

BUDGET REVISION TO PROTRACTED RELIEF AND RECOVERY OPERATION

Budget Revision No. 7

Zimbabwe PRRO 105950 - Protracted Relief for Vulnerable Groups in Zimbabwe

	Cost (United States dollars)		
	Present budget	Increase	Revised budget
Food cost	259,067,789	16,221,192	275,288,981
Cash cost	1,632,039	2,200,000	3,832,039
External transport	68,849,758	4,264,309	73,114,067
LTSH	134,838,882	12,053,223	146,892,105
ODOC	26,736,554	3,485,650	30,222,204
DSC	28,668,209	8,032,295	36,700,504
ISC (7%)	36,385,526	3,237,967	39,623,493
Total cost to WFP	556,178,757	49,494,636	605,673,393

NATURE OF THE REVISION

1. This budget revision to Zimbabwe protracted relief and recovery operation (PRRO) 105950 “Protracted Relief for Vulnerable Groups in Zimbabwe” is proposed to:
 - extend-in-time the operation from May to November 2010;
 - meet the food needs of 1.6 million food-insecure people by providing an additional 47,001 mt of food and US\$2.2 million in cash and vouchers;
 - increase the associated costs for external transport, land transport, storage and handling (LTSH), other direct operational costs (ODOC), direct support costs (DSC) and indirect support costs (ISC).

This revision increases the budget by US\$49.5 million (an increase of 9 percent).

JUSTIFICATION FOR BUDGET INCREASE

Summary of existing project activities

2. The objectives of the PRRO are to:
 - reduce the risk of asset depletion during shocks, increase resilience and increase the ability to manage shocks (Strategic Objective 1 “Save live and protect livelihoods in emergencies”);
 - safeguard health and nutrition and enhance the quality of life of targeted, chronically ill people (SO 4 “Reduce chronic hunger and undernutrition”); and
 - improve access to food for highly vulnerable food insecure households (SO 1 and SO 4).
3. The PRRO was originally designed as a two-year operation (1 May 2008 - 30 April 2010) to respond to recurring food shortages in Zimbabwe resulting from a number of shocks including erratic weather, high HIV&AIDS prevalence rates and a series of economic crises in part precipitated by policy constraints. The operation aims at providing targeted support to particularly vulnerable populations, including orphaned and vulnerable children, the chronically ill, the displaced, and those who are asset-poor and living in the most food-

insecure areas. The scope and geographic focus of WFP's support is based on findings from assessments conducted by the multi-agency, government-led Zimbabwe Vulnerability Assessment Committee (ZimVAC) and nutrition surveys led by the Food and Nutrition Council (FNC), with support from the Nutrition Cluster.

4. The original PRRO has been based on a three-tier strategy to prioritise food assistance interventions:
 - *Health-based Safety-Net Activities*: This tier promotes universal access to the care and treatment of diseases such as HIV&AIDS and tuberculosis (TB).
 - *Social-based Safety-Net Activities*: This second tier provides support for livelihoods in order to address the needs of food-insecure households including vulnerable urban households, households affected by displacement, and children in the most food-insecure areas.
 - *Emergency Vulnerable Group Feeding (VGF)*: The third tier addresses food-insecure households affected by seasonal shocks through the provision of relief assistance; it is the largest proportion of the operation but is implemented only during the lean season (October to March).
5. The school-based feeding activity under the social-based safety-net activities tier of the PRRO has been revised and will contribute towards educational objectives (see Strategic Results Framework in Annex II).
6. In the past two years, 5.29 million (2009) and 4.99 million (2008) beneficiaries have been assisted through the PRRO, which targeted predominantly rural populations during the lean season after poor harvests.
7. Results from a bi-annual Community Household Surveillance (CHS) indicate that food assistance has contributed to improved dietary quality and diversity, leading to increases in consumption for food-insecure households. Analysis of the frequency and severity of coping strategies used shows that food assistance has reduced stress in highly vulnerable households. Targeting has remained one of the major challenges during the implementation of this PRRO: the face of vulnerability to hunger and poverty in Zimbabwe changed due to a combination of factors (including erratic weather, the HIV&AIDS epidemic, and a series of economic crises) that swelled the ranks of the food insecure and made the majority of the rural population highly vulnerable.
8. Within an early recovery setting, WFP started a cash transfer pilot in November 2009 and a food-for-assets pilot in January 2010 as part of the food-for-livelihoods activities. The cash transfer pilot started by providing cash or a combination of cash and food to approximately 20,000 beneficiaries who would otherwise have been supported with unconditional transfers (i.e., "free" distributions) under the Vulnerable Group Feeding (VGF) activities. Based on the initial positive experience and a second market study conducted in December 2009, the pilot was increased for a further 39,000 VGF beneficiaries in January 2010.
9. The cash transfer pilot has triggered a debate on the most appropriate ways to address household food deficits. WFP, in close collaboration with stakeholders, is developing a mechanism to guide the decision-making process on implementing an appropriate mix of cash, vouchers and food transfers. At the end of the VGF period in March 2010, the pilot also ended and an external evaluation will guide the future programming of cash and voucher transfers.

