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**Executive Board
Second Regular Session**

Rome, 7–11 November 2005

PROJECTS FOR EXECUTIVE BOARD APPROVAL

Agenda item 8

For approval



Distribution: GENERAL
WFP/EB.2/2005/8-C/1
22 September 2005
ORIGINAL: ENGLISH

BUDGET INCREASE TO PROTRACTED RELIEF AND RECOVERY OPERATION— SOUTHERN AFRICA REGIONAL 10310.0

**Assistance to Populations in Southern Africa
Vulnerable to Food Insecurity and the Impact
of AIDS**

Cost (United States dollars)			
	Current budget	Increase	Revised budget
WFP food cost	194,387,949	93,085,736	287,473,685
Total cost to WFP	410,523,817	210,995,539	621,519,356

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NOTE TO THE EXECUTIVE BOARD

This document is submitted for approval by the Executive Board.

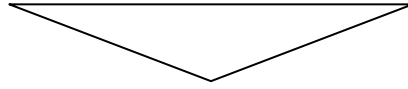
The Secretariat invites members of the Board who may have questions of a technical nature with regard to this document to contact the WFP staff focal points indicated below, preferably well in advance of the Board's meeting.

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DRAFT DECISION*



The Board approves the budget increase to PRRO Southern Africa Regional 10310.0 “Assistance to Populations in Southern Africa Vulnerable to Food Insecurity and the Impact of AIDS” (WFP/EB.2/2005/8-C/1).

* 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 INCREASE

1. The budget increase to regional protracted relief and recovery operation (PRRO) 10310.0 “Assistance to Populations in Southern Africa Vulnerable to Food Insecurity and the Impact of AIDS” is in response to rain failure from January to March 2005 that affected a number of countries in the Southern Africa regional bureau (ODJ), in particular Malawi, Mozambique, Zambia and Zimbabwe. The regional bureau had originally built into the design of PRRO 10310.0 a mechanism to address the impact of unexpected shocks throughout the three-year period of the intervention. An unallocated emergency window (UEW) of 100,000 mt of cereals, pulses and corn-soya blend (CSB) was set aside to provide a rapid response to any unanticipated increases in food needs in Lesotho, Malawi, Mozambique, Swaziland and Zambia, the five original countries of the PRRO. The UEW has been partially utilized to meet food needs in Zimbabwe; an allocation to Swaziland is also planned (see below). However, the UEW is insufficient to meet the most acute additional food requirements arising from inadequate and erratic rainfall in Malawi, Mozambique, Zambia and Zimbabwe up to the end of June 2006.
2. During April and May 2005, crop and food supply assessment missions (CFSAMs) and assessments by national vulnerability assessment committees (VACs) were conducted in Lesotho, Malawi, Mozambique, Swaziland, Zambia and Zimbabwe. The results indicate that the levels of food insecurity and vulnerability are significantly higher than originally envisaged in the PRRO. Malawi, particularly the southern and central parts of the country, has been the most seriously affected by insufficient rainfall, and has registered a 9 percent decrease in food production in 2005. An estimated 4.2 million people in Malawi will suffer a total food deficit of about 272,000 mt of cereal between June 2005 and the next harvest in March 2006. The Mozambique cereal harvests decreased by 43 percent in southern areas and 4 percent in central areas because of an extended dry spell, resulting in 587,500 food-insecure people requiring food aid from July 2005 to March 2006. In Zambia, the VAC and CFSAM estimate that 1.2 million people are unable to meet their food requirements because of crop failure. In Zimbabwe, preliminary estimates suggest a national cereal deficit of at least 1.2 million tons from April 2005 to March 2006, more than 60 percent of consumption requirements. Taking into account the Government’s import plans, WFP estimates that 3–5 million people may not have access to food through the marketing channels or planned government relief schemes.
3. WFP is proposing additional interventions in Malawi, Mozambique, Zambia and Zimbabwe, targeted to the beneficiaries and areas identified by the CFSAMs and VACs as requiring short-term assistance for the 2005/06 growing season. WFP country offices have been working with national governments to ensure a holistic approach to relief and development that supports the Poverty Reduction Strategy Papers (PRSPs) and the Millennium Development Goals (MDGs). The additional interventions will build on existing efforts to increase local government capacity to address shocks and to provide a safety net and strengthened coping capacity for individuals and households most at risk when food runs short.
4. The regional bureau has invested heavily to improve identification of the most vulnerable and of those likely to benefit the most from food assistance. The community and household surveillance (CHS) system, a sentinel-site monitoring system, has been operational for the past two years and has provided valuable insights into more effective targeting. It has demonstrated that food assistance has a positive impact on populations at risk. This budget increase incorporates the latest CHS findings to improve the targeting and



