

BUDGET INCREASE/PRRO 200532
Nutrition Support for Children and Women in DPRK

Start date: 1 July 2013 **End date:** 30 June 2015 **Extension period:** 1 July 2015-31 December 2015
New end date: 31 December 2015

| Cost (United States dollars) | | | |
|---------------------------------------|---------------------------------|--------------|----------------|
| | Current Budget | Increase | Revised Budget |
| Total revised number of beneficiaries | 1,787,400 | | |
| Duration of entire project | 1 July 2013 to 31 December 2015 | | |
| Extension/Reduction period | 1 July 2015 to 31 December 2015 | | |
| Gender market code | n.a | | |
| WFP food tonnage | 169,560 mt | | |
| Cost (United States dollars) | | | |
| | Current Budget | Increase | Revised Budget |
| Food and Related Costs | 114,636,279 | 24,454,943 | 139,091,222 |
| Cash and Vouchers and Related Costs | 0 | 0 | 0 |
| Capacity Development & Augmentation | 0 | 0 | 0 |
| DSC | 13,897,399 | \$3,790,467 | \$17,687,866 |
| ISC | 8,997,357 | \$1,977,179 | \$10,974,536 |
| Total cost to WFP | 137,531,036 | \$30,222,589 | \$167,753,625 |
| Food Transfer | 90,156,570 | 19,667,305 | 109,823,875 |
| C&V Transfer | n/a | n/a | n/a |

NATURE OF THE INCREASE (applicable for all projects)

1. The Democratic People's Republic of Korea (DPRK), with its population of 24.8 million, continues to face challenges in achieving sustained food security and nutrition. According to the International Food Policy Research Institute (IFPRI), DPRK's Global Hunger Index (GHI) for 2014 was 16.4, classified as "serious".
2. On 1 July 2013, WFP commenced the implementation of a US\$200 million PRRO (200532 Nutrition Support to Children and Women) for an initial period of two years. A budget revision was conducted in June 2014 to cope with continuous funding shortfalls, incorporating a reduction in the food and related costs by US\$62 million from US\$200 million to US\$138 million, and a reduction in the number of people to be assisted under the PRRO from 2.4 million to 1.8 million in 87 counties.
3. WFP's mid-term review of the ongoing Protracted Relief and Recovery Operation (PRRO) 200532 in July 2014 revealed that a staggering 81 percent of DPRK's population do not have an acceptable diet in terms of quality and diversity.
4. The current project will come to an end on 30 June 2015, in the high lean season. It is required to extend the project through 31 December with the same project orientation, to address the nutritional gap at a similar project scope. The logistics plan remains unchanged.

5. A decision Memorandum has been issued on 27 October 2014 by the WFP Executive Director's office regarding the future of the WFP operation in the DPRK. While the Country Office continues to identify cost-saving measures, maintaining a prioritization plan and pushing forward with planned enhancements to the commodity basket, monitoring conditions and assessment approach, it is recommended to keep the PRRO 200532 operational through 2015. The funding status will be reviewed again in September 2015 to determine the way forward.
6. In this context, this budget revision seeks to extend the project duration by 6 months from 1 July to 31 December 2015 with an additional cost of US\$ 30,222,589.

