

# BUDGET INCREASE TO ZIMBABWE PROTRACTED RELIEF AND RECOVERY OPERATION: 200453

## Responding to Humanitarian Needs and Strengthening Resilience to Food Insecurity

**Start date:** 1 May 2013 **End date:** 31 December 2015 **Extension/Reduction period:** N/A

Total revised number of beneficiaries	0		
Duration of entire project	34		
Extension/Reduction period	-		
Gender marker code	n.a		
WFP food tonnage	7,745		
Cost (United States dollars)			
	Current Budget	Increase	Revised Budget
Food and Related Costs	157 258 274	7 064 125	164 322 400
Cash and Vouchers and Related Costs	40 018 708	2 706 000	42 724 708
Capacity Development & Augmentation	1 372 500	-	1 372 500
DSC	27 114 909	5 133 784	32 248 693
ISC	15 803 507	1 043 274	16 846 781
Total cost to WFP	241 567 899	15 947 183	257 515 082

## NATURE OF THE INCREASE

1. This budget revision six (BR06) seeks to align WFP's Zimbabwe 2015-16 lean season intervention under the Protracted Relief and Recovery Operation (PRRO) with the evolving food security trends in the country. Given the lower than expected harvest for the 2015-16 season, WFP's support will be scaled up to meet the challenges of the most vulnerable and food insecure population. There is a high probability (90 percent) of El Nino continuing and as such; WFP has planned to continue and scale-up support to beneficiaries well into the post-harvest and lean season in 2016 under the new PRRO which will be approved by the Executive Board in November 2015.
2. Specifically this BR aims to:
  - a. Extend the lean season assistance under the Disaster Risk Reduction and Response (DRRR) component by initiating this assistance from September 2015 instead of the planned November 2015;
  - b. Increase the corresponding amounts of food and cash transfers for lean season assistance as well as the corresponding direct support costs (DSC), landside transport storage and handling (LTSH), other direct operational costs (ODOC), Cash and Voucher Other costs (C&V) and Cash and Voucher Delivery Costs.

3. This BR will increase the C&V Other Costs from 28 percent to 32 percent to cater for the high costs of delivery through the use of mobile technology.
4. The DSC will increase from \$27,114,909 to \$32,248,963. This increase is required to adjust the overall 2015 DSC budget, to ensure that all subsequent contributions are confirmed with the appropriate level of DSC. Despite the increase of the DSC budget, the Country Office (CO) will continue to remain within the planned expenditure of US\$ 350,000 per month.
5. In light of the above, the overall budget will increase from US\$ 241,567,899 by US\$15,947,183 to US\$ 257,515,082 to allow for an earlier start of the Lean Season Assistance (LSA) programme under this PRRO.

## JUSTIFICATION FOR BUDGET INCREASE

### Summary of Existing Project Activities

6. PRRO 200453 promotes a transition from emergency assistance to recovery while maintaining a capacity for emergency response. It strikes a balance between direct implementation by WFP and support to Government to enhance national safety-net systems. This PRRO, targets a total of 2,728,300 beneficiaries from 1 May 2013 to 31 December 2015. In line with the increased emphasis towards longer-term recovery and resilience, WFP's activities will focus on integrating PRRO activities in fewer districts, primarily in the arid and semi-arid regions.<sup>1</sup> The three main activities under the PRRO are:
  - **Disaster risk reduction and response (DRRR):** A Lean Season Assistance (LSA) programme provides food assistance for seasonally food-insecure vulnerable households in the November to March period. Refugee populations are also supported at the main Tongogara Refugee Camp<sup>2</sup>. In addition, capacity development for national disaster response and risk management is supported.
  - **Health and nutrition promotion:** In addition to Moderate Acute Malnutrition (MAM), HIV/AIDS and TB clients, WFP assists pregnant and lactating women (PLW) and children under five at clinics. A stunting prevention pilot programme is being implemented in one district where WFP is already implementing MAM treatment.
  - **Food assistance/cash for assets (FFA/CFA):** In line with WFP's new strategic direction in Zimbabwe, these activities build resilience through the creation of productive assets. They empower vulnerable communities to move away from dependency on food assistance, promote self-reliance, reduce disaster risk and support climate change adaption.

