

# BUDGET INCREASE TO UGANDA PROTRACTED RELIEF AND RECOVERY OPERATION 200852

**Title of the project: Food Assistance for Vulnerable Households**

**Start date:** 1/7/2016 **End date:** 31/3/2017 **Extension/Reduction period:**N/A **New end date:** N/A

Total revised number of beneficiaries	<b>1,011,350</b>		
Duration of entire project	<b>36 months</b>		
Extension/Reduction period	N/A		
Gender marker code	<b>2A</b>		
WFP food tonnage	<b>253,498 MT</b>		
<b>Cost (United States dollars)</b>			
	<b>Current Budget</b>	<b>Increase</b>	<b>Revised Budget</b>
Food and Related Costs	163,164,013	11,123,277	174,287,290
Cash and Vouchers and Related Costs	34,593,868	1,888,856	36,482,724
Capacity Development & Augmentation	14,464,338	4,013,329	18,477,667
DSC	28,090,280	795,000	28,885,280
ISC	16,821,875	1,247,432	18,069,307
<b>Total cost to WFP</b>	<b>257,134,374</b>	<b>19,067,894</b>	<b>276,202,268</b>

## NATURE OF THE INCREASE

1. This budget increase to Uganda protracted relief and recovery operation (PRRO) 200852 is proposed due to the following:
  - A greater than anticipated influx of refugees from South Sudan and eastern Democratic Republic of Congo (DRC) increases the planned beneficiaries from 373,000 to 523,000 over a nine month period;
  - A greater than anticipated demand for cash-based transfers (CBT) within the refugee programme increases the number of CBT recipients from 40,000 to 80,000;
  - A greater than anticipated demand for livelihood support increases the number of beneficiaries from 17,500 to 60,000 (70% refugees and 30% host communities); and
  - A revision of the land-side transport, storage and handling (LTSH) matrix and external transport costs.

The budget revision will allow WFP to appropriately respond to the increased refugee caseload and take advantage of efficiency gains from scaling up CBTs more rapidly than originally envisaged. The budget revision will cover a nine-month period (July 1, 2016 – March 31, 2017) and the project budget will increase by 7.4 percent, from USD 257,134,374 to USD 276,202,268.

## **JUSTIFICATION FOR EXTENSION-IN-TIME AND BUDGET INCREASE**

### **Summary of Existing Project Activities**

2. PRRO 200852 has three main components: 1) food and nutrition assistance to address the protracted refugee crisis in Uganda, 2) resilience programming for food-insecure households in non-refugee areas, and 3) capacity strengthening of the government's emergency response. The PRRO planned to reach 848,600 beneficiaries each year for the three year period, including 373,000 refugees per year.
3. The objectives of the operation are to: 1) meet the immediate food and nutrition security needs of refugees and vulnerable populations in Karamoja through regular food and nutrition assistance, and 2) improve resilience to food security-related shocks and stresses through the provision of reliable safety nets to households in the Karamoja region.<sup>1</sup> The strategic objectives do not change with this budget revision, but there is an additional standard performance indicator for stunting prevention under the mother-and-child health and nutrition (MCHN) activity within the refugee response.

### **Conclusion and Recommendation of the Re-Assessment**

#### ***Refugee influx***

4. The project plan was originally developed in mid-2015, taking into account projected refugee caseloads at that time; however refugee influxes over the latter part of 2015 and early 2016 were greater than expected, notably from the Republic of South Sudan, eastern Democratic Republic of Congo and Burundi. The UNHCR in-country and regional response plan (RRP) contingency planning has revised the refugee population number accordingly.

#### ***Cash-based transfers***

5. WFP, in collaboration with the Government of Uganda and UNHCR, introduced cash-based transfers in 2014 through a pilot project. Based on the positive results, in October 2015 cash-based transfers were expanded into three additional settlements, targeting refugees on a voluntary basis. Eligible refugee households are able to choose whether they will receive food or cash-based transfers. The demand for cash was greater than anticipated and the estimated 40,000 beneficiaries receiving cash-based transfers were reached by January 2016.
6. WFP-led assessments have found positive results from the cash-based transfer programme in refugee settlements. Household dietary diversity has increased<sup>2</sup> and there are no indications of adverse effects on food security or nutrition. In addition, joint decision making between men and women was rated greater than that for in-kind transfers without significant protection issues raised. Feasibility studies conducted by WFP have shown that the markets are able to support a

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<sup>1</sup> These objectives correspond with SDG 2 targets on food access, malnutrition, food system sustainability, and smallholder productivity and income, and with SDG 5 targets on gender equality, women's participation and equal opportunities, and empowerment of women and girls. The objectives are also in alignment with WFP's Regional Gender Implementation Strategy and Gender Policy 2015-2020.

