

## BUDGET INCREASE TO DEVELOPMENT PROJECT

### Jordan Development Project 200478 ‘Support to the National School Feeding Programme’

**Start date:** 01-Dec-2012      **End date:** 30-Jun-2015  
**Extension period:** 12 Months    **New end date:** 30 June 2016

<b>Cost (United States dollars)</b>			
	<b>Current Budget</b>	<b>Increase</b>	<b>Revised Budget</b>
Food and Related Costs	7,342,923	2,781,643	10,124,566
Cash and Vouchers and Related Costs	-	-	-
Capacity Development & Augmentation	1,096,440	545,653	1,642,093
Direct Support Costs	2,898,314	1,125,416	4,023,730
Indirect Support Costs	793,637	311,690	1,105,327
<b>Total cost to WFP</b>	<b>12,131,314</b>	<b>4,764,402</b>	<b>16,895,716</b>

#### NATURE OF THE INCREASE

1. This revision will increase the original school feeding project budget plan in order to allow the absorption of a new cash contribution, which will increase the number of beneficiaries covered and extend food assistance until June 2016. This extension in time will also give sufficient time for handover and compensate for project startup delays. The revision will also introduce a new commodity (fruit bars) to alternate with high energy biscuits (HEBs) and will provide additional allocations for external transport and direct support costs.
  
2. Specifically, this revision will:
  - Increase the original project budget from US\$ 12.1 million to US\$ 16.9 million to receive a directed Canadian contribution of US\$ 4.8 million.
  - Extend project activities in time until 30 June 2016.
  - Increase the number of beneficiaries from 300,000 to 320,000.
  - Modify the food support modality to allow for alternation with the one adopted by the national school feeding project:
    - i. Revise the commodity requirements plan;
    - ii. Increase requirements of wheat flour by 27 mt and sugar by 629 mt;
    - iii. Add 1,953 mt of fruit bars.
  - Decrease Other Direct Operational Costs (ODOC) by US\$ 731,571.
  - Increase Direct Support Costs (DSC) by US\$ 1,125,416.
  - Allocate External Transport costs of US\$ 78,120.
  - Increase the Capacity Development and Augmentation (CD&A) component by US\$ 545,653.
  - Realign the project with the new WFP Strategic Plan and Strategic Results Framework (2014-2017).

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

### Summary of existing project activities

3. In response to a request by the Government of Jordan, this school feeding project supports the Government in further developing a high quality, sustainable school feeding programme as part of the national social safety net system, in line with international school feeding quality standards. The project is aligned with the national development goals of “strengthening principles of social justice and equal opportunity” and “reducing the poverty rate in Jordan”.

4. The project has two main components:

**Direct food assistance:** WFP planned to provide in-kind support to the national school feeding programme to enable the local production of fortified HEBs. The Government would continue to provide fruit from its own resources to complement the biscuits. Through the pooling of these resources, the national programme would be sustained and extended to reach schoolchildren affected by the economic crisis in the 66 sub-districts with the lowest food consumption and the highest poverty, thus ensuring a safety net while also encouraging children to stay in school.

**Capacity development:** WFP’s technical and strategic support would enhance Government capacity in planning, design and implementation of the national school feeding programme for more efficient implementation and sustainable results. Activities include:

- A comprehensive, multi-stakeholder assessment of the national programme in line with school feeding quality standards, to forge a common vision for school feeding in the country, identify gaps and design a roadmap for programme development;
  - Development of a national school feeding strategy to build institutional stability and programme uniformity;
  - Design of a more stable funding strategy;
  - Development of an advocacy campaign to enhance public awareness and support for school feeding;
  - An improved monitoring and evaluation system;
  - Feasibility studies on diversifying the food basket, alternative transfer modalities and introducing home-grown school feeding;
  - Training on school feeding management through a training-of-trainers approach to reach staff at central, governorate, district and school level.
5. Further to the approval of protracted relief and recovery operation 200537, aimed at supporting food insecure rural and urban Jordanian households affected by the economic crisis, increased food and fuel prices, and the effects of the Syrian refugee crisis, the WFP Country Office will ensure maximum synergy between the two projects. Both will provide institutional support for social safety nets as well as capacity augmentation.
  6. Capacity development and technical assistance will focus on supply chain enhancements, including those related to: data collection, supply and value-chain analysis, transportation contract procedures, and the implementation and delivery of services. Long-term sustainability of national school feeding programmes will be enhanced through institutional capacity development leading to optimized performance along the supply chain. Enhanced national capacities in supply chain management will be of critical importance at the time of WFP handover of all project activities to the Government.