<sup>1</sup> These districts are primarily Category 1 and 2 districts as indicated in the ICA map at Annex II. Donor-funded consortia, with a 'development' focus, also operate in districts in regions 4 and 5. WFP coordinates activities with them, but due to resource constraints, will not prioritise these districts and beneficiaries.

<sup>2</sup> Following the results of the JAM (June 2014), WFP is committed to provide food assistance to 10,000 from January 2015, while UNHCR and other partners focus on complementary activities.

## Conclusion and Recommendations of the Re-Assessment

7. Zimbabwe has faced a series of weather related challenges that have and continue to affect the food security of households and communities. As a result of erratic rainfall, the 2014 / 15 cropping season saw a delay in planting by more than a month, with planting only taking place in December 2014 in most parts of the country. Zimbabwe also experienced heavy rainfall in mid-January 2015 which resulted in floods in some parts of the country. This was followed by prolonged mid-season dry spells affecting crops across the country. According to the Ministry of Agriculture second round crop and livestock assessment<sup>3</sup>, some districts in the southern regions of the country recorded crop write-offs affecting 50 -100 percent of the population.
8. The same report also estimated household cereal duration for 31 districts mainly in the southern parts of the country to be between 1 – 6 months after the harvest. The national projected cereal production is estimated to be 808,829 mt which is approximately 39 percent lower than the five-year average. Maize yields have fallen from an average of 1 hectare per mt in early 2000 to 0.5 hectare per mt in 2015. The southern districts in the country, the capital area around Harare and districts in the Midlands and Manicaland are worse off with a combined cereal deficit of over 500,000 mt. In total about 55 districts have experienced “write-off” to “poor” cereal production.
9. Households are already resorting to negative coping strategies such as the sale of livestock and consumption of less preferred foods; this is a couple of months ahead of the usual trend and can be linked to this year’s poor harvests. The 2014 Labour Force Survey<sup>4</sup> indicates that migrant labour to South Africa accounts for 45 percent of total migrant labour from Zimbabwe. With the continued decline of the South African Rand (ZAR) remittances will be considerably diminished which will tighten the food security situation in Zimbabwe.
10. This follows the official results of ZimVAC indirectly the region requires 8,255,000 mt of maize. Zimbabwe requires about 1.5 million mt of cereals (maize, sorghum, pearl and finger millet) per year for human consumption, therefore resulting in a cereal deficit of about 45 percent / 691,171 mt for the 2015-16 marketing season. This results in a total food import requirement of 1,069,171 mt (691,171 mt for human consumption and 378,000 mt for animal / stock feed). According to recent discussions with the Government, private sector and Grain Millers’ Union, there is a high likelihood of the country importing most if not all of its required maize needs for the 2015-16 marketing season.
11. There is only 1,678,000 mt of surplus maize available for export from Zambia and Tanzania. Zambia’s crop forecast and food balance sheet for 2015 / 16 agricultural marketing season showed potential exportable maize to be 759,000 mt. Tanzania is the only other country in the region that registered a surplus of maize grain this season (928,000 mt); however Tanzania’s export market tends to be Eastern Africa.
12. The limited regional maize surplus will increase competition of the available export stock possibly pushing up prices and forcing countries to source food requirements from other regions such as South America and North America. Most countries in the region are expected to import

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<sup>3</sup> Ministry of Agriculture, First round crop and livestock assessment (May 2015)

<sup>4</sup> ZimSTAT (2015). 2014 Labour Force Survey. Zimbabwe National Statistical Agency, Harare

this consumption season to fulfill their maize requirements, resulting in increased demand and possibly out of the ordinary increases in prices in Zimbabwe. In normal times, the price of cereal in Zimbabwe increases between 30-40 percent at the peak of the lean season. This is likely to increase much more as a result of the anticipated high scarcity of maize grain in 2015 and extending to 2016.