JUSTIFICATION FOR EXTENSION-IN-TIME AND BUDGET INCREASE

Summary of Existing Project Activities

7. In agreement with the Government and in line with the United Nations Strategic Framework and Strategic Objective 2 (Support or restore food security and nutrition and establish and rebuild livelihoods in fragile settings and following emergencies), WFP currently implements a two-year PRRO 200532 - "Nutrition Support to Children and Women" which began on July 1, 2013. This project builds on experience from previous operations in DPRK, aims to:
 - Reduce hunger and undernutrition among children and women by providing nutrition support to improve dietary diversity through school and preschool meals and targeted nutrition support;
 - Support the Government in reducing hunger and undernutrition through local production of fortified blended food (FBF); and
 - Restore and rebuild livelihoods to enhance food security through food for community development (FFCD) interventions.
8. In total, 1.8 million children and women in 87 counties located in 9 of the 10 provinces have been targeted with rations composed of Super Cereals, pulses and vegetable oil – a small group of primary school children in Ryganggang and North Hamgyong provinces also receive nutritious biscuits. The operation also supports the Government in preparing for and responding to natural disasters.
9. In partnership with the DPRK Government, WFP imports the raw materials that are used by nine factories to produce Super Cereal and fortified biscuits. The latter are then distributed to targeted populations under different activities under WFP's oversight.
10. DPRK is prone to floods (July/August) and drought/dry spells (April-June), which cause damage to crops. Floods also bring significant damage annually on irrigation infrastructures and have high impact on the population. Although FFCD activities were much lower down the priority chain, considering the high importance given to promote agricultural rehabilitation and protect productive infrastructure, WFP carried out very limited number of small-scale schemes in 2014, focused on a small number of counties selected based on the prevailing food security situation and their risk from natural disasters.
11. In 2015, WFP has allocated a small amount of food for an agro-forestry pilot programme through FFCD, to experiment and lay foundation for a bigger scale agro-forestation project

through a possible earmarked contribution from the ROK. WFP has submitted a Concept Note to this end.

12. So far, the project is only 55% funded. The food basket is streamlined and composed of blended foods, pulses and vegetable oil. However, WFP could not distribute a full food basket most of the time. For instance, only a limited amount of vegetable oil and pulses during lean season on top of the blended foods.

| TABLE 1: BENEFICIARIES BY GROUP | | | | | | | | | | |
|---|---|----------------|------------------|------------------|---------------|---------------|---------------|----------------|------------------|------------------|
| GROUP | Category of beneficiaries | Current | | | Increase | | | Revised | | |
| | | Men/Boys | Women/Girls | Total | Men/Boys | Women/Girls | Total | Men/Boys | Women/Girls | Total |
| Pre School meals (prevention) | Infant homes (0-4 years) | 2,000 | 2,000 | 4,000 | 0 | 0 | 0 | 2,000 | 2,000 | 4,000 |
| | Children's Centers (5-6 years) | 2,000 | 2,000 | 4,000 | 0 | 0 | 0 | 2,000 | 2,000 | 4,000 |
| | Boarding schools (7-16 years) | 4,000 | 4,000 | 8,000 | 0 | 0 | 0 | 4,000 | 4,000 | 8,000 |
| | Nurseries (6 months-4 years) | 385,000 | 400,000 | 785,000 | 0 | 0 | 0 | 385,000 | 400,000 | 785,000 |
| | Kindergartens (5-6 years) | 267,900 | 278,100 | 546,000 | 0 | 0 | 0 | 267,900 | 278,100 | 546,000 |
| School meals | Primary Schools (7-10 years) | 82,700 | 85,300 | 168,000 | 0 | 0 | 0 | 82,700 | 85,300 | 168,000 |
| Targeted Nutrition Support (Prevention) | Pregnant and lactating women | 0 | 490,000 | 490,000 | 0 | 0 | 0 | 0 | 490,000 | 490,000 |
| Targeted Nutrition Support (Treatment) | Sick children in hospital (6 months-16 years) | 56,000 | 59,000 | 115,000 | 0 | 0 | 0 | 56,000 | 59,000 | 115,000 |
| | Malnourished Children | 18,000 | 18,000 | 36,000 | 0 | 0 | 0 | 18,000 | 18,000 | 36,000 |
| FFCD | FFCD participants and household members | 62,920 | 65,080 | 128,000 | 11,798 | 12,202 | 24,000 | 74,718 | 77,282 | 152,000 |
| TOTAL | | 880,520 | 1,403,480 | 2,284,000 | 11,798 | 12,202 | 24,000 | 892,318 | 1,415,682 | 2,308,000 |
| Total Adjusted (excluding overlap) | | 633,000 | 1,140,000 | 1,773,000 | 7,078 | 7,322 | 14,400 | 640,078 | 1,147,322 | 1,787,400 |

13. In view of the current stocks and resourcing prospects, WFP has proposed to the Government a scaling approach, aiming to provide a full food basket to the prioritized groups to ensure that the operation will achieve maximum nutritional impact, effective from 1 May 2015.

