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Programme**

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PROJECTS FOR EXECUTIVE BOARD APPROVAL

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For approval



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BUDGET INCREASES TO DEVELOPMENT ACTIVITIES – MOZAMBIQUE COUNTRY PROGRAMME 200286

Cost (United States dollars)			
	Current budget	Increase	Revised budget
Food and related costs	61,054,652	6,100,011	67,154,663
Cash-based transfers and related costs	13,271,509	546,930	13,818,439
Capacity development and augmentation	3,281,103	2,021,310	5,302,413
Total cost to WFP	104,084,223	12,926,556	117,010,779

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

NOTE TO THE EXECUTIVE BOARD

This document is submitted to the Executive Board for approval.

The Secretariat invites members of the Board who may have questions of a technical nature with regard to this document to contact the focal points indicated below, preferably well in advance of the Board's meeting.

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DRAFT DECISION*

The Board approves the proposed budget increase of USD 12.9 million for Mozambique country programme 200286 with a 12-month extension from 1 January to 31 December 2016 (WFP/EB.2/2015/8-A/2).

* This is a draft decision. For the final decision adopted by the Board, please refer to the Decisions and Recommendations document issued at the end of the session.

NATURE OF THE INCREASE

1. This budget revision extends Mozambique country programme 200286 from 1 January to 31 December 2016 to ensure alignment with government planning cycles and the revised United Nations Development Assistance Framework (UNDAF).
2. All components will continue during this period except support for market access, which will be implemented through a separate trust fund. Revised geographic coverage and beneficiary targets for 2016 reflect a shift from direct implementation to technical assistance at the Government's request.
3. The revision will:
 - increase the number of beneficiaries to 1,333,580;
 - increase landside transport, storage and handling costs from USD 12.8 million to USD 14.7 million;
 - increase direct support costs from USD 19.7 million to USD 23.5 million;
 - increase indirect support costs from USD 6.8 million to USD 7.7 million; and
 - increase the total project cost from USD 104.0 million to USD 117.0 million.

JUSTIFICATION

Summary of Existing Project Activities

4. A third of Mozambique's population of 25 million¹ are chronically food-insecure. This has severe effects on nutrition, especially among vulnerable groups such as women and children. Many children lack access to appropriate foods. Stunting among children under 5 is 42 percent – 40.5 percent for girls and 44.7 percent for boys;² 69 percent of children are vitamin A deficient, and 74 percent are iron deficient. There are significant gender gaps: in 2013, Mozambique's gender inequality index was 0.657–144th of 149 countries.
5. Country programme 200286 is guided by WFP's 2012–2015 country strategy for Mozambique. It supports the transition from food aid to food assistance by enhancing government programmes to implement sustainable national solutions to food insecurity. It also contributes to the Government's poverty reduction strategy and is integrated with the UNDAF. WFP works with other United Nations agencies, the Government and non-governmental organizations through Delivering as One.
6. Country programme 200286 targets the most vulnerable food-insecure and disaster-prone districts through five components contributing to Strategic Objectives 2, 3 and 4:
 - *School feeding.* WFP provides technical and policy support to enhance government capacities for designing and implementing a home-grown school feeding programme, and provides direct food and cash assistance for vulnerable communities in food-insecure areas.

¹ *Instituto Nacional de Estatística* rapid reference guide, 2014. Maputo.

² Demographic and Health Survey, 2011. Maputo.

- *Social protection.* This component underpins the National Strategy for Basic Social Security. WFP contributes to two of its four elements: i) the Direct Social Action Programme targeting vulnerable individuals such as orphans and chronically ill people through direct food assistance; and ii) Productive Social Action Programme targeting vulnerable families through food assistance for assets through food and cash-based transfers.
 - *Nutrition.* WFP assists: i) the Ministry of Health in implementing its rehabilitation programme for people affected by moderate acute malnutrition; and ii) the Government in implementing its multi-sector action plan to reduce chronic undernutrition; this includes research on the effectiveness of supplementary foods in reducing micronutrient deficiencies and stunting among children aged 6–24 months.
 - *Risk reduction.* WFP supports capacity development in the National Institute for Disaster Management and the Technical Secretariat for Food Security and Nutrition in risk analysis and mapping, and food and nutrition security assessment.
 - *Market access.* WFP builds the capacities of smallholder farmers and processors with training in quality control, storage and marketing; women are provided with labour-saving technologies such as milling or grain-sorting machines to promote participation.
7. Each component contributes to national food security and nutrition strategies and government priorities with a view to eventual transition to national ownership and integration into sustainable national hunger solutions.

