

**Lesotho DEV 200199:  
B/R No.: 07**

**PROJECT REVISION FOR THE APPROVAL OF:**

➤ **The Executive Director**

	<u>Initials</u>	<u>In Date</u>	<u>Out Date</u>	<u>Reason For Delay</u>
<b><u>FROM:</u></b>				
Regional Director	.....	.....	.....	.....
<b><u>CLEARANCE through:</u></b>				
Assistant Executive Director, OS	.....	.....	.....	.....
Assistant Executive Director, RM	.....	.....	.....	.....
Assistant Executive Director, PG	.....	.....	.....	.....
<b><u>RELEASED FOR APPROVAL:</u></b>				
Chief of Staff, OED	.....	.....	.....	.....
<b><u>APPROVAL:</u></b>				
Executive Director	.....	.....	.....	.....

**Start date:** 01.01.2011    **End date:** 31.12.2014    **Extension period:** 4 months    **New end date:** 30.04.2015

**Cost (United States dollars)**

	<b>Current Budget</b>	<b>Increase (Decrease)</b>	<b>Revised Budget</b>
Food and Related Costs	US\$ 13 758 626	US\$ 1 559 575	US\$ 15 318 201
Cash and Vouchers and Related Costs	US\$ -	US\$ -	US\$ -
Capacity Development & Augmentation	US\$ -	US\$ -	US\$ -
DSC	US\$ 1 971 875	US\$ 354 360	US\$ 2 326 235
ISC	US\$ 1 101 135	US\$ 133 975	US\$ 1 235 111
<b>Total cost to WFP</b>	<b>US\$ 16 831 636</b>	<b>US\$ 2 047 911</b>	<b>US\$ 18 879 546</b>

**CHANGES TO:**

**Food Tool**

- MT  
 Commodity Value  
 External Transport  
 LTSH  
 ODOC

**C&V Tool**

- C&V Transfers  
 C&V Related Costs

CD&A

- DSC  
 Project duration  
 Other

**Project Rates**

- LTSH (\$/MT)  
 ODOC (\$/MT)  
 C&V Related (%)  
 DSC (%)

**DISTRIBUTION:**

DED and COO  
Chief, OSLT  
PGG  
Country Director  
OD Registry

Chief, OSZP, OSZA, OSZI, RMBP  
Programme Officer, RMBP  
Programming Assistant, RMBP  
RMB

Regional Director  
RB Programme Advisor  
RB Programme Assistant  
RB Chrono  
Liaison Officer, OM @

## NATURE OF THE INCREASE

1. The development project (DEV) 200199 has been funded 100 percent by the Republic of South Africa (RSA) from January 2013 to December 2014. This budget revision (BR) 07 is to extend the school feeding activity of DEV 200199 for 4 months to cover 190, 000 beneficiaries and ensure utilization of the RSA funding before 31<sup>st</sup> July, 2015.
2. This BR will revise the existing budget plan of DEV 200199 by:
  - Extending the duration of the project by 4 months – from 1<sup>st</sup> January 2015 to 30<sup>th</sup> April, 2015;
  - During the extension in time the remaining funds available (US\$ 1,674,742) will cover 190,000 beneficiaries out of the current caseload of 200,000. The 190,000 beneficiaries comprise of 96,899 females and 93,101 males.
3. This BR will result in changes in associated costs in order to cater for revised implementation needs as follows:
  - ***Increase in commodity costs by US\$ 1, 293, 500;***
  - ***Increase in LTSH by US\$ 133,537;***
  - ***Increase in ODOC by US\$ 132,538;***
  - ***Increase in DSC by US\$ 354, 360 and;***
  - ***Increase in ISC by US\$ 133,975***
4. The overall budget will therefore increase by US\$ 2,047,911 from US\$ 16,831,636 to US\$ 18,879,546.
5. Given the conditionality of the donor (RSA), the procurement of all commodities should be of South African origin and WFP will endeavour to procure 40 percent of cereals from South African smallholder farmers (SHF). During the extension in time the Regional Bureau procurement unit will continue to undertake all procurement processes.

## JUSTIFICATION FOR THE REVISION

### *Summary of existing project activities*

1. The Government of Lesotho is committed, as part of its long-term education strategy, to provide free and compulsory primary education. In order to increase both enrolment and attendance, the Government introduced a School Meals Programme (SMP) as part of its “Education for All” programme. Currently, the Government provides school meals to 30 percent of the schools in the country, while WFP covers 70 percent.
2. DEV 200199 provides food assistance to primary school children in 1,025 WFP assisted schools, many of which are in the remote and economically disadvantaged mountain regions of the country<sup>1</sup>. School children are provided with a mid-morning snack of maize meal and a midday meal of maize meal, pulses and oil.
3. School gardens will continue to be supported to increase the variety of food in school meals and raise students’ awareness regarding agricultural practices and environmental concerns.