13. The 2015 ZimVAC estimates that about 16 percent of the rural population representing 1.5 million people, will be food insecure at the peak of the lean season in January - March 2016. This is a significant increase (by six percent) from the same period last year. As part of the preparedness actions for the looming food security crisis, WFP in collaboration with the Government (Ministry of Agriculture, Mechanisation and Irrigation and Ministry of Public Service, Labour and Social Welfare), Food and Nutrition Council, USAID, and other Donors, OXFAM, Red Cross, Save the Children, CARE, Christian Care, Plan International, Danish Church Aid and World Vision International have been undertaking market assessments to gauge the appropriateness and feasibility of cash based assistance in the most impacted districts of four southern provinces<sup>5</sup>.
13. Zimbabwe has a very good market infrastructure as shops have adequate storage space and markets tend to be well connected through usable roads, so much so that traders on average can restock within 2-3 days. The country has extensive mobile coverage with only a few areas (such as between Kariba and Binga and between Mwenezi and Chiredzi and other smaller pockets across the country) where mobile networks not available. This market information, coupled with previous experience (since 2009) in the implementation of C&V for lean season support, has led to the decision that for WFP's LSA programme, C&V will be planned in the majority of the districts covered by the market assessment.

### **Purpose of Extension and Budget Increase**

14. Given predictions of heightened food insecurity following a failed harvest this BR will enable WFP to start its LSA programme earlier than planned and increase the number of beneficiaries from 250,000 to 400,000. Based on the Integrated Context Analysis<sup>6</sup> and ZimVAC report WFP has initially prioritized food assistance from September to December 2015 for 400,000 (out of 1.5 million food insecure people) residing in some 16 of the 31 most severely affected districts. In these districts cereal adequacy is less than six months and there are high levels of chronic food security. WFP's new PRRO, commencing 1 January 2016, will extend the LSA programme to 855,000 beneficiaries who will face severe food insecurity at the peak of the hunger season (January - March 2016). Of these 855,000 beneficiaries, cereal requirements of 655,000 will be covered by 30,000 mt of maize grain that the government has pledged to contribute for a joint programme with WFP if twinning funds are available. In addition, WFP will source funds to top up the maize with pulses, oil and super cereal. If funding prospects

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<sup>5</sup> These include Mashonaland Central, Mashonaland East, Mashonaland West, Matabeleland North, Matabeleland South, Midlands and Masvingo provinces. Matabeleland North province has the highest level of food insecurity at 28 percent.

<sup>6</sup> WFP Zimbabwe conducted an Integrated Context Analysis in 2014 in line with the WFP corporate three-pronged approach to resilience which includes an integrated country context analysis, a seasonal livelihood programming tool for district programming and coordination, and community level participatory planning process.

increase, WFP will undertake a BR upwards to adjust its support to food insecure beneficiaries under both this existing and the new PRRO.

