



**World Food
Programme**

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PROJECT BUDGET REVISION FOR APPROVAL BY THE REGIONAL DIRECTOR

5) To: Miguel Barreto	Initials	In Date	Out Date	Reason for Delay
Regional Director				
4) Through: Regis Chapman	Initials	In Date	Out Date	Reason for Delay
Programme Adviser, RB				
3) Through: Andrew Stanhope	Initials	In Date	Out Date	Reason for Delay
Logistic Officer, RB (change in LTSH and/or External Transport)				
2) Through: Joachim Groder	Initials	In Date	Out Date	Reason for Delay
Resource Management Analyst, RB				
1) From: Carlos Veloso	Initials	In Date	Out Date	Reason for Delay
Country Office				

Haiti EMOP 200949 BR No. 1

Total revised number of beneficiaries	1,000,000
Duration of entire project	9.5 months
Extension / Reduction period	3.5 month extension
Gender marker code	2A
WFP food tonnage	10,684

Start date: 15 /03/2016 **End date:** 15/09/ 2016 **Extension/Reduction period:** 3.5 months **New end date:** 31/12/2016
Cost (United States dollars)

	Current Budget	Increase	Revised Budget
Food and Related Costs	US\$ 9,243,456	US\$ 97,079	US\$ 9,340,535
CBT and Related Costs	US\$ 55,560,000	US\$ 2,900,000	US\$ 58,460,000
Capacity Development & Augmentation	US\$ 176,910	0	US\$ 176,910
DSC	US\$ 11,214,681	0	US\$ 11,214,681
ISC	US\$ 5,333,653	US\$ 209,795	US\$ 5,543,448
Total cost to WFP	US\$ 81,528,700	US\$ 3,206,874	US\$ 84,735,574

CHANGES TO:

Food Tool

- ☒ MT
☒ Commodity Value
☐ External Transport
☐ LTSH
☐ ODOC

CBT Tool

- ☒ CBT Transfers
☐ CBT Related Costs

- ☐ CD&A
☐ DSC
☒ Project duration
☐ Other

Project Rates

- ☐ LTSH (\$/MT)
☒ ODOC (\$/MT)
☒ CBT Related (%)
☒ DSC (%)

NATURE OF THE INCREASE

1. *The objective of this budget revision is to extend the implementation period of the EMOP 200949 by 3.5 months from 15 September 2016 to 31 December 2016. During the extension period WFP will reach beneficiaries in areas where needs persist but where activities were launched later than originally planned, thereby allowing WFP to reduce the food insecurity of the same severely food insecure population planned to be reached during the initial project period.*
2. *During the extension period WFP plans to assist: 20,000 beneficiaries with unconditional cash transfers; 100,000 beneficiaries under Cash for Assets; 11,000 children from 6 to 23 months and 11,600 pregnant and lactating women under the blanket supplementary feeding; and will continue to work with the CNSA and other humanitarian actors on coordinating and strengthening responses to emergencies.*
3. *The impact on the project budget plan will be:*
 - a. *An increase in the CBT transfer value by US\$2,900,000;*
 - b. *An increase in the Food Transfer value of US\$ 97,079;*
 - c. *An increase in ISC of US\$ 209,795*
4. *No changes in modalities or rations associated to food/cash transfer to beneficiaries are proposed under this budget revision. The funding for the activities that are included in this budget revision is currently available. Associated costs are sufficiently covered by existing resources.*

JUSTIFICATION FOR THE REVISION

Summary of existing project activities

5. *EMOP 200949 is a response to the impact of a 3 year drought in Haiti, exacerbated in 2015 by the global El Niño phenomenon. The Emergency Food Security Assessment (EFSA) undertaken by WFP and the government Food Security Coordination Committee (CNSA) in December 2015 concluded that 1.5 million Haitians were severely food insecure with a further two million categorised food insecure. The WFP response under this EMOP, which takes note of the assistance being provided by other stakeholders, planned to provide food assistance to 1 million beneficiaries to meet Strategic Objectives SO1 – Saving Lives and SO2 – restoring food security and the rebuilding livelihoods.*
6. *To address the immediate household food consumption needs of the most food insecure populations affected by continued drought, the EMOP target population was to benefit from General Food Distributions from March to July, to be delivered through unconditional cash transfers (CBT) and in-kind food transfers. To address some of the underlying issues of food insecurity a component of food assistance for assets using conditional cash transfers (from herein referred to as Cash for Assets*

or CFA) targeted 200,000 people was to be implemented from June to September. The EMOP also addresses acute malnutrition in children under 5 and pregnant and lactating women through blanket supplementary feeding (BSF) activities.

