

**BUDGET REVISION 03 TO UGANDA PROTRACTED RELIEF AND RECOVERY
OPERATION (PRRO) 101213**

“Protracted Relief for Internally Displaced persons and Refugees”

	Cost (United States dollars)		
	Present budget	Change	Revised budget
Food cost	85,694,167	(9,690,610)	76,003,557
External transport	11,612,504	82,987	11,695,491
Land transport storage and handling	27,922,179	544,662	28,466,841
Other direct operational costs	18,200,000	(2,163,156)	16,036,844
Direct support costs	22,092,220	(4,742,258)	17,349,962
Indirect support costs (7%)	11,586,475	(1,117,786)	10,468,689
Total cost to WFP	177,107,544	(17,086,162)	160,021,382

NATURE OF THE DECREASE

1. The budget revision for the Uganda protracted relief and recovery operation (PRRO 101213) ‘Protracted Relief for Internally Displaced Persons and Refugees’ is proposed to:
 - expand geographically the general food distributions and nutrition activities to extremely vulnerable people in Karamoja. These vulnerable people were previously supported under the emergency operation (EMOP 108110), which ended in December 2010; and
 - reduce the budget to reflect the end of general food distributions to internally displaced persons (IDPs) in northern Uganda. General food distributions to refugees, supplementary feeding programmes, and support to therapeutic feeding among refugee and former conflict-affected populations will continue.
2. Therefore, the budget revision will align the PRRO with the operational reality, such as the termination of general food distribution to IDPs, and include the assistance to extremely vulnerable households in Karamoja. This budget revision will result in an overall budget reduction of US\$17 million, representing a 10 percent decrease.

JUSTIFICATION FOR BUDGET DECREASE

Summary of Existing Project Activities

3. PRRO 101213 supports over 96,000 refugees from Sudan, Rwanda, the Democratic Republic of Congo and other countries through general food distributions and nutrition interventions. This operation was approved for a three-year period from April 2009 to March 2012 with the main objective to reduce or stabilize acute malnutrition among IDPs and returnees in Acholi, refugees and IDPs in West Nile and refugees in the South West. It addresses Strategic Objective 1 of the WFP Strategic Plan (“Save lives and protect livelihoods in emergencies”). Until July 2010, the PRRO supported nearly 100,000 IDPs in the Acholi, who were displaced during the Lord’s Resistance Army (LAR) insurgency.

4. Stability in northern Uganda since 2007 led to the return of most IDPs to their homes, and a consequent improvement of food security.¹ A consultative process led to a decision that WFP would phase-out its general food distributions to IDPs in Acholi.² Final general food distributions to IDPs took place in April 2009, while targeted food distributions to extremely vulnerable individuals among the IDPs continued until July 2010. About 10-15 percent of the IDPs have chosen to remain in former IDP camps; many of them live in close vicinity to urban centres and have access to markets and labour opportunities; hence, they are no longer in need of food aid. Former IDPs who have returned home and conflict-affected communities in Acholi are supported under the WFP country programme through training and livelihoods activities, aiming to restore and diversify agricultural production and improve post-production practices and marketing.
5. The PRRO also currently provides supplementary feeding for moderately malnourished children and supports therapeutic feeding through the provision of rations to severely wasted children and their caretakers in the north-west and south-west of the country.
6. In a separate operation, EMOP 108110, WFP has been assisting approximately 300,000 extremely vulnerable and food-insecure beneficiaries in Karamoja, north-eastern Uganda, with targeted food distributions, supplementary feeding and support to therapeutic feeding until December 2010.