15. DFiD has indicated that it will provide a grant of £10 million for cash based transfers to a consortium of NGOs to cover the needs of roughly 300,000 beneficiaries. The USAID funded consortium (i.e. Ensure and Amalima) will assist approximately 125,000 beneficiaries while the Government will cover 100,000 beneficiaries with the remaining 15,000mt<sup>7</sup>. The remaining food insecure population will be covered by organizations such as Red Cross (which has indicated plans to mobilize resources to intervene in four districts with roughly 90,000 food insecure individuals), other NGOs, church based organizations and Government through its Public Assistance Program.
16. The 855,000 beneficiaries of the lean season assistance includes an overlap of the productive asset creation (PAC) beneficiaries. About 50 percent of the PAC beneficiaries are expected to be included under the lean season assistance. The other 50 percent is less vulnerable than the general food insecure population.
17. Preliminary results from the market assessment show that C&V can be undertaken in 11<sup>8</sup> of the 20 districts. Secondary data analysis will be conducted to inform the modality of intervention for the remaining 11 districts where WFP will provide lean season support. WFP's lean season response is focused on a total of 31 districts. WFP will work with Service Providers to transfer funds via the local mobile network where possible (Econet, NetOne and Telecel) and will provide cash in-hand where mobile networks are unreliable but a well-established and functioning market food system exists. Cash provided to beneficiaries will cover the full food basket (typically US\$11 per person per month for a ration composed of cereals, pulses and oil). As part of the food basket, cereal values will be adjusted based on average market prices and commodities available on the market (typically US\$4 per person per month equivalent to 10 kgs of cereals/month).
18. In seven of the remaining nine districts where the market assessment was conducted a combination of in-kind food and C&V<sup>9</sup> is recommended. These districts have a mix of both connected wards with functioning markets as well as very isolated wards which are difficult to reach and where food insecure communities are more than 20 KM's from the wards' market. In-kind food only is recommended for two<sup>10</sup> districts as a result of the market assessment which showed that functioning markets do not exist and there are difficulties with accessibility and security concerns.
19. It may be noted that acute malnutrition rates in Zimbabwe remain very low (3.3 percent in the under 5 population<sup>11</sup>) and therefore there is no immediate need to increase the treatment of

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<sup>7</sup> Government of Zimbabwe set aside 45,000 of maize grain from its Strategic Grain Reserve for distribution to food insecure households.

<sup>8</sup> Rushinga, Mudzi, Hwange, Umguza, Bulilima, Gokwe North, Gokwe South, Mberegwa, Shurugwi, Zvishavane, and Zaka.

<sup>9</sup> Kariba, Binga, Lupane, Umzingwane, Nkayi, Mwenezi and Chiredzi

<sup>10</sup> Mbire and Tsolotsho

<sup>11</sup> MICS report of August 2014

MAM programme through the clinics. To that end for this BR the country office has not included an increased component on the treatment of moderate acute malnutrition.

<b>BENEFICIARIES BY COMPONENT</b>				
<b>Activity</b>	<b>Category of beneficiaries</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>
<b>Asset creation and resilience</b>				
	Food for Assets	105,600	114,400	220,000
	Cash/Food for Assets	110,400	119,600	230,000
<b>Nutrition and Health Promotion</b>				
	<ul style="list-style-type: none"> <li>Anti-Retroviral treatment (ART) clients</li> </ul>	32,352	35,048	67,400
	<ul style="list-style-type: none"> <li>TB clients</li> </ul>	1,974	2,139	4,113
	<ul style="list-style-type: none"> <li>Pregnant and lactating women<sup>12</sup></li> </ul>		12,020	12,020
	<ul style="list-style-type: none"> <li>Children under 5</li> </ul>	15,974	17,306	33,280
	<b>Stunting Prevention</b>			
	<ul style="list-style-type: none"> <li>children 6-23 months</li> </ul>	13,440	14,560	28,000
	<b>Support for food-insecure households hosting malnourished HIV/TB clients</b>			
	Recipients of food	132,000	143,000	275,000
	Recipients of cash and vouchers	38,400	41,600	80,000
<b>Disaster Risk Reduction and Response</b>				
	Recipients of food	604,800	655,200	1,260,000
	Recipients of cash	259,200	280,800	540,000
	<b>Refugees</b>	4,800	5,200	10,000
	<b>Returnees</b>	14,400	15,600	30,000
	<b>Contingency</b>	4,800	5,200	10,000
<b>TOTAL</b>		<b>1,338,141</b>	<b>1,461,672</b>	<b>2,799,813</b>
<b>Adjusted total</b>		<b>1,303,814</b>	<b>1,424,486</b>	<b>2,728,300</b>

Note: The 400,000 beneficiaries targeted for LSA programme under this BR are the chronically food insecure in the prioritized districts and as such, are already part of the beneficiaries supported through this PRRO. Therefore, although this BR will increase lean season support to 150,000 beneficiaries, there are no “new” beneficiaries added to the PRRO’s total targeted beneficiaries.

