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Operational matters

**For information**

Executive Board documents are available on WFP's website (<http://executiveboard.wfp.org>).

## Budget increase for Malawi protracted relief and recovery operation 200692

### *Responding to Humanitarian Needs and Strengthening Resilience*

Cost (United States dollars)			
	Current budget	Increase	Revised budget
Food and related costs	412,673,440	49,773,419	462,446,859
Cash-based transfers and related costs	77,443,872	29,740,455	107,184,327
Capacity development and augmentation	346,000	-	346,000
Total cost to WFP	561,813,567	92,052,051	653,865,618

Gender marker code 2A

<https://www.humanitarianresponse.info/system/files/documents/files/gm-overview-en.pdf>

## Decision

The Board approved by correspondence the budget increase of USD 92,052,051 for Malawi protracted relief and recovery operation 200692, “Responding to Humanitarian Needs and Strengthening Resilience”, for a 12-month extension of the operation from 1 January to 31 December 2018.

5 October 2017

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## Nature of the increase

1. This tenth budget revision for Malawi protracted relief and recovery operation (PRRO) 200692 extends the PRRO by one year to 31 December 2018. This will allow sufficient time for WFP to develop a carefully designed country strategic plan for Malawi, which will commence implementation on 1 January 2019.
2. Cereal production in Southern Africa, including Malawi, is forecast to rebound strongly from recent drought-affected levels. The number of food-insecure people in the country is therefore expected to decrease from an estimated 6.7 million in 2016 – 40 percent of the population. Nevertheless, stressed conditions will remain for households affected by pest infestations and localized climate-related shocks.<sup>1</sup>
3. The extension of the PRRO will enable WFP to reach 2.28 million people in 2018, raising the total number of beneficiaries to 8.72 million. It will require:
  - an increase in food requirements of 73,314 mt at a cost of USD 28,831,723;
  - an increase in cash-based transfers (CBTs) of USD 25,741,061; and
  - an increase in other project costs of USD 37,865,618.

This brings the overall revised project total to USD 653,865,618.

## Justification for extension and budget increase

### Summary of activities

4. PRRO 200692 supports people affected by food and nutrition insecurity in Malawi by providing relief food assistance and resilience-building activities.
5. The relief component provides general food assistance to acutely food-insecure households during the lean season, which is usually from October to March. Targeted support is also provided to pregnant and lactating women and girls and children aged 6–23 months in the assisted households, as these groups are particularly vulnerable to malnutrition. Among other relief activities, complementary food assistance-for-assets (FFA) activities promote early recovery and improved food security for participating households.<sup>2</sup>
6. The recovery component aims to reduce households' vulnerability and build their resilience in the medium term. It integrates support for early recovery with the creation of productive assets through low-technology, labour-intensive activities.
7. The PRRO takes into consideration gender and protection concerns and the different needs of women, men, girls and boys. Recognizing the increased risk of negative coping mechanisms such as early marriage and transactional or survival sex, WFP will continue to work with partners such as the United Nations Children's Fund, the United Nations Population Fund and UN-Women to ensure that gender and protection concerns are integrated into programme design and delivery, including through training and sensitization of all partners and beneficiaries regarding the prevention of sexual exploitation and abuse.
8. The operation contributes to WFP Strategic Objectives 1, 2 and 3, the Zero Hunger Challenge and Sustainable Development Goals 2, on ending hunger, 5, on gender equality and 17, on partnerships for the goals. It supports the Malawi Growth and Development Strategy and is aligned with WFP's Gender Policy (2015–2020) and the regional gender implementation strategy for Southern Africa.

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<sup>1</sup> Food and Agriculture Organization of the United Nations (FAO). June 2017. *Crop prospects and food situation – quarterly global report*. <https://data2.unhcr.org/ar/documents/download/57554>.

<sup>2</sup> Households' participation in FFA activities does not affect their receipt of food assistance, which is unconditional.