Conclusion and Recommendations of the Re-Assessment

7. In March 2010, WFP conducted a market analysis in South West to assess the feasibility of providing cash transfer to refugees.³ Food availability was found to be adequate as South West is a surplus food-producing region, supplying other parts of the country while refugees have access to functioning local food markets. The analysis has shown that providing cash transfers to refugees would be more efficient than in-kind food, with an alpha value of 0.91.⁴ Following this study, WFP, in close coordination with the Office of the United Nations High Commissioner for Refugees (UNHCR) and the Office of the Prime Minister (OPM), designed a cash transfer pilot project for 16,000 refugees in two camps in South West. However, the implementation of the pilot was postponed to early 2011 in order to complete the consultations with all stakeholders.
8. Above-average crop and rangeland conditions in late 2010 have improved food availability and access for a majority of households in Karamoja.⁵ The above-average harvest in Karamoja and in adjacent regions has also increased market supplies of most staples and reduced prices.⁶

¹ Preliminary results from the October 2010 food security and nutrition assessment conducted in Acholi confirm this trend: Global acute malnutrition (GAM) rates were 4% in Amuru, 5.1% in Kitgum, and 4.5% in Gulu districts.

² The Northern Uganda Regional 'Phase Out' Workshop, held in October 2008, was attended by Acholi district authorities, United Nations agencies and NGOs. During the workshop, participants used empirical evidence from available studies, supplemented with their in-depth knowledge of the local context, to determine food security levels and requirements for food assistance across the sub-region.

³ Market Analysis of Oruchinga Refugee Settlement in Uganda: WFP Cash Transfer Pilot, March 2010.

⁴ The ratio of the local market price to the total cost for WFP to deliver a food commodity is known as the 'alpha value'. Values below 1.0 require consideration of feasible alternatives to food transfers.

⁵ FEWS NET *Uganda Food Security Outlook Update* (September 2010) and WFP Uganda: *2010 Climatic and Food Security Situation in Uganda*: VAM input to WFP Regional Horn of Africa Food Security Update (October 2010) and FAO, Karamoja Seasonal Assessment Report (October-November 2010).

⁶ WFP Uganda Market Monitor, September 2010.

9. Preliminary results from the Food and Nutrition Security assessment conducted by WFP and the United Nations Children's Fund (UNICEF) in late 2010⁷ indicate an overall improvement in household food consumption in 2010,⁸ despite some increases in the level of global acute malnutrition (GAM) that are primarily related to disease burden and poor caring practices. GAM rates at district level were 7.1 percent in Abim, 16.5 percent in Kaabong, 12.3 percent in Kotido, 10.7 percent in Nakapiripirit, and 13.5 percent in Moroto. Similar results have been reported in the UNICEF/*Action Contre la Faim* (ACF) Integrated Nutrition Surveillance report for September 2010⁹ for Karamoja and the Government's Northern Uganda Mini Demographic and Health Survey 2009/2010. The Karamoja Seasonal Assessment report issued by the Food and Agriculture Organization of the United Nations (FAO) in October-November 2010 reported a general improvement in crop and livestock production owing to better rainfall.¹⁰ There has also been a substantial decline in staple food prices in the market compared to last year.
10. In light of these improvements, WFP closed EMOP 108110 at the end of 2010, as planned. Poverty and food insecurity are, however, chronic in Karamoja and, despite improvements in the food security context, extremely vulnerable households will require some level of assistance through 2011 and part of 2012. Due to persistent acute malnutrition across the Karamoja, supplementary feeding programmes and support to therapeutic feeding programmes will continue in 2011 and 2012.

Purpose of Budget Revision

11. This budget revision proposes to i) reduce the budget to reflect the suspension of general food distributions for the IDPs in Acholi in northern Uganda; and ii) include assistance to extremely vulnerable households (EVHs) in Karamoja under this PRRO. Table 1 describes the changes in beneficiary numbers for each target group and activity.

⁷ Makerere University School of Public Health, WFP, UNICEF, Food Security and Nutrition Assessment for Karamoja Sub-region, December 2010.

⁸ The overall proportion of households with poor food consumption declined from 21.5% in 2009 to 10.6% in 2010.

⁹ UNICEF, ACF, Integrated Nutrition Surveillance System in Karamoja Region, September 2010.

¹⁰ FAO, Karamoja Seasonal Assessment Report, October-November 2010.