Conclusion and recommendation of the re-assessment

10. The findings of the Government-led *1st Round-Crop and Livestock Assessment*¹ indicate a poor harvest in most of the country due to a dry spell during the middle of the growing season (December 2009 to January 2010), particularly for the south and south-eastern parts where at least 600,000 rural households (38 percent) are projected to have a poor harvest or no harvest this year.
11. The *2nd Round Crop & Livestock Assessment* is currently underway. The results, along with the findings from the ZimVAC post-harvest food security and vulnerability assessment (expected in mid-June), will provide a more solid situation analysis of the current season and will determine WFP's support to vulnerable groups for the 2010-2011 lean-season.
12. The VGF is a seasonal programme targeting the food-insecure rural population during the lean season (October to March). Based on trends of previous years, the VGF will not be operational during most of the extension period (May to November 2010) which results in a significant reduction in planned beneficiaries in this budget revision.
13. Planning for the safety-net activities is linked to the Zimbabwe National Strategic Plan (2006-2011) which refers to the importance of nutritional support at family and community levels, including nutrition support to those enrolled on anti-retroviral therapy (ART). The National Strategic Plan emphasises the importance of sustained livelihoods through access to potable water and sanitation, nutrition gardens, communal granaries and appropriate income-generating activities. In 2010, due to a US\$200 million donation from the Global Fund to fight Aids, Tuberculosis and Malaria, and a government announcement of a national scale-up of support for HIV&AIDS treatment, the availability of care and support services for individuals with special needs - such as ART, TB-directly observed treatment, short course (DOTS), and prevention of mother-to-child transmission (PMTCT) - is expected to increase substantially.
14. Following key political changes that took place in early 2009, Zimbabwe is experiencing a gradual shift away from a state of humanitarian crisis to one of recovery. The establishment of the Government of National Unity (GNU) has brought immediate improvements, mainly through the introduction of a multi-currency policy that effectively solved the problem of hyperinflation. Goods are increasingly available in the shops, though are still unaffordable to many, and for the first time in 10 years, Zimbabwe has experienced a positive economic growth, reaching 4.7 percent in 2009.
15. The new market liberalisation policy is a most significant change introduced by the GNU. Easing of restrictions on the duty-free importation of food and the dismantling of the Grain Marketing Board (GMB) monopoly has resulted in an impressive rebound of the private sector. The increase in food imports, mainly from the Republic of South Africa, has improved both the availability and access to food.
16. Mobilising resources for recovery and development assistance for Zimbabwe remains challenging. Nevertheless, WFP and other humanitarian actors are expected to shift away from an emergency response to a mode that better reflects a more favourable socio-economic environment. WFP has been working with partners to lend greater importance to more innovative food assistance modalities, such as market-based approaches for

¹ *First Round Crop and Livestock Assessment* (Agricultural Technical and Extension Service-AGRITEX, February 2010).

programme delivery, strengthening of productive safety nets within a social protection context, as well as greater efficiency in targeting and delivery.