selection of beneficiaries and to focus on interventions that have demonstrated the greatest positive outcomes.

JUSTIFICATION FOR BUDGET INCREASE

Background

5. Food insecurity in Southern Africa is tenacious, structural and chronic. It must be combated through interventions that contribute to longer-term food security. Malawi, Mozambique, Zambia and Zimbabwe will focus on expanding the types of activities that build local and household capacity to address food insecurity – assistance to the education and health sectors and household support to improve agricultural production – and provide social safety-net functions to the most vulnerable people – support to children and the families of children at risk. The proposed interventions will also reduce the need for beneficiaries to engage in negative coping mechanisms such as selling livestock and reducing dietary intake that compromise livelihoods and nutritional well-being, and will demonstrate to governments the value and cost-effectiveness of food assistance in protecting the most vulnerable segments of the population.
6. Regional PRRO 10310.0 builds on the WFP emergency operations (EMOPs) from 2002 to 2004 that helped to prevent a serious humanitarian crisis in Southern Africa. A devastating combination of food insecurity, weakened capacity for governance and the highest HIV/AIDS prevalence rates in the world –the “triple threat” – and pervasive chronic poverty are causing development indicators in the region to decline. PRRO 10310.0 was designed in consultation with stakeholders and offers a programming framework for multisectoral activity to support food-insecure households affected by erratic climate, and people affected by HIV/AIDS and extreme poverty. This intervention now urgently needs to be scaled up.

Objectives

7. Additional relief food assistance targeting vulnerable individuals and households with the primary objective of safeguarding dietary intake and preserving livelihoods will be distributed through programming categories such as food security, health and nutrition, HIV/AIDS and education. The activities were selected on the basis of consultation with partners and stakeholders during the PRRO design phase. Consistent with the original design of PRRO 10310.0, additional relief requirements will have the following objectives:
 - safeguarding the nutritional status of children, mothers and other vulnerable groups; and
 - during acute food insecurity situations, protecting livelihoods for vulnerable people, including those affected by HIV/AIDS.
8. Relief food assistance will be channelled through the activities described below, which are in most cases being implemented under the PRRO and will be expanded during this period of increased needs. The following describes how the additional relief assistance will be apportioned.



Targeted Food Distribution

9. Target groups in this category will be households with insufficient crop production resulting from insufficient rainfall, those with no livestock or other sources of income to purchase food and other basic needs, and widows, orphans and households headed by women or elderly people without visible means of survival.
10. Relief assistance will be targeted to the provinces and districts most affected by poor rainfall. Implementation of relief activities will complement the cash-for-food and cash-for-work safety-net transfers proposed by the governments of Malawi and Zambia and the United Kingdom Department for International Development (DFID).
11. The regional bureau, Headquarters and DFID have been involved in consultations on ways in which collaboration on a proposed voucher system could work. WFP has been developing an inventory of who is doing what and where in order to determine the most appropriate implementation modalities.

Support to Health and Nutrition

12. This activity aims to provide nutritional supplements and treatment compliance to beneficiaries enrolled in a range of programmes including mother-and-child health (MCH), prevention of mother-to-child transmission (PMTCT), therapeutic and supplementary feeding for children under 5, home-based care (HBC) for the chronically ill, tuberculosis (TB) treatment and anti-retroviral (ARV) therapy.