14. WFP's mid-term review of the current PRRO in July 2014 has confirmed that WFP's prioritization efforts are successful with food distributions prioritized to both the most vulnerable people and the most food insecure areas. Meanwhile, an M&E Process Review Mission in October 2014 has ensured the re-alignment of the monitoring tools with the WFP's 2014-2017 Strategic Results Framework, and the corporate Minimum Monitoring Requirements. The monitoring system has been refined and rationalized.

15. WFP continues to pursue cost-saving measures. The DPRK Government pays for port clearance, discharge, factory wages, productions costs and international transport for the locally produced blended foods and biscuits. Preliminary estimates indicate that it is well above US\$10 million per annum, more than most LDCs contribute to WFP Programmes.

Purpose of Budget Increase and Extension in Time

16. It is important to note that the Mid-term project review in 2014 confirmed the continued nutritional needs of the targeted beneficiaries. The project comes to an end at the high lean season – June 2015.
17. This budget revision incorporates an increased budget of US\$ **\$30,222,589** to cover the needs of 1.8 million children and women in 87 counties within 9 provinces for an additional six months from July through December 2015.
18. The extension in time will allow WFP to conduct the planned the funding status review in September 2015, and buy time for a thorough programme review/nutrition assessment. This will establish a solid basis for WFP to determine the way forward.
19. During the period of project extension, the targeting mechanism and project scope remains unchanged with a few minor adjustments which include an increase of 24,000 beneficiaries under FFCD for the possible Agroforestry project to be funded by ROK, and a change of ration from CSM/CMB to RMB for the MAM children which is easier for the sick children to digest and has higher nutrition value.

Table 2: Daily Food Ration/Transfer by Activity (or Component) (g/person/day)

| TABLE 2: REVISED DAILY FOOD RATION/TRANSFER BY ACTIVITY [OR COMPONENT] (g/person/day) | | | | | | | | |
|---|---|---|--|---|---|--|--|------------|
| | School and Preschool meals Infant homes*, Children Centers,Boa rding schools, | School and Preschool meals Nurseries | School and Preschool meals Kindergartens | School and Preschool meals Primary School | Targeted Nutrition Support Sick children | Targeted Nutrition Support Malnourished Children | Targeted Nutrition Support Pregnant and Lactating Women | FFCD |
| CMB/CSM | 100 | 100 | 100 | | 100 | | 100 | |
| RMB* | 100 | | | | 100 | 100 | | |
| Biscuits | | | | 60 | | | | |
| Beans | 50 | 50 | 50 | | 50 | | 167 | |
| Oil | 25 | 25 | 25 | | 25 | | 56 | |
| Cereals | | | | | | | | 667 |
| TOTAL | | | | | | | | |
| Total kcal/day | 1,192 | 811 | 811 | 270 | 1,198 | 381 | 1,572 | |
| % kcal from protein | 16.6% | 16.7% | 16.7% | 10.7% | 16.4% | | 16.3% | |
| % kcal from fat | 38.8% | 48% | 48% | 30% | 38% | | 19.4% | |
| Number of feeding days per year or per month | 365 | 300 | 250 | 250 | 365 | 30 days per month | | 120 |

FOOD REQUIREMENTS

| TABLE 3: FOOD REQUIREMENTS BY ACTIVITY | | | | |
|--|-----------|------------------------|---------------------|----------------|
| Activity | Commodity | Food requirements (mt) | | |
| | | Current | Increase / Decrease | Revised total |
| School and preschool meals | Commodity | 101,076 | 20,744 | 121,820 |
| Targeted nutrition support | Commodity | 29,807 | 10,618 | 40,425 |
| FFCD | Commodity | 6,355 | 961 | 7,316 |
| TOTAL | | 137,238 | 32,323 | 169,561 |

Hazard / Risk Assessment and Preparedness Planning (if applicable)

20. There is no significant change in the main risks and mitigation measures being taken under the revision period.

RECOMMENDATION OF THE EXECUTIVE DIRECTOR

21. The proposed budget revision for a budget increase as well as extension in time for six months for PRRO 200532 is recommended to the Executive Director for approval.