<sup>12</sup> Revised numbers of PLW are assumptions based on actual beneficiary numbers over the course of the PRRO.

## FOOD AND CASH & VOUCHER REQUIREMENTS

20. With the early initiation of the LSA programme from September 2015 for 400,000 beneficiaries, an additional 7,750 mt of food commodities and US\$ 4.4 million in cash transfers will be required under this PRRO until the end of December 2015. The overall percentage split between cash and food beneficiaries under the LSA programme under this PRRO is 70 percent food and 30 percent cash.

TABLE 2: FOOD / CASH & VOUCHER REQUIREMENTS BY ACTIVITY							
Activity		Current		Increase (Decrease)		Requirements	
		Total Food/mt	Total \$ C&V	Total Food/mt	Total \$ C&V	Total Food/mt	Total \$ C&V
<b>Asset Creation and Resilience</b>	C/FFA	3 437	8 985 000	0	0	3 437	8 985 000
	FFA	25 309	0	0	0	25 309	0
<b>Health and Nutrition Promotion</b>	Treatment of MAM for ART/TB clients	5 922	0	0	0	5 922	0
	Treatment of MAM for PLW and children under five	4 485	0	0	0	4 485	0
	Support for food-insecure households hosting malnourished HIV/TB clients through food	27 023	0	0	0	27 023	0
	Support for food-insecure households hosting malnourished HIV/TB clients through C&V	0	7 240 000	0	0	0	7 240 000
	Prevention of stunting	1 416	0	0	0	1 416	0
	Pilot: School Feeding	216	0	0	0	216	0
<b>Disaster Response &amp; Risk Reduction</b>	Food recipients	87 127	0	7 140	0	94 267	0
	Cash and food recipients	6 677	10 786 000	605	4 400 000	7 283	15 186 000
	Returnees	57	0	0	0	57	0

	Refugees	240	1 627 200	0	0	240	1 627 200
	Contingency	2 423	0	0	0	2 423	0
<b>Totals</b>		<b>164 332</b>	<b>28 638 200</b>	<b>7 745</b>	<b>4 400 000</b>	<b>172 077</b>	<b>33 038 200</b>

## **Hazard / Risk Assessment and Preparedness Planning**

21. WFP faces the risk of continued inadequate funding support in Zimbabwe. This has the potential to impede WFP's transition to resilience and longer-term activities, particularly given the nature of integrated programming which requires multi-year commitments from donors. Nonetheless WFP shall maintain its ability to respond to emergencies should the need arise in the future.
22. Despite Government's commitment to support lean season programmes, the Joint Programme with the Government of Zimbabwe during the October 2012-March 2013 lean season could not be replicated in the following two lean seasons due to financial constraints. Due to the Government's continued financial constraints, it is unlikely that the Government will contribute to WFP's LSA programme under this PRRO.
23. Given WFP's focus on using cash for its lean season support; distributions, food prices on local markets and food quality will be closely monitored. WFP will also sensitize wholesalers and local traders in the region on the intention of distributing C&V to targeted vulnerable groups allowing the traders to pre-position stocks in markets ahead of the distribution of C&V. WFP will also inform C&V beneficiaries for the reason of the chosen cash modality and its uses and non-uses.
24. The Zimbabwe Zero Hunger Strategic Review was launched in June 2015. Initial recommendations from the review were incorporated in the recently approved Zimbabwe Country Strategic Plan (2016-2020). The Country Strategic Plan and the new PRRO will be presented to the Executive Board in November 2015.