### Recommendations from the reassessment

9. The number of food-insecure people in Malawi is expected to decrease in 2018 as a result of bumper harvests that will help replenish households' food supplies and declining prices that are improving food access. Despite a more positive overall food security outlook, however, areas affected by pest infestations and localized dry spells are likely to experience lower harvests and continued stressed conditions.<sup>3</sup>
10. By early January 2017, fall armyworms had been reported in all 28 districts of Malawi. The Ministry of Agriculture, Irrigation and Water Development has indicated that approximately 9 percent of planted cereals are infested.<sup>4</sup> Further armyworm damage could jeopardize harvests, particularly for irrigated crops.<sup>5</sup>
11. Nutrition indicators, including the prevalence of micronutrient deficiencies, remain alarming and are worse among women and children. Anaemia affects 60 percent of children under 5 and 33 percent of women, compared with 13 percent of men. Only 15 percent of children under 5 consume a minimum acceptable diet and 27 percent meet minimum dietary diversity requirements. A stunting rate of 37 percent is among the highest in the Southern Africa Development Community region.<sup>6</sup> An estimated 10 percent of Malawi's gross domestic product is lost as a result of child undernutrition.<sup>7</sup>
12. Worldwide, Malawi is one of the countries most affected by HIV/AIDS. The Malawi Demographic and Health Survey 2015–16 estimates HIV prevalence at 10.8 percent among women and girls aged 15–49 and 6.4 percent among men and boys in the same age group.<sup>8</sup> People living with and affected by HIV are among the groups most affected by food insecurity.
13. Creating more resilient food systems that make food available, accessible and safe for all people in a sustainable manner is a major challenge for Malawi. In addition to ongoing government-led efforts to protect lives and livelihoods in the short term, mitigation interventions remain essential to reduce the risk of asset depletion, improve absorptive capacities and enable better-adapted coping strategies for vulnerable people and communities at risk in the coming seasons.

### Purpose of extension and budget increase

14. Extending the operation until 31 December 2018 will allow the country office to formulate a country strategic plan for implementation from 1 January 2019. PRRO activities, transfer modalities and rations will remain unchanged for the extension period.

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<sup>3</sup> FAO. June 2017. *Crop prospects and food situation – quarterly global report*.  
<https://data2.unhcr.org/ar/documents/download/57554>.

<sup>4</sup> Famine Early Warning Systems Network (FEWS NET). June 2017. Malawi Food Security Outlook, June 2017–January 2018. <http://www.fews.net/southern-africa/malawi/food-security-outlook/june-2017>

<sup>5</sup> ACAPS. April 2017. *Thematic Report: Africa Fall Armyworm Outbreaks*.  
[https://www.acaps.org/sites/acaps/files/products/files/20170425\\_acaps\\_thematic\\_report\\_southern\\_africa\\_armyworms\\_update.pdf](https://www.acaps.org/sites/acaps/files/products/files/20170425_acaps_thematic_report_southern_africa_armyworms_update.pdf)

<sup>6</sup> National Statistical Office and ICF International. 2017. Malawi Demographic and Health Survey 2015–16.  
<https://dhsprogram.com/pubs/pdf/FR319/FR319.pdf>.

<sup>7</sup> African Development Bank, New Partnership for Africa's Development, WFP and United Nations Economic Commission for Africa. 2015. *The cost of hunger in Malawi. Implications on national development and Vision 2020. The social and economic impact of child undernutrition in Malawi*.  
[http://documents.wfp.org/stellent/groups/public/documents/newsroom/wfp274603.pdf?\\_ga=2.50386473.1217727466.1504980918-1714080727.1425897626](http://documents.wfp.org/stellent/groups/public/documents/newsroom/wfp274603.pdf?_ga=2.50386473.1217727466.1504980918-1714080727.1425897626).

<sup>8</sup> American Foundation for AIDS Research (amfAR) and Johns Hopkins Bloomberg School of Public Health. No date. *Achieving an AIDS-free generation for gay men and other MSM in Southern Africa: Malawi country profile*.  
[http://www.amfar.org/uploadedFiles/\\_amfarorg/Articles/Around\\_The\\_World/GMT/2013/MSM%20Country%20Profiles%20Malawi%20092613.pdf](http://www.amfar.org/uploadedFiles/_amfarorg/Articles/Around_The_World/GMT/2013/MSM%20Country%20Profiles%20Malawi%20092613.pdf).