7. By the end of this project, WFP will have handed over all project activities to the Government in the areas of advocacy, monitoring and evaluation, training, and best practices, which will all be reflected within the national school feeding strategy.

### **Conclusion and recommendations of the re-assessment**

8. As a result of the global and regional crises, the socio-economic situation in Jordan has been deteriorating since 2008. Exacerbating this, the Syrian crisis has resulted in massive influxes of refugees into the country. While the original project was fully funded by Russia, to meet increasing needs, Canada has confirmed an additional contribution of US\$ 4.8 million which will be accommodated by this budget revision.
9. Implementation of the WFP school feeding project has been delayed for more than six months pending the signature of the Development Project Action Plan (DPAP) by the Government, due to concerns over the procurement of HEBs. Following instructions from the King of Jordan, the Military Bakeries have traditionally been the sole suppliers of school snacks, supporting the implementation of the national school feeding programme since 2005. However, under standard procedures, WFP was not able to inherit the Government's current contract with the Military Bakeries since it was found that prices charged by them are higher than other local vendors.<sup>1</sup>
10. Negotiations between WFP and the Government have resulted in an agreement whereby school snacks will be provided jointly through Military Bakeries and WFP vendors who will be selected through regular procurement processes. Students will receive two different school snacks alternating over the days of the week: HEB provided by the military bakeries for two days and fruit bars provided by WFP for three days. Fresh fruit, provided five days per week by the Government, to the same school children, will complement both. The new modality will also allow an increase in the number of students from 300,000 to 320,000 as well as providing diversity in school snacks.

### **Purpose of extension and budget increase**

11. Through this budget revision, the project will be re-aligned to the new WFP Strategic Plan and Strategic Results Framework (2014-2017). The objectives of the project are re-aligned to Strategic Objective 4<sup>2</sup> of the new Strategic Plan, and remain unchanged, as follows:
  - Expand school feeding as a productive social safety net and maintain school enrolment at a time of Government budgetary constraints and economic hardship among poor households.
  - Enhance the quality and sustainability of the national school feeding programme through the provision of technical assistance to improve institutional capacity to plan, design and manage school feeding.

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<sup>1</sup> In line with the results of a preliminary market assessment by WFP, the cost charged by military bakeries for 1 mt of HEB is almost US\$3,000. Price of 1 mt of HEB from other local producers ranged between US\$1,500 and US\$2,000. Price of 1 mt of locally produced fruit bars was estimated at US\$ 1,700.

<sup>2</sup> Strategic Objective 4: Reduce under-nutrition and break the inter-generational cycle of hunger.

12. This revision will enable the accommodation of an additional US\$ 4.8 million, increasing the budget from US\$ 12.1 million to US\$ 16.9 million. The project will be extended for one additional year until June 2016. As the number of school children in need is estimated at around 750,000 this contribution is considered timely and targets the most food-insecure schools.
13. The extension in time will also provide time to evaluate the outcomes of the capacity augmentation activities, which should reflect positive institutional changes in the implementation of the national school feeding project.
14. The additional directed resources will enable an increase of beneficiaries from 300,000 to 320,000 as per the below table:

	Beneficiaries					
Activity	Current planned number		Increase		Revised	
	Girls	Boys	Girls	Boys	Girls	Boys
school feeding	150,000	150,000	10,000	10,000	160,000	160,000
<b>Total</b>	<b>150,000</b>	<b>150,000</b>	<b>10,000</b>	<b>10,000</b>	<b>160,000</b>	<b>160,000</b>

15. While originally, WFP intended to provide locally-produced HEBs on a daily basis in addition to fruit provided by the Government, under the proposed revised food ration, WFP will provide imported fruit bars at the beginning of the project while gradually shifting to locally produced fruit bars. Military bakeries will continue to support the school feeding project as per the Government request through the provision of HEBs twice a week. WFP will provide fruit bars the remaining three days per school week. Fresh fruit will be provided by the Government every day of the school week in addition to the HEBs or fruit bars. The number of feeding days will remain unchanged.

