

**BUDGET REVISION #2 PROTRACTED RELIEF AND RECOVERY OPERATION
PROJECT: HAITI**

**Haiti PRRO 108440
Food Assistance for Vulnerable Groups Exposed to Current Shocks
Cost (United States dollars)**

	Present Budget	Decrease	Revised Budget
Food cost	68,453,134	(35,365,697)	33,087,437
External transport	20,069,861	(10,334,704)	9,735,157
LTSH	21,169,714	(10,901,628)	10,268,086
ODOC	7,992,000	(4,189,834)	3,802,166
DSC	20,337,058	(9,825,819)	10,511,239
ISC (7%)	9,661,553	(4,943,238)	4,718,315
Total cost to WFP	147,683,320	(75,560,920)	72,122,400

NATURE OF THE DECREASE

1. A budget revision to Haiti protracted recovery and relief operation (PRRO) 108440 “Food Assistance for Vulnerable Groups Exposed to Recurrent Shocks” is proposed to:
 - a. Suspend the PRRO from 15 January to 31 December 2010;
 - b. Reduce commodity requirements by 77,617 mt of food valued at US\$35 million;
 - c. Reduce associated costs by US\$35 million, consisting of external transport (including airlift), landside transport, storage and handling (LTSH), other direct operational costs (ODOC), direct support costs (DSC); and
 - d. Reduce indirect support costs (ISC) by US\$4.9 million.

2. The PRRO was approved by the Executive Board in October 2009 for a period of two years from 1 January 2010 to 31 December 2011. The PRRO started on 1 January 2010 and was initially planning to reach 1.9 million people in 2010. However, following the massive earthquake which struck the country on 12 January, WFP launched a separate emergency operation (EMOP 200110) to respond to the needs of the earthquake-affected population. Since 15 January 2010, all WFP activities in the country have been implemented under the EMOP. Therefore, this budget revision proposes to reduce the PRRO requirements from 15 January 2010 to 31 December 2010.

JUSTIFICATION FOR BUDGET DECREASE

Summary of existing project activities

3. The overall objective of the PRRO is to support the Government in assisting populations affected by recurrent disasters, economic shocks and civil strife.¹ Relief activities target households affected by shocks to avoid assets being depleted and coping strategies exhausted. Recovery activities focus on communities with high food insecurity and undernutrition affected by recurrent shocks and lengthy recovery periods, targeting mostly the Sud-Est, Artibonite, Nord-Ouest and parts of the Nord-Est. The PRRO was initially planning to reach 1.9 million beneficiaries in 2010, through relief and recovery activities including general food distributions (GFD), mother-and-child health (MCH) programmes, supplementary feeding for people living with HIV (PLHIV), school feeding and food-for-work and food-for-assets (FFW/FFA) activities. Between 30 and 40 percent of the PRRO beneficiaries were expected to be urban or peri-urban households.
4. A massive earthquake struck Haiti on 12 January 2010 followed by several aftershocks. The epicenter was located about 16 km (10 miles) south-west of the capital Port-au-Prince, which has been decimated, along with Carrefour, Leogane, Delmas and Jacmel. Damage to buildings and infrastructure, including schools, hospitals and houses was considerable. The earthquake affected over 3.5 million people. Initially, over 2.3 million people were homeless.
5. Due to the immense scale of the damage, EMOP 200110 “Food Assistance to Earth-quake-Affected Populations in Haiti” was launched on 15 January for an initial period of six months of assistance targeting up to 2 million people affected by the devastating earthquake. The EMOP was extended until 31 December 2010 to assist affected populations throughout the country.
6. Currently, approximately 1.3 million people still live in spontaneous settlements throughout the affected areas. In addition, an estimated 600,000 people have left Port-Au-Prince and the West department to settle in other parts of the country. To date, WFP has provided food rations to over 4 million beneficiaries in response to the earthquake including those in the quake zone and in areas where people have migrated.
7. After the initial GFD distributions, early recovery activities have focused on social and productive safety nets (cash and food for work, school feeding, MCH and nutritional programmes) in line with the Government’s reconstruction plans and the recommendations from the 2010 post-disaster needs assessment (PDNA). Through cash and food for work (C/FFW), WFP supported the removal of earthquake debris in urban areas and livelihood recovery in rural areas. School feeding and nutritional programmes have been expanded to act as social safety nets and meet the acute needs of the most vulnerable populations.

¹ PRRO 108440 contributes towards WFP Strategic Objectives (SO) 1 (save lives and protect livelihoods in emergencies); SO 2 (Strengthen community capacity to reduce risks and adapt to climate variability); SO3 (restore and rebuild lives and livelihoods in post-conflict, post-disaster and transition situations); SO4 (reduce chronic hunger and undernutrition); and SO5 (Build consensus on programme design and partnership opportunities including community initiatives). The next budget revision to the PRRO, scheduled for review and approval by WFP Executive Board in February 2011, will realign objectives and activities in line with WFP’s recently completed programme category review.

