

BUDGET INCREASE No. 5 TO ZIMBABWE PROTRACTED RELIEF AND RECOVERY OPERATION 200162

Assistance for Food Insecure Vulnerable Groups

Start date: 1 January 2011 **End date:** 31 December 2012 **Extension period:** 4 months **New end date:** 30 April 2013

Cost (United States Dollars)			
	Current budget	Increase	Revised budget
Food cost	108,271,841	19,176,258	127,448,099
External transport	19,763,238	1,246,162	21,009,400
LTSH	50,382,320	8,667,674	59,049,994
ODOC	23,397,136	1,966,833	25,363,969
DSC	25,408,994	0	25,408,994
ISC (7.0 percent)	15,905,647	2,173 985	18,079,632
Total cost to WFP	243,129,176	33,230,912	276,360,088

NATURE OF THE INCREASE

1. This fifth budget revision to Zimbabwe protracted relief and recovery operation (PRRO) 200162 “Assistance for Food-Insecure Vulnerable Groups” seeks to extend-in-time the operation by four months, from 1 January to 30 April 2013. During this period, WFP plans to meet the continued food needs of 1.32 million food-insecure people.
2. More specifically, the budget revision will provide:
 - an additional 41,654 mt of food valued at US\$15.8 million and US\$3.4 million in cash and voucher transfers;
 - additional US\$11.9 million of associated costs consisting of external transport, landside transport, storage and handling (LTSH), as well as other direct operational costs (ODOC); and
 - additional US\$2.2 million in indirect support costs (ISC).

JUSTIFICATION FOR EXTENSION-IN-TIME AND BUDGET INCREASE

Summary of Existing Project Activities

3. The programme objectives of the PRRO remain essentially unchanged:
 - save lives and protect livelihoods, and enhance resilience and self-reliance in vulnerable households in response to seasonal food shortages (Strategic Objective 1);¹
 - improve the well-being of anti-retroviral therapy (ART)/tuberculosis (TB) clients in order for them to achieve greater capacity for productive recovery (Strategic Objective 3);²
 - safeguard food access and consumption of food-insecure highly vulnerable households, and support the recovery of livelihoods and access to basic services (Strategic Objective 3); and
 - increase government and community capacities to manage and implement hunger reduction policies and approaches (Strategic Objective 5).³
4. The PRRO 200162 combines relief and early-recovery elements and prioritizes food assistance through in-kind food as well as voucher and cash transfers. The three main activities are: i) seasonal targeted assistance; ii) health and nutrition; and iii) social safety nets (SSN).
5. Cash transfers have been piloted in Zimbabwe since 2009, under the seasonal targeted assistance component. Combined food and cash transfers were implemented as part of the Seasonal Targeted Assistance, providing in-kind transfers of pulses and vegetable oil as well as some cash to enable beneficiaries to purchase cereals within their own communities or from local markets in rural areas. A final evaluation of the pilot project indicated that this modality increased households' cereal consumption, encouraged farmer-to-farmer sales and improved market integration between deficit and surplus areas by injecting cash into the local economy and giving beneficiaries flexibility to choose where and from whom to purchase.⁴ Food prices in areas targeted by cash transfers were found to be lower than those prevailing in areas where in-kind food was distributed.
6. Voucher transfers were implemented as part of the Social Safety Nets in urban areas, as follows: beneficiaries received electronic vouchers providing them with combined in-kind food and cash. This modality helped ensure food security and nutrition rehabilitation of malnourished clients at household level as well as offered beneficiaries flexibility to purchase other food commodities of their own choice. The evaluation also showed that the introductions of vouchers stimulated markets.

¹ Strategic Objective 1: Save lives and protect livelihoods in emergencies.

² Strategic Objective 3: Restore and rebuild lives and livelihoods in post-conflict, post-disaster or transition situations.

³ Strategic Objective 5: Strengthen the capacities of countries to reduce hunger through hand-over strategies and local purchase.

⁴ Oxford Policy Management, evaluation of Zimbabwe's emergency cash transfer programme.