Commodity Type	Original Individual ration				Revised individual ration (two days/week)				Revised individual ration (three days /week)			
	size (grams per person per day)	Total Kcal/day	% kcal from protein	% kcal from fat	size (grams per person per day)	Total Kcal/day	% kcal from protein	% kcal from fat	size (grams per person per day)	Total Kcal/day	% kcal from protein	% kcal from fat
Fruit bars <sup>a</sup>	-	-	-	-					80	360	7	24
HEB <sup>b</sup>	75	338	6	18	50	200	6	18				
Fruit <sup>c</sup>	1 piece	88	-	-	1 piece	88			1 piece	88	-	-
<b>Total</b>		426				288 <sup>d</sup>				448 <sup>d</sup>		

a. WFP fruit bars will be provided for three days of the week.

b. Government HEBs will be provided for two days of the week.

c. Government will provide fruit (apples, oranges or bananas) every day of the school week. (Oranges and apples contain not-significant levels of protein and fat).

d. Alternation of Government and WFP snacks will result in daily caloric variation.

16. Due to the unforeseen setbacks, local production of fruit bars using WFP-imported wheat flour and sugar will be delayed for the semester beginning September 2013. Hence, for the initial phase of the project, WFP will purchase the required fruit bars externally. Over the following years, fruit bars will be produced locally using WFP fortified wheat flour and sugar, and will be supplemented with locally-procured fruit bars.
17. Distribution of locally produced fruit bars using WFP-imported wheat flour and sugar will commence as of February 2014. However, purchase of wheat flour and sugar from Russia<sup>3</sup> will start in 2013 to allow sufficient time for the procurement process, transportation, and local production in Jordan.
18. Capacity augmentation to enable a sustainable school feeding programme, which comprises of the main activities of the project, will remain unchanged.

<b>TABLE 3: Breakdown of project requirements based on source of fruit bars, and quantities of wheat flour and sugar required</b>					
year	Requirements of fruit bars (mt)			Wheat flour required for local production of fruit bars (mt)	Sugar required for local production of fruit bars (mt)
	Total requirements	Direct procurement	Locally Manufactured		
2013	716.80	716.80	0	-	-
2014	1,894.40	494.4	1400	1,741	1,036
2015	1,894.40	494.4	1400	1,741	1,036
2016	947.20	247.2	700	870	518
<b>Total</b>	<b>5,452.80</b>	<b>1,953</b>	<b>3,500</b>	<b>4,352</b>	<b>2,590</b>

19. Under the proposed modality 5,453 mt of fruit bars will be required to feed 320,000 beneficiaries. Out of the total quantity, 1,953 mt of fruit bars will be purchased directly, while the remaining 3,500 mt will be produced locally using WFP wheat flour and sugar. In line with standard procedures, WFP will issue a tender to select a local producer to manufacture the fruit bars. Based on information from local producers, payment will be effected using a combination of cash (35 percent of transformation cost) and in-kind (65 percent of transformation cost). Table 4 shows the payment breakdown for one mt of fruit bars, and the quantities of wheat flour and sugar required, broken down as: (i) the amount of wheat flour and sugar needed to produce one mt of fruit bars, and (ii) the additional quantities of wheat flour and sugar which represent the in kind payment. Overall project requirements of wheat flour will increase from 4,325 mt to 4,352 mt, and from 1,961 mt to 2,590 mt for sugar.

<sup>3</sup>The Russian contribution stipulates that WFP purchase the wheat flour and sugar from Russia.

<b>TABLE 4: BREAKDOWN OF FRUIT BARS PAYMENT ARRANGEMENTS (per 1 mt)</b>			
<b>Payment method</b>	<b>Quantity</b>	<b>Local cost per unit (US\$)</b>	<b>Value (US\$)</b>
Cash payment	1	600	600
Wheat flour required for production of fruit bars (mt)	0.370	480	177.6
Sugar required for production of fruit bars (mt)	0.070	680	47.6
Wheat flour in kind payment (mt)	0.873	480	419.2
Sugar in kind payment (mt)	0.670	680	455.6
<b>Total cost (equivalent to local market price of one mt of fruit bars)</b>			<b>1,700</b>

20. ODOC has been decreased by US\$ 731,571 due to:

- Decrease in transformation costs by US\$ 759,808 in response to changes in total project requirements of fruit bars. However, the transformation cost per mt has increased from US\$410 to US\$600 in cash in addition to the in-kind payment to the manufacturers estimated at US\$ 1,100 (see Table 4), reflecting a more realistic transformation cost estimate after further market exploration and discussions with local producers.
- Increase in transport related costs (Q&Q, superintendence and cargo insurance) by US\$ 28,237 to cater for the increase in total food requirements.

21. An extension in time will require additional DSC to cover recurring staff costs. The revision in DSC also reflects the new salary scale for temporary assistance staff, effective since February 2013.

