



World Food Programme

PROJECT BUDGET REVISION FOR APPROVAL BY THE REGIONAL DIRECTOR

5) To:	Initials	In Date	Out Date	Reason for Delay
Regional Director				
4) Through:	Initials	In Date	Out Date	Reason for Delay
Programme Adviser, RB				
3) Through:	Initials	In Date	Out Date	Reason for Delay
Logistic Officer, RB (change in LTSH and/or External Transport)				
2) Through:	Initials	In Date	Out Date	Reason for Delay
Resource Management Analyst, RB				
1) From:	Initials	In Date	Out Date	Reason for Delay
Country Office				

**Regional PRRO 200490, Guatemala
BR No. 3**

Total revised number of beneficiaries	1,077,000 for 2015
Duration of entire project	36 months
Extension / Reduction period	N/A
Gender market code	2
WFP food tonnage	46,852

Start date: 1 Jan 2014 **End date:** 31 Dec 2016 **Extension/Reduction period:** N/A **New end date:** N/A

Cost (United States dollars)

	Current Budget	Increase (Decrease)	Revised Budget
Food and Related Costs	US\$34,256,286	US\$3,700,149	US\$37,956,435
Cash and Voucher and Related Costs	US\$39,097,683	US\$ -	US\$39,097,683
Capacity Development & Augmentation	US\$ 981,200	US\$ -	US\$ 981,200
DSC	US\$11,710,608	US\$ 360,785	US\$12,071,393
ISC	US\$ 6,023,204	US\$ 284,265	US\$ 6,307,470
Total cost to WFP	US\$92,068,982	US\$4,345,200	US\$96,414,181

CHANGES TO:

Food Tool

- MT
 Commodity Value
 External Transport
 LTSH
 ODOC

C&V Tool

- C&V Transfers
 C&V Related Costs

- CD&A
 DSC
 Project duration
 Other

Project Rates

- LTSH (\$/MT)
 ODOC (\$/MT)
 C&V Related (%)
 DSC (%)

NATURE OF THE INCREASE

1. *This budget revision has three objectives:*
 - *To increase commodities by 4,450 mt and increase the value of food transfers accordingly based on forecast contributions;*
 - *To temporarily adjust commodity rations for rice and beans and include Super Cereal in the recovery response as a complement to government assistance; and*
 - *To increase the total budget including increases in External Transport, LTSH, ODOC, DSC and ISC.*

JUSTIFICATION FOR THE REVISION

Summary of existing project activities

2. *The protracted relief and recovery operation (PRRO) aims to respond to recurrent natural events and other economic or social shocks, addressing the impact on the food security of the most vulnerable groups. The operation responds effectively to emergencies in El Salvador, Guatemala, Honduras and Nicaragua, which often affect the region as a whole. Food assistance is provided through a combination of in-kind, cash and voucher transfers through relief and early recovery interventions. The PRRO is designed to respond to and assist recovery from both sudden onset and slow onset emergencies with a tailored response to specific circumstances.*

Conclusion and recommendation of the re-assessment (if applicable)

3. *The north eastern, north central and north western areas of Guatemala, known as the “dry corridor”, have been affected by a prolonged dry spell in 2014 that reached a record of 45 days without rain in some areas. The lack of rain resulted in crop failures (70% loss of beans and up to 80% loss of maize, compared with the 2013 cycle) for families that practice subsistence and sub-subsistence farming. According to a WFP emergency food security assessment (EFSA) carried out in September 2014, harvest losses resulted in the depletion of food reserves, which increased acute and severe malnutrition cases and food insecurity levels. Also, water scarcity has led to deterioration of sanitary conditions and water quality.*
4. *The Government of Guatemala (GoG) declared a state of emergency and launched a humanitarian appeal on 24 of September 2014. The government initiated a large scale response with available resources, through the ‘Operation Opportunity’ launched in October 2014, targeting over 1,250,000 beneficiaries to receive assistance during a six month-period, from October 2014 to March 2015. The GoG carried out the first food distribution in October through its ‘Operation Opportunity’. In November, WFP started the conditional assistance to some 150,000 beneficiaries monthly, using commodity voucher transfers.*
5. *Initial planning was to provide assistance for a period of six months, however the original EFSA coupled with follow up monitoring have highlighted continued needs. Government resources are no longer available to the level of the first phase of the response and as such WFP is scaling up its food based response in coordination with the government and in response to specific donor forecasts above and beyond the previously planned lean season response implemented primarily through cash and vouchers. On 17 February 2015, the GoG formally requested further WFP assistance given the extended impact of the drought.*