CONCLUSION AND RECOMMENDATIONS OF THE RE-ASSESSMENT

8. Following the October 2014 presidential elections, the Government extended its poverty reduction strategy to the end of 2015. The UNDAF was also extended by one year in line with national planning timescales; WFP proposes to extend country programme 200286 by 12 months to align programming with the new cycle.
9. Country programme 200286 was evaluated at the end of 2014. Some of the recommendations will inform the design of a new country programme in 2017; others such as increasing capacity development and implementing a school feeding cost assessment will be addressed during the extension period.
10. A Zero Hunger strategic review will be carried out, and a new country strategic plan developed to guide WFP's work in Mozambique beyond 2016.

PURPOSE OF EXTENSION AND BUDGET INCREASE

11. The 12-month extension of country programme 200286 will ensure alignment with the revised UNDAF. All components will be implemented during 2016 except component 5 – market access – which will be implemented through a separate trust fund.³
12. The scale of the extension reflects programme needs and past resource constraints. The total cost for 2016 accounts for less than half of requirements in 2015 and takes into account confirmed and expected funding from donors. If sufficient funding does not materialize, WFP will prioritize school feeding and social protection, to which confirmed contributions have been directed, at the expense of the nutrition and risk-reduction components.

³ WFP trust fund 200574 supports market access and nutrient supplement transfers to prevent chronic malnutrition.

13. Country programme 200286 will continue to concentrate on central and northern Mozambique in the light of food security, health, nutrition and education indicators and the risk of natural hazards.

Component 1: School feeding

14. WFP will continue its assistance to vulnerable communities in food-insecure areas, targeting schoolchildren, teachers and cooks. Most beneficiaries will receive food rations purchased by WFP, but in selected districts local authorities will receive cash to purchase food for distribution in schools.
15. Cash will be provided in agro-ecological zones selected by the Government to test the feasibility of the approach in different contexts. WFP will continue implementation in the districts targeted in 2015, with a small increase in the number of beneficiaries.
16. Nationwide, 55 percent of out-of-school children are girls. Gender parity is lowest at the secondary level. To address gender gaps in education and increase girls' enrolment, retention and performance, WFP will include sessions on gender awareness and the importance of girls' education in training for school feeding.
17. At the Government's request, WFP's contribution to home-grown school feeding will shift to technical assistance, accompanied by an expansion of pilot programmes through an agreement with the Ministry of Education and the Brazilian Agency for Cooperation.

Component 2: Social protection

18. WFP will reduce direct food and cash transfers as the Government assumes responsibility for them, but will continue to provide direct food and cash assistance for 5,000 beneficiaries during 2016 through the Productive Social Action Programme. Alternatives for cash-based transfers using mobile telephones will be tested.
19. The Government selects beneficiaries through the National Institute of Social Action. Targeting criteria defined in the Productive Social Action Programme manual include vulnerability to food insecurity and shocks. Beneficiaries receive MZN 650, equivalent to USD 20, per month for attendance at work. The transfer value is based on the cost of the equivalent monthly food basket.
20. Building on its experience with market access and home-grown school feeding, WFP will also support social protection beneficiaries through training intended to improve access to the school feeding market. WFP will ensure that men and women benefit equally from this training and that they are informed about selection criteria, referral systems and entitlements. Distribution committees will be created and trained, and WFP will seek the equal participation of men and women to ensure that women participate in decision-making. Training will also address issues related to gender-based violence.
21. Mozambique is a pilot country for the Partnership for National Social Development Initiative supported by the Centre of Excellence against Hunger. The Government has requested WFP's support through the national social safety net programme in assuming responsibility for direct transfers, and has adopted WFP's approach to beneficiary targeting and the selection of transfer modalities. WFP will cease direct transfers under the social safety net programme and increase technical assistance for government partners in 2016.