Conclusion and Recommendations of the Re-Assessment

7. The crop and livestock assessment conducted in March 2012 indicated that Zimbabwe is likely to face a sharp drop in production compared with the previous season as a result of prolonged dry spell.⁵ Maize production dropped from 1.45 million mt in 2011 to 968,000 mt in 2012. Overall, cereal production dropped from 1.6 million mt in 2011 to 1.08 million mt in 2012 against a national cereal requirement of 2.1 million mt.
8. The Zimbabwe vulnerability assessment committee (VAC)-led rural livelihood assessment was carried out in May 2012 to estimate the number of food-insecure people. The results of this assessment are expected to be published shortly.⁶ Needs for seasonal targeted assistance during the peak of the lean season (between December and March) are anticipated to be considerably higher than the same period last year. A subsequent budget revision will adjust WFP's response based on the final results of the VAC assessment.
9. This operation was originally expected to end in December 2012 and to be followed by a new PRRO starting in January 2013. However, WFP country office is currently preparing a country strategy document, which is expected to represent a major shift in WFP's approach to addressing the longstanding challenges of food insecurity and undernutrition in Zimbabwe. This country strategy as well as lessons learned from the on-going operation will feed into the design of the next PRRO.
10. In March 2012, the Government started implementing a national cash transfer programme, led by the Ministry of Labour and Social Services and supported by the United Nations Children's Fund (UNICEF). This programme focuses primarily on the needs of orphans and other vulnerable children (OVC), and its objective is to help OVC meet their food and other basic essential daily needs.

Purpose of Extension and Budget Increase

11. This budget revision proposes to extend the PRRO by four months from 31 December 2012 to 30 April 2013 in order to provide continued assistance to food-insecure households during the peak of the lean season. The extension-in-time will enable WFP to provide a timely response to the impending crisis, allowing time for the mobilization of resources and pre-positioning of commodities. It will also provide additional time for the finalization of WFP country strategy document and the design of the next PRRO, which will be presented to the Executive Board for approval in February 2013 and is expected to start in May 2013.
12. *Seasonal Targeted Assistance*: Households dependent on rain-fed production that are affected by seasonal food shortages will be assisted during the December–March lean season. Activities will target the most food-insecure areas identified by the VAC and field verifications. Selection criteria include household crop production, ownership or custody of livestock, external support and remittances and income-earning opportunities. While the majority of the beneficiaries are expected to receive in-kind

⁵ Ministry of Agriculture, Mechanisation and Irrigation Development, Second Round Crop and Livestock Assessment, 2012.

⁶ Zimbabwe VAC has carried out annual household surveys to assess the food security situation of rural households in Zimbabwe since 2002.

food, combined food and cash transfers will also be implemented in areas that normally have production surplus and where markets are functional. Cash transfers contribute to stimulate the local economy, promoting cash flow and indirectly supporting local small-scale farmers. Due to limited availability of retail networks in rural areas, cash transfers are found to be appropriate. This budget revision is processed on the basis of the current beneficiary figures. However, the results of the VAC, once released, will inform the scale up of WFP's response through a successive budget revision.

13. The PRRO originally envisaged the possibility of supporting vulnerable households with able-bodied members through food or cash for assets (F/CFA), while the most vulnerable people would receive unconditional food assistance. However, conditional, work-based activities for asset creation would not be appropriate during the lean season as they would compete with the household labour requirements during the peak of the agricultural season. Furthermore, the Government does not encourage the implementation of F/CFA activities during the agricultural season (November to March). Thus WFP will provide unconditional transfers during the extension period of this PRRO, allowing populations to fully engage in their normal livelihood activities.
14. *Health and Nutrition:* WFP will continue to support 18,000 malnourished children 6-59 months and pregnant and lactating women through medical institutions. WFP will also provide a monthly nutrition supplement for 32,000 persons waiting for or starting ART, TB patients.⁷
15. *Social Safety Nets:* Under the SSN component, WFP supports disaster-affected food-insecure households hosting sick people, OVC, IDPs and returnees. Following the start of the national cash transfer programme targeting OVC, WFP is scaling down its support to OVC and redesigning it in order to maximize the complementarities and standardize the targeting method with the government-led programme. Hence, the 180,000 OVC previously targeted by WFP will no longer be assisted under the PRRO.
16. Following reports showing that the number of highly vulnerable households has increased significantly as a result of rising food insecurity, particularly amongst households of ART/TB clients, WFP will expand its support to highly vulnerable households targeting an additional 100,000 people. This is in line with the findings from WFP monitors who observed that at least 90 percent of households hosting ART/TB clients are also food-insecure.⁸ This approach will be followed under the next PRRO. In urban and peri-urban areas, WFP distributes a combined cash and commodity voucher to highly vulnerable households. In rural areas, in-kind food is provided. This ensures access to adequate nutritious foods for both urban and rural populations, facilitating nutrition rehabilitation and preserving food security during the treatment.

