

BUDGET REVISION No. 3 TO NIGER PROTRACTED RELIEF AND RECOVERY OPERATION 200583

Saving lives, protecting livelihoods and enhancing the resilience of chronically vulnerable populations

Start date: 01/01/14 End date: 31/12/16 Extension/Reduction period: N/A New end date: N/A

Cost (United States dollars)			
	Current Budget	Increase/ (Decrease)	Revised Budget
Food and related costs	592 288 663	(25 042 589)	567 246 074
Cash and vouchers and related costs	282 508 805	(13 541 509)	268 967 296
Capacity development & augmentation	3 198 452	-	3 198 452
Direct support cost	80 418 421	16 637 912	97 056 333
Indirect support cost	67 089 004	(1 536 233)	65 552 771
Total cost to WFP	1 025 503 345	(23 482 419)	1 002 020 926

NATURE OF THE REVISION

1. *This budget revision to Protracted Relief and Recovery Operation 200583 (PRRO) proposes to increase the direct support cost (DSC) rate to cover increased DSC costs. The revision also reduces requirements for targeted food assistance (TFA) and nutrition prevention activities, specifically blanket supplementary feeding (BSF), planned as a contingency measure for the 2015 lean season. These requirements have been reduced by 76 percent for all food and cash transfer costs.*
2. *Requirements for the lean season response (June to September 2015) for TFA and BSF for the prevention of acute malnutrition and mortality remain as planned in the project. Planned project strategy, timeframe, beneficiary caseload and rations also remain unchanged.*
3. *A contingency stock was planned for 2015 to enable rapid response should a crisis occur. Since 1967, Niger has faced 10 food crises, including four since 2010. On average, there is a food crisis in Niger every three years. Based on these patterns, WFP predicted that a food crisis might occur during the 2014-2016 period covered by the PRRO. Although official results are not yet published, preliminary results from the agro-pastoral campaign show that 2015 will not be a food crisis year. In addition, the national food security stock managed by the Government has been functioning. On this basis, we can reasonably revise the contingency stock downwards.*
4. *Specifically, the budget revision will:*
 - Reduce 28,438 mt of food valued at USD 14.9 million and cash transfers valued at USD 13.5 million;
 - Decrease external transport, landside transport, storage and handling (LTSH), and other direct operational costs (ODOC) related to food by USD 10.2 million; and
 - Increase direct support costs by USD 16.6 million.

JUSTIFICATION FOR THE REVISION

Summary of existing project activities

- 5. WFP implements a multi-sectorial, integrated and community-based approach to household and community resilience that aims to reduce the impact of seasonal stresses and prevent a peak in acute malnutrition and mortality through the PRRO. The response includes food assistance for assets (FFA) activities using food and cash transfers complemented by undernutrition prevention and treatment activities, school meals and related programmes (including school vegetable gardens and local milling and processing initiatives). These activities are implemented during the pre- and post-harvest periods to assist rural communities to revitalize infrastructure, improve agricultural production and diversify rural incomes. They are also linked to the promotion of local production and local purchase. The multi-sectorial response is geographically targeted and provided to the same communities throughout the year.*

Purpose for budget decrease

- 6. An increased DSC rate is required to fund unforeseen expenses and reinforce staffing capacity for effective implementation of the integrated resilience, food security and nutrition package. Reinforced staffing capacity and costs include the addition of five international staff; increased standard national staff costs; an estimated 20 percent annual increase of national staff salaries; and required Minimum Operating Security Standards (MOSS) and Minimum Operating Residential Security Standards (MORSS) upgrades. These security upgrades will help mitigate heightened security risks in parts of the country and threats from armed groups in the region.*
- 7. Although the PRRO is not fully funded, additional staff are needed to support the Government and accelerate capacity building of local actors. WFP works closely with the Government under the Nigériens nourrissent les Nigériens (3N) initiative in the communes de convergence. WFP also established a resilience unit – a need unforeseen during project formulation – to reinforce capacity building. A strategy is planned for gradual, long-term Government handover. This handover is planned to take place over the next few years, but not during the course of this PRRO.*
- 8. The budget revision reduces planned 2015 contingency costs for food and cash transfers by 76 percent. These requirements were planned for a potential 2015 lean season crisis that is not currently foreseen.*
- 9. The ODOC rate per mt is increased to cover ODOC-related costs of the integrated resilience, food security and nutrition package. These are needed to improve the quality of assets created through FFA activities, specifically through agreements with Government and other institutions to monitor, evaluate and improve assets; for agricultural enhancement; and for integration of food security, education and nutritional activities. Total ODOC costs are slightly reduced as costs related to the reduced contingency tonnage have been adjusted accordingly.*

FOOD REQUIREMENTS

TABLE: FOOD/CASH AND VOUCHER REQUIREMENTS BY ACTIVITY				
Activity	Commodity/ Cash & voucher	Food requirements (<i>mt</i>) Cash/Voucher (<i>USD</i>)		
		Current	Increase / (Decrease)	Revised total
TFA	Food	183 779	-	183 779
TFA	Cash & Voucher	98 805 860	-	98 805 860
BSF	Food	23 830	-	23 830
TFA contingency	Food	33 123	(25 174)	7 949
TFA contingency	Cash & Voucher	17 808 420	(13 534 399)	4 274 021
BSF contingency	Food	4 295	(3 264)	1 031
FFA	Food	179 846	-	179 846
FFA	Cash & Voucher	116 029 841	-	116 029 841
School feeding	Food	79 736	-	79 736
Targeted supplementary feeding	Food	59 777	-	59 777
Total (<i>mt</i>)	Food	564 386	(28 438)	535 948
Total cash (<i>USD</i>)	Cash & Voucher	232 644 121	(13 534 399)	219 109 722

Approved by:

Ertharin Cousin
Executive Director, WFP

Date

ANNEX I-A

PROJECT COST BREAKDOWN			
	Quantity (mt)	Value (USD)	Value (USD)
<i>Food Transfers</i>			
Cereals	(20 302)	(8 284 067)	
Pulses	(4 060)	(3 107 970)	
Oil and fats	(994)	(912 162)	
Mixed and blended food	(3 083)	(2 577 519)	
Others	-	-	
Total Food Transfers	(28 438)	(14 881 719)	
External Transport		(2 593 280)	
LTSH		(7 547 491)	
ODOC Food		(20 099)	
Food and Related Costs			(25 042 589)
C&V Transfers		(13 534 399)	
C&V Related costs		(7 110)	
Cash and Vouchers and Related Costs			(13 541 509)
Capacity Development & Augmentation			-
<i>Direct Operational Costs</i>			(38 584 098)
Direct support costs (see Annex I-B)			16 637 912
Total Direct Project Costs			(21 946 186)
Indirect support costs (7.0 percent)			(1 536 233)
TOTAL WFP COSTS			(23 482 419)

ANNEX I-B

DIRECT SUPPORT REQUIREMENTS (USD)	
WFP Staff and Staff-Related	
Professional staff *	2 752 085
General service staff **	5 106 575
Danger pay and local allowances	-
Subtotal	7 858 660
Recurring and Other	2 463 002
Capital Equipment	5 093 150
Security	980 000
Travel and transportation	243 100
Assessments, Evaluations and Monitoring	-
TOTAL DIRECT SUPPORT COSTS	16 637 912

* 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