Component 3: Nutrition

22. WFP food transfers for treating moderate acute malnutrition will cease during 2016 in line with government and donor priorities, which focus increasingly on the prevention of chronic malnutrition.
23. WFP implements stunting-prevention activities through a separate trust fund, which may also be used to support research into the cost-effectiveness of nutrient supplements in addressing chronic malnutrition. Pending the results of this research, direct food distributions for preventing stunting will be suspended during the extension.
24. The Ministry of Health uses micronutrient powders to reduce anaemia in children under 2, and is developing a distribution system. WFP will continue to distribute micronutrient powders to 22,950 girls and 22,050 boys during the extension in partnership with the Global Alliance for Improved Nutrition and Population Services International. In view of the central role of women in feeding children, WFP will train women in the use of micronutrient powders and will provide infant-and-young-child feeding messages; men will also be engaged.

Component 4: Risk reduction

25. WFP will continue disaster risk reduction activities to support assets created through productive safety nets, and will support social-protection targeting through risk mapping and district profiles. It will enhance the capacities of government agencies in risk analysis and mapping, early warning, and food and nutrition security analysis. The success of the Government's decentralization processes is essential for effective vulnerability analysis and risk management.

TABLE 1: BENEFICIARIES BY COMPONENT

Component	Beneficiary category	Current			Increase			Revised		
		Boys/men	Girls/women	Total	Boys/men	Girls/women	Total	Boys/men	Girls/women	Total
Component 1 School feeding (food)	Students, teachers and cooks	111 900	100 800	212 700	10 150	9 110	19 260	122 070	109 910	231 980
Component 1 School feeding (cash)	Students, teachers and cooks	7 905	7 095	15 000	-	-	-	7 905	7 095	15 000
Component 2 Social protection (food)	Safety net	177 853	190 333	368 200	1 200	1 300	2 500	179 050	191 633	370 700
Component 2 Social protection (cash)	Safety net	-	-	-	1 200	1 300	2 500	1 200	1 300	2 500
Component 3 Nutrition	Nutritional rehabilitation and chronic malnutrition	174 930	493 470	668 400	22 050	22 950	45 000	196 980	516 420	713 400
TOTAL		472 588	791 698	1 264 300	34 600	34 660	69 260	507 205	634 725	1 333 580



26. WFP will assist 239,210 beneficiaries in 2016, most of whom have been targeted in previous years; only 69,260 new beneficiaries will be assisted. The number of beneficiaries targeted by county programme 200286 over its full duration is 1,333,580.

FOOD REQUIREMENTS

Activity	Food/ cash/vouchers	Food (mt) cash-based transfers (USD)		
		Current	Increase	Revised total
Component 1	Food	22 108	5 804	27 912
	Cash-based transfers	1 340 000	400 000	1 740 000
Component 2	Food	27 623	112	27 735
	Cash-based transfers	10 029 409	63 500	10 092 909
Component 3	Food	17 236	5	17 241
Total food		66 967	5 921	72 888
Total cash-based transfers		11 369 409	463 500	11 832 909

ANNEX I-A

PROJECT COST BREAKDOWN			
	Quantity (mt)	Value (USD)	Value (USD)
Food			
Cereals	4 610	2 515 500	
Pulses	914	548 400	
Oil and fats	301	586 950	
Mixed and blended food	5	111 780	
Others	91	22 750	
Total food	5 921	3 785 380	
External transport		810	
Landside transport, storage and handling		1 840 100	
Other direct operational costs: food		473 721	
Food and related costs¹		6 100 011	6 100 011
Cash-based transfers		463 500	
Cash-based transfer-related costs		83 430	
Cash-based transfers and related costs		546 930	546 930
Capacity development and augmentation		2 021 310	2 021 310
Direct operational costs			8 668 251
Direct support costs (see Annex I-B) ²			3 412 642
Total direct project costs			12 080 893
Indirect support costs (7 percent) ³			845 663
TOTAL WFP COSTS			12 926 556

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

² Indicative figure for information purposes. The direct support cost allotment is reviewed annually.