17. An indicative analysis shows that there are only marginal differences between cash transfers and food transfers related to cost efficiency. However, cash transfers have other benefits such as market stimulation, including in rural areas. These issues will be further explored and highlighted during the final evaluation of the cash transfer pilot in April-May 2010.
18. WFP is currently preparing a country strategy for the period 2010-2015 in line with WFP's current strategic plan (2008-2013). WFP's approach emphasizes the use of food in ways that underpin longer-term hunger solutions. WFP's country strategy for Zimbabwe will seek a more definitive role in the United Nations Development Assistant Framework (UNDAF) and ensure alignment with the government's National Poverty Reduction Strategy (NPRS), for which the preparation of the next cycle (2012-2015) started in April 2010.
19. In the past year, WFP has gone through a comprehensive process of consultation, adjustment and piloting, aiming to respond more efficiently and effectively to the challenges of the new political environment and the corresponding expectations of stakeholders. WFP reviewed the in-country food security and nutrition analysis capacity to ensure a well-coordinated and consolidated data collection and analysis system. This in turn would facilitate integrated, multi-sectoral strategies and programming that would be more readily accepted by all stakeholders, including the government.

Purpose of extension and budget increase

20. This extension-in-time of this PRRO will allow review of WFP support, based on recently-conducted or ongoing assessments, such as the evaluation of ongoing pilots, the key crop assessment, the ZimVAC assessments, the National Nutrition Survey and the reorientation of the safety-net programme. The results of these assessments will support formulation of WFP's future PRRO for Zimbabwe, which will be presented to the WFP Executive Board for review and approval in November 2010.
21. While some changes in the programme activities have already been made to reflect the new political environment, WFP will take the developments in Zimbabwe into account in the preparation of the new PRRO from the critical vantage point of food security.
22. During the seven-month extension period the following interventions will be implemented (see paragraph 4 for more details):
 - *Health-based Safety-Net Activities.*
 - *Social-based Safety-Net Activities.*
 - *Vulnerable Group Feeding (VGF):* the provision of relief during the lean season is normally October to March; however, this year it may begin as early as July or August in some areas. The peak of the lean season is expected to be from January to March 2011.
23. WFP will implement the planned activities through cooperating partners, both local and international non-governmental organizations, as well as private sector entities when appropriate (local purchase of surplus maize, cash/voucher transfers).
24. *Safety-Net Activities:* Although the objectives of the safety-net programme will remain unchanged during the extended period, WFP plans to initiate a shift towards individual targeting of patients under special care (ART, TB-DOTS, home-based care) through food-

by-prescription² activities: the beneficiary selection will be based on the health and nutrition status of the patient. The food supplement will be concluded on the basis of nutrition rehabilitation, rather than being based on the time of support or the beneficiary's food security status. WFP will use the upgraded corn-soya blend ("CSB+") to ensure higher nutritional value. Food-insecure households hosting chronically ill members will benefit from food support under the social-based safety-net activities after a food security assessment and when meeting the conditions of a socio-economic food security checklist.

25. *Early Recovery Activities*: WFP plans to introduce and strengthen early recovery activities during this extension period. The following livelihood support activities are currently being assessed for viability prior to broader introduction in the new PRRO:

- *Food/Cash for Assets* – Following the pilot that started in January, an evaluation will make recommendations for a new project envisaged to start in June 2010.
- *Milling Vouchers* – Lack of liquidity and high percentage of barter trade in rural areas (where around 30 percent of the grain goes for milling services) indicate the potential for vouchers. An evaluation is ongoing of a milling voucher pilot implemented by WFP's co-operating partner, GOAL, within the framework of the VGF. This will guide wider implementation of milling vouchers expected to start at the same time as the VGF programme (to be determined after the ZimVAC assessment in May).
- *Conservation Farming* – Activities are in the planning phase in close co-ordination with the Food and Agriculture Organization of the United Nations (FAO), which implemented a similar programme last year benefiting some 90,000 households. The activity is expected to start in July-August 2010.
- *Local Purchase* – A concept paper has been prepared and a planning workshop took place in June. This activity is linked to the beginning of the marketing season after the harvest (usually starting in June-July).