15. Based on assessments and projections completed by the country office's vulnerability analysis and mapping unit, WFP will respond to the needs of nearly 1.47 million food-insecure people at the peak of the 2018 lean season through relief activities. This estimated number of beneficiaries, which is one third of the number projected during the El Niño-induced drought,<sup>9</sup> is calculated largely on the basis of the projected effects of the fall armyworm during the 2017/18 agricultural season and on analysis of seasonal and food availability trends.
16. In recognition of the importance of the first 1,000 days following a child's conception, WFP will continue to target children aged 6–23 months and pregnant and lactating women and girls. Where markets are functional, WFP will target these two groups for nutrition-sensitive cash-based general transfers. Households that benefit from CBTs and have pregnant and lactating women and girls and children aged 6–23 months among their members will receive extra cash to purchase foods such as eggs, fish or other animal products. In areas where WFP provides households with in-kind general food distributions, the same two groups will receive specialized nutritious foods to prevent acute malnutrition.
17. All nutrition-specific and nutrition-sensitive interventions will be delivered in conjunction with strong messages on nutrition aligned with national social and behaviour change communications. Messages will promote good nutrition, including through optimal infant and young child feeding practices and appropriate selection and preparation of food.
18. Through its resilience programmes, in 2018 WFP will support nearly 806,000 Malawians with capacity-building relevant to responding to and withstanding shocks, most of which are climate-induced. FFA activities such as afforestation, irrigation development and livestock and crop production will be implemented. Interventions will be timed to coincide with the post-harvest period and early agricultural season so that households can undertake activities and build assets with minimal disruption to their own farm and other activities.
19. Microfinance, insurance and village savings and loans will be integrated with FFA activities through WFP's Rural Resilience Initiative, R4. The activities are sequenced (beginning with the creation of assets, followed by the introduction of insurance for the assets created along with savings and credit avenues to promote savings and finally the linking of the beneficiaries to microfinance institutions) to decrease farmers' vulnerability to disaster risks and enable them to take prudent risks and establish small-scale savings.
20. Planning and implementation of resilience-building activities will follow the three-pronged approach, a multi-sector participatory methodology that builds on existing government frameworks and processes. At the national level, consultations with various partners help to identify and prioritize districts with chronic food insecurity where WFP can concentrate its efforts. At the district level, consultations with stakeholders map out activities and options against seasonal calendars for both typical and adverse years. Implementation of the activities is then guided by decision-making processes at the community level that promote the equal participation of women, enable communities to choose the assets to be created and lay out clear paths for investment in recovery and resilience-building in the medium to long term.
21. To facilitate graduation from resilience-oriented activities, WFP will progressively build the capacity of assisted households to produce surpluses and will then link households to Purchase for Progress activities.
22. Support for people affected by HIV will continue to be integrated into both the relief and resilience components. HIV-affected households are prioritized for assistance in relief programmes as chronic illness and orphanhood – proxies for HIV incidence – are among the targeting criteria. In addition, messages on gender-transformative HIV prevention and treatment will continue to be included in social and behaviour change communications in all activities to ensure HIV-sensitive programming and the engagement of populations that are usually stigmatized and excluded from HIV and AIDS services.

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<sup>9</sup> The budget revision presented at the Executive Board's annual session in 2016 (WFP/EB.A/2016/8-B/2) projected that up to 4.5 million beneficiaries would require lean-season support.