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

ANNEX I-B

DIRECT SUPPORT REQUIREMENTS (USD)	
Staff and staff-related	
Professional staff	703 350
General service staff	745 058
Subtotal	1 448 408
Recurring and other	697 857
Capital equipment	258 406
Security	160 295
Travel and transportation¹	847 676
TOTAL DIRECT SUPPORT COSTS	3 412 642

¹ Reflects estimated costs when these activities are carried out by third parties. If the activities are carried out by country office staff, the costs are included in the staff and staff-related and travel and transportation categories.



ANNEX II: LOGICAL FRAMEWORK		
Results	Performance indicators	Assumptions
Cross-cutting		
<p>Gender Gender equality and empowerment improved</p>	<p>Proportion of women in leadership positions of project management committees</p> <p>Proportion of women project management committee members trained on modalities of food, cash, or voucher distribution</p> <p>Proportion of households where females and males together make decisions over the use of cash, voucher or food</p> <p>Proportion of women beneficiaries in leadership positions of project management committees</p> <p>Proportion of households where females make decisions over the use of cash, voucher or food</p> <p>Proportion of households where males make decisions over the use of cash, voucher or food</p>	<p>Influence school councils and motivate mothers and other women from their communities to be part of school councils.</p>
<p>Partnership Food assistance interventions coordinated and partnerships developed and maintained</p>	<p>Number of partner organizations that provide complementary inputs and services</p> <p>Proportion of project activities implemented with the engagement of complementary partners</p> <p>Amount of complementary funds provided to the project by partners (including non-governmental organizations), civil society, private sector organizations, international financial institutions and regional development banks)</p>	<p>Partners improve capacity of farmers' associations to supply food (in quantity and quality) to schools.</p>
<p>Protection and accountability to affected populations WFP assistance delivered and utilized in safe, accountable and dignified conditions</p>	<p>Proportion of assisted people informed about the programme (who is included, what people will receive, where people can complain)</p> <p>Proportion of assisted people who do not experience safety problems travelling to, from and/or at WFP programme site</p>	<p>Community meetings organized to inform members about the activities to be implemented and criteria for beneficiary selection.</p>



ANNEX II: LOGICAL FRAMEWORK		
Results	Performance indicators	Assumptions
Strategic Objective 2: Support or restore food security and nutrition and establish or rebuild livelihoods in fragile settings and following emergencies		
Outcome 2.1 Capacity developed to address national food insecurity needs	NCI: Food security programmes National Capacity Index NCI: National Capacity Index	WFP social protection activities are within the national Social Protection Programme coordinated by National Institute of Social Affairs.
Output 2.1 National nutrition, school feeding, safety net policies and/or regulatory frameworks in place	Number of technical assistance activities provided, by type Number of national programmes developed with WFP support – nutrition, school feeding, safety net	Request from Government for capacity development and participation of policy formulation/revision.
Output 2.2 Policy advice and technical support provided to enhance management of food supply chain, food assistance, nutrition and food security systems, including food security information systems	Number of national assessments/data collection exercises in which food security and nutrition were integrated with WFP support	WFP support will not lead to sustainable, increased capacity at the decentralized level if Government does not continue moving towards decentralization.
Output 2.3 National systems for monitoring trends in food security and nutrition strengthened	Number of government counterparts trained in collection and analysis of food and nutrition security data Number of food security and nutrition monitoring/surveillance reports produced with WFP support	WFP support will not lead to sustainable, increased capacity at the decentralized level if Government does not continue moving towards decentralization.
Strategic Objective 3: Reduce risk and enable people, communities and countries to meet their own food and nutrition needs		
Outcome 3.1 Improved access to livelihood assets has contributed to enhanced resilience and reduced risks from disaster and shocks faced by targeted food-insecure communities and households	CAS: Community Asset Score (average) CSI (Food): Coping Strategy Index (average) Diet Diversity Score (female-headed households) FCS: percentage of households with poor Food Consumption Score (female-headed) FCS: percentage of households with poor Food Consumption Score (male-headed) Diet Diversity Score (male-headed households) Diet Diversity Score CSI (Asset Depletion): Coping Strategy Index (average) FCS: percentage of households with borderline Food Consumption Score	District and local authorities and communities participate in planning, mobilization and implementation of activities.