Approved by:

Ertharin Cousin
Executive Director, WFP

Date

Drafted by: [name] Country Office
Cleared by: [name] Country Office on [date]
Reviewed by: [name] Regional Bureau
Cleared by: [name] Regional Bureau on [date]
Reviewed by: [name] Regional Bureau Support (OMO)

ANNEX I-A

| PROJECT COST BREAKDOWN | | | |
|---|------------------|-------------------|---------------------|
| | Quantity (mt) | Value (US\$) | Value (US\$) |
| <i>Food Transfers</i> | | | |
| Cereals | 13,265 | 3,982,141 | |
| Pulses | 11,395 | 6,882,580 | |
| Oil and fats | 4,982 | 4,483,800 | |
| Mixed and blended food | 0 | 0 | |
| Others | 2,681 | 4,318,784 | |
| Total Food Transfers | 32,323 | 19,667,305 | |
| External Transport | | 2,337,524 | |
| LTSH | | 646,460 | |
| ODOC Food | | 1,803,654 | |
| Food and Related Costs ¹ | | | 24,454,943 |
| C&V Transfers | | 0 | |
| C&V Related costs | | 0 | |
| Cash and Vouchers and Related Costs | | 0 | 0 |
| Capacity Development & Augmentation | | 0 | 0 |
| <i>Direct Operational Costs</i> | | | 24,454,943 |
| Direct support costs (see Annex I-B) | | | \$3,790,467 |
| Total Direct Project Costs | | | \$28,245,410 |
| Indirect support costs (7,0 percent) ² | | | \$1,977,179 |
| TOTAL WFP COSTS | | | \$30,222,589 |

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

| DIRECT SUPPORT REQUIREMENTS (US\$) | |
|--|--------------------|
| WFP Staff and Staff-Related | |
| Professional staff * | 2,111,080 |
| General service staff ** | \$115,158 |
| Danger pay and local allowances | 0 |
| Subtotal | \$2,226,238 |
| Recurring and Other | \$395,940 |
| Capital Equipment | \$570,000 |
| Security | 0 |
| Travel and transportation | \$568,290 |
| Assessments, Evaluations and Monitoring¹ | 30,000 |
| TOTAL DIRECT SUPPORT COSTS | \$3,790,467 |

* 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

¹ 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 II: Summary of Logical Framework of DPRK PRRO (200532)

| Results | Performance indicators | Assumptions |
|---|--|---|
| Gender: Gender equality and empowerment improved | <p><i>Proportion of women beneficiaries in leadership positions of project management committees</i></p> <p><i>Target: > 50 (Dec 2015)</i> <i>Location: Korea, Democratic Republic</i> <i>Activity: FFA</i></p> | <p><i>Food can be allocated to FFCD projects.</i> <i>Food is available and distributed in timely fashion.</i></p> |
| Protection and accountability to affected populations: WFP assistance delivered and utilized in safe, accountable and dignified conditions | <p><i>Proportion of assisted people (men) informed about the programme (who is included, what people will receive, where people can complain)</i> <i>Target: 80 (Dec 2015)</i> <i>Location: Korea, Democratic Republic</i> <i>Activity: NUT</i> <i>Notes: In general young children and women who receive WFP fortified foods</i></p> <p><i>Proportion of assisted people (women) informed about the programme (who is included, what people will receive, where people can complain)</i> <i>Target: 80 (Dec 2015)</i> <i>Location: Korea, Democratic Republic</i></p> <p><i>Activity: NUT</i> <i>Notes: Young children and PLW who receive food under nutrition programmes (blanket)</i></p> | <p><i>Food is available and distributed in timely fashion.</i></p> |
| Partnership: Food assistance interventions coordinated and partnerships developed and maintained | <p><i>Number of partner organizations that provide complementary inputs and services</i> <i>Target: 2 (Dec 2015)</i></p> | <p><i>Food is available and distributed in timely fashion.</i> <i>Partners are available and can implement their programmes if funding is a challenge.</i></p> |
| SO2: Support or restore food security and nutrition and establish or rebuild livelihoods in fragile settings and following emergencies | | |