⁷ Budget revision No.4 adjusted downwards the number of targeted beneficiaries under the ART and TB programmes as the actual number of ART patients requiring nutrition support was lower than originally anticipated. This is partly due to the fact that not all affected people seek treatment and those who seek early treatment do not necessarily become malnourished.

⁸ The original targeted number was based on the assumption that 40 percent of the ART/TB client's households would be food-insecure.

TABLE 1: BENEFICIARIES BY ACTIVITY			
Activity	Current PRRO (2012)	Revision	Extension (Jan-Apr 2013)
Health and Nutrition			
ART	20 500	0	20 500
Pre-ART	6 000	0	6 000
TB treatment	3 000	0	3 000
Home-based care	2 500	0	2 500
Pregnant and Lactating Women	8 000	0	8 000
Moderately malnourished children	10 000	0	10 000
Social Safety Nets			
OVC	180 000	(180 000)	0
Highly vulnerable households – In-kind food	100 000	90 000	190 000
Highly vulnerable households - Vouchers	40 000	10 000	50 000
IDPs	25 000	0	25 000
Returnees	5 000	0	5 000
Seasonal Targeted Assistance			
Food transfers	900 000	0	900 000
Combined food and cash transfers	100 000	0	100 000
TOTAL	1 400 000	(80 000)	1 320 000

FOOD/CASH/VOUCHER REQUIREMENTS

17. The food rations and cash/voucher transfer values remain unchanged. The revised food and cash/voucher requirements under the PRRO are provided in Table 2.

Activity	Commodity / Cash & voucher	Current	Increase	Revised
Health & Nutrition	Food	23 464	2 000	25 464
Social Safety Net	Food	80 340	6 954	87 294
Social Safety Net	Voucher	9 450 000	1 600 000	11 050 000
Seasonal Targeted Assistance	Food	115 931	32 700	148 631
Seasonal Targeted Assistance	Cash and food	12 740 000	1 800 000	14 540 000
Total (mt)	Food	219 735	41 654	261 389
TOTAL (US\$)	Cash & Voucher	22 190 000	3 400 000	25 590 000

18. The increase in associated costs will sustain the operational requirements related to the four-month extension. Based on a thorough analysis of the direct support costs (DSC) requirements, the DSC budget for 2012 was aligned to the country office's actual expenditures in 2011. Given that funding for planned DSC expenditures has been secured, no DSC budget is required under this budget revision.

Hazard/Risk Assessment and Preparedness Planning

19. Some potential risks should be considered:

- *Contextual risks:* Zimbabwe is subject to recurrent droughts and floods that affect rural livelihoods and reduce resilience to shocks. To mitigate this risk, periodic assessments of rural livelihoods will allow WFP to adapt its response assistance according to the needs of targeted populations. A budget revision to the PRRO will be processed if required.
- *Programmatic risks:* The risk of capacity gaps in partners and within WFP itself will be closely monitored. Following a capacity gap analysis, the country office's capacity in advocacy, nutrition and monitoring and evaluation will be enhanced. WFP will draw on United Nations expertise and resources for complementary capacity development under the United Nations Development Framework. Rigorous screening in the selection of non-governmental organization (NGO) partners will ensure access to the best skills and capacities.
- *Institutional risks:* To ensure adherence to internal business processes and controls, WFP will put rigorous controls in place, including segregation of duties, monitoring and evaluation of suppliers and contractors as well as access control systems.

RECOMMENDATION

20. The proposed budget revision for an additional commitment of food and associated costs, resulting in the revised budget for Zimbabwe PRRO 200162 is recommended for approval by the Executive Director.