## **RECOMMENDATION OF THE EXECUTIVE DIRECTOR**

Approved by:

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Ertharin Cousin  
Executive Director, WFP

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Date



## ANNEX I-A

PROJECT COST BREAKDOWN			
	Quantity (mt)	Value (US\$)	Value (US\$)
<i>Food Transfers</i>	7,745	3,064,243	
Cereals	5,600	1,512,318	
Pulses	1,560	998,470	
Oil and fats	585	553,455	
Mixed and blended food	-	-	
Others	-	-	
<b>Total Food Transfers</b>	<b>7,745</b>	<b>3,064,243</b>	
External Transport		744,369	
LTSH		2,323,510	
ODOC Food		932,003	
<b>Food and Related Costs <sup>13</sup></b>		<b>7,064,125</b>	
C&V Transfers		2,200,000	
C&V Related costs		506,000	
<b>Cash and Vouchers and Related Costs</b>		<b>2,706,000</b>	
<b>Capacity Development &amp; Augmentation</b>		<b>0</b>	
<i>Direct Operational Costs</i>			9,770,125
Direct support costs (see Annex I-B)			5,133,784
<b>Total Direct Project Costs</b>			<b>14,903,909</b>
Indirect support costs (7,0 percent) <sup>14</sup>			1,043,274
<b>TOTAL WFP COSTS</b>			<b>15,947,183</b>

<sup>13</sup> This is a notional food basket for budgeting and approval. The contents may vary.

<sup>14</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 *	1,162,238
General service staff **	407,397
Danger pay and local allowances	-
<b>Subtotal</b>	<b>1,569,635</b>
<b>Recurring and Other</b>	<b>2,342,183</b>
<b>Capital Equipment</b>	<b>-</b>
<b>Security</b>	<b>258,500</b>
<b>Travel and transportation</b>	<b>963,466</b>
<b>Assessments, Evaluations and Monitoring<sup>1</sup></b>	<b>-</b>
<b>TOTAL DIRECT SUPPORT COSTS</b>	<b>5,133,784</b>

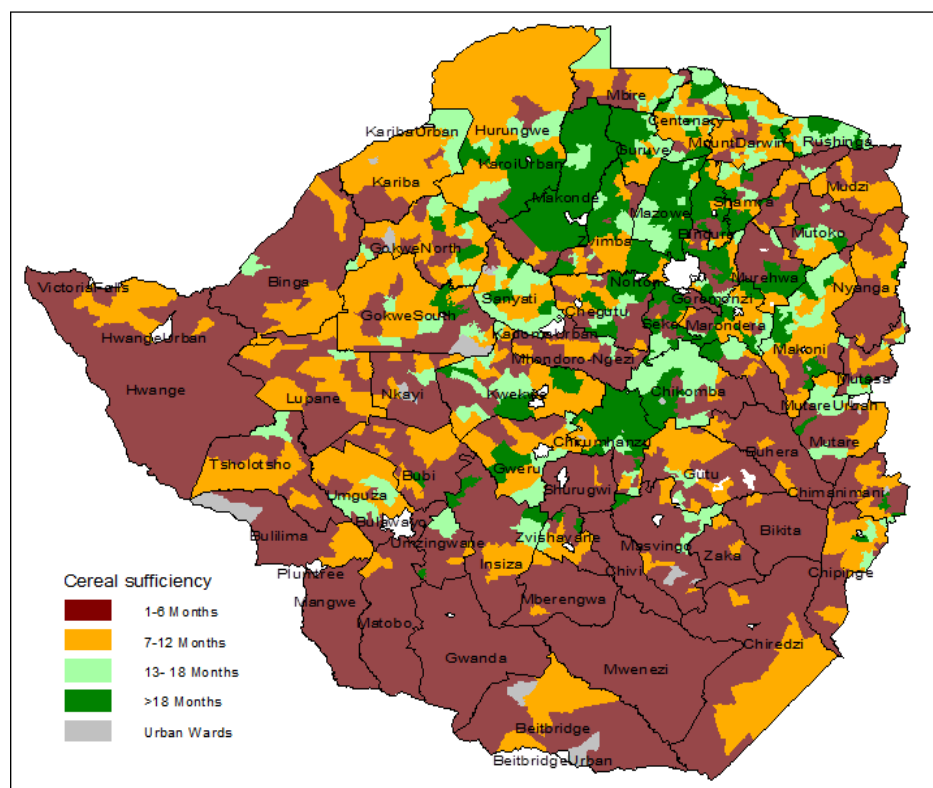
\* Costs to be included in this line are under the following cost elements: International Professional Staff (P1 to D2), Local Staff - National Officer, International Consultants, Local Consultants, UNV