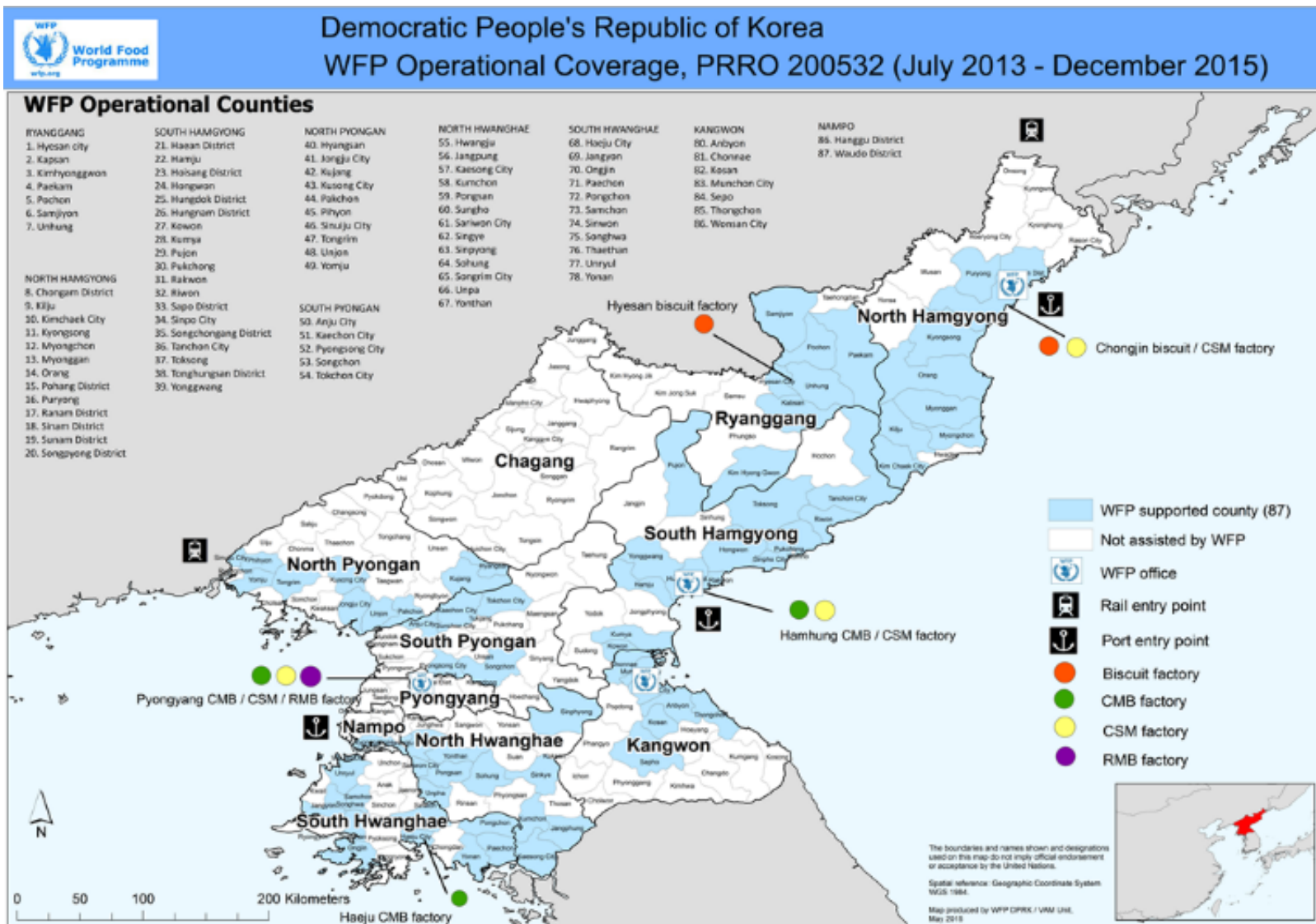
| Results | Performance indicators | Assumptions |
|---|---|--|
| <p>Outcome SO2.1 <i>Adequate food consumption reached or maintained over assistance period for targeted households</i></p> | <p><i>Diet Diversity Score (male-headed households)</i></p> <ul style="list-style-type: none"> • <i>Target: > 4 (Dec 2015)</i> <ul style="list-style-type: none"> ◦ <i>Location: 87 counties</i> ◦ <i>Source: WFP survey</i> ◦ <i>Notes: Average number of food groups consumed by HHs (out of 8 possible)</i> <p><i>FCS: percentage of households with borderline Food Consumption Score (male-headed)</i></p> <ul style="list-style-type: none"> • <i>Target: < 30 (Dec 2015)</i> <ul style="list-style-type: none"> ◦ <i>Location: 87 counties</i> ◦ <i>Source: WFP survey</i> <p><i>FCS: percentage of households with poor Food Consumption Score (male-headed)</i></p> <ul style="list-style-type: none"> • <i>Target: < 20 (Dec 2015)</i> <ul style="list-style-type: none"> ◦ <i>Location: 87 counties</i> ◦ <i>Source: WFP survey</i> <p><i>FCS: percentage of households with acceptable Food Consumption Score (male-headed)</i></p> <ul style="list-style-type: none"> • <i>Target: >50 (Dec 2015)</i> <p><i>Location: 87 counties</i> <i>Source: WFP survey</i></p> | <p><i>Monitoring and follow-up assessments take place as planned.</i> <i>Full food basket, especially pulses and oil, is available and distributed in timely fashion.</i></p> |
| <p>Outcome SO2.2 <i>Improved access to assets and/or basic services, including community and market infrastructure.</i></p> | <ul style="list-style-type: none"> ➤ <i>Percentage of arable land and protected in selected communities</i> ➤ <i>Target: 100 (Dec 2015)</i> <i>Location: FFCD Counties</i> <i>Source: WFP Programme Monitoring</i> <p><i>Notes: Data collected by FFCD team and reporting is based on their reports. Baseline data will be available when project proposals are received.</i></p> | <p><i>Maintenance programme to ensure durability of created assets is in place.</i> <i>Non-food items are available.</i> <i>Participants are available during planting and harvest seasons.</i> <i>Bad weather does not impede project implementation.</i> <i>Baseline data will be available during receipt of project proposals.</i></p> |