APPROVAL

Ertharin Cousin
Executive Director,
United Nations World Food Programme

Date

ANNEX I-A

BUDGET INCREASE COST BREAKDOWN				
Food⁹	Quantity (mt)	Value (US\$)	Value (US\$)	
Cereals	31,108	7,090,758		
Pulses	6,409	4,631,272		
Oil and fats	2,137	2,934,229		
Mixed and blended food	2,000	1,120,000		
Others	0	0		
Total food	41,654	15,776,258		
Cash transfers		1,800,000		
Voucher transfers		1,600,000		
Subtotal food and transfers				19,176,258
External transport				1,246,162
Landside transport, storage and handling			8,667,674	
Other direct operational costs			1,966,833	
<i>Direct support costs (see Annex I-B)</i>			0	
Total WFP direct costs			31,056,927	
Indirect support costs (7.0 percent) ¹⁰			2,173,985	
TOTAL WFP COSTS			33,230,912	

⁹ This is a notional food basket for budgeting and approval. The contents may vary.

¹⁰ The indirect support cost rate may be amended by the Board during the project.

ANNEX II: LOGICAL FRAMEWORK		
Results-Chain (Logic Model)	Performance Indicators	Risks, Assumptions
STRATEGIC OBJECTIVE 1: Save lives and protect livelihoods in emergencies		
Goal: To protect and promote livelihoods and enhance self-reliance of targeted, vulnerable households in emergencies and early recovery		
Outcome:1 Improved food consumption over assistance period for target households ¹¹	<ul style="list-style-type: none"> ➤ Household Food Consumption Score (FCS) Target: Score exceeded 21¹² for 80% of target households Source: WFP Community and Household Surveillance 	Capable partners available for implementation. Governmental and donor support forthcoming. WFP food and cash pipeline is adequate.
Output 1.1 ¹³ Food and non-food items distributed in sufficient quantity and quality to target groups of women, men, girls and boys under secure conditions ¹⁴ Total amount of cash transferred to the beneficiaries	<ul style="list-style-type: none"> ➤ Number of women, men, girls and boys receiving food and non-food items, by category and as % of planned figures Target: 100% of planned beneficiaries receive WFP assistance Source: Counterparts or partners' reports at the final distribution point (FDP) level¹⁵ ➤ Tonnage of food distributed, by type, as % of planned distribution Target: 100% of the food planned to be distributed is actually distributed Source: Counterparts or partners' reports at the final distribution point (FDP) level ➤ Quantity of non-food items distributed, by type, as percent of planned distribution Target: All non-food items have been distributed as per plan Source: Counterparts or partners' reports at the final distribution point (FDP) level 	Capable partners available for implementation. Governmental and donor support forthcoming. WFP food and cash pipeline is adequate. Multiple currency policy remains in place.

¹¹ The household_FCS measures the frequency with which different food groups are consumed by a household during the 7-days before the survey. A household FCS of 21 or higher indicates borderline to acceptable food consumption.

¹² Results will be disaggregated by target groups such as households hosting OVCs and households hosting treatment clients.

¹³ This is the corporate indicator to be reported for all activities that include distribution of food and/or non-food items.

¹⁴ Strategic Objective 1: Save lives and protect livelihoods in emergencies. Strategic Objective 2: Prevent acute hunger and invest in disaster preparedness and mitigation measures. Strategic Objective 3: Restore and rebuild lives and livelihoods in post-conflict, post-disaster or transition situations. Strategic Objective 4: Reduce chronic hunger and undernutrition.

¹⁵ Counterparts or partners' reports at the final distribution point level refer to food, cash or voucher distribution reports.