22. While food procurement from Russia will take place on a cost, insurance and freight (CIF) basis, the cost of external transport will need to be covered for the regional procurement of fruit bars, which will be effected on a free on board (FOB) basis. A provision for external transport has been added accordingly.

## FOOD REQUIREMENTS

23. The below table outlines the revised food requirements taking into consideration the total increase of 2,609 mt of fruit bars, and additional wheat flour and sugar for the transformation costs of locally produced fruit bars.

<b>TABLE 5: FOOD REQUIREMENTS BY ACTIVITY TYPE</b>				
<b>Activity</b>	<b>Commodity</b>	<b>Food requirements (mt)</b>		
		<b>Current</b>	<b>Increase</b>	<b>Revised total</b>
<b>School feeding</b>	<b>Commodity</b>	6,288	2,609	<b>8,897</b>
<b>Total</b>		6,288	2,609	<b>8,897</b>

## **Hazard / Risk Assessment and Preparedness Planning**

24. The provision of both directly-procured and locally-produced fruit bars requires a well-managed pipeline to avoid breaks in food supply. To that end, the WFP Country Office is enhancing staff capacities in the areas of pipeline and resource management.
25. The new feeding arrangement requires substantial levels of coordination and communication on the part of both WFP and the Government as both parties will be providing meals to the same beneficiaries, on different days of the week. Annual work plans will be prepared to ensure both parties have resources available, and understand roles and responsibilities.
26. Price inflation is considered a major factor in determining the cost of production. Regular market price monitoring will be conducted in order to update and revise costs accordingly.

### **Approved by:**

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Ertharin Cousin  
Executive Director, WFP

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Date

PROJECT COST BREAKDOWN			
	Quantity (mt)	Value (US\$)	Value (US\$)
<i>Food Transfers</i>			
Cereals	27	146,205	
Pulses	-	-	
Oil and fats	-	-	
Mixed and blended food	1,953	2,735,479	
Others	629	553,410	
<b>Total Food Transfers</b>	<b>2,609</b>	<b>3,435,094</b>	
External Transport		78,120	
LTSH		-	
ODOC Food		-731,571	
<b>Food and Related Costs <sup>4</sup></b>		<b>2,781,643</b>	
C&V Transfers		-	
C&V Related costs		-	
<b>Cash and Vouchers and Related Costs</b>		<b>-</b>	
<b>Capacity Development &amp; Augmentation</b>		<b>545,653</b>	
<i>Direct Operational Costs</i>			3,327,296
Direct support costs (see Annex I-B)			1,125,416
<b>Total Direct Project Costs</b>			<b>4,452,712</b>
Indirect support costs (7,0 percent) <sup>5</sup>			311,690
<b>TOTAL WFP COSTS</b>			<b>4,764,402</b>

<sup>4</sup> This is a notional food basket for budgeting and approval. The contents may vary.

<sup>5</sup> The indirect support cost rate may be amended by the Board during the project.



**ANNEX I-B**

<b>DIRECT SUPPORT REQUIREMENTS (US\$)</b>	
<b>WFP Staff and Staff-Related</b>	
Professional staff	597,589
General service staff	427,931
Danger pay and local allowances	-
<b>Subtotal</b>	<b>1,025,520</b>
<b>Recurring and Other</b>	<b>43,950</b>
<b>Capital Equipment</b>	<b>2,556</b>
<b>Security</b>	<b>-</b>
<b>Travel and transportation</b>	<b>53,390</b>
<b>Assessments, Evaluations and Monitoring<sup>1</sup></b>	<b>-</b>
<b>TOTAL DIRECT SUPPORT COSTS</b>	<b>1,125,416</b>

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<sup>1</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.

**ANNEX II: LOGICAL FRAMEWORK<sup>7</sup>**

**CROSS-CUTTING RESULTS AND INDICATORS:**

**GENDER:** Proportion of women school feeding staff trained in managing the national school feeding programme.”

**PROTECTION:** Proportion of assisted people (school children or parents/caretakers of children) informed about the programme (who is included, what will people receive, where people can complain)

**PARTNERSHIP:** Food assistance interventions coordinated and partnerships developed; **INDICATORS:** Number of UN agencies/International organizations that provide complementary inputs and services