ANNEX II: LOGICAL FRAMEWORK

Results	Performance indicators	Assumptions
	<p>FCS: percentage of households with poor Food Consumption Score</p> <p>FCS: percentage of households with borderline Food Consumption Score (female-headed)</p> <p>FCS: percentage of households with borderline Food Consumption Score (male-headed)</p>	
<p>Outcome 3.2</p> <p>Risk reduction capacity of countries, communities and institutions strengthened</p>	<p>NCI: National Capacity Index</p> <p>NCI: Resilience programmes National Capacity Index</p> <p>Proportion of targeted communities where there is evidence of improved capacity to manage climatic shocks and risks supported by WFP</p>	<p>Social and productive safety nets have adequate planning, mobilization and implementation at the district and sub-district levels (WFP will organize planning workshops at provincial and district levels).</p> <p>Delays in central authorities' allocation of funds to district development plans could adversely affect provision of technical support and inputs. (Support will be provided at the central level to ensure a timely planning process).</p> <p>Implementation and referral between programmes has good coordination and the sustained engagement of several government entities.</p>
<p>Outcome 3.3</p> <p>Increased marketing opportunities for producers and traders of agricultural products and food at the regional, national and local levels</p>	<p>Food purchased from regional, national and local suppliers, as % of food distributed by WFP in-country</p> <p>Food purchased from aggregation systems in which smallholders are participating, as % of regional, national and local purchases</p>	<p>Maize is milled by a large number of small-scale associations throughout the country. Advocacy, support and training to achieve high coverage and good quality of fortification may be difficult.</p> <p>Economic limitations may restrict the Government's willingness to introduce regulations and standards for the fortification of wheat, maize and oil.</p>



ANNEX II: LOGICAL FRAMEWORK

Results	Performance indicators	Assumptions
<p>Output 3.1 Community or livelihood assets built, restored or maintained by targeted households and communities</p>	<p>Number of assets built, restored or maintained by targeted households and communities, by type and unit of measure</p>	<p>Assets were created with participation of community members, under coordination of district and local authorities.</p>
<p>Output 3.2 Food, nutritional products, non-food items, cash transfers and vouchers distributed in sufficient quantity and quality and in a timely manner to targeted beneficiaries</p>	<p>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</p> <p>Quantity of food assistance distributed, disaggregated by type, as % of planned</p> <p>Total amount of cash transferred to targeted beneficiaries, disaggregated by sex and beneficiary category, as % of planned</p> <p>Total value of vouchers distributed (expressed in food/cash) transferred to targeted beneficiaries, disaggregated by sex and beneficiary category, as % of planned</p>	<p>Food provided for asset creation in assisted communities.</p>
<p>Output 3.3 National safety nets for food security, nutrition, education, community assets and overall contribution to resilience-building supported</p>	<p>Number of people trained, disaggregated by sex and type of training</p> <p>Number of technical assistance activities provided, by type</p>	<p>Capacity development activities organized with Government institutions.</p>
<p>Output 3.4 National nutrition, school feeding, safety net policies and/or regulatory frameworks in place</p>	<p>Number of technical assistance activities provided, by type</p>	<p>Production of new or revision of national documents planned by the Government with partners' collaboration.</p>
<p>Output 3.5 Increased WFP food purchase from regional, national and local markets and smallholder farmers</p>	<p>Number of farmers' organizations trained in market access and post-harvest handling skills</p> <p>Number of WFP vendors that have adopted demonstrable pro-smallholder aggregation practices</p> <p>Number of smallholder farmers supported</p> <p>Quantity of food purchased locally from pro-smallholder aggregation systems (in mt)</p> <p>Quantity of food purchased locally through local and regional purchases (in mt)</p>	<p>Farmer associations with produce available for sale.</p>