<sup>2</sup> Based on a comparative analysis of the effectiveness of food assistance modalities in refugee settlements (February 2016) conducted by WFP Uganda AME Unit. According to this study, the dietary diversity score (DDS) for the cash based transfer beneficiaries was reported at 4.9 compared to 4.4 for beneficiaries who received food.

scale up in cash-based transfers. The Country Office has also gained efficiencies as cash-based transfers are 18 percent less costly per beneficiary compared to in-kind transfers, and this modality has significant bi-lateral donor support in Uganda. The savings gained through the adoption of cash-based transfers are ploughed back into the project to support the operational needs associated with the continuous refugee influx.

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

7. This budget revision increases the planned refugee caseload by 150,000 over the next 9 months in line with in-country and regional response plan (RRP) contingency planning. Subsequent budget revisions may be needed to adjust refugee caseloads based on future projections.
8. Under component one of the PRRO, food assistance is provided to refugee populations in a targeted manner, with food assistance decreasing based on length of stay in the country as the legal and policy framework for refugees in Uganda allows them to work and exercise livelihood options. The increase in refugee caseload over the next 9 months is a projected net increase and takes into account more than 50,000 people from the existing refugee caseload that will receive reduced food assistance within this period. The increased caseload also implies enrolment increases in the nutrition programmes. Table 1 shows revised figures for all beneficiary categories, including revised TSFP and MCHN estimates based on expected eligibility and enrolment. The Minimum Acceptable Diet (MAD) indicator will be included in this revision as a standard indicator for stunting prevention under MCHN. The data will be collected through Food Security and Nutrition Assessments (FSNA) in partnership with UNICEF and UNHCR.
9. Given the high demand for cash among the refugee households, and in agreement with key stakeholders, WFP will double the project plan for cash-based transfers to 80,000 for the period of October to December 2016.
10. The refugee self-reliance pilot targets households that have access to land to reduce post-harvest losses and links them with markets in order to increase their self-reliance. Through the post-harvest training and air-tight storage equipment, the pilot achieved positive results by increasing farmers' capacity to preserve their crops for a longer period thus realizing better food security and improved income at the household level. These positive effects directly benefitted women as most of the agricultural responsibilities in Uganda are shouldered by women.<sup>3</sup> Based on this initial positive results, Government of Uganda/Office of the Prime Minister and UNHCR want to expand the self-reliance project to a wider group of farmers. WFP will scale up this initiative to a total of 12,000 households (70 percent refugee, 30 percent host community), by March 2017. Most of this will be households headed by women. The additional budget requirements are reflected in the Capacity Development and Augmentation component of this revision.
11. Under component two of the PRRO, which focuses on building resilience in Karamoja, WFP in collaboration with the Government of Uganda, will use SCOPE technology to pilot a single registry system for beneficiary identification, targeting, and monitoring throughout the region. WFP will also pilot an agriculture and market support (AMS) activity in four districts, linking smallholders in the region to quality markets and improving their post-harvest handling and storage capacity. Both of these pilots align with the WFP/UNICEF/FAO joint resilience strategy for Karamoja. While the beneficiary numbers remain consistent with the approved PRRO, there are additional CD&A budgetary requirements and these are reflected in this revision.

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<sup>3</sup> IFAD. 2000. Uganda: Division of labour in agriculture. Online, accessed June 2015.  
<http://www.ifad.org/gender/learning/role/labour/54.htm>

TABLE 1: BENEFICIARIES BY ACTIVITY										
Activity	Beneficiary Category	Current			Increase/Decrease			Revised		
		Boys/Men	Girls/Women	Total	Boys/Men	Girls/Women	Total	Boys/Men	Girls/Women	Total
		<b>General Food Distribution (Refugees)</b>	<i>Food</i>	163,150	169,850	333,000	45,060	64,940	110,000	208,210
	<i>Cash</i>	19,600	20,400	40,000	18,800	21,200	40,000	38,400	41,600	<b>80,000</b>
<b>Livelihood Project (pilot)</b>	<i>Refugees</i>	6,000	6,250	12,250	14571	15179	29750	20,571	21,429	<b>42,000</b>
	<i>Host</i>	2,570	2,680	5,250	6241	6509	12750	8,811	9,189	<b>18,000</b>
<b>TSFP Refugees</b>	<i>6-23 months</i>	4,500	4,700	9,200	2,016	2,274	4,290	6,340	7,150	<b>13,490</b>
	<i>24-59 months</i>	4,500	4,700	9,200	2,016	2,274	4,290	6,340	7,150	<b>13,490</b>
	<i>Rest</i>	2,270	2,360	4,630	381	430	811	2,557	2,884	<b>5,441</b>
<b>MCHN Refugees</b>	<i>6-23 months</i>	23,725	23,725	47,450	5,288	5,963	11,250	27,589	31,111	<b>58,700</b>
	<i>PLW</i>	0	23,500	23,500	0	7,800	7,800	0	31,300	<b>31,300</b>
<b>Food Assistance for Assets (NUSAF)</b>	<i>Food</i>	207,400	215,900	423,300	0	0	0	207,400	215,900	423,300
	<i>Cash</i>	23,050	24,000	47,050	0	0	0	23,050	24,000	47,050
<b>Total</b>		<b>415,770</b>	<b>432,803</b>	<b>848,600</b>	<b>70,101</b>	<b>92,649</b>	<b>162,750</b>	<b>485,871</b>	<b>529,479</b>	<b>1,011,350</b>