Support to HIV/AIDS-Affected Households and Orphans and Other Vulnerable Children (OVC) Affected by HIV/AIDS

13. Additional relief assistance will support families whose food security is particularly affected by HIV/AIDS such as those caring for a chronically ill person or coping with the death of the main income provider. Food assistance will be provided to families hosting OVC and to households headed by children. WFP will maintain core responsibility for creating awareness among its staff, partners and governments on issues of sexual abuse and gender exploitation. Food movements are expected to increase as a result of scaling up the operation, so ongoing activities on partnering to create healthcare clinics for truck drivers will be expanded. A proportion of funds from other direct operational costs (ODOC) and direct support costs (DSC) will be dedicated to enhancing these activities.

Education

14. School feeding and/or food-for-education (FFE) activities will be undertaken in formal and semi-formal schools, community schools and neighbourhood care points. Food assistance in the form of on-site meals or take-home rations will be provided as an incentive for enrolment and attendance to reduce short-term hunger, increase attendance rates and improve performance. To meet basic minimum requirements that are not currently being met, partnerships to deliver complementary interventions with agencies such as the World Health Organization (WHO), the United Nations Children's Fund (UNICEF) and the Food and Agriculture Organization of the United Nations (FAO) will be reinforced. Efforts will be made to reach out-of-school children through innovative programming and partnerships.



	Lesotho	Malawi	Mozambique	Swaziland	Zambia	Zimbabwe	Total
Food security (TFD-VGF/FFW-T)	29 955	175 817	99 051	27 001	71 167	217 142	620 133
HIV/AIDS – household support	8 698	64 706	22 404	5 449	22 449	18 715	142 422
OVC	25 826	-	6 985	4 904	89 632	26 161	153 509
Health and nutrition	11 405	10 136	16 972	4 569	5 132	16 102	64 316
Education	931	-	27 608	8 444	-	52 704	89 688
Total	76 815	250 659	173 021	50 368	188 380	330 824	1 070 068

The revised total food requirement for the operation is 1,149,957 mt (see Table 4). Table 1 does not include 79,890 mt currently remaining in the UEW.

Beneficiaries

15. The 2005 VAC assessments estimate that about 10 million people in Malawi, Mozambique, Zambia and Zimbabwe will have insufficient production or income to meet their basic food requirements between June 2005 and the next harvest in March and April 2006. It is estimated that WFP will be required to provide food assistance to more than 8 million people during the peak hunger period of January to March 2006. Women represent about 52 percent of the total planned beneficiaries.

Lesotho	600
Malawi	1 630
Mozambique	800
Swaziland	289
Zambia	1 161
Zimbabwe	4 050
Total	8 200

"Peaks" represent the highest number of beneficiaries to be reached in any given month over the 36-month duration of the project.

Purpose of Budget Increase

16. The focus, objectives, implementation strategy and expected outcomes of the additional relief food assistance will be the same as those of the original PRRO 10310.0. The requested budget increase will allow WFP to scale up the existing activities as described above and accommodate the significant increases in population in need caused by insufficient and erratic rainfall and the formal inclusion of Zimbabwe into the PRRO.

FOOD REQUIREMENTS

17. In accordance with the findings of the CFSAMs, overall relief needs are expected to increase throughout the second half of 2005. The need for relief assistance will increase further during the lean period (normally November to March) and is then expected to



decrease substantially by the end of June 2006. All additional relief needs for June 2005 to July 2006 would be provided for under the budget increase figures in Table 3.

	Lesotho	Malawi	Mozambique	Swaziland	Zambia	Zimbabwe	UEW	Total
Cereal	-	92 537	41 947	-	43 384	221 170	-	399 037
Cereal ml	(6 518)	(14 474)	1 690	1 612	(1 505)	16 999	(1 612)	(4 077)
Pulses	(104)	10 084	4 134	(241)	3 750	26 512	-	44 135
Oil	(91)	2 093	2 152	(470)	1 673	2 307	-	7 665
CSB	2 572	(455)	(1 370)	327	396	(2 318)	-	(668)
Sugar	-	(44)	-	-	-	-	-	(44)
DSM	-	(115)	-	-	-	-	-	(115)
Salt	(117)	-	-	-	-	-	-	(117)
Fish	-	-	-	-	-	-	-	-
Total	(4 257)	89 356	48 553	1 228	47 698	264 850	(1 612)	445 816

Unresourced tonnages during the first two quarters of 2005 have been deducted from the overall requirement. In some cases, subtractions of the first two quarters' unused requirement exceed increases; thus some commodities show as negatives. The negative 1,612 mt under UEW represents the amount of maize meal the regional director will allocate to Swaziland under his delegated authority.

