

**BUDGET REVISION NO. 4 TO PROTRACTED RELIEF AND RECOVERY
OPERATION (PRRO) HAITI 10674.0**

**Food Assistance for Relief and Livelihoods Protection of Vulnerable Populations
Exposed to Food Insecurity**

	Cost (United States dollars)		
	Present budget	Increase	Revised budget
Food cost	US\$ 69,189,015	US\$4,260,000	US\$73,449,015
External transport	15,209,208		15,209,208
LTSH	14,534,456	1,133,089	15,667,545
ODOC	3,892,000	435,000	4,327,000
DSC	12,941,630	1,080,820	14,022,450
ISC (7%)	8,103,642	483,624	8,587,265
Total cost to WFP	US\$123,869,951	US\$7,392,533	US\$131,262,483

NATURE OF THE INCREASE

- This budget increase to protracted relief and recovery operation (PRRO) Haiti 10674.0 is required to provide:
 - Additional 7,100 mt of food commodities at a food value of US\$4,260,000
 - Additional associated costs: land transport, storage and handling (LTSH); other direct operational costs (ODOC) and direct support costs (DSC) of US\$2,648,909
 - Additional indirect support costs (ISC) of US\$483,624
- This budget increase is urgently required to accommodate an in-kind contribution of 15,000 mt of cereals from the Government of Brazil. It will also allow WFP to address the increased needs in 2009 in Haiti.

JUSTIFICATION FOR BUDGET INCREASE

- Haiti PRRO 10674.0 was approved by the Executive Board in October 2007 to assist a total of 1,422,000 food-insecure people from 1 January 2008 to 31 December 2009. In April 2008, dramatic increases in food prices triggered violent riots in Haiti. As a result of a substantial loss in their purchasing power, 56 percent of the population with a daily income of one US Dollar or less per person per day could not afford a full meal each day. A budget revision was approved in June 2008 to reflect the increased food commodity prices on international markets and assist an additional 1.5 million beneficiaries from June till December 2008 through the following components: immediate emergency response (200,000 beneficiaries), summer camps for children (200,000 beneficiaries) and social safety nets for the most vulnerable households (1.1 million beneficiaries).
- In August and early September 2008, Haiti was hit by 3 hurricanes and one tropical storm. The areas worst hit included the town of Gonaives, which was completely destroyed, and the surroundings of Gonaives in the Artibonite plain. According to official figures, at least some 800 people died and 550 were injured. More than 160,000 families (800,000 people) were affected through the loss of their homes and livelihoods.
- In November 2008, WFP launched an emergency operation (EMOP 10781.0) to assist up to 800,000 people for a 6-month period until 30 April 2009. While food assistance was

mostly channeled through general distributions during the first two months, targeted feeding programmes such as mother and child health (MCH), emergency school feeding, food for work and vulnerable group feeding activities were expanded from January 2009 onwards. Following the completion of the EMOP, which is planned for April 2009, the recovery needs of the most vulnerable population groups will be addressed through the PRRO 10674.0.

6. Recent assessments have confirmed the food needs of an additional 1,372,000 beneficiaries in 2009 in order to provide the most vulnerable population in Haiti with a short-term safety net, avoid a further deterioration in nutritional status, support recovery and preparedness, and contribute to social stability. These requirements, estimated at 38,800 mt (including the Brazilian rice), are expected to be covered through a further budget revision to PRRO 10674.0 once programming arrangements are finalized. In addition, the commodity budget will be adjusted to reflect current market prices.
7. In the meantime, an in-kind contribution for 15,000 mt of rice has been confirmed by the Government of Brazil and will be arriving in Haiti in March 2009. In order to facilitate the immediate programming of this contribution, which would meet a part of uncovered needs, it is necessary to increase the PRRO food requirements by 7,100 mt of cereals (taking into account the current outstanding balance of commitment). Commodity and external transport rates are based on the estimated costs of the Brazilian/Spanish twinned contribution. The DSC, ODOC and LISH requirements for the additional in-kind contribution have been included in this budget revision.

FOOD REQUIREMENTS

8. This budget revision will increase food requirements as follows:

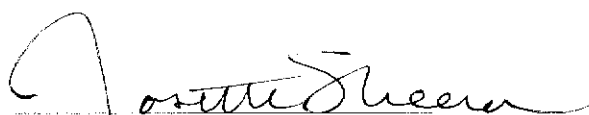
Table 1: Increase in food requirements by activity type

Activity	Food requirements (mt)		
	Present	Increase	Revised
Relief	92,085		92,085
Recovery	3,030	7,100	10,130
Total	95,115	7,100	102,215

RECOMMENDATION

9. The Executive Director is requested to approve the proposed budget increase for the protracted relief and recovery operation (PRRO) Haiti 10674.0 "Food Assistance for Relief and Livelihoods Protection of Vulnerable Populations Exposed to Food Insecurity".

Approved by:



Josette Sheeran
Executive Director, WFP

3/4/09

Date

BUDGET INCREASE COST BREAKDOWN			
	Quantity (mt)	Average Cost per Ton	Value (dollars)
WFP COSTS			
A. Direct operational costs			
Commodity¹			
Cereals	7,100	600.00	4,260,000
-			
-			
-			
-			
Total commodities	7,100		4,260,000
External transport			0
Landside transport			539,698
Subtotal for ITSH			593,391
Total LTSH			1,133,089
Other direct operational costs			435,000
Total direct operational costs			5,828,089
B. Direct support costs (see Annex II for details)			
Total direct support costs			1,080,820
C. Indirect support costs (7 percent of total direct costs)			483,624
TOTAL WFP COSTS			7,392,533

¹ This is a notional food basket used for budgeting and approval purposes. The precise mix and actual quantities of commodities to be supplied to the project, as in all WFP-assisted projects, may vary over time depending on the availability of commodities to WFP and domestically within the recipient country.

DIRECT SUPPORT REQUIREMENTS (US\$)	
Staff	
International professional staff	365,820
National general service staff	
Temporary assistance	200,000
Overtime	200,000
Incentives	
Staff duty travel	150,000
Staff training and development	
Subtotal	915,820
Office expenses and other recurrent costs	
Rental of facility	
Utilities (general)	
Office supplies	
Communication and IT services	
Insurance	
Equipment repair and maintenance	15,000
Vehicle maintenance and running cost	50,000
Other office expenses	
United Nations Organizations Services	
Subtotal	65,000
Equipment and other fixed costs	
Furniture tools and equipment	50,000
Vehicles	
TC/IT equipment	50,000
Subtotal	100,000
TOTAL DIRECT SUPPORT COSTS	1,080,820