- 7. As of the 15th August 2016, WFP had reached 130,000 beneficiaries with unconditional cash transfers; and had signed or was negotiating agreements to reach an additional: 120,000 beneficiaries with unconditional cash transfers, 100,000 beneficiaries with cash for assets, and 22,600 beneficiaries under its blanket supplementary feeding activity, for which it had called forward 430 mt of Super Cereal and 714 mt of Super Cereal Plus.*
- 8. This operation also includes a capacity development and augmentation component to support food security cluster coordination to consolidate lessons learned and improve tools for preparation and response to food security crises. To date, WFP has seconded one national staff to the CNSA in support of coordination.*
- 9. Initial limitations in funding prompted WFP to design and apply an elaborate targeting approach that allowed it to prioritize its limited resources and select the most food insecure and drought affected communes and households. WFP applied a multi-layered geographical targeting methodology that took into consideration the Integrated Food Security Phase Classification (IPC) and the operational coverage of other humanitarian stakeholders. As a result, in the first two months of the operation unconditional CBT in IPC3 crisis areas were prioritized. In late May, when additional contributions were received, IPC2 stress level areas were added to the prioritization.*
- 10. WFP and its partners also undertook a community and household level targeting exercise which used a vulnerability scorecard questionnaire developed on the basis of the results of existing HEA assessments. Results from this exercise confirm that selected beneficiaries have been amongst the most vulnerable, poor and food insecure in the areas of EMOP intervention. As per this exercise about 40 percent of households in these areas qualified for unconditional cash distribution. This is in line with the proportion of poor and very poor households present in the targeted areas according to the Household Economic Analysis previously carried out by Oxfam (with USAID/EU support) in these same areas.*

Conclusion and recommendation of the re-assessment

11. Though there has been a general improvement of rainfall levels during the spring of 2016, lack of predictability of rainfall in some areas, continued high prices of imported commodities, the high cost and scarcity of agricultural inputs, especially chemical fertilizers, and the low purchasing power of rural households, has kept overall agricultural production in Haiti to levels below normal non-drought years. The anticipated improvement in national production compared to 2015 should positively impact the food security perspectives of drought affected populations in Haiti with most IPC3 affected areas turning into IPC2 level during the July to September period. However, without further assistance, many of these areas are projected to go back to IPC3 level from October onwards according to the CNSA and its latest Food Basket Monitoring Bulletin.

12. Benefitting from projected average to above-average levels of rainfall nationally from February to September 2016, the national maize harvest is expected to be in line with pre-drought production. However, in many areas where the EMOP is focused, below average rainfalls and late rains and planting have delayed the maize harvest to September, and overall bean and peanut production will be below that of 2014 and 2015.
13. Furthermore production deficits accumulated over the past two years and the depreciation of the national currency continues to have a negative impact on the prices of basic foodstuffs. The inflation rate reached 12% year-on-year in 2015 and is currently around 15%. With the improved availability of local food products from July onwards for beans and August/September for maize, prices should reflect a seasonal decline but not to the level of 2013. Furthermore, the price of imported food products (such as rice and sugar, which represent 30% of the value of the national food basket) reflect continued depreciation of the local currency to the \$US.
14. WFP monitoring of cash transfer sites and focus group interviews confirm that WFP assistance is perceived by beneficiaries as a vital element that has enabled them to engage in small scale economic activity as a way of mitigating risk into the future. These discussions indicate that cash transfers have been utilized mostly to support household food supply through direct procurement from traders and food debt repayment, along with the purchase of agricultural inputs and livestock replenishment.

Reasons for the change in project duration

- 15. An extension in the EMOP implementation period will allow WFP to complete the originally planned duration of life saving, livelihood and nutritional interventions in areas prioritized for assistance and where needs persist but activities were launched later than planned.***
- 16. The late timing of confirmed contributions and operational challenges in identifying and negotiating agreements with partners and completing targeting activities, resulted in delays in the launch of unconditional CBT. As assistance through CFA is designed to provide a longer duration of support to the most vulnerable of the beneficiaries who had received unconditional cash transfers, the delay in the start of unconditional CBT has had a knock on effect to the start of the CFA activities.***
- 17. Consolidation of lessons learned and the development of tools for preparation and response to food security crises have not materialized because of difficulties in identifying suitable staff. In late July, external candidates were finally identified, thus this work will be carried out from August to December.***

Purpose of change in project duration and budget increase

- 18. The extension in project duration will enable the seamless transition from life-saving interventions to household livelihood support activities in IPC3 areas and the simultaneous implementation of limited unconditional CBT activities and CFA interventions in IPC2 areas. 20,000 beneficiaries will be reached with unconditional CBT and 100,000 with CFA. The extension provides more time to reach the beneficiaries in the original plan; there are no new target areas nor beneficiaries.***



World Food Programme

19. Unconditional transfers are being phased out with further CFA activities targeting the most vulnerable people in targeted areas. CFA activities will be implemented in three month cycles and in some areas occur from September to December.