TABLE 1: BENEFICIARIES BY ACTIVITY

Activity	Beneficiary category	Current			Increase/(decrease)			Revised		
		Boys/ men	Girls/ women	Total	Boys/ men	Girls/ women	Total	Boys/ men	Girls/ women	Total
<b>Relief</b>										
GFD – food	All	2 817 158	2 966 948	<b>5 784 106</b>	357 854	376 881	<b>734 735</b>	3 175 012	3 343 829	<b>6 518 841</b>
Prevention of acute malnutrition – food	Children aged 6–23 months	166 451	175 318	<b>341 769</b>	20 129	21 200	<b>41 329</b>	186 580	196 518	<b>383 098</b>
	PLW/G	-	512 651	<b>512 651</b>	-	62 012	<b>62 012</b>	-	574 663	<b>574 663</b>
GFD – CBTs	All	477 012	498 665	<b>975 677</b>	357 854	376 881	<b>734 735</b>	834 866	875 546	<b>1 710 412</b>
GFD nutrition-sensitive support – CBTs	Children aged 6–23 months	27 368	28 598	<b>55 966</b>	20 129	21 200	<b>41 329</b>	47 497	49 798	<b>97 295</b>
	PLW/G	-	83 951	<b>83 951</b>	-	62 012	<b>62 012</b>	-	145 963	<b>145 963</b>
<b>Relief subtotal</b>		<b>3 294 170</b>	<b>3 465 613</b>	<b>6 759 783</b>	<b>715 708</b>	<b>753 762</b>	<b>1 469 470*</b>	<b>4 009 878</b>	<b>4 219 375</b>	<b>8 229 253</b>
<b>Recovery</b>										
Resilience – food		280 451	295 976	<b>576 427</b>	(20 424)	(21 509)	<b>(41 933)</b>	260 027	274 467	<b>534 494</b>
Resilience – CBTs		34 407	36 311	<b>70 718</b>	97 768	102 967	<b>200 735</b>	132 175	139 278	<b>271 453</b>
<b>Recovery subtotal</b>		<b>314 858</b>	<b>332 287</b>	<b>647 145**</b>	<b>77 344</b>	<b>81 458</b>	<b>158 802</b>	<b>392 203</b>	<b>413 744</b>	<b>805 947</b>
<b>Total – cumulative</b>		<b>3 609 028</b>	<b>3 797 900</b>	<b>7 406 928</b>	<b>793 052</b>	<b>835 220</b>	<b>1 628 272</b>	<b>4 401 998</b>	<b>4 633 202</b>	<b>9 035 200</b>
<b>Total – excluding overlaps</b>		<b>3 528 421</b>	<b>3 705 893</b>	<b>7 234 314</b>	<b>725 849</b>	<b>755 476</b>	<b>1 481 325</b>	<b>4 254 270</b>	<b>4 461 369</b>	<b>8 715 639</b>

\* In 2018 an estimated 10 percent of relief beneficiaries will transition to recovery activities.

\*\* This subtotal was incorrectly represented in budget revision 9 as 697,145.

GFD = general food distribution; PLW/G = pregnant and lactating women and girls.

### Food requirements

23. The additional maize, pulses and SuperCereal with sugar required for this operation will be purchased regionally and locally using WFP's Global Commodity Management Facility. Fortified vegetable oil and SuperCereal Plus will be purchased on international markets.

	GFD for households		Nutrition-sensitive GFD		Prevention of acute malnutrition		FFA	
	Food	CBTs	CBTs – children aged 6–23 months	CBTs – PLW/G	Food – children aged 6–23 months	Food – PLW/G	Food	CBTs
Cereals	303		-	-	-	-	303	
Pulses	61		-	-	-	-	61	
SuperCereal with sugar	-	-	-	-	-	200	-	
SuperCereal Plus	-	-	-	-	200	-	-	
Vegetable oil	11		-	-	-	-	11	
Cash-based transfers (USD/person/day)	-	0.20	0.17	0.17	-	-	-	0.31
<b>TOTAL</b>	<b>375</b>	<b>375</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>375</b>	<b>563</b>
<b>Total kcal/day</b>	<b>1 411</b>	<b>1 411</b>	<b>787</b>	<b>752</b>	<b>787</b>	<b>752</b>	<b>1 411</b>	<b>2 120</b>
% kcal from protein	12	12	17	16	17	16	12	12
% kcal from fat	17	17	23	19	23	19	17	17
Number of feeding days per month	30		30		30		12	

Activity	Food/CBTs	Food requirements (mt)/CBTs (USD)		
		Current	Increase	Revised total
General distribution	Food	548 453	45 022	<b>593 475</b>
	Cash	54 331 496	18 797 277	<b>73 128 773</b>
	Commodity voucher	8 034 642	-	<b>8 034 642</b>
	Value voucher	673 184	-	<b>673 184</b>
Nutrition	Food	42 285	3 379	<b>45 664</b>
Resilience – FFA	Food	33 135	24 913	<b>58 048</b>
	Cash	4 187 219	6 943 784	<b>11 131 003</b>
<b>TOTAL</b>	<b>Food</b>	<b>623 873</b>	<b>73 314</b>	<b>697 187</b>
	<b>Cash</b>	<b>58 518 714</b>	<b>25 741 061</b>	<b>84 259 776</b>
	<b>Commodity voucher</b>	<b>8 034 642</b>	-	<b>8 034 642</b>
	<b>Value voucher</b>	<b>673 184</b>	-	<b>673 184</b>