STRATEGIC OBJECTIVE 3: Restore and rebuild lives and livelihoods in post-conflict, post-disaster or transition situations		
Goal: To support the re-establishment of the livelihoods and food and nutrition security of communities and families affected by shocks		
Outcome 3.1 - Adequate food consumption over assistance period reached for target households ¹⁶	➤ Household FCS Target: Score exceeded 35 for 80% of target households Source: WFP Community and Household Surveillance	Government and donor support provided to WFP to implement food assistance programmes. NGOs available to partner with WFP.
Outcome 3.2 - Improved adherence to ART and/or TB treatment	➤ Adherence rate ¹⁷ Target: Adherence rate to ART and/or TB treatment is reached for 80% of patients Source: Patient information systems and/or monitoring data	Government and donor support provided to WFP to implement food assistance programmes. NGOs available to partner with WFP.
Outcome 3.3 - Improved nutrition status in target groups of children and adults	➤ Prevalence of acute malnutrition among children under 5 (weight for height as percent) Target: Nutrition recovery of 80% of patients Source: Patient information systems and/or monitoring data ➤ Number of patients who started food assistance at body mass index <18.5 who have attained body mass index >18.5 in two consecutive measures before termination of assistance ¹⁸ Target: Nutrition recovery of 80% of patients Source: Patient and/or monitoring data	Drugs and other medical supplies available. Resources (staff, equipment and facilities) available for height, weight, and MUAC measurements. Clinical partners available for development of integrated nutrition rehabilitation approach, including assessment, education and counselling.
Outcome 3.4 - Improved success rate of TB treatment for target cases ¹⁹	➤ TB treatment success rate ²⁰ Target: 85% TB treatment success rate ²¹ Source: Monitoring data and/or survey data	Drugs and other medical supplies available. Clinical partners available for development of integrated nutrition rehabilitation approach, including assessment, education and counselling.
Output 3.2 - Developed, built or restored livelihood assets by targeted communities ²²	➤ Community assets created or restored by targeted communities Target: Number of assets created or restored by targeted communities Source: Counterparts and Cooperating Partners' project reports/ project implementation reports	Government and donor support provided to WFP to implement the programmes Manpower and NFIs for projects are available

¹⁶ Results will be disaggregated by target groups.

¹⁷ This indicator will be reported separately for ART and/or TB treatment.

¹⁸ Secondary data will be collected on birth outcomes for malnourished pregnant women.

¹⁹ Case of TB refers to a patient in whom TB has been confirmed by bacteriology or diagnosed by a clinician from the World Health Organization (WHO) 2007.

²⁰ The TB treatment success is the percentage of TB cases which are cured, plus the percentage of those with a course of treatment completed (WHO 2007).

²¹ WHO's international target for patients going on TB treatment (WHO 2007); global TB control: surveillance, planning financing (WHO 2008).

²² Community assets include natural (e.g. ponds, springs), physical (e.g. roads to markets) and social infrastructure (e.g. health centres).

STRATEGIC OBJECTIVE 5: Strengthen the capacities of countries to reduce hunger, including through handover strategies and local purchase		
Goal: To strengthen government and community capacity to manage and implement hunger reduction policies and approaches [including through local purchase]		
Outcome 5.1 - Increased marketing opportunities at national level with cost-effective WFP local purchases.	<ul style="list-style-type: none"> ➤ Food purchased locally, as percent of food distributed in-country²³ Target: percent increase in food purchased locally and cost-effectively Source: Annual monitoring and cost-effectiveness analysis	Government and donor support is provided to WFP to implement local purchase Food commodities are available for local purchase Food commodities are offered at reasonable prices
Output 5.1: - Food purchased locally	<ul style="list-style-type: none"> ➤ Tonnage of food purchased locally, by type and country classification ➤ Food purchased locally, as percent of total food purchased Target: country office will have specific targets of what percentage will be purchased from different types of vendors, e.g. 90% from traders and 10% from farmer associations. Targets would be based on previous years' purchases. Source: WINGs records.	Favourable pricing structures are maintained Commodity suppliers are available and willing to work with WFP

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²³ Local purchase: this refers to purchases of commodities whose origin is Zimbabwe. Commodity type: this refers to specific commodities names such as maize, rice, sorghum, yellow split peas, beans, etc, and not by generic names (e.g. pulses).

ANNEX III - LIST OF ACRONYMS USED IN THE DOCUMENT

ART	anti-retroviral therapy
CFA	cash for assets
DSC	direct support cost
FCS	food consumption score
FFA	food for assets
LTSH	landside transport, storage and handling
NGO	non-governmental organization
OVC	orphans and other vulnerable children
PRRO	protracted relief and recovery operation
SSN	social safety nets
TB	tuberculosis
UNICEF	United Nations Children's Fund
VAC	vulnerability assessment committee
WHO	World Health Organization

ANNEX IV – MAP