6. *EFSA results (September 2014) estimated 1.5 million people were affected and 875,000 people were in need of humanitarian assistance. Acute malnutrition rates increased in most of the affected area.*
7. *Follow up monitoring and interviews conducted in February 2015 highlighted that most of the vulnerable population who are mainly subsistence farmers only have one harvest per year and have not recovered from the drought. With the next harvest expected beginning in August 2015, the extended lean season is a critical period for sustained support. Similarly, small farmer households and daily workers working on coffee plantations are in a critical period as most households have already depleted their household food stocks or will do so in the next two months. Some very poor households are already in crisis situation (IPC Phase 3, FEWSNET) until the harvest of first crops in September 2015.*
8. *The El Niño phenomena has been confirmed as “weak El Niño” by the IRI (International Research Institute for Climate and Society) for May 2015. WFP will continue monitoring the climate forecast and food insecurity situation of the affected families throughout the region. The recovery of populations affected by the poor 2014/15 season will depend largely on the performance of the next harvest.*
9. *In the absence of continued assistance, very poor households in the most affected areas of Guatemala will face a gap between their food needs and their purchasing power beginning in March that will extend until the next harvest of basic grains beginning in August 2015. Humanitarian assistance will be necessary to protect the livelihoods of these households and ensure adequate food access. This budget revision will allow WFP Guatemala to continue supporting affected population.*

Purpose of change in project duration and/or budget increase/decrease

10. *The purpose and justification of this BR is to increase food requirements by 4,450 mt in order to support food insecure families affected by the drought until their next harvest.*
11. *In particular, in San Marcos, the addition of Super Cereal to the ration is planned to address increasing acute malnutrition as shown in the EFSA results. As the PRRO only originally envisioned Super Cereal during the initial response phase, this revision allows for WFP to address this specific concern.*
12. *The most affected areas in the Eastern region in the “dry corridor” are targeted for continued assistance, complementing WFP and government assistance provided through cash and vouchers in other areas. As with C&V transfers, commodity distributions will be coordinated with government counterparts and NGO partners.*

TABLE 1: BENEFICIARIES BY ACTIVITY CONSOLIDATED ¹					
Activity	Current			Increase	Revised
	2014	2015	2016 ²	2015	2015
Phase 1 – Food	112,000	262,000	262,000	0	262,000
Phase 2 – Food	102,000	157,000	131,000	0	157,000
Phase 2 – C&V	33,000	105,000	131,000	0	105,000
<i>Total Relief</i>	112,000	262,000	262,000	0	262,000
Phase 3 FFA – Food	287,000	89,000	139,000	366,000	425,000

¹ Total beneficiaries account for overlap of beneficiaries across phases of relief and recovery responses.

² No changes to 2016



World Food Programme

Phase 3 FFA – C&V	443,000	421,000	139,000	0	421,000
<i>Total Recovery</i>	<i>730,000</i>	<i>510,000</i>	<i>278,000</i>	<i>366,000</i>	<i>876,000</i>
<i>Total Beneficiaries</i>	734,000	711,000	410,000	366,000	1,077,000

FOOD REQUIREMENTS

13. *The changes of the food ration in grammes/person/day is the following:*

Activity Recovery (FFA)*	Revised
Maize	270**
Rice	30
Beans	90
Super Cereal	53.3**
TOTAL	443.3
Total kcal/day	1,600
% kcal from protein	14
% kcal from fat	10
Number of feeding days per year or per month (as applicable)	90

* *Applicable to Guatemala only*

** *Provided by the host government*

14. *The host government will complement food basket with other commodities, in order to enrich the family food basket. The decision to provide full rations has been taken basically for the following reasons:*