TABLE 1: BENEFICIARIES BY ACTIVITY TYPE

Category of Beneficiaries	Activity	Year	Current	Increase/decrease	Revised
IDPs	General food distribution	2009	766,000	0	766,000
		2010	383,000	(283,048)	99,952
		2011/12	0	0	0
	Community-based supplementary feeding	2009	45,960	0	45,960
		2010	22,980	(5,769)	17,211
		2011/12	11,490	36,130	47,620
	Support to therapeutic feeding	2009	9,190	0	9,190
		2010	4,596	504	5,100
		2011/12	2,285	(335)	1,950
	Support to therapeutic feeding Caretakers	2009	18,380	0	18,380
		2010	9,192	348	9,540
		2011/12	4,570	(2,640)	1,930
Refugees	General food distribution (including cash pilot)	2009	95,000	0	95,000
		2010	90,000	6,487	96,487
		2011/12	85,000	11,487	96,487
	Supplementary feeding	2009	3,800	0	3,800
		2010	3,600	(1,600)	2,000
		2011/12	3,400	(1,400)	2,000
	Support to therapeutic feeding	2009	950	0	950
		2010	900	300	1,200
		2011/12	850	570	1,420
	Support to therapeutic feeding Caretakers	2009	1,900	0	1,900
		2010	1,800	600	2,400
		2011/12	1,700	(280)	1,420
EVHs (Karamoja)	General food distribution	2011/12	-	139,322	139,322
	Supplementary feeding	2011/12	-	67,800	67,800
	Support to therapeutic feeding	2011/12	-	3,100	3,100
	Support to therapeutic feeding Caretakers	2011/12	-	3,100	3,100
Total		2009	861,000	0	861,000
		2010	473,000	(276,561)	196,439
		2011/12	103,345	183,945	287,290

12. **Refugees and IDPs.** In Acholi, general food distributions for the IDPs have been phased out, resulting in reduced food requirements and associated costs. The nutritional status of IDP/returnee communities has improved with good harvests. The food needs of refugees registered by OPM and UNHCR are regularly assessed. Among those identified to need food assistance, refugees who have been residing for more than two years in settlements are provided with a 50 percent ration, whereas recently arrived refugees receive a full ration. The number of refugees has decreased considerably following a large voluntary repatriation of Sudanese refugees in early-2010. However, an influx of Congolese refugees into Uganda has kept the overall number of refugees stable just under 100,000. No joint assessment mission (JAM) was undertaken in 2010 and the next JAM is being planned for March-April 2011. Nutrition support programmes will continue in order to address acute malnutrition. WFP was able to reach more children in 2010 following the adoption of a community-based supplementary feeding approach. This budget revision is planning an increase in beneficiary numbers in line with WFP's expanded outreach.
13. **Cash pilot project for refugees.** In early 2011, WFP, in close coordination with UNHCR and OPM, will pilot the use of cash transfers in two refugee camps in South West for eight months. Cash transfers will be provided to about 16,000 refugees who have resided in the camps for over two years. This target group represents approximately 16 percent of the total refugee population that receives food assistance in Uganda. Extremely vulnerable, and newly arrived refugees, will continue to receive in-kind food transfers. The cash pilot concept note and the standard operating procedures have been jointly developed and prepared with UNHCR and OPM. The modality for cash distribution will be as follows: a commercial bank will implement cash transfers through a mobile telephone service provider and beneficiaries will be able to withdraw cash through pre-programmed SIM¹¹ cards at the designated distribution points of the mobile telephone service provider in the refugee settlements areas. The outcomes and impact of cash transfers will be measured on the basis of baseline and post-distribution monitoring data, paying particular attention to the end-use of cash, including a review of gender and protection issues. If the evaluation findings indicate that cash transfers are appropriate and effective, WFP will consider continuing or expanding cash transfers to include additional refugees through a subsequent budget revision to this PRRO.
14. **Extremely Vulnerable Households (Karamoja).** Following the end of EMOP 108110 in December 2010, households with able-bodied members in Karamoja will be assisted through productive safety-net activities under the WFP country programme. Approximately 32,000 EVHs with a total of 139,000 members,¹² will continue to require targeted food distributions. These households were identified by communities themselves following a comprehensive community targeting exercise undertaken in 2009, covering the whole Karamoja. This budget revision proposes to assist these people under the PRRO. In line with WFP support for the refugees, assistance to EVHs in Karamoja will involve: (i) targeted food distributions with micronutrient-fortified commodities to address inadequate food intake; (ii) sensitization (jointly with cooperating partners) on care practices, hygiene and sanitation, to address various causes of undernutrition; and (iii) community-based supplementary feeding programmes and support to therapeutic feeding,¹³ to treat moderately or severely malnourished children. Nutrition interventions will cover most communities in