| Results | Performance indicators | Assumptions |
|---|--|--|
| <p>Outcome SO2.3 <i>Stabilised or reduced under-nutrition, including micronutrient deficiencies among children aged 6-59 months, pregnant and lactating women, and school-aged children</i></p> | <p><i>Proportion of eligible population who participate in programme (coverage)</i> <i>Target: > 50 (Dec 2015)</i> <i>Location: MAM treatment counties</i> <i>Source: Secondary data</i> <i>Notes: MAM treatment</i></p> <p><i>Target: > 70 (Dec 2015)</i> <i>Location: 87 counties</i> <i>Source: Secondary data</i> <i>Notes: Nursery children (blanket)</i></p> <p><i>Proportion of target population who participate in an adequate number of distributions</i> <i>Target: > 66 (Dec 2015)</i> <i>Location: 87 counties</i> <i>Source: WFP programme monitoring</i> <i>Notes: Nursery children (blanket)</i></p> <p><i>Target: > 66 (Dec 2015)</i> <i>Location: 87 counties</i> <i>Source: WFP programme monitoring</i> <i>Notes: PLW (blanket)</i></p> <p><i>MAM treatment non-response rate (%)</i> <i>Target: < 15 (Dec 2015)</i> <i>Location: MAM treatment counties</i> <i>Source: WFP programme monitoring</i> <i>Notes: Reporting rely on timely and quality submission of nutrition data from partner. Pilot project; no baseline available.</i></p> <p><i>MAM treatment default rate (%)</i> <i>Target: < 15 (Dec 2015)</i> <i>Location: MAM treatment counties</i> <i>Source: WFP programme monitoring</i> <i>Notes: Reporting rely on timely and quality submission of nutrition data from partner. Pilot project; no baseline available.</i></p> <p><i>MAM treatment mortality rate (%)</i> <i>Target: < 3 (Dec 2015)</i> <i>Location: MAM treatment counties</i> <i>Source: WFP programme monitoring</i> <i>Notes: Reporting rely on timely and quality submission of nutrition data from partner. Pilot project; no baseline available.</i></p> | <p><i>MAM treatment pilot start and progresses as planned. Super Cereal and biscuits are available and distributed in timely manner.</i></p> |