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<sup>1</sup> In Lesotho, about 42% of children under 5 suffer from chronic malnutrition (stunting). However, the rate of stunting is as high as 50% in some mountainous areas (Lesotho Growth Strategy and Poverty Reduction 2012-2013).

Other complementary activities such as HIV and AIDS<sup>2</sup> awareness-raising among school-aged children and communication on health and nutrition issues to parents and teachers will continue to be conducted in collaboration with partners. The SMP supports the Government priorities as defined in its long-term Vision 2020 policy, the National Strategic Development Plan (2012 -2017) and more specifically, the Education Sector Strategic Plan (2005 – 2015). It contributes to outcome 5 of the United Nations Development Assistance Framework (UNDAF); “By 2017, learners at Early Childhood Care and Development (ECCD) and Primary levels have equitable access to quality education.” The SMP also contributes to Lesotho’s efforts to meet Millennium Development Goals 1 and 2.

4. The main purpose of the programme is to assist Government to integrate and scale up the delivery of “Education for All” interventions to the most vulnerable children in the country. The intended outcomes of the programme include: i) increased enrolment, ii) stabilised attendance iii) reduced drop-out rates and iv) improved government capacity to manage the SMP. These activities are in line with WFP Strategic Objective 4.
5. WFP is currently working with the Ministry of Education and Training (MoET) in the following activities:
  - a. Formulation of a school feeding policy;
  - b. Piloting local purchase and linking school feeding to local agricultural production; and
  - c. Handover and capacity development plan.
6. The Government of Lesotho has approached WFP to implement the national school feeding programme on its behalf for a period of three years, from 2015 and 2017, at full cost recovery basis using funding from the government. Trust Fund (TF) 200771 covers the above implementation and starts in January 2015 covering 250,000 children. However, due to the proposed extension of the current project (DEV 200199), the trust fund will only cover 60,000 in the first quarter of the year, while the remaining 190,000 will continue to be assisted under the existing DEV project. The 250,000 beneficiaries planned for 2015 will all be assisted through TF 200771 from the second quarter of 2015.
7. In 2013, Lesotho Country Office (CO) received contribution from the Government of South Africa for both DEV 200199 and Country Programme (CP) 200369 in response to the declared state of emergency by the Government of Lesotho in 2012 as a result of drought. The condition for the funding was that all commodities should be purchased from South Africa and 40 percent from SHF. The contribution was targeted at among others school children at both pre- and primary schools. The planned duration of this contribution was from 2013 to 2014.
8. With this contribution, DEV 200199 was originally planned to assist 125,000 primary school children from 2013 to 2014. There were delays in procurement from SHF as WFP had to support the building of the required procurement structures by initiating the required partnerships, recruiting the required staff and mobilizing the SHF for this unique component of the project that was being implemented in South Africa for the first time.
9. In addition, there was low absorption of funds under the nutrition component<sup>3</sup> of CP 200369 which prompted the CO to request transfer of funds from CP 200369 to DEV 200199.

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<sup>2</sup> HIV prevalence rate ranges from 24 percent in rural areas to 33 percent in urban areas Grandparents are often tasked with providing and caring for grandchildren whose parents have died from acquired immune deficiency syndrome (AIDS). There are about 180,000 orphans in Lesotho out of a total population of approximately 2 million. The incidence of child-headed households is on the increase, many of whom are food insecure.

<sup>3</sup> Under Component 3 of the CP 200369 – Nutrition support – In the proposal submitted to the RSA it had been planned that for prevention of stunting and treatment of acute malnutrition, beneficiaries would be provided with Super Cereal.

Therefore, balances are anticipated at the end of 2014, and the project duration has to be extended to cover additional beneficiaries and utilize the unspent balances.

10. The condition for the funding was that all commodities should be of South African origin and 40 percent of cereals should be purchased from SHF in South Africa.

***Purpose of change in project duration and budget increase***

11. The purpose of this budget revision is to extend the duration of DEV 200199 by four months, and fully utilize the envisaged balances by April 2015. The existing unspent balances will cover 190,000 beneficiaries for a period of 4 months. During this extended period, MoET and WFP will continue to work on the preparation of a school feeding policy, the local purchase pilot and the handover and capacity development plan.