ANNEX II: LOGICAL FRAMEWORK

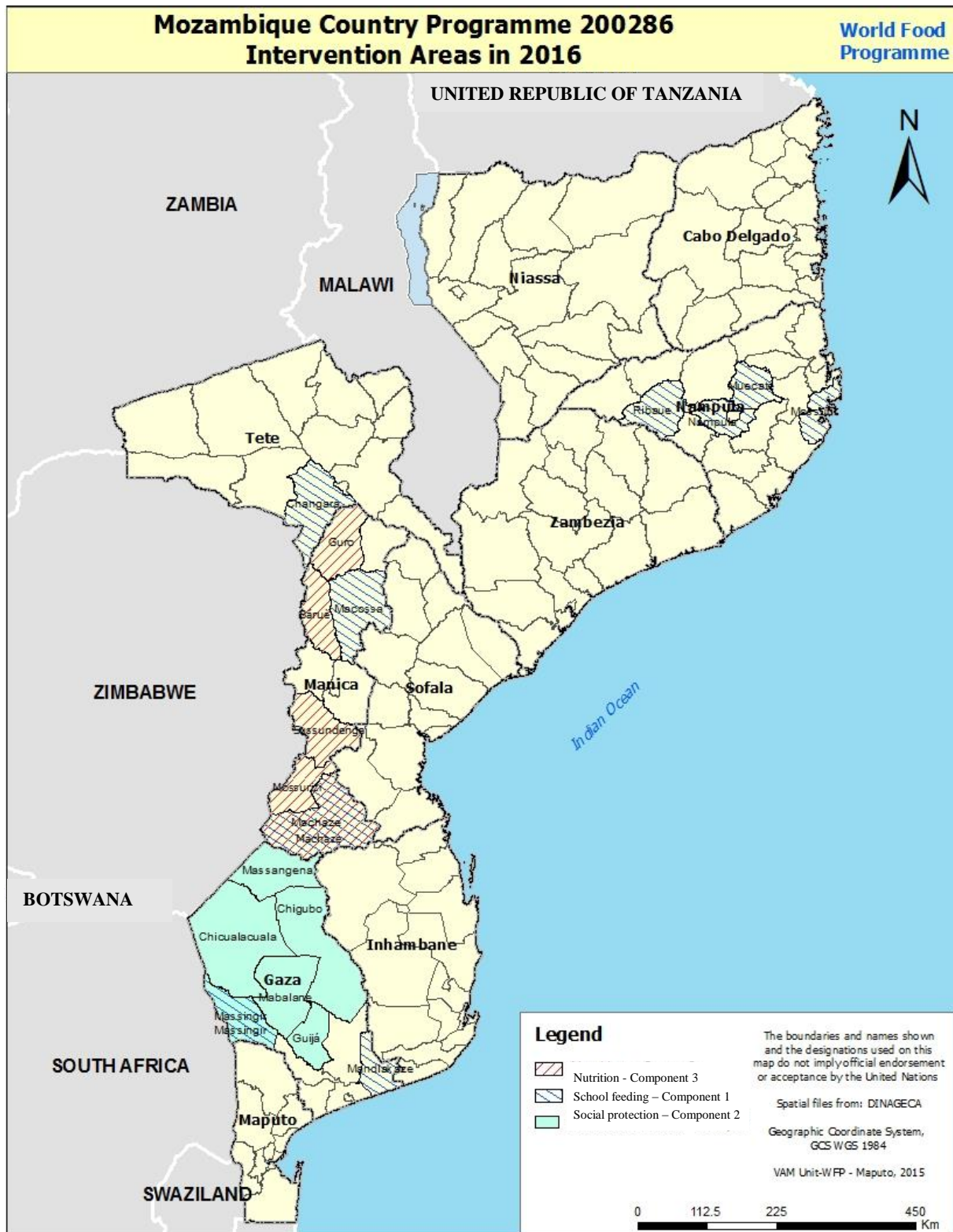
Results	Performance indicators	Assumptions
Strategic Objective 4: Reduce undernutrition and break the intergenerational cycle of hunger		
<p>Outcome 4.1 Increased equitable access to and utilization of education</p>	<p>Enrolment (boys): Average annual rate of change in number of boys enrolled in WFP-assisted primary schools Enrolment (girls): Average annual rate of change in number of girls enrolled in WFP-assisted primary schools Drop-out rate (boys) in WFP-assisted primary schools Drop-out rate (girls) in WFP-assisted primary schools Pass rate (boys) in WFP-assisted primary schools Pass rate (girls) in WFP-assisted primary schools Enrolment: Average annual rate of change in number of children enrolled in WFP-assisted primary schools Retention rate (girls) in WFP-assisted primary schools Retention rate (boys) in WFP-assisted primary schools Retention rate in WFP-assisted primary schools Pass rate in WFP-assisted primary schools Drop-out rate in WFP-assisted primary schools</p>	<p>Home-grown school feeding programme will require sufficient resources.</p>
<p>Outcome 4.2 Ownership and capacity strengthened to reduce undernutrition and increase access to education at regional, national and community levels</p>	<p>NCI: School Feeding National Capacity Index NCI: Nutrition programmes National Capacity Index</p>	<p>Home-grown school feeding programme will require sufficient resources provided by Government to sustain and expand Government's share. Provincial Directorate of Education and Culture's operational management capacities may be insufficient for effective activity implementation.</p>