¹¹ "SIM" stands for "subscriber identification module". A SIM card securely stores the identity of a subscriber on mobile telephony devices.

¹² Extremely vulnerable households are defined as households that have no able-bodied members (i.e. households headed by children or households with adult members who are elderly, chronically sick or disabled).

¹³ This includes providing support to the patients and to their caretakers.

Karamoja, and not just the EVHs. Entry and exit criteria will be based on the nutritional status of the children.

15. The EVHs will receive a ration equivalent to 50 percent¹⁴ of household members' daily energy requirements. This ration is a decrease from the 70 percent ration that EVHs were receiving under the EMOP. The change in the ration size reflects increased levels of food security coupled with a reduction in staple food prices compared with 2009. This ration will be provided for nine months per year, up until the harvest in September. Following a post-harvest break during which EVHs are expected to meet their food needs from their own production and affordable purchases from the market, general food distributions to EVHs will resume again in January 2012.
16. WFP will continue to monitor the food security of EVHs and other populations previously assisted under the EMOP following the current harvest through periodic food security and nutrition assessments conducted jointly with partners and through regular post-distribution monitoring (PDM). An enhanced PDM tool has been developed that incorporates key food security and nutrition indicators.¹⁵
17. Individuals who are already moderately malnourished will be given a supplementary ration of corn-soya blend (CSB), sugar and vegetable oil. WFP will also conduct a comparative study to assess the respective effectiveness of CSB and Supplementary Plumpy[®]. Caretakers of severely malnourished children will receive a food ration, since therapeutic feeding centres are often located at long distances from the villages and caretakers are likely to have no means to provide for themselves while the child completes the treatment.
18. Consecutive years of crop failures and low livestock productivity, due to erratic and often below-normal rainfall and livestock epidemics, have resulted in chronic food insecurity in Karamoja. Recognizing the critical need to address these underlying causes of food and nutrition security, assistance under this PRRO will be coordinated closely with assistance given under WFP's ongoing country programme. Poor households in Karamoja with able-bodied members will have the opportunity to participate in productive safety-net activities in the country programme, and receive an income transfer in food or cash. Assistance to extremely vulnerable households under this PRRO will be provided at the same time as distributions under the productive safety nets activity. This will be preceded by community sensitization activities in the first quarter of 2011 aimed at ensuring communities continue to see WFP support to EVHs, in Karamoja, as complementing the communities' traditional support of their most vulnerable.
19. In addition, the WFP country programme provides various child-focused safety nets for children from conception to the age of 18 years.¹⁶ Community-based supplementary feeding and support to therapeutic feeding programme under this PRRO will provide a curative safety net for those who fall through these preventive ones.
20. The Ministry of Gender, Labour and Social Welfare is in the process of developing what is intended to become a national social safety net for Uganda. After an initial pilot (in Kiboga, Kaberamaido, and Kyenjojo districts), the programme is to be rolled-out in 14 districts (including Nakapiripirit, Moroto, Amudat and Napak districts in Karamoja) in late- 2011,

¹⁴ This is 50 percent of the standard emergency ration, which is based on an estimated daily energy requirement of 2,100 kcal per capita. This requirement is taken from the World Health Organization Technical Report No. 724 (*Energy and protein requirements. Report of a Joint FAO/WHO/UNU Expert Consultation*) 1985.