| Results | Performance indicators | Assumptions |
|---|--|--|
| Outcome SO2.4 <i>Local production capacity for fortified food sustained</i> | <i>Percentage of monthly production quota achieved, by product</i> <i>Target: >60 (Dec 2015)</i> <i>Location: WFP supported food production factories</i> <i>Source: WFP Programme monitoring</i> <i>Notes: Local Food Production team in Programme Unit collects and analyses the data</i> | <i>Raw materials, premix and packaging are available on time.</i> <i>Electricity and spare parts are available</i> |
| Output SO2.1 <i>Food, nutritional products and non-food items, cash transfers and vouchers distributed in sufficient quantity, quality and in a timely manner to targeted beneficiaries</i> | <i>Quantity of food assistance distributed, as % of planned distribution (disaggregated by type)</i> <i>Number of women, men, boys and girls receiving food assistance (disaggregated by activity; beneficiary category, sex, food, non-food items, cash transfers and vouchers) as % of planned.</i> <i>Number of institutional sites assisted (e.g. schools, health centers etc.), as % of planned</i> | <i>Full food basket is available and distributed in timely fashion.</i> |
| Output SO2.2 <i>Project-specific</i> <i>Fortified food produced in 2 biscuit and 7 SuperCereal factories</i> | <i>Number of factories supported</i> | <i>Raw materials and spare parts are available.</i> <i>There is no delay in procurement of raw commodities and packing materials.</i> <i>Transport is available and timely.</i> <i>Electricity is available.</i> |
| Output SO2.3 <i>Community or livelihood assets built, restored or maintained by targeted households and communities</i> | <i>Number of assets built, restored or maintained by targeted communities and individuals, by type and unit of measure</i> | <i>Maintenance programme to ensure durability of created assets is in place.</i> <i>Non-food items are available.</i> <i>Participants are available during planting and harvest seasons.</i> <i>Bad weather does not impede project implementation.</i> |

Check consistency with strategic objectives and appropriateness of indicators (confirm with M&E unit if needed).

<http://docustore.wfp.org/stellent/groups/public/documents/forms/wfp022350.doc>



Acronyms Used in the Document

| | |
|-------|--|
| CMB | Cereal Milk Blend |
| CSB | Corn Soya Blend |
| CSM | Corn Soya Milk Blend |
| DPRK | Democratic People's Republic of Korea |
| FBF | Fortified Blended Food |
| FFCD | Food for Community Development |
| GHI | Global Hunger Index |
| IFPRI | International Food Policy Research Institute |
| LFP | Local Food Production |
| LTSH | Landside Transport Storage and Handling |
| MAM | Management of Acute Malnutrition |
| MT | Metric Tonnes |
| NCC | National Coordinating Committee |
| NFI | Non Food Items |
| ODOC | Other Direct Operational Costs |
| PLW | Pregnant and Lactating Women |
| PRRO | Protracted Relief and Recovery Operation |
| US\$ | United States Dollar |
| WFP | World Food Programme |

ANNEX IV - [LTSH-matrix](#)

ANNEX V - [Project Budget Plan](#)

ANNEX VI - [Project Statistics](#)