanism	Manageable	Yes
Trader non-compliance with food and price standards/quantities	Monopoly or oligopoly situations	Less purchasing power for beneficiaries Lower quality of commodities that do not meet quality standards	System monitoring of trader/beneficiary relationship and non-adherence to agreements.	Manageable	Yes

¹⁷ *Hawalas* are capable of transmitting large amounts of money to Somalia (mainly through remittances from the Diaspora). There are approximately 10 major *Hawala* companies that have the scale and network coverage to handle large scale cash transfers. The largest *Hawala* (Dahabshiil) is currently tendered by WFP Somalia to pay staff and partners across Somalia.

ACRONYMS USED IN THE DOCUMENT

BSFP	Blanket supplementary feeding programme
CP	cooperating partner
CSB	corn-soya blend
EMOP	emergency operation
FAO	Food and Agriculture Organization of the United Nations
FDP	final distribution point
FFT	food for training
FFA	food for assets
FSNAU	Food Security and Nutrition Analysis Unit - Somalia
GAM	global acute malnutrition
GFD	general food distribution
HIV / AIDS	human immunodeficiency virus / acquired immune deficiency syndrome
IDPs	internally displaced person
IPC	Integrated Phase Classification
LTSH	landside transport, storage and handling
MCHN	mother-and-child health and nutrition
MOSS	minimum operating security standards
NGO	non-governmental organization
RUSF	ready-to-use supplementary food
SAM	severe acute malnutrition
SO	Strategic Objective
SSAFE	Safer and Secure Access to Field Environment (for Somalia)
TB	Tuberculosis
TFG	Transitional Federal Government
TSFP	targeted supplementary feeding programme
UNDSS	United Nations Department of Safety and Security
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNSAS	United Nations Somali Assistance Strategy
WHOS	World Health Organization
WHO	World Health Organization

ANNEX IV - LTSH-matrix

ANNEX V - Project Budget Plan

ANNEX VI - Project Statistics

ANNEX VII - Project Budget Estimate

ANNEX VIII – Macro Risk Analysis and contingency plan (in the case of cash and vouchers)