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**Executive Board  
Second Regular Session**

**Rome, 10–13 November 2014**

# PROJECTS FOR EXECUTIVE BOARD APPROVAL

Agenda item 8

*For approval*



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**WFP/EB.2/2014/8-A**  
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## BUDGET INCREASES TO DEVELOPMENT ACTIVITIES – UGANDA COUNTRY PROGRAMME 108070

Cost (United States dollars)			
	Current budget	Increase	Revised budget
Food	40,538,171	9,363,131	49,901,302
Cash and vouchers	5,641,272	187,200	5,828,472
Total cost to WFP	222,101,115	25,350,392	247,451,507

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## NOTE TO THE EXECUTIVE BOARD

**This document is submitted to the Executive Board for approval.**

The Secretariat invites members of the Board who may have questions of a technical nature with regard to this document to contact the WFP staff focal points indicated below, preferably well in advance of the Board's meeting.

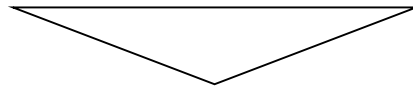
Regional Director, OMN\*: Ms V. Guarnieri                      Email: [valerie.guarnieri@wfp.org](mailto:valerie.guarnieri@wfp.org)

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Should you have any questions regarding availability of documentation for the Executive Board, please contact the Conference Servicing Unit (tel.: 066513-2645).

\* Nairobi Regional Bureau (East and Central Africa)

## DRAFT DECISION\*



The Board approves the proposed budget increase of USD 25.3 million for Uganda country programme 108070 (WFP/EB.2/2014/8-A) with an extension from 15 November 2014 to 31 December 2015.

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\* This is a draft decision. For the final decision adopted by the Board, please refer to the Decisions and Recommendations document issued at the end of the session.

## NATURE OF THE INCREASE

1. This revision extends country programme (CP) 108070 by just over 13 months with a view to: i) aligning it with the Government's National Development Plan (2015–2019), the 2016–2020 United Nations Development Assistance Framework and WFP's country strategy (2015–2019); and ii) enabling the country office to utilize the Uganda country portfolio evaluation presented at EB.2/2014 in designing the next CP, which will start in 2016.
2. The following changes will be made during the extension period:
  - the number of households participating in productive safety nets in Karamoja will be reduced as the most vulnerable districts are prioritized;
  - the ration for these households will be increased to align its value with that of the cash transfer;
  - the number of planned beneficiaries in the WFP-supported school meals programme will be increased by 5 percent to account for increased enrolment;
  - the number of school meals per day will be reduced in line with anticipated funding and in preparation for community management of the programme;
  - the number of planned beneficiaries of the mother-and-child health and nutrition (MCHN) activity will be increased by 5 percent in line with actual increases in attendance;
  - the ration for MCHN beneficiaries will contain SuperCereal Plus for children aged 6–23 months;
  - the planning targets for the agriculture and market support activity under component 2 will be adjusted, resulting in increased other direct operational costs; and
  - the early childhood development activity will be discontinued.
3. The proposed adjustments to the budget comprise: i) an increase in the costs related to food and cash for productive safety net activities; ii) additional food and associated costs for school meals and MCHN; and iii) additional other direct operational costs for agriculture and market-support activities.
4. The revisions for 2015 involve cost increases of: i) USD 9.4 million for food transfers; ii) USD 2.8 million for external transport; iii) USD 208,000 for cash and vouchers; iv) USD 6.1 million for capacity development; and USD 4.4 million in direct support costs.

## JUSTIFICATION

### Existing Project Activities

5. WFP's work is aligned with the country strategy for 2009–2014, whose three priorities are emergency response, food and nutrition security, and support for agriculture and markets.
6. The CP activities are largely the same as in the last budget revision. Minor adjustments are proposed to align the activities more accurately, reduce the scope of some activities and rationalize targets. Changes recommended in the food for assets impact evaluation and the country portfolio evaluation will be implemented during 2014 and early 2015 under the next CP.