¹⁵ Including mid-upper arm circumference (MUAC).

¹⁶ This support is provided through the MCHN programme (-9 months – 2 years), the Early Childhood Development programme (3 – 5 years), and the School Meals programme (6 – 18 years).

and nationally thereafter. WFP is collaborating in the development process, sharing its knowledge of household registration, particularly in Karamoja. The development of a national social safety net system provides a real and timely prospect for handover of the assistance to extremely vulnerable households by the end of this PRRO in March 2012.

FOOD/CASH REQUIREMENTS

Commodity Type/Cash & Voucher	General food distribution				Supplementary feeding programme		Therapeutic feeding Programme	
	Refugees - Full ration	Refugees - Half ration		Karamoja - EVHs	Premix	Supplementary Plumpy	Patients	Caretakers
		Food	Cash					
Maize	488	200	-	210	-		-	500
Pulses	70	40	-	30	-		-	65
Vegetable Oil	30	10	-	10	25		10	30
CSB	50	50	-	30	229		60	40
Iodized Salt	-	-	-	5	-		-	-
Sugar	-	-	-		15		10	-
Supplementary Plumpy	-	-	-	-		92		
Cash (US\$/month)	-	-	4.29 ¹⁷	-	-		-	-
Total	638	300	4.29	285	269	92	80	635
Total Kcal/Day	2,408	1,123	-	1,044	1,197	545	369	2,393
% Kcal from protein	11.9	13.2	-	12.4	13.8		11.7	11.7
% Kcal from fat	19.9	17.2	-	17.7	29.1		33.2	20.0
Number of feeding days per year	360	360	360	270		90		30

Activity	Current	Increase/decrease	Revised
General food distribution	136,482	870	137,352
Community-based supplementary feeding	5,589	1,149	6,738
Support to therapeutic feeding	7,772	(4,207)	3,565
Total food requirement (mt)	149,843	(2,188)	147,655
Cash pilot project (US\$)	2,992,339	295,000	3,287,339

¹⁷ The cash transfer value was calculated based on the average market rate of the 50 percent in-kind food ration in local shillings.

21. The current modalities for the distribution of food to beneficiaries will remain in place during the duration of this budget revision.



RECOMMENDATION

22. The proposed reduction in commitment of food and associated costs, resulting in the revised budget for PRRO 101213 is recommended to the Executive Director for approval.

Approved by:

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Josette Sheeran
Executive Director
United Nations World Food Programme

Date.....

ANNEX I-A

BUDGET DECREASE COST BREAKDOWN

Food ¹⁸	Quantity (<i>mt</i>)	Value (<i>US\$</i>)	Value (<i>US\$</i>)
Cereals	2,145	(1,986,035)	
Pulses	(1,566)	(1,318,002)	
Oil and fats	493	466,199	
Mixed and blended food	(3,682)	(7,283,156)	
Others	421	135,383	
Total food	(2,188)	(9,985,610)	
Cash transfers		295,000	
Voucher transfers			
Subtotal food and transfers			(9,690,610)
External transport			82,987
Landside transport, storage and handling			544,662
Other direct operational costs			(2,163,156)
Direct support costs ¹⁹ (see Annex I-B)			(4,742,258)
Total WFP direct costs			(15,968,376)
Indirect support costs (7.0 percent) ²⁰			(1,117,786)
TOTAL WFP COSTS			(17,086,162)

¹⁸ This is a notional food basket for budgeting and approval. The contents may vary.