Beneficiary targeting for these early recovery activities will be carried out within the framework of the current VGF and safety-net programmes.

26. The planned beneficiary numbers for the seven-month extension have been revised, guided by the following criteria:

- Shifting towards individual targeting by using food-by-prescription approach and the government commitment for a national scale-up of support for HIV&AIDS treatment, the availability of care and support services for individuals with special needs in view of additional resources available (health-based safety-nets).
- Current beneficiary numbers are expected to remain unchanged under social-based safety-nets (including institutional feeding as well as mobile and vulnerable populations and returnees).
- Combination of estimated food-insecure households hosting chronically ill members and the highly vulnerable households (social-based safety-nets).
- Targeting within the framework of a United Nations Children's Fund (UNICEF)-led Environmental Education and Peace Building for Sustainable Development through Community Participation (School Feeding).
- Experience from previous years that had a similar outlook, noting that the peak of the lean season (January-March) is not covered in this extension (which would affect the VGF beneficiary numbers).
- The existing positive experience from the current cash pilot implementation but noting the limited country office technical capacity (cash/voucher transfers).

² Food by prescription, usually implemented within clinical settings, provide short-term, individual supplementation with a nutritionally-enhanced commodity to address malnutrition and/or weight loss among PLHIV enrolled in care and treatment programmes (ART, TB, PMTCT etc.) to improve nutrition, health and/or treatment outcomes.

27. *Targeting:*

- a) The health-based safety-net beneficiaries will be selected on a medical practitioner referral basis, supported by food security status assessment.
- b) Social-based safety-net beneficiaries will be selected by a combination of community and administrative targeting mechanisms specific to the criteria of the various activities, e.g. households of chronically ill people will be targeted through medical referral for the patient, followed by food security status assessment; and school feeding beneficiaries will be targeted within the framework of the existing UNICEF programme.
- c) The VGF beneficiaries will be identified through a community-based beneficiary targeting system by using participatory techniques and administrative targeting methods. The process also involves community mapping and wealth ranking, whereby community members themselves identify and categorise the different beneficiary groups.

28. During most of the seven-month extension period the VGF programme will not operate due to its seasonal nature, thus resulting in reduced beneficiary numbers for this revision compared with 2009 and 2008.

Table 1 - Number of beneficiaries

Beneficiary numbers for the period May to November 2010	
Activity	
Health-based Safety-Net	80,000
Social-Based Safety-Net	568,000
Vulnerable Group Feeding	920,000
Total	1,558,000

29. The existing monitoring and evaluation (M&E) capacity of WFP and its partners is sufficient to cover all monitoring and reporting requirements.

Table 2 - Food ration by activity type

Programming Tier	Activity	Number of days	Daily ration (g/person/day)				Requirement May-Nov. (mt)
			Cereals	Pulses	Oil	CSB	
Primary (Health based)	ART	210				333	2,800
	HBC*	210				333	2,800
Secondary (Social based)	HV-HH** Food	210	167	30	10		17,388
	Institutional Feeding	210	400	60	20	100	365
	IDPs	210	333	60	20	100	2,153
	Returnees	210	400	60	20	100	609
	School Feeding	60			10	150	384
	FFA	210	333	60	20		1,301
Tertiary (Seasonal)	VGF Food***		333	60	20		19,201
Total							47,001

*HBC = Home Based Care

**HV-HH = Highly Vulnerable Households

*** Food requirement is less than the beneficiaries multiplied by the number of days because the VGF is phased in over 4 months

REQUIREMENTS

30. *Food requirements:* An additional 47,001 mt of food commodities are needed to meet programme requirements until November 2010, bringing the total revised food requirement for the PRRO to 614,492 mt (an increase of 8 percent). Of the 1,558,000 target population, approximately 95,000 will receive either cash or vouchers instead of food.
31. *Direct Support Cost (DSC) rate per ton increase:* Efforts have been made to contain costs, including reductions in both international and national staff numbers. However, there are increases in recurring costs and an overall increase in the DSC rate per ton is essential as the present DSC level will not be able to sustain the operation.
32. *Decreased Land Transport Storage and Handling (LTSH) rate per ton:* The budget revision reduces LTSH costs based on an updated cost matrix. The fixed cost, staff and warehouse is calculated based on the total tonnage (614,492 mt) and the overall LTSH rate per ton is reduced by US\$2.68/mt.