**Total number of beneficiaries without double-counting: Excludes refugee beneficiaries under the Livelihood Project, TSFP and MCHN.**

12. The LTSH has been revised due to the following:
- Optimization of warehousing facilities;
  - Reduced overland transport costs ex-Tanzania;
  - Increased costs of implementing partners;
  - The appreciation of the Uganda shilling against US dollar over the past eight months. A decrease in exchange rate (currently at USD 3,375 compared to USD 3,410 used during the last revision in August 2015) means the CO spends more to pay suppliers as the contracts are in local currency.
13. The combined effect of these changes results into an overall reduction of the LTSH rate by 0.57 percent.
14. There are no changes to the food basket or cash-based transfer value for this budget revision.

## FOOD REQUIREMENTS

<b>TABLE 2: FOOD/CASH AND VOUCHER REQUIREMENTS BY ACTIVITY</b>				
Activity	Commodity /CBT	Food requirements (mt) / CBT (USD)		
		Current	Increase / Decrease	Revised total
Refugees – EVI's	Commodity	127,162	(785)	126,377
Refugees 100% Ration	Commodity	18,352	11,306.70	29,659
Refugees 50% Ration	Commodity	27,902	(438)	27,464
TSFP (children 6-59 months)	Commodity	982	268	1,250
TSFP (PLW)	Commodity	392	24	416
MCHN (children 6-23 months)	Commodity	5,126	351	5,477
MCHN (PLW)	Commodity	6093	586	6,679
<b>TOTAL Food</b>		<b>240,828</b>	<b>12,670</b>	<b>253,498</b>
Refugees	CBT	USD 32,751,631	USD 1,061,947	USD 33,813,578
<b>TOTAL Cash-based transfers</b>				<b>USD 33,813,578</b>

## Hazard / Risk Assessment and Preparedness Planning (if applicable)

15. WFP will continue to monitor the context in the Republic of South Sudan, DRC, and Burundi. The long-term prospects of peace and reduction in hostilities are uncertain and there is a risk of continued deepening of the food security crisis in the Republic of South Sudan. If and when the mid to long-term outlook (6-24 months) changes for refugee inflows to Uganda, WFP in collaboration with its partners, will revise contingency plans and if necessary revise the budget for PRRO 200852.

Approved by:

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Ertharin Cousin  
Executive Director, WFP

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Date

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## ANNEX I-A

<b>PROJECT COST BREAKDOWN</b>			
	<b>Quantity (mt)</b>	<b>Value (USD)</b>	<b>Value (USD)</b>
<i>Food Transfers</i>			
Cereals	10,293	5,740,783	
Pulses	(189)	(117,180)	
Oil and fats	(26)	(19,981)	
Mixed and blended food	2,591	2,267,922	
Others	1	5,954	
<b>Total Food Transfers</b>	<b>12,670</b>	<b>7,877,499</b>	
External Transport		1,914,368	
LTSH		1,279,023	
ODOC Food		52,387	
<b>Food and Related Costs <sup>1</sup></b>			<b>11,123,277</b>
C&V Transfers		1,061,947	
C&V Related costs		826,909	
<b>Cash and Vouchers and Related Costs</b>			<b>1,888,856</b>
<b>Capacity Development &amp; Augmentation</b>			<b>4,013,329</b>
<i>Direct Operational Costs</i>			17,025,462
Direct support costs			795,000
<b>Total Direct Project Costs</b>			<b>17,820,462</b>
Indirect support costs (7,0 percent) <sup>2</sup>			1,247,432
<b>TOTAL WFP COSTS</b>			<b>19,067,894</b>

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

<sup>2</sup> The indirect support cost rate may be amended by the Board during the project.

## ANNEX I-B

<b>DIRECT SUPPORT REQUIREMENTS (USD)</b>	
<b>WFP Staff and Staff-Related</b>	
Professional staff *	-
General service staff **	-
Danger pay and local allowances	-
<b>Subtotal</b>	-
<b>Recurring and Other</b>	-
<b>Capital Equipment</b>	<b>200,000</b>
<b>Security</b>	<b>170,000</b>
<b>Travel and transportation</b>	-
<b>Assessments, Evaluations and Monitoring<sup>6</sup></b>	<b>425,000</b>
<b>TOTAL DIRECT SUPPORT COSTS</b>	<b>795,000</b>

<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.