20. Having been attended in August and September, 11,000 children from 6 to 23 months and 11,600 pregnant and lactating women will also receive Super Cereal in October under the BSF component of this operation. Cooperating Partners that have implemented unconditional cash transfers and CFA in drought affected communes not currently covered under the Kore Lavi Nutrition Programme will ensure the necessary nutritional screening, sensitization and distribution activities that are planned under this component.

TABLE 1: REVISED TIMELINE OF CASH AND FOOD TRANSFERS

Activity	Target areas	Current EMOP Activity Timeline						Extension EMOP		
		April	May	June	July	August	September	October	November	December
GFD Cash	IPC 3									
Cash for Assets	IPC 3									
GFD Cash	IPC 2									
Cash for Assets	IPC 2									
Blanket Supplementary Feeding	IPC 2 & IPC 3									

TABLE 2: BENEFICIARIES

Activity [or Component]	Current			Increase / Decrease			Revised		
	Boys / Men	Girls / Women	Total	Boys / Men	Girls / Women	Total	Boys / Men	Girls / Women	Total
GFD Cash	346,920	353,080	700,000				346,920	353,080	700,000
GFD Cash and Food	148,680	151,320	300,000				148,680	151,320	300,000
FFA Cash	99,120	100,880	200,000				99,120	100,880	200,000
Nutrition PLW	0	15,000	15,000				0	15,000	15,000
Nutrition 6-23 months	5,450	5,550	11,000				5,450	5,550	11,000
Nutrition 24-59 months	7,930	8,070	16,000				7,930	8,070	16,000
TOTAL	495,000	505,000	1,000,000				495,000	505,000	1,000,000

FOOD REQUIREMENTS

TABLE 3: FOOD/CASH AND VOUCHER REQUIREMENTS BY ACTIVITY

Activity [or Component]	Commodity ¹ / CBT	Food requirements (mt) Cash/Voucher (US\$)		
		Current	Increase / Decrease	Revised total
GFD Food	Cereals	7,200		7,200
	Pulses	1,800		1,800

¹ Please only present overall food requirement. Do not split by commodity.


**World Food
Programme**

	Oil	450		450
	Salt	90		90
BSFP	Super Cereal	360	70	430
	Super Cereal Plus	648	66	714
GFD Cash	Cash/voucher USD	36,000,000	300,000	36,300,000
CFA Cash	Cash/voucher USD	12,000,000	2,600,000	14,600,000

Hazard / Risk Assessment and Preparedness Planning (if applicable)

21. Haiti has continued to be gripped by political instability since the failed elections in August 2015. The political situation is disrupting social as well as economic activity. This is manifested in street demonstrations and an increase in crime fueled by the weakness of government institutions. Political uncertainty and socio/economic decline in turn leads to a risk-averse attitude on the part of traders, consumers and Haitian emigrants residing in North America and Europe. Foreign direct investment (FDI) and diaspora activity have declined significantly. The negative macro fiscal environment is a major factor in the continued currency depreciation. Government is not in a position to generate revenue to finance the budget deficit. Reliance on ever more expensive borrowing will present even greater inflationary pressure with further currency depreciation.

22. Climatic variability over the August to December period could also impact the recovery process.. Less than average rainfall or, at the opposite end, heavy rains leading to floods and landslides in agriculture areas will result in reduced harvest and lower demand for on-farm labor. Even with reasonable harvest, food insecurity in these areas will remain problematic. June marks the start of the hurricane season in Haiti which extends to the end November. Environmental degradation and poor infrastructure make Haiti particularly vulnerable to this climatic risk. Though 2016 is predicted to be a typical hurricane season, potentially affected areas could suffer from crop destruction, disruption of functioning of markets, the loss of animals and even human lives.

Cleared by: Carlos Veloso, Haiti Country Office on 13 September 2016
Cleared by: Regis Chapman, Regional Bureau on 13 September 2016


ANNEX I-A

PROJECT COST BREAKDOWN			
	Quantity (mt)	Value (US\$)	Value (US\$)
<i>Food Transfers</i>			
Cereals	-	-	
Pulses	-	-	
Oil and fats	-	-	
Mixed and blended food	136	97,079	
Others	-	-	
Total Food Transfers	-	97,079	
External Transport		-	
LTSH		-	
ODOC Food		-	
Food and Related Costs ²		97,079	
CBT Transfers		2,900,000	
CBT Related costs		-	
Cash and Vouchers and Related Costs		2,900,000	
Capacity Development & Augmentation		-	
<i>Direct Operational Costs</i>			2,997,079
Direct support costs (see Annex I-B)			-
Total Direct Project Costs			2,997,079
Indirect support costs (7.0 percent) ³			209,795
TOTAL WFP COSTS			3,206,874

² This is a notional food basket for budgeting and approval. The contents may vary.

³ The indirect support cost rate may be amended by the Board during the project.