Table 3 - Food requirements by activity type

	Food distribution (mt)		
Activity	Present	Increase	Revised
Health-Based Safety-Net	38,357	5,600	43,957
Social-Based Safety-Net	171,819	22,200	194,019
Vulnerable Group Feeding	357,315	19,201	376,516
Total	567,491	47,001	614,492

Table 4 - Cash/Voucher requirements by activity type

	Cash/Voucher distribution (US\$)		
Activity	Present	Increase	Revised
Health-based Safety-Net	0	0	0
Social-Based Safety-Net	0	1,680,000	1,680,000
Vulnerable Group Feeding	1,632,039	520,000	2,152,039
Total	1,632,039	2,200,000	3,832,039

33. The proposed seven-month extension-in-time, as well as the additional commitment of food, resulting in the revised budget for PRRO 105950 “Protracted Relief for Vulnerable Groups in Zimbabwe” is recommended to the Executive Director for approval.

Approved by:

 Josette Sheeran
 Executive Director,
 United Nations World Food Programme

 Date

BUDGET INCREASE COST BREAKDOWN			
	Quantity (mt)	Average Cost per Ton (US\$)	Value (dollars)
WFP COSTS	47,001	392	18,421,192
A. Direct operational costs			
Commodity ³			
Cereals	32,636	238	7,770,392
Pulses	5,852	492	2,879,239
Oils and Fats	1,975	1,019	2,013,252
Blended Food	6,538	544	3,558,309
Cash			1,400,000
Vouchers			800,000
Total commodities	47,001		18,421,192
External transport			4,264,309
Landside transport			4,300,497
Subtotal for ITSH			7,752,726
Total LTSH			12,053,223
Other direct operational costs			3,485,650
Total direct operational costs			38,224,374
B. Direct support costs (see Annex IB for details)			
Total direct support costs			8,032,295
C. Indirect support costs (7 percent of total direct costs)			3,237,967
TOTAL WFP COSTS			49,494,636

³ 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	3,245,175
National general service staff	542,383
Temporary assistance	1,471,225
International Consultancy	49,485
Local Consultant	25,000
Non Staff HR: UNV	35,000
Staff duty travel	809,840
Subtotal	6,178,108
Office expenses and other recurrent costs	
Rental of facility	108,836
Utilities (general)	62,280
Office supplies	81,210
Communication and IT services	336,682
Equipment repair and maintenance	56,647
Vehicle maintenance and running cost	235,830
Office Set-up and Repairs	75,430
United Nations Organizations Services	156,871
Subtotal	1,113,786
Equipment and other fixed costs	
Local Security Costs planning	425,060
Vehicles	278,800
TC/IT equipment	36,540
Subtotal	740,400
TOTAL DIRECT SUPPORT COSTS	8,032,294

Annex II Strategic Results Framework Zimbabwe PRRO 105950 budget revision 7

STRATEGIC OBJECTIVE 1: SAVE LIVES AND PROTECT LIVELIHOODS IN EMERGENCIES Goals 1. To save lives in emergencies and reduce acute malnutrition caused by shocks to below emergency levels 2. To protect livelihoods and enhance self-reliance in emergencies and early recovery 3. To reach refugees, internally displaced persons (IDPs) and other vulnerable groups and communities whose food and nutrition security has been adversely affected by shocks			Contribution to Millennium Development Goals (MDGs) 1 and 4
Outcome	Indicator	Corporate target and performance measure	Project target and data source
Outcome 1.3: Improved food consumption over assistance period for targeted emergency-affected households ⁴	1.3.1 <i>Household food consumption score</i>	Score exceeds threshold for 80% of targeted households	Target: Food consumption score exceeds 21 or 28 ⁵ for targeted households Source: Community and Household Surveillance
Output	Indicator		
Output 1.1/1.2/1.3: Food and non-food items distributed in sufficient quantity and quality to targeted women, men, girls and boys under secure conditions (to be used for Strategic Objectives 1–4)	1.1.1 Number of women, men, girls and boys receiving food and non-food items, by category and as % of planned figures 1.1.2 Tonnage of food distributed, by type, as % of planned distribution ⁶ 1.1.3(a) Quantity of fortified foods, complementary foods and special nutritional products distributed, by type, as % of planned distribution 1.1.3(b) Quantity of fortified foods, complementary foods and special nutritional products distributed, by type, as % of actual distribution 1.1.4 Quantity of non-food items distributed, by type, as % of planned distribution		