- respond to the Appeal of the Government, being in-line with the whole strategy elaborated in the United Nations Response Plan;*
- address acute malnutrition at household and community level;*
- limited capacity of the Government to assist the whole cases of reported malnutrition through the structure of the Nutritional Recuperation Centres (CRN);*
- cover the basic food needs of the recipients accordingly to WFP estimates of their needs and considering their food insecurity due to the impact of the drought.*

15. *Additional total food quantity needed for achieving revised operation is the following:*

Country	Commodity / Cash & voucher	Food requirements (mt)/ Cash/Voucher (US\$)		
		Current	Increase / Decrease	Revised total
El Salvador	Commodity	9,930	0	9,930
	Cash	2,173,236	0	2,173,236
	Voucher	3,791,775	0	3,791,775

Guatemala	Commodity	15,166	4,450	19616
	Cash	5,218,782	0	5,218,782
	Voucher	9,990,000	0	9,990,000
Honduras	Commodity	7,957	0	7,957
	Cash	9,113,924	0	9,113,924
	Voucher	4,500,000	0	4,500,000
Nicaragua	Commodity	9,349	0	9,349
	Cash	1,715,280	0	1,715,280
	Voucher	0	0	0
TOTAL Food requirements (mt)		42,402	4,450	46,852
TOTAL Cash/Voucher (US\$)		36,502,997	0	36,502,997

Hazard / Risk Assessment and Preparedness Planning

16. *The distribution of the commodities will likely occur before the next harvest in September 2015. The Country Office (CO) will assess the situation during the month of July to confirm if the El Niño phenomenon (50-60 probability forecast) will once again affect the food security situation of subsistence farmers in the area of intervention.*
17. *The CO will only distribute these commodities during lean seasons and based on assessed need in the event that the commodities do not arrive in a sufficiently timely manner. Guatemala CO would explore transferring part of the contribution to the Country Programme 200641 in order to strengthen the resilience of drought affected areas within the coverage area and programmatic framework of that operation.*



World Food Programme

Drafted by: Hae-Won Park Country Office
Cleared by: Mario Touchette Country Office on 31 March 2015
Reviewed by: RBP Reviewer Group Regional Bureau
Cleared by: Regis Chapman Regional Bureau on 31 March 2015



PROJECT COST BREAKDOWN			
	Quantity (mt)	Value (US\$)	Value (US\$)
<i>Food Transfers</i>			
Cereals	1,000	409,710	
Pulses	3,000	1,940,910	
Oil and fats	-	-	
Mixed and blended food	450	409,950	
Others	-	-	
Total Food Transfers	4,450	2,760,570	
External Transport		365,280	
LTSH		498,699	
ODOC Food		75,600	
Food and Related Costs ³		3,700,149	
C&V Transfers		-	
C&V Related costs		-	
Cash and Vouchers and Related Costs		-	
Capacity Development & Augmentation		-	
<i>Direct Operational Costs</i>			3,700,149
Direct support costs (see Annex I-B)			360,785
Total Direct Project Costs			4,060,934
Indirect support costs (7.0 percent) ⁴			284,265
TOTAL WFP COSTS			4,345,200

³ This is a notional food basket for budgeting and approval. The contents may vary.

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

ANNEX I-B

DIRECT SUPPORT REQUIREMENTS (US\$)	
WFP Staff and Staff-Related	
Professional staff *	-
Local Consultant and Temporary Assistance **	96,585
Danger pay and local allowances	-
Subtotal	96,585
Recurring and Other	18,500
Capital Equipment	18,900
Security	12,600
Travel and transportation	179,200
Assessments, Evaluations and Monitoring⁵	35,000
TOTAL DIRECT SUPPORT COSTS	360,785

* Costs to be included in this line are under the following cost elements: International Professional Staff (P1 to D2), Local Staff - National Officer, International Consultants, Local Consultants, UNV

** Costs to be included in this line are under the following cost elements: International GS Staff, Local Staff - General Service, Local Staff - Temporary Assist. (SC, SSA, Other), Overtime

⁵ 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.