Purpose of Decrease

8. This budget revision reduces the PRRO requirements for the period 15 January-31 December 2010 as beneficiaries are currently being assisted under EMOP 200110. From 1 to 14 January 2010, WFP reached 188,750 beneficiaries through various activities including immediate and rapid response, nutrition interventions and school feeding. Most of the distributions took place in Artibonite Department. The decrease in the beneficiary numbers is outlined in table 1 below:

TABLE 1. BENEFICIARIES BY ACTIVITY TYPE

Component	Activity	2010			2011
		Present	Decrease	Revised (1-14 January only)	
Relief	Immediate response	517,000	(495,000)	22,000	517,000
	Rapid response	517,000	(481,000)	36,000	517,000
	Emergency blanket supplementary feeding Children <2	35,000	(33,500)	1,500	35,000
Recovery	Regular Programme Activities:				
	MCH - Children <5	75,000	(56,250)	18,750	75,000
	MCH - Pregnant/lactating women	100,000	(75,000)	25,000	100,000
	Supplementary feeding PLHIV – TB	25,000	(8,500)	16,500	25,000
	Assistance to PLHIV - TB households	125,000	(42,500)	82,500	125,000
	School feeding and summer camps	500,000	(440,000)	60,000	315,000
	Seasonal Interventions (March-May / September-October)				
	Seasonal support distributions	250,000	(250,000)	0	200,000
	Food for work/assets	339,500	(339,500)	0	295,000
	Total*		1,906,500	(1,717,750)	188,750

* The total number of beneficiaries has been adjusted downwards to avoid double counting of beneficiaries assisted through more than one activity.

9. A crop and food supply assessment mission (CFSAM) and an emergency food security assessment (EFSA) took place in July and August 2010. Based on the assessments' results and recommendations and the priorities identified by a programme review mission, a strategy for the 2011 recovery response is currently being developed. The beneficiaries and activities planned for 2011 will be adjusted accordingly through a subsequent budget revision, which will be presented at the Executive Board in February 2011.

FOOD REQUIREMENTS

10. Table 2 shows the decrease in total food requirements by activity:

TABLE 2. TOTAL FOOD REQUIREMENTS BY ACTIVITY TYPE (mt)

Component	Activity	2010			2011
		Present	Decrease	Revised (1-14 January only)	
Relief	Immediate response	248	(248)	0	249
	Rapid response	8,531	(7,265)	1,266	8530
	Emergency blanket supplementary feeding - children <2	741	(710)	31	741
Subtotal relief component		9,520	(8223)	1,297	9520
Recovery	Regular Programme Activities				
	MCH - Children <5	1,587	(1,520)	67	1,587
	MCH - Pregnant/lactating women	8,460	(8,107)	353	8,460
	Supplementary feeding PLHIV – TB	1,587	(1,520)	67	1,587
	Assistance to PLHIV - TB Households	12,826	(12,291)	535	12,826
	School feeding and summer camps	18,812	(17,755)	1,057	11,852
	Seasonal Interventions (March-May / September-October)				
	Seasonal support distributions	8,551	(8,551)	0	6,840
	Food for work/assets	19,650	(19,650)	0	17,065
Subtotal recovery component		71,473	(69,394)	2,079	60,217
Total		80,993	(77,617)	3,376	69,737

RECOMMENDATION

11. This budget revision for Haiti PRRO 108440 “Food Assistance for Vulnerable Groups Exposed to Recurrent Shocks” to suspend operations from 15 January until 31 December 2010 with a decrease of US\$75.5 million is recommended for approval.

 Josette Sheeran
 Executive Director, WFP

Date:

BUDGET INCREASE COST BREAKDOWN

Food ²	Quantity (<i>mt</i>)	Value (<i>US\$</i>)	Value (<i>US\$</i>)
Cereals	(51,055)	(15,876,511)	
Pulses	(9,881)	(7,271,428)	
Oil and fats	(4,543)	(5,224,450)	
Mixed and blended food	(10,338)	(5,237,825)	
Others	(1,800)	(1,755,483)	
Total food	(77,617)	(35,365,697)	
Cash transfers		00 000	
Voucher transfers		00 000	
Subtotal food and transfers			(35,365,697)
External transport			(10,334,704)
Landside transport, storage and handling			(10,901,628)
Other direct operational costs			(4,189,834)
Direct support costs ³ (see Annex I-B details)			(9,825,819)
		Total direct project costs	(70,617,683)
		Indirect support costs (7%) ⁴	(4,943,238)
		TOTAL WFP COSTS	(75,560,920)

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

³ Indicative figure for information purposes. The direct support costs allotment is reviewed annually.

⁴ The indirect support cost rate may be amended by the Board during the project.

ANNEX IB

DIRECT SUPPORT REQUIREMENTS (US\$)	
Staff and Staff Related Costs	
International Professional Staff	(3,045,257)
International GS Staff	
Local Staff - National Officers	(320,083)
Local Staff - General Service	(757,656)
Local Staff - Temporary assistance	(1,205,775)
Local Staff - Overtime	(28,750)
Hazard Pay & Hardship Allowance	(1,064,441)
International Consultants	(233,833)
Local Consultants	
Non Staff HR: UNV	(325,833)
Commercial Consultancy Services	(19,167)
Staff duty travel	(776,250)
Subtotal	(7,777,046)
Recurring Expenses	
Rental of Facility	(95,833)
Utilities General	(100,625)
Office Supplies and Other Consumables	(32,583)
Communications and IT Services	(192,625)
Equipment Repair and Maintenance	(78,583)
Vehicle Running Cost and Maintenance	(332,590)
Office Set-up and Repairs	(211,792)
UN Organization Services	-
Subtotal	(1,044,631)
Equipment and Capital Costs	
Vehicle leasing	(283,475)
TC/IT Equipment	(479,167)
Local Security Costs	(241,500)
Subtotal	(1,004,142)
TOTAL DIRECT SUPPORT COSTS	(9,825,819)