18. It is planned that a small additional budget increase will be approved in November 2005 to cover the needs of orphans and other highly vulnerable people in northern Namibia, where HIV-prevalence rates of 43 percent have been recorded. The programme modalities and food needs for Namibia had not been fully determined when this document was being finalized, and so it was not possible to include that country in this document.

Nutritional Needs and the Food Basket

19. The food basket includes cereals – mainly maize grain and maize meal – pulses, vegetable oil, CSB, dried skim milk (DSM) and salt. Ration considerations include factors such as a high number of people living with HIV/AIDS (PLWHA), indicating increased energy requirement. In the dietary and income expenditure patterns of Southern Africa, maize is the predominant food. To improve the quality of the diet, it is necessary to provide sufficient pulses and oil to complement maize. Fortified CSB, oil and maize meal will enhance the nutrition status of populations already vulnerable to micronutrient deficiencies and high HIV/AIDS prevalence.

Modalities of Food Distribution to Beneficiaries

20. WFP has built strong partnerships in the region and will use these to distribute food to beneficiaries efficiently. Food will be distributed in accordance with the distribution plan of the original PRRO, with adjustments to accommodate the additional relief food assistance.
21. WFP assistance complements national efforts and frameworks; WFP has partnerships in the region with governments, communities, non-governmental organizations (NGOs) and United Nations agencies. WFP has been working with an NGO partner consortium in Malawi and Zambia; in Zimbabwe, an umbrella NGO system has been established in which the larger international NGO partners support local partners on a district-by-district



basis. WFP also works with faith-based and community-based health service providers to provide a complete care package for TB and ARV patients, children under 5 and pregnant and lactating women.

22. In its mandate, WFP will accept responsibility to respect the “do-no-harm” principle. It will capitalize on opportunities created by large-scale food movements and distribution activities to address the areas of prevention, protection and care by:
- building on earlier initiatives to create awareness among its staff, partners and government counterparts on issues of sexual exploitation and abuse, including HIV issues;
 - expanding HIV/AIDS prevention education and awareness activities for food aid beneficiaries, and facilitating access to care and treatment where possible; and
 - expanding HIV/AIDS prevention education and wellness activities addressing risks and needs in the transport and food-handling sector.
23. A proportion of funds from ODOC and DCS will be dedicated to enhancing these activities and providing technical support where required.

TABLE 4: REVISED TOTAL FOOD REQUIREMENTS BY COUNTRY AND COMMODITY (2005 TO 2007) (mt)								
	Lesotho	Malawi	Mozambique	Swaziland	Zambia	Zimbabwe	UEW	Total
Cereal	-	221 370	117 356	-	156 257	247 764	69 247	811 994
Cereal ml	60 757	(11 382)	12 749	32 246	(1 505)	16 999	(1 612)	108 252
Pulses	7 726	27 936	14 986	6 118	10 002	32 073	9 681	108 524
Oil	2 920	8 150	7 054	2 735	5 582	5 701	2 574	34 717
CSB	5 308	3 699	20 776	9 269	18 043	28 287	-	85 381
Sugar	-	404	-	-	-	-	-	404
DSM	-	482	-	-	-	-	-	482
Salt	104	-	-	-	-	-	-	104
Fish	-	-	100	-	-	-	-	100
Total	76 815	250 659	173 021	50 368	188 380	330 824	79 890	1 149 957

Includes remaining balance in UEW. The regional director will approve an allocation of 1,612 mt from UEW for Swaziland separately. This budget increase covers all other additional requirements. The Zimbabwe figure of 330,824 mt represents its total requirement from 1 January 2005 to 30 June 2006 only.