## **Risk assessment and preparedness**

24. Ongoing efforts to mobilize funding for this operation include issuing donor alerts and press releases, holding bilateral meetings with donors and regularly sharing situation reports with all stakeholders to highlight resourcing requirements. Timely confirmation of resources is crucial to the successful implementation of activities for both resilience and lean season support.
25. Gender inequalities exacerbate food and nutrition insecurity and keep vulnerable people in a vicious cycle of poverty. If WFP programmes do not facilitate the transformation of power relations between men and women and boys and girls, disparities and inequalities will persist in access to and control over resources such as inputs for agricultural production, capital, technology, education and reliable markets.
26. Lack of funding has had negative effects on the nutrition support provided through this PRRO. With the limited resources available, WFP prioritizes the most vulnerable people such as children, pregnant and lactating women and girls and people living with HIV or tuberculosis. When feasible, specialized nutritious products will be prioritized for purchase through the WFP advance financing facility to ensure the accelerated delivery of required commodities, thus mitigating the risk of pipeline breaks.
27. The performance of local markets will play a significant role in the use of CBTs. WFP will undertake continuous real-time monitoring of markets to ensure that transfer values meet beneficiaries' food requirements and that markets can respond to the additional demand.

## ANNEX I-A

<b>BUDGET REVISION COST BREAKDOWN</b>			
	<b>Quantity (<i>mt</i>)</b>	<b>Value (<i>USD</i>)</b>	<b>Value (<i>USD</i>)</b>
<b>Food</b>			
Cereals	56 545	16 720 833	
Pulses	11 309	7 657 607	
Oil and fats	2 081	1 961 126	
Mixed and blended food	3 379	2 492 157	
<b>Total food</b>	<b>73 314</b>	<b>28 831 723</b>	
External transport		2 264 214	
Landside transport, storage and handling		11 838 133	
Other direct support costs – food		6 839 348	
<b>Food and related costs<sup>1</sup></b>			<b>49 773 419</b>
Cash-based transfers			25 741 061
Cash-based transfers-related costs			3 999 394
<b>Cash-based transfers and related costs</b>			<b>29 740 455</b>
Direct operational costs			79 513 874
Direct support costs (see Annex I-B) <sup>2</sup>			6 516 080
<b>Total direct project costs</b>			<b>86 029 955</b>
Indirect support costs (7.0 percent) <sup>3</sup>			6 022 097
<b>TOTAL WFP COSTS</b>			<b>92 052 051</b>

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

<sup>2</sup> Indicative figure for information purposes. The direct support cost allotment is reviewed annually.

<sup>3</sup> The indirect support cost rate may be amended by the Board during the project.