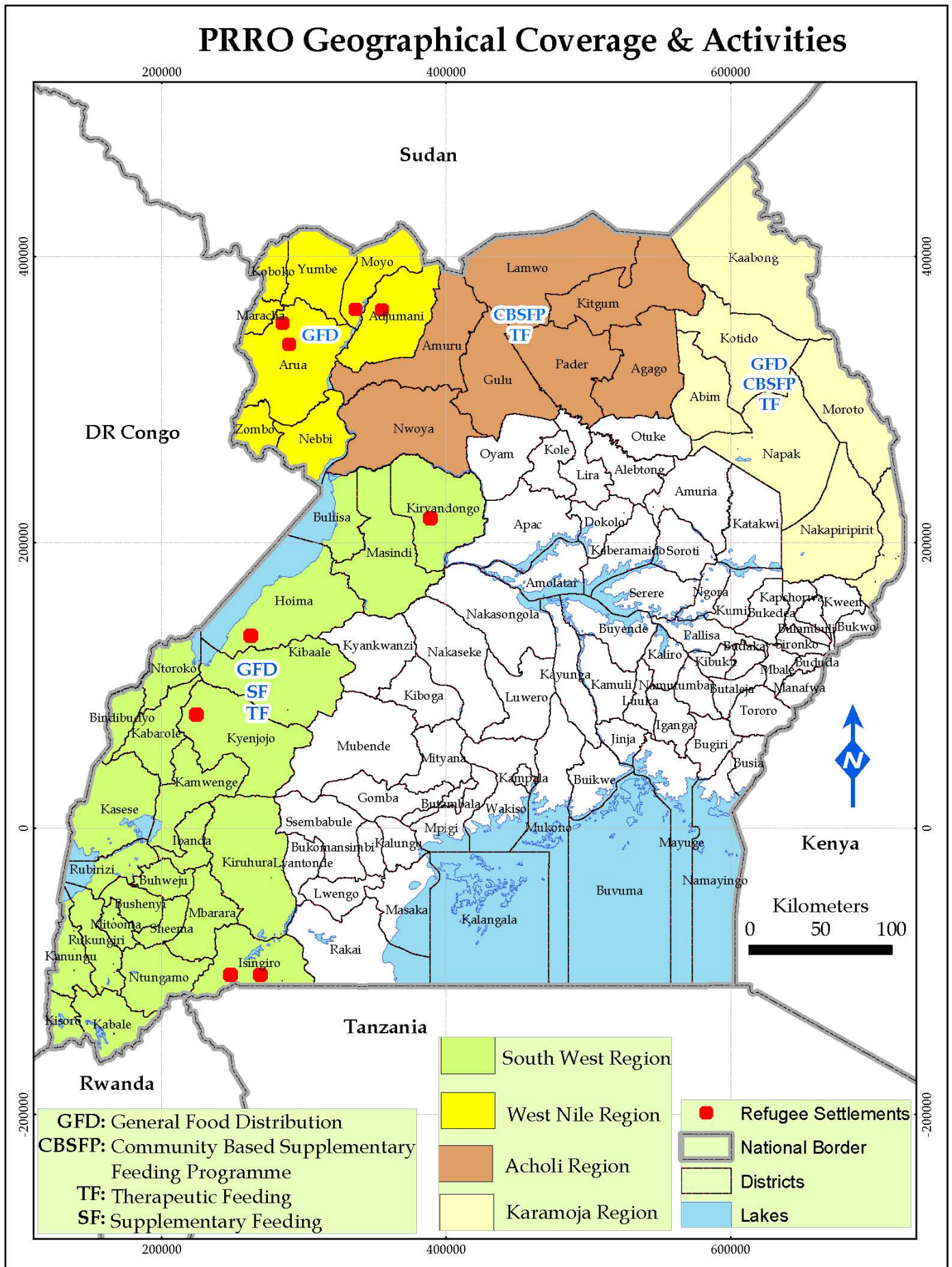
¹⁹ Indicative figure for information purposes. The direct support costs allotment is reviewed annually.

²⁰ The indirect support cost rate may be amended by the Board during the project.