\*\* 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

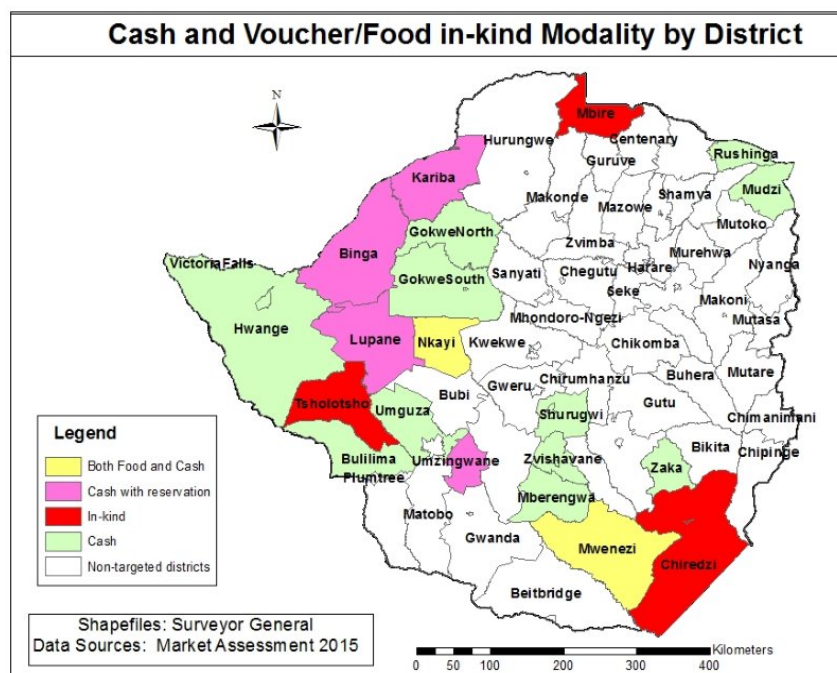
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<sup>1</sup> Reflects estimated costs when these activities are performed by third parties. If WFP Country Office staff perform these activities, the costs are included in Staff and Staff Related and Travel and Transportation.

**Map 1: Second crop and livestock assessment map which shows areas where there are cereal shortfalls and the expected length of the harvest**