**ANNEX I-B**

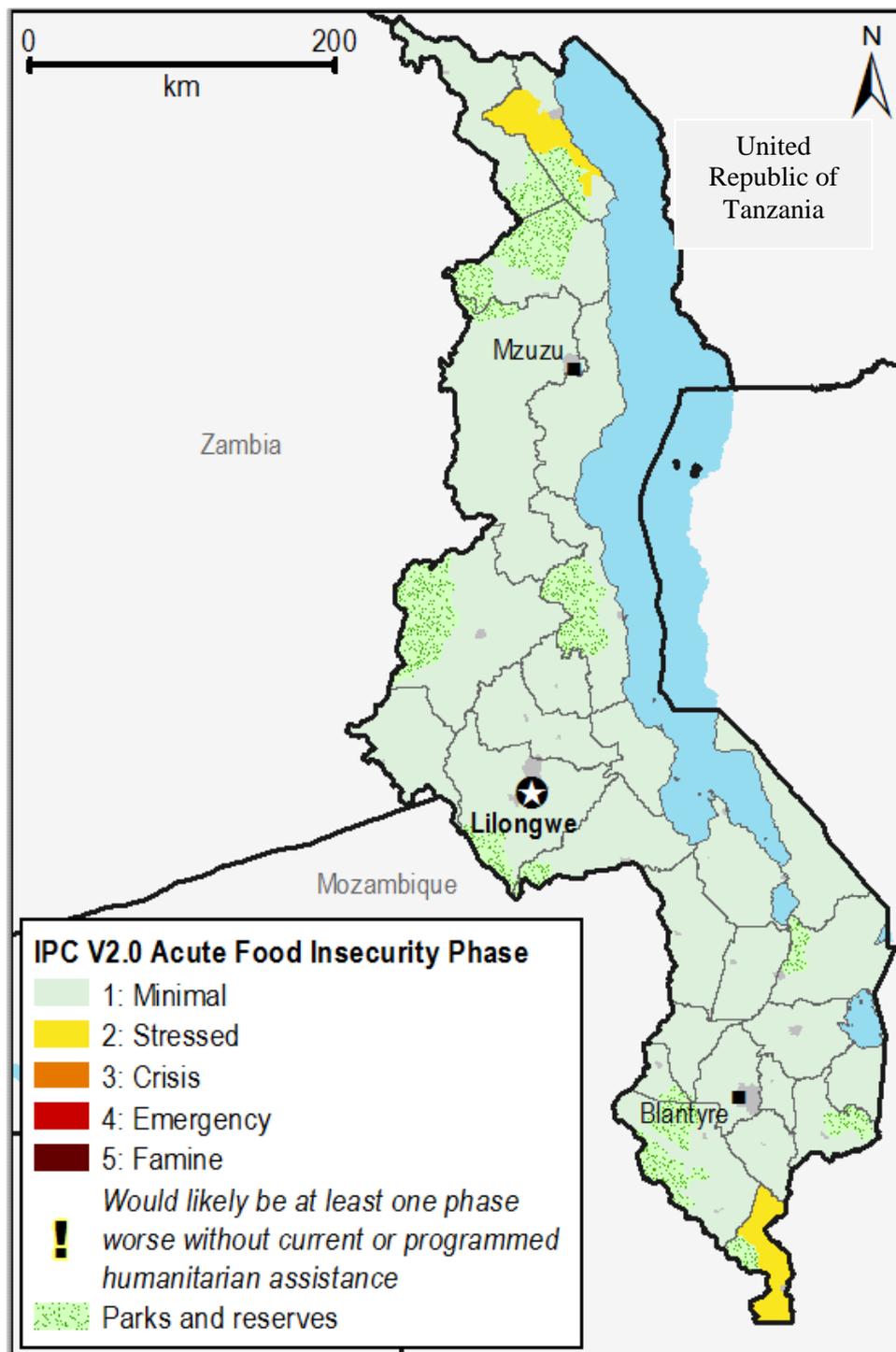
<b>DIRECT SUPPORT REQUIREMENTS (USD)</b>	
<b>WFP staff and staff-related</b>	
Professional staff	3 087 380
General service staff	842 800
<b>Subtotal</b>	<b>3 930 180</b>
<b>Recurring and other</b>	<b>875 000</b>
<b>Capital equipment</b>	<b>70 000</b>
<b>Security</b>	<b>180 000</b>
<b>Travel and transportation</b>	<b>1 270 900</b>
<b>Assessments, evaluations and monitoring<sup>1</sup></b>	<b>190 000</b>
<b>TOTAL DIRECT SUPPORT COSTS</b>	<b>6 516 080</b>

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<sup>1</sup> Reflects estimated costs when these activities are performed by third parties.

## ANNEX II

## Acute food insecurity in Malawi, June 2017



Source: FEWS NET

The designations employed and the presentation of material in this publication do not imply the expression of any opinion whatsoever on the part of the World Food Programme (WFP) concerning the legal status of any country, territory, city or area or of its frontiers or boundaries.

**Acronyms used in the document**

CBT	cash-based transfer
FAO	Food and Agriculture Organization of the United Nations
FEWS NET	Famine Early Warning Systems Network
FFA	food assistance for assets
GFD	general food distribution
PLW/G	pregnant and lactating women and girls
PRRO	protracted relief and recovery operation