## CONCLUSION AND RECOMMENDATIONS OF THE RE-ASSESSMENT

### Component 1 – Food and Nutrition Security

7. In agreement with the Government, WFP will reduce the coverage of its livelihood activities in Karamoja under the Second Northern Uganda Social Action Fund (NUSAF2) to focus on the four most food-insecure districts, where coverage by other actors is low. The number of beneficiaries receiving conditional transfers of food or cash will therefore fall from 462,000 people in 77,000 households to 219,000 people in 36,500 households. The ration for food recipients will be increased from 40 kg per household per six-week work cycle to 50 kg to align it with the value of the cash transfer; this is based on the Government-mandated daily wage of UGX 4,000.<sup>1</sup>
8. In anticipation of increased enrolment at schools in the school-meals programme, this budget revision plans for a 5 percent increase in beneficiaries to 114,450. In view of possible resource constraints, the programme will shift to a single daily meal at day schools and two meals per day at Government-run boarding schools. The shift also anticipates eventual hand-over to a national home-grown school feeding programme, currently under discussion with the Office of the Prime Minister, the National Planning Authority and a multi-sector task force of development partners led by WFP.
9. WFP is assessing micronutrient deficiencies among school-aged children in Karamoja with a view to including micronutrient powders into school meals in a future CP. Lack of funding since 2011/12 means that the early childhood development activity in Karamoja will be discontinued, but MCHN interventions will be prioritized.
10. The budget revision anticipates a 5 percent increase in attendance at clinics for ante-natal and post-natal care from 42,000 beneficiaries in 2014 to 44,100 in 2015. The associated rations will also be adjusted to include SuperCereal Plus instead of SuperCereal for children aged 6–23 months and to align the SuperCereal ration for mothers with WFP-recommended levels for preventive care.

### Component 2 – Agriculture and Market Support

11. The plan of work for 2015 builds on experience in Purchase for Progress and recommendations from a study of the Uganda warehouse receipt system. WFP expects that 25 percent of the farming households supported with infrastructure development, post-harvest handling and market support to be able to run sustainable businesses on their own. Market support will target 2,250 new households – 11,250 beneficiaries – in 2015, bringing the total to 94,793.<sup>2</sup> Activities to enhance post-harvest handling and value-added will target 5,000 new households – 25,000 beneficiaries – in 2015, bringing the total to 132,243.<sup>3</sup>
12. The country office aims to purchase a minimum of 10 percent of food in 2015 from smallholder farmers and small-scale and medium-scale traders; 324,465 beneficiaries are anticipated.<sup>4</sup>

<sup>1</sup> The food equivalence is based on maize prices during the lean season.

<sup>2</sup> Reflects a reduction of 27,848 beneficiaries expected to graduate from assistance in 2015, and 11,250 to be added.

<sup>3</sup> Reflects a reduction 35,748 beneficiaries expected to graduate from assistance in 2015, and 25,000 to be added under the 2015 programme of work.

<sup>4</sup> Reflects 313,215 beneficiaries from 62,643 farming households in 56 farmers' organizations assisted in 2014, and an addition of 11,250 beneficiaries in the 2015 programme of work.

## PURPOSE OF EXTENSION AND BUDGET INCREASE

13. The purpose of the extension is to align CP 108070 with the National Development Plan (2015–2019), the 2016–2020 United Nations Development Assistance Framework and WFP’s country strategy (2015–2019), to make programmatic changes and to update beneficiary numbers in each component.

**TABLE 1: BENEFICIARIES BY ACTIVITY**

Activity	Beneficiaries	Current			Increase/Decrease			Revised		
		Boys/ men	Girls/ women	Total	Boys/ men	Girls/ women	Total	Boys/ men	Girls/ women	Total
Productive safety nets (NUSAF)	Food-insecure households	198 660	263 340	<b>462 000</b>	(104 490)	(138 510)	<b>(243 000)</b>	94 170	124 830	<b>219 000</b>
MCHN	Children 6–24 months	15 504		<b>37 816</b>	2 576		<b>6 284</b>	18 081		<b>44 100</b>
	Pregnant and lactating women	-	22 312		-	3 708		-	26 019	
SMP*	Children 6–18 years	59 950	49 050	<b>109 000</b>	2 998	2 452	<b>5 450</b>	62 948	51 502	<b>114 450</b>
ECD**	Children 3–5 years	21 724	21 551	<b>43 275</b>	(21 724)	(21 551)	<b>(43 275)</b>	-	-	-
AMS***	Market infrastructure	55 695	55 695	<b>111 390</b>	(8 298)	(8 297)	<b>(16 597)</b>	47 397	47 396	<b>94 793</b>
	Post-harvest handling and value addition	71 495	71 495	<b>142 990</b>	(5 374)	(5 373)	<b>(10 747)</b>	66 122	66 121	<b>132 243</b>
	Local purchases	156 608	156 607	<b>313 215</b>	5 626	5 625	<b>11 251</b>	162 233	162 232	<b>324 465</b>
<b>Subtotal</b>		<b>298 798</b>	<b>298 797</b>	<b>567 595</b>	<b>8 047</b>	<b>8 046</b>	<b>16 093</b>	<b>275 751</b>	<b>275 750</b>	<b>551 501</b>
<b>TOTAL</b>				<b>1 219 686</b>			<b>(302 368)</b>			<b>929 051</b>