DIRECT SUPPORT REQUIREMENTS (US\$)

Staff and Staff Related Costs	
International Professional Staff	(1,359,643)
International GS Staff	0
Local Staff - National Officers	181,250
Local Staff - General Service	432,050
Local Staff - Temporary assistance	(216,660)
Local Staff – Overtime	(165,550)
Hazard Pay & Hardship Allowance	(130,915)
International Consultants	336,600
Local Consultants	(78,380)
United Nations Volunteers	0
Commercial Consultancy Services	(840,625)
Staff duty travel	(1,187,155)
Subtotal	(3,029,028)
Recurring Expenses	
Rental of Facility	(296,730)
Utilities General	0
Office Supplies and Other Consumables	0
Communications and IT Services	(15,900)
Equipment Repair and Maintenance	0
Vehicle Running Cost and Maintenance	(408,500)
Office Set-up and Repairs	(1,115,200)
UN Organization Services	260,000
Subtotal	(1,576,330)
Equipment and Capital Costs	
Vehicle leasing	(3,150)
TC/IT Equipment	(272,000)
Local Security Costs	138,250
Subtotal	(136,900)
TOTAL DIRECT SUPPORT COSTS	(4,742,258)

ANNEX II – Map of Uganda – PRRO operational areas



ANNEX III – LOGICAL FRAMEWORK

Results-Chain	Performance Indicators	Means of Verification	Risks and Assumptions
Objective: Save lives and address acute malnutrition among the extremely vulnerable groups in the Karamoja, and in returnee and refugee populations (SO1)			
<p>Outcome 1</p> <p>Reduced or stabilized acute malnutrition among the vulnerable groups in the Karamoja, and in the refugee and returnee populations in the rest of the country.</p>	<ul style="list-style-type: none"> ➤ Less than 10 percent prevalence of acute malnutrition among children under 5, assessed using weight-for-height. ➤ Recovery rate in supplementary feeding programme greater than 75 percent. ➤ Defaulter rate in supplementary feeding programme less than 15 percent. ➤ Death rate at supplementary feeding centres less than 2 percent ➤ Non-response rate at supplementary feeding centers less than 8 percent. ➤ Recovery rate in therapeutic feeding programme greater than 75 percent. ➤ Death rate at therapeutic feeding centres less than 5 percent. 	<ul style="list-style-type: none"> ➤ Nutrition and food security surveys. ➤ Monthly reports from Supplementary Feeding Centres. ➤ Monthly reports from Therapeutic Feeding Centres. 	<ul style="list-style-type: none"> ➤ No major outbreaks of diseases occur in the project areas.
<p>Output 1.1</p> <p>Timely provision of food and cash in sufficient quantities to targeted beneficiaries through general distributions.</p>	<ul style="list-style-type: none"> ➤ Number of planned beneficiaries receiving assistance, by gender and age group. ➤ Amount of planned food commodities or cash equivalents distributed, by type. 	<ul style="list-style-type: none"> ➤ Monthly progress reports. ➤ Food Distribution reports. 	<ul style="list-style-type: none"> ➤ No major access problems due to conflict or natural disasters. ➤ Sufficient and timely resources secured from donors.
<p>Output 1.2</p> <p>Timely provision of supplementary and therapeutic micronutrient-fortified food in sufficient quantities to targeted beneficiaries.</p>	<ul style="list-style-type: none"> ➤ Number of planned beneficiaries receiving food assistance, by gender and age group. ➤ Amount of planned food commodities distributed, by food type. 	<ul style="list-style-type: none"> ➤ Monthly reports from Supplementary Feeding Centres. ➤ Monthly reports from Therapeutic Feeding Centres. 	<ul style="list-style-type: none"> ➤ No major access problems due to conflict or natural disasters. ➤ Sufficient and timely resources secured from donors.
<p>Output 1.3</p> <p>Cash distributed in sufficient quantity and on time to targeted beneficiaries under secure conditions.</p>	<ul style="list-style-type: none"> ➤ Number of beneficiaries receiving cash, as percentage of planned. ➤ Number of women heads of household receiving cash as percentage of planned beneficiaries. ➤ Total cash amount distributed, as percentage of planned. ➤ Beneficiaries receiving cash on time, as percentage of planned. 	<ul style="list-style-type: none"> ➤ Partner distribution report. 	