⁴ Results will be disaggregated by group (vulnerable group feeding, social-based safety-net activities).

⁵ Threshold depends on local eating habits and diet composition.

⁶ Planned distribution includes quantity, quality and timeliness.

STRATEGIC OBJECTIVE 4: REDUCE CHRONIC HUNGER AND UNDERNUTRITION			Contribution to MDGs 1,2,3,4,5,and 6
Goals			
1. To help countries to bring undernutrition below critical levels and break the inter-generational cycle of chronic hunger 2. To increase levels of education and basic nutrition and health through food and nutrition assistance and food and nutrition security tools 3. To meet the food and nutrition needs of those affected by HIV and AIDS, tuberculosis (TB) and other pandemics			
Outcome 4.1(b): Adequate food consumption over assistance period for targeted households ⁷	4.1.2 <i>Household food consumption score</i>	Score exceeds threshold for 80% of targeted households	Target: Food consumption score exceeds 35/42 in targeted households Source: Community and Household Surveillance
Outcome 4.2(a): Increased access to education and human capital development in assisted schools	4.2.1 Enrolment: average ⁸ annual rate of change in number of girls and boys enrolled	Annual rate of increase of 6% met or exceeded for 80% of assisted schools	Target: Enrolment annual rate of increase equals 6% Source: Annual monitoring and/or survey data
	4.2.2 Attendance rate: number of schooldays in which girls and boys attend classes, as % of total number of schooldays	Attendance rate of 90% met or exceeded for 80% of assisted schools	Target: Attendance rate equals 90% Source: Annual monitoring and/or survey data
	4.2.3 Gender ratio: ratio of girls to boys enrolled	Ratio equals 1 for 95% of assisted schools	Target: Gender ratio equals 1 Source: Annual monitoring and/or survey data
Outcome 4.4: Improved success of TB treatment for targeted cases ⁹	4.4.1 % of TB cases registered under DOTS ¹⁰ programme in a given year, that have successfully completed treatment	Treatment success rate ¹¹ of 85% reached for 65% of projects	Target: 85% TB treatment success rate ¹² Source: Monitoring data and/or survey data
Outcome 4.5: Increased survival of adults and children with HIV after 6 and 12 months ¹³ of anti-retroviral therapy (ART)	4.5.1 % of adults and children with HIV known to be on treatment, 6–12 months after initiation of ART	Target met for adults and children for 80% of projects	Targets: – 75% of adults and children still on ART 12 months after starting – 79% of adults and children still on ART 6 months after starting Source: Monitoring data

⁷ Safety-net programmes, for households affected by AIDS, including individual children, contribute to this outcome.

⁸ Average is calculated by taking the annual rate of change in all schools and dividing by the number of schools surveyed.

⁹ Case of tuberculosis refers to a patient in whom tuberculosis has been confirmed by bacteriology or diagnosed by a clinician (WHO, 2007).

¹⁰ DOTS refers to directly observed treatment, short course, of TB cases.

¹¹ TB treatment success rate is % of TB cases who are cured plus % of TB cases that have completed a course of treatment (WHO, 2007).

¹² WHO's international target for patients going on TB treatment (WHO, 2007); Global tuberculosis control: surveillance, planning, financing (WHO 2008)

¹³ WFP country offices are encouraged to measure survival at both six and 12 months. The timing and duration of food and/or nutritional support may vary according to the context and programme objectives.