12. ***Through this extension, the SMP is expected to continue contributing towards access to basic education by increasing enrolment and improving attendance in primary schools. The assistance provided by the Government of South Africa is expected to complement government efforts to finance school feeding programme. The Government of Lesotho has undertaken to fully finance the national school feeding programme from 2015 to 2017, contracting WFP to implement the programme.***

13. *There will be no change in project implementation modalities.*

<b>TABLE 1: BENEFICIARIES BY ACTIVITY</b>										
<b>Activity</b>	<b>Category of beneficiaries</b>	<b>Current</b>			<b>Increase</b>			<b>Revised</b>		
		<b>Boys / Men</b>	<b>Girls / Women</b>	<b>Total</b>	<b>Boys / Men</b>	<b>Girls / Women</b>	<b>Total</b>	<b>Boys / Men</b>	<b>Girls / Women</b>	<b>Total</b>
School meals	Primary school children	98,000	102,000	200,000	93,101	96,899	190,000	93,101	96,899	190,000
<b>TOTAL</b>		<b>98,000</b>	<b>102,000</b>	<b>200,000</b>	<b>93,101</b>	<b>96,899</b>	<b>190,000</b>	<b>93,101</b>	<b>96,899</b>	<b>190,000</b>

However at a later stage a policy decision was taken by WFP HQ that for prevention of stunting and treatment of acute malnutrition beneficiaries should be provided with Super Cereal Plus. This decision was taken after the proposal had already been approved and the condition for the funding was that all commodities should be of South African origin, and Super Cereal plus could not be procured from RSA (but through another donor) – as result, this category was not assisted through the funding from RSA although it had been planned for in the approved proposal budget to be funded by RSA – therefore a significant amount of the funds were not utilised under nutrition support as planned, and had to be transferred to Dev 200199.

**FOOD REQUIREMENTS**

<b>TABLE 3: FOOD REQUIREMENTS BY ACTIVITY</b>				
<b>Activity</b>	<b>Commodity</b>	<b>Food requirements (<i>mt</i>)</b>		
		<b>Current</b>	<b>Increase</b>	<b>Revised total</b>
School meals		17 962 <i>mt</i>	1 849 <i>mt</i>	19 811 <i>mt</i>
<b>TOTAL</b>		<b>17 962<i>mt</i></b>	<b>1 849<i>mt</i></b>	<b>19 811 <i>mt</i></b>

## ANNEX I-A

<b>PROJECT COST BREAKDOWN</b>			
	<b>Quantity (mt)</b>	<b>Value (US\$)</b>	<b>Value (US\$)</b>
<i>Food Transfers</i>			
Cereals	1 339.50	482 434	
Pulses	159.60	121 360	
Oil and fats	53.20	65 968	
Canned Fish	191.33	559 640	
Sugar	89.30	61 385	
Iodised Salt	15.96	2 713	
<b>Total Food Transfers</b>	<b>1 848.89</b>	<b>1 293 500</b>	
External Transport		-	
LTSH		133 537	
ODOC Food		132 538	
<b>Food and Related Costs <sup>4</sup></b>		<b>1 559 575</b>	<b>1 559 575</b>
C&V Transfers		-	
C&V Related costs		-	
<b>Cash and Vouchers and Related Costs</b>		-	-
<b>Capacity Development &amp; Augmentation</b>		-	-
<i>Direct Operational Costs</i>			1 559 575
Direct support costs (see Annex I-B)			354 360
<b>Total Direct Project Costs</b>			<b>1 913 935</b>
Indirect support costs (7.0 percent) <sup>5</sup>			133 975
<b>TOTAL WFP COSTS</b>			<b>2 047 911</b>

<sup>4</sup> This is a notional food basket for budgeting and approval. The contents may vary.

<sup>5</sup> The indirect support cost rate may be amended by the Board during the project.

## ANNEX I-B

<b>DIRECT SUPPORT REQUIREMENTS (US\$)</b>	
<b>WFP Staff and Staff-Related</b>	
Professional staff *	0
General service staff **	138 000
Danger pay and local allowances	0
<b>Subtotal</b>	<b>138 000</b>
<b>Recurring and Other</b>	<b>49 000</b>
<b>Capital Equipment</b>	<b>0</b>
<b>Security</b>	<b>0</b>
<b>Travel and transportation</b>	<b>122 360</b>
<b>Assessments, Evaluations and Monitoring<sup>6</sup></b>	<b>45 000</b>
<b>TOTAL DIRECT SUPPORT COSTS</b>	<b>354 360</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

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<sup>6</sup> 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.