ANNEX II: LOGICAL FRAMEWORK

Results	Performance indicators	Assumptions
<p>Outcome 4.3 Reduced undernutrition, including micronutrient deficiencies among children aged 6-59 months, pregnant and lactating women, and school-aged children</p>	<p>MAM treatment recovery rate (%) MAM treatment default rate (%) Proportion of eligible population who participate in programme (coverage) MAM treatment mortality rate (%) ART nutritional recovery rate (%) Prevalence of stunting among children under 2 (height-for-age as %) ART adherence rate (%) Prevalence of iron deficiency anaemia (IDA) among children under 2 (%; Hb<110g/L) MAM treatment non-response rate (%)</p>	<p>Success of integrated nutrition services relies on a dependable supply of nutritional supplements for the clinics. Without strong linkages to nutrition education and counselling activities addressing clients' overall health challenges, the PRN risks being reduced to a mere food distribution programme. Children's enrolment in preventive programmes may prove challenging, bringing the risk of decreased effectiveness for the intervention. Without strong cooperation with qualified partners at the clinic and community levels, the activity risks remaining isolated and with limited positive outcomes.</p>
<p>Output 4.1 Food, nutritional products, non-food items, cash transfers and vouchers distributed in sufficient quantity and quality and in a timely manner to targeted beneficiaries</p>	<p>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 Quantity of non-food items distributed, disaggregated by type, as % of planned Quantity of food assistance distributed, disaggregated by type, as % of planned Number of institutional sites assisted (e.g. schools, health centres), as % of planned</p>	<p>Home-grown school feeding programme will require sufficient resources provided by Government to sustain and expand Government's share. Provincial Directorate of Education and Culture's operational management capacities may be insufficient for effective activity implementation.</p>
<p>Output 4.2 Policy advice and technical support provided to enhance management of food security, nutrition and school feeding</p>	<p>Number of district staff/teachers/community members that are trained with support from WFP in home-grown school feeding programme design, implementation and other related areas (technical/strategic/managerial) Number of government staff trained by WFP in nutrition programme design, implementation and other nutrition-related areas – technical/strategic/managerial – disaggregated by sex and type of training</p>	<p>Training sessions organized in collaboration with local education authorities.</p>

ANNEX III



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

ART	anti-retroviral treatment
MAM	moderate acute malnutrition
UNDAF	United Nations Development Assistance Framework