\* School meals programme

\*\* Early childhood and development

\*\*\* Agriculture and market support

<b>TABLE 2: REVISED DAILY FOOD RATION/TRANSFER BY ACTIVITY (g/person/day)</b>				
	<b>MCHN (infants)</b>	<b>MCHN (women)</b>	<b>SMP</b>	<b>NUSAF</b>
SuperCereal	-	200	-	-
SuperCereal Plus	200	-	-	-
Sugar	-	15	-	-
Oil	-	20	10	-
Maize meal	-	-	150	-
Pulses	-	-	30	-
Cereals	-	-	-	4 200
<i>Cash/voucher (USD/person/day)</i>	-	-	-	1.6*
<b>TOTAL</b>	<b>200</b>	<b>235</b>	<b>190</b>	<b>4 200</b>
<b>Kcal/day</b>	<b>787</b>	<b>989</b>	<b>729</b>	<b>n.a.</b>
% kcal from protein	16.6	12.4	10.7	n.a.
% kcal from fat	23.2	32.8	19.3	n.a.
Number of feeding days	30 per month	30 per month	190 per year	39 per year

\* USD 1.6 is the cash equivalent of 4,200 g/day of food.

## FOOD REQUIREMENTS

<b>TABLE 3: FOOD/CASH AND VOUCHER REQUIREMENTS BY COMPONENT</b>				
		<b>Current</b>	<b>Increase</b>	<b>Revised total</b>
<b>Component 1</b>	Food (mt)	112 464	15 968	<b>128 432</b>
<b>Component 3</b>	Cash (USD)	5 641 271	187 200	<b>5 828 471</b>

## RISK ASSESSMENT AND PREPAREDNESS

14. There is no significant change in the risks and mitigation measures.

## MONITORING AND EVALUATION

15. There are no significant changes to the monitoring and evaluation systems used to assess performance. A baseline was established in 2013 to inform changes to the livelihood activities under NUSAF2, a benchmarking study is planned for the agriculture and market support component in late 2014, an assessment in Karamoja will inform micronutrient activities in the next CP and the country portfolio evaluation in 2014.

## ANNEX I-A

PROJECT COST BREAKDOWN			
	Quantity (mt)	Value (USD)	Value (USD)
<b>Food</b>			
Cereals	11 406	5 219 020	
Pulses	869	650 840	
Oil and fats	420	398 840	
Mixed and blended food	3 175	3 048 541	
Others	98	45 889	
<b>Total food</b>	<b>15 968</b>	<b>9 363 131</b>	
External transport		222 804	
Landside transport, storage and handling		2 582 846	
Other direct operational costs		767 552	
<b>Food and related costs<sup>1</sup></b>		<b>12 936 333</b>	<b>12 936 333</b>
Cash and vouchers		187 200	
Related costs		20 592	
<b>Cash and vouchers and related costs</b>		<b>207 792</b>	<b>207 792</b>
<b>Capacity development and augmentation</b>		<b>6 139 100</b>	<b>6 139 100</b>
Direct operational costs			19 283 225
Direct support costs <sup>2</sup> (see Annex I-B)			4 408 730
<b>Total direct project costs</b>			<b>23 691 955</b>
Indirect support costs (7.0 percent) <sup>3</sup>			1 658 437
<b>TOTAL WFP COSTS</b>			<b>25 350 392</b>

<sup>1</sup> This is a notional food basket for budgeting and approval. The contents may vary.

<sup>2</sup> Indicative figure for information purposes. The direct support cost allotment is reviewed annually.

<sup>3</sup> The indirect support cost rate may be amended by the Board during the project.