Results-Chain (Logic Model)	Performance Indicators	Risks, Assumptions
<p><b>1.1 Strategic Objective 4: Reduce undernutrition and break the intergenerational cycle of hunger</b></p> <p><b>Goals:</b></p> <p>2: Increase access to education and health services, contribute to learning and improve nutrition and health for children, adolescent girls and their families</p> <p>3: Strengthen the capacity of Governments and communities to design, manage and scale-up nutrition programmes and create an enabling environment that promotes gender equality</p> <p><b>Components:</b> :</p> <p>Re-expansion of national school feeding programme through direct food support</p> <p>Improving the quality and sustainability of the national school feeding programme through capacity development</p>		
<p><b>Outcome 1: Maintain equitable access to and utilization of education</b></p>	<p>Retention rate for boys and girls Target: &gt;95%</p> <p>Drop-out rate for boys and girls Target: Drop-out rate: &lt; 3%</p>	<ul style="list-style-type: none"> <li>➤ Value of WFP transfer sufficient to maintain children at school</li> <li>➤ The Government continues to provide fresh fruit</li> <li>➤ No other significant events impacting on access, quality of education</li> <li>➤ Household vulnerabilities do not increase due to worsening of economic crisis, influx of populations from neighboring countries</li> </ul>

<sup>7</sup> The logical framework is aligned to the Strategic Results Framework (SRF) – version 17 July 2013 – and will be reviewed and amended upon approval of the SRF by the Executive Board at the November session.

<p><b>2</b> Output 1.1 Food, distributed in sufficient quantity, quality and in a timely manner to targeted school children</p>	<p>Number of primary school girls and boys receiving WFP food assistance Target: 2013: 320,000 children 2014: 320,000 children 2015: 320,000 children 2016: 320,000 children Number of schools assisted by WFP Target: (1,300) Quantity of food distributed to targeted schoolchildren Target: 5,453 mt Number of feeding days compared with actual school days Target: 74 days per school year</p>	<ul style="list-style-type: none"> <li>➤ Sufficient, cost-efficient local production capacity available for fruit bars.</li> <li>➤ Timely and adequate availability of resources</li> <li>➤ Schools accessible by surface transport</li> <li>➤ Fruit bars are accepted by school children</li> <li>➤ Timely and adequate availability of resources by WFP, the Government</li> <li>➤ Schools accessible for transport</li> <li>➤ No delays in external procurement, delivery or local production of HEB</li> </ul>
<p><b>Outcome 2: National capacity to reduce under nutrition and increase access to education at the national level is strengthened, through enhancing the National school feeding programme as a social safety net</b></p>	<p>National capacity index<sup>8</sup> for school feeding Target: score of 10/15 Percentage of schools in areas with high poverty rates covered by the national school feeding programme Target: 90%</p>	<ul style="list-style-type: none"> <li>➤ WFP capacity augmentation activities target key issues in the national school feeding programme and meet Ministry of Education/ the Government's interests</li> <li>➤ Government remains committed to social safety net programmes, poverty alleviation</li> <li>➤ Changes in the Government do not negate prior agreements</li> <li>➤ The Government is committed to school feeding, poverty alleviation, social protection</li> <li>➤ The Government maintains their school feeding budget allocation</li> <li>➤ Budgetary constraints do not limit government contribution to school feeding</li> <li>➤ Food and fuel prices do not increase further</li> <li>➤ No influx of populations from neighboring countries</li> </ul>
<p><b>3</b> Output 2.1: Policy advice and technical support provided to enhance management of national school feeding project including supply chain</p>	<p>Number of people (men, women) trained in programme design and planning, implementation procedures and practices, disaggregated by category (national Government, partner staff); Target: 250</p>	<ul style="list-style-type: none"> <li>➤ Timely and adequate availability of resources</li> <li>➤ Partnerships can be forged with other United Nations agencies</li> <li>➤ Minimum turnover of Government staff</li> </ul>

<sup>8</sup> The National Capacity Index measures progress against five quality standards: i) sound alignment with the national policy; ii) strong institutional frameworks; iii) stable funding and budgeting; iv) quality programme design; and v) strong community participation. The capacity development assessment tool is based on standards adapted by WFP from a World Bank capacity development framework.

management	<p>Number of technical assistance activities provided in the following areas:</p> <ul style="list-style-type: none"> <li>➤ Multi-stakeholder assessment</li> <li>➤ Development of a national school feeding strategy</li> <li>➤ Design of a funding strategy</li> <li>➤ School feeding advocacy</li> <li>➤ Strengthening of M&amp;E</li> <li>➤ Feasibility studies on diversifying the food basket, exploring alternative transfer modalities and introducing home-grown school feeding</li> <li>➤ Training in school feeding management</li> <li>➤ Training in supply chain management</li> </ul> <p>Target: 7 activity areas</p>	<ul style="list-style-type: none"> <li>➤ Availability of capable cooperating partners</li> </ul>
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