24. The WFP regional bureau in Johannesburg is working to make PRRO 10310.0 as cost-effective and efficient as possible. The cost per mt of the operation is expected to be reduced from US\$602 to US\$540. Two important initiatives are being piloted within the operation: the TNT Post Group (TPG)-supported “Best Practices Project” allows additional tonnage to be managed with lower proportional increases in staffing and other support costs; and the New Business Process allows managers to purchase food at the optimal time by making financial resources available ahead of the confirmation of contributions. Multi-tier transport rates are expected to reduce specific landside transport, storage and handling (LTSH) rates, especially when donors allow WFP to purchase food locally or within the region.



RECOMMENDATION OF THE EXECUTIVE DIRECTOR

25. It is recommended that the Board approve this budget increase of US\$210.9 million to PRRO Southern Africa Regional 10310.0 “Assistance to Populations in Southern Africa Regional Vulnerable to Food Insecurity and the Impact of AIDS”.



ANNEX I

PROJECT COST BREAKDOWN			
	Quantity (mt)	Average cost per mt	Value (US\$)
WFP COSTS			
A. Direct operational costs			
– Commodity (mt) ¹			
– Maize	381 495	171	65 235 285
– Maize meal	9 168	171	1 567 833
– Pulses	44 134	435	19 198 290
– Vegetable oil	7 663	928	7 111 264
– Sugar	(44)	390	(17 160)
– DSM	(115)	1 208	(139 000)
– Iodized salt	(117)	60	(7 020)
Total commodities	445 812²		93 085 736
External transport			12 023 549
Landside transport			24 379 688
Subtotal for ITSH			46 956 339
Total LTSH		144 41	71 336 027
Other direct operational costs			9 747 238
Total direct operational costs			186 192 551
B. Direct support costs (see Annex II for details)			10 999 541
Total WFP direct support costs			197 192 092
C. Indirect support costs (7 percent of total direct costs)			13 803 446
TOTAL WFP COSTS			210 995 539

¹ This is a notional food basket used for budgeting and approval purposes. The mix and quantities of commodities, as in all WFP-assisted projects, may vary depending on availability.

² The slight difference, equal to 0.0009 percent, between this figure and the equivalent figure in Table 3 results from rounding-up in different systems.



ANNEX II

DIRECT SUPPORT REQUIREMENTS (US\$)	
Staff	
International Professional staff	2 741 625
National Professional Officers	596 200
National General Service staff	3 608 750
Temporary assistance	210 234
Overtime	21 750
Incentives	(83 750)
International Consultants	277 000
National consultants	(87 500)
UNVs	250 500
Staff duty travel	562 062
Staff training and development	67 250
Subtotal	8 164 120
Office expenses and other recurrent costs	
Rental of facility	786 000
Utilities (general)	95 472
Office supplies	343 904
Communication and IT services	394 389
Insurance	177 520
Equipment repair and maintenance	87 889
Vehicle maintenance and running cost	536 856
Other office expenses	(350 859)
UN Organizations Services	(10 000)
Subtotal	2 061 171
Equipment and other fixed costs	
Furniture tools and equipment	60 250
Vehicles	349 000
TC/IT equipment	365 000
Subtotal	774 250
TOTAL DIRECT SUPPORT COSTS	10 999 541



ACRONYMS USED IN THE DOCUMENT

ARV	anti-retroviral
CMS	community and household surveillance
CSB	corn-soy blend
CSFAM	crop and food supply assessment mission
DFID	Department for International Development (UK)
DSC	direct support costs
DSM	dried skim milk
EMOP	emergency operation
FAO	Food and Agriculture Organisation of the United Nations
FFE	food for education
HBC	home-based care
LTSH	landside transport, storage and handling
MDG	Millennium Development Goal
NGO	non-governmental organization
ODJ	Southern Africa Regional Bureau
ODOC	other direct operating costs
OVC	orphans and other vulnerable children
PLWHA	people living with HIV/AIDS
PMTCT	prevention of mother-to-child transmission
PRRO	protracted relief and recovery operation
PRSP	Poverty-Reduction Strategy Paper
TB	tuberculosis
TPG	TNT Post Group
UEW	unallocated emergency window
UNICEF	United Nations Children's Fund
VAC	Vulnerability assessment committee
WHO	World Health Organization