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## ANNEX I-B

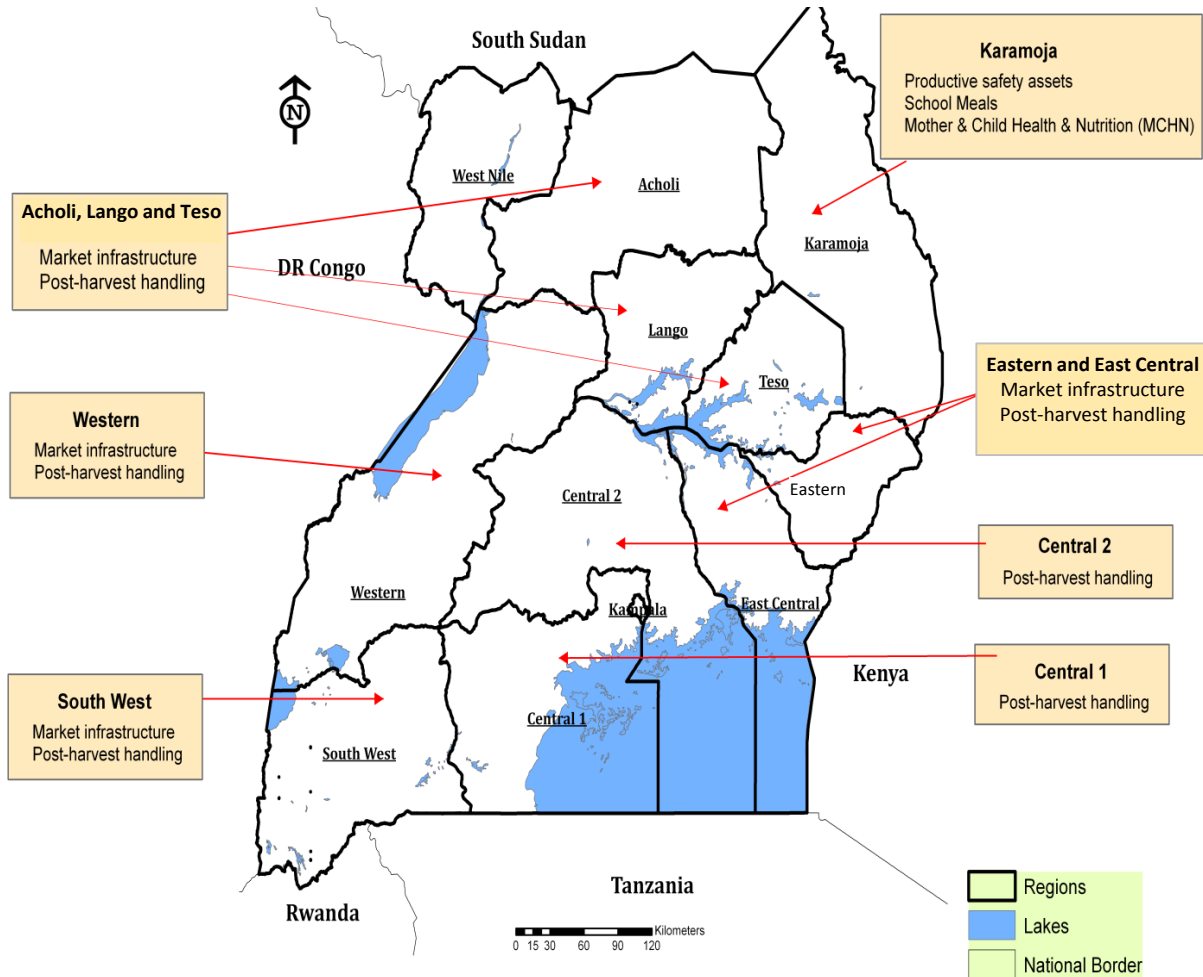
<b>DIRECT SUPPORT REQUIREMENTS (USD)</b>	
<b>Staff and staff-related</b>	
Professional staff	1 813 505
General service staff	746 950
<b>Subtotal</b>	<b>2 560 455</b>
<b>Recurring and other</b>	<b>704 425</b>
<b>Capital equipment</b>	<b>100 000</b>
<b>Security</b>	<b>127 750</b>
<b>Travel and transportation</b>	<b>766 100</b>
<b>Assessments, evaluations and monitoring<sup>1</sup></b>	<b>150 000</b>
<b>TOTAL DIRECT SUPPORT COSTS</b>	<b>4 408 730</b>

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<sup>1</sup> Reflects estimated costs for when these activities are carried out by third parties.

## ANNEX II

### UGANDA COUNTRY PROGRAMME 108070 ACTIVITIES BY REGION



The designations employed and the presentation of material in this publication do not imply the expression of any opinion whatsoever on the part of the World Food Programme (WFP) concerning the legal status of any country, territory, city or area or of its frontiers or boundaries.

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## ACRONYMS USED IN THE DOCUMENT

CP	country programme
MCHN	mother-and-child health and nutrition
NUSAF2	Second Northern Uganda Social Action Fund
SMP	School meals programme