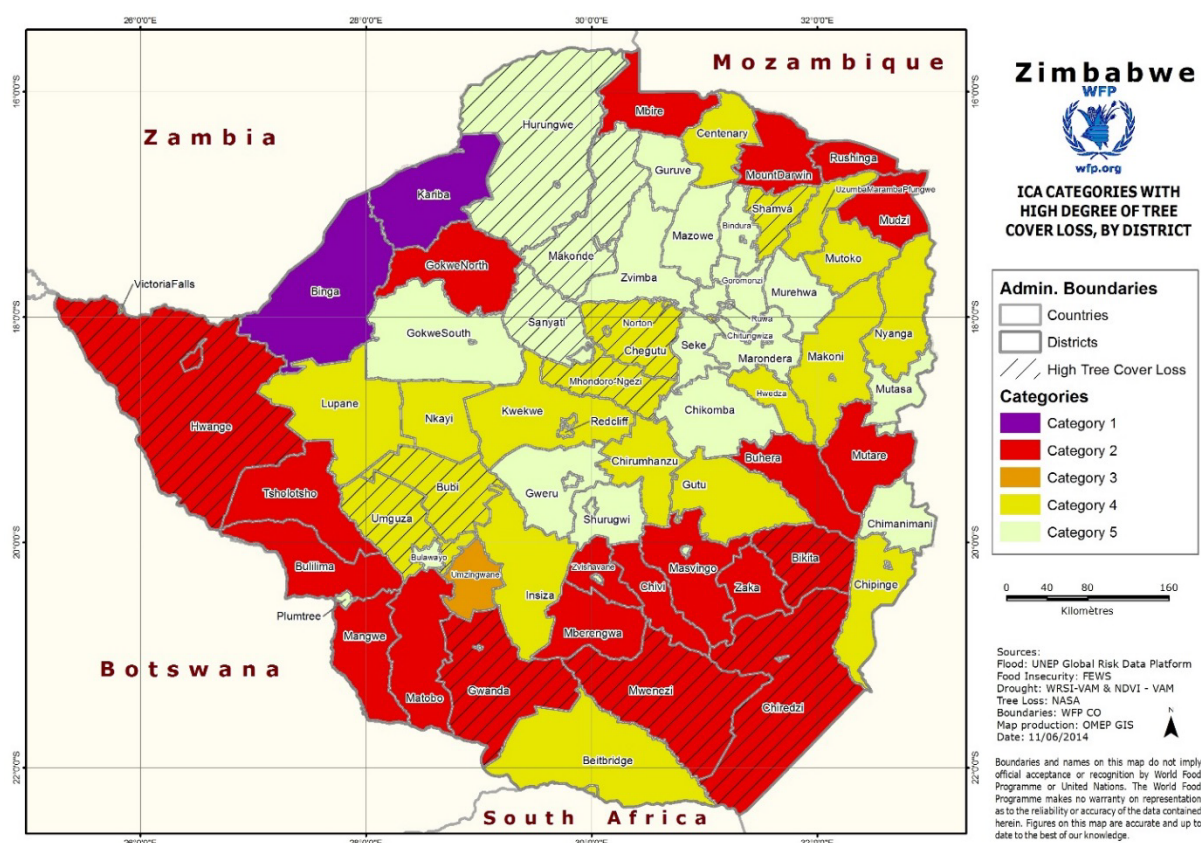


**Map 2: Cash and Voucher / Food in-kind modality by district**



<sup>16</sup> WFP will focus on Category 1 and Category 2 districts primarily for all interventions.

**Map 3: Integrated Context Analysis (ICA) categories**



## ICA CATEGORIES OF FOOD INSECURITY TRENDS, RISK TO SHOCKS, AND LAND DEGRADATION

	DESCRIPTION	BROAD STRATEGIES
<b>CATEGORY 1</b>	<p>High recurrence of food insecurity prevalence above 20%</p> <p>High/ Moderate exposure &amp; risk to natural shocks</p>	<p>Longer-term programming to improve food security, reduce risk, and build resilience to natural shocks and other stressors.</p>
<b>CATEGORY 2</b>	<p>Moderate recurrence of food insecurity above 20%</p> <p>High/ Moderate exposure &amp; risk to natural shocks</p>	<p>Seasonal/ Recovery programmes to restore and improve food security, reduce risk, and build resilience to natural shocks and other stressors</p>
<b>CATEGORY 3</b>	<p>High/ Moderate recurrence of food insecurity prevalence above 20%</p> <p>Low exposure &amp; risk to natural shocks</p>	<p>Longer-term programmes to improve food security and reduce risks of natural shocks and other stressors</p>
<b>CATEGORY 4</b>	<p>Low recurrence of food insecurity above 20%</p> <p>High/ Moderate exposure &amp; risk to natural shocks</p>	<p>Programming that strengthens preparedness, reduce risk and build resilience to natural shocks and other stressors</p>
<b>CATEGORY 5</b>	<p>Low recurrence of food insecurity prevalence above 20%.</p> <p>Low exposure &amp; risk to natural shocks</p>	<p>Programming that strengthens preparedness and reduce risk to natural shocks and other stressors</p>