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PROJECTS FOR EXECUTIVE BOARD APPROVAL

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BUDGET INCREASE TO PROTRACTED RELIEF AND RECOVERY OPERATION— GREAT LAKES REGIONAL 10062.1

Food Aid for Relief and Recovery in the Great Lakes Region

Cost (United States dollars)			
	Previous budget	Revision	New budget
Overall:			
Food cost	107 383 874	9 781 274	117 165 148
DSC cost	34 183 485	2 155 928	36 339 413
Total WFP cost	262 723 030	26 346 904	289 069 934
Tanzania component:			
Food cost	34 986 950	9 781 274	44 768 224
DSC cost	9 174 727	2 155 928	11 330 655
Total WFP cost	73 257 945	26 346 904	99 604 849
Other components (Burundi, Rwanda and ODK support):			
Food cost	72 396 924	–	72 396 924
DSC cost	25 008 758	–	25 008 758
Total WFP cost	189 465 085	–	189 465 085

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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.

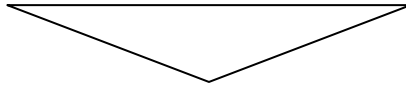
Director, East and Central Africa Regional Bureau (ODK): Mr H. Arthur

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Should you have any questions regarding matters of dispatch of documentation for the Executive Board, please contact the Supervisor, Meeting Servicing and Distribution Unit (tel.: 066513-2328).



DRAFT DECISION*



The Board approves the budget increase to Great Lakes Regional PRRO 10062.1 as set out in document WFP/EB.2/2004/4-C.

* 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 INCREASE

1. This budget revision is prepared to accommodate the additional food requirements for the Tanzania portion of Great Lakes regional protracted relief and recovery operation (PRRO) 10062.1 and the de-earmarking of 65 mt of BP5 biscuits that are no longer required in the Tanzania operation.

JUSTIFICATION FOR THE INCREASE

Background

2. Great Lakes regional PRRO 10062.1, covering Burundi, Rwanda and Tanzania, was approved by the WFP Executive Board on 20 September 2002 for 36 months from 1 February 2003–31 January 2006 to provide food assistance to 1.2 million refugees and internally displaced persons (IDPs). The PRRO, coordinated by the Regional Bureau for East and Central Africa (ODK), aims to contribute to the relief and recovery of the targeted food-insecure populations through general food distributions and food-for-asset (FFA) activities. The project is designed to improve and stabilize the household food security and nutritional status of the beneficiaries, while increasing access to assets and small-scale opportunities. In conformity with the Enhanced Commitments to Women (ECW), gender is mainstreamed in the PRRO; periodic assessments, contingency planning, emergency preparedness and response mechanisms among stakeholders are also enhanced.
3. There is a need to amend the PRRO to reflect the current situation in view of slow and minimal implementation of the refugee repatriation programme as a result of continuing conflict in neighbouring countries as opposed to the plan in the original PRRO document. WFP Tanzania was required to feed a much larger caseload than expected at this time: the original figure was 278,400; the average for 2004 is 473,000, including 13,000 members of host communities who qualify for assistance through feeding programmes for vulnerable groups. Most of the PRRO activities fall under Strategic Priority (SP) 1. Although some funds are allocated to FFW for the host population, it is appropriate to keep the total at 100 percent under SP1.
4. The PRRO originally estimated a high rate of repatriation that would significantly reduce the number of beneficiaries, quantities of food needed and resources required to support the refugee operation in 2004 and 2005. However, failed negotiations in Burundi and outbreaks of fighting between the Government and rebels in the first half of 2003 halted the repatriation and caused an influx of more refugees into Tanzania, raising the additional refugee caseload by 100,000 people. As a result, the Tanzania portion of food and financial commitments is expected to be exhausted by August 2004, much earlier than the project's end date. WFP is encouraging the Office of the United Nations High Commissioner for Refugees (UNHCR) to conduct a traditional refugee registration process, which has not been done for several years.
5. Tanzania has been home to refugees from neighbouring countries since the 1994 genocide in Rwanda and instability and unrest in Burundi and the Democratic Republic of Congo. Improved security and stability in Rwanda enabled all refugees to return home by the end of 2003. Despite strong political support from the governments of Burundi and Tanzania for repatriation, and optimistic projections by humanitarian agencies, continued political unrest and fighting in Burundi have slowed down the repatriation process. But the refugees are still in Tanzania and need continued humanitarian assistance for survival.



Should refugees repatriate from Tanzania, the contingency plan would allow the reallocation of resources to Burundi to cover the returnees' needs during re-integration.

6. This budget increase is, therefore, prepared to request additional food, direct support costs (DSC), external transport and landside transport, storage and handling (LTSH) costs for the Tanzania component of the PRRO to cover the needs of refugees during the project period and enough staff and equipment for smooth implementation.

Increased Operational Requirements Arising from Higher than Planned Refugee Caseload

⇒ *Original projections vs. actual repatriation*

7. During preparation of the PRRO project document, peace and cease-fire negotiations between the Government of Burundi and rebel forces, backed by political pressure from the international community, encouraged an optimistic estimation of the rate of Burundian refugee repatriation from Tanzania. Recent political settlements and reduced fighting minimized the influx of refugees into Tanzania, but the rates of voluntary and spontaneous repatriation have not increased in line with the original project plan. A joint review by UNHCR and stakeholders estimated an increased caseload of refugees during the remainder of the project, exceeding projections by at least 113,000 in 2004 and 104,000 in 2005. The Tanzania component of the PRRO must therefore secure extra food and financial resources to continue to assist the remaining refugees.
8. The contingency plan identified several constraints to Burundian repatriation that may prevent large-scale returns of refugees. The main constraint is that peace remains uncertain in areas to which refugees would return; other complications are the presence of landmines and lack of health and educational infrastructures for returning refugees. Movements of refugees would probably be linked to the harvest season, so they are unlikely to begin to return in large numbers until June or July 2004. Refugees may also wait until after the Burundi election in November 2004.

Key Objectives and Indicators

9. These include:
 - i) Contribute towards the survival and recovery prospects for refugees until return to country of origin and a few food-insecure nationals from refugee host areas.
 - Performance indicators include: (i) crude mortality rates (CMR); (ii) mortality rates among children under 5 (<5 MR); (iii) aggregate household food-security index (AGHFI); and (iv) gender development index (GDI).
 - ii) Improved and stable household food availability and nutritional status of vulnerable groups; malnutrition rates minimized.
 - Performance indicators include: (i) composition and kcal value of food basket; (ii) prevalence of malnutrition among children under 5; (iii) presence of micronutrient deficiency in the target population; and (iv) low birth weight below 10 percent.



- iii) Six of the eight ECWs are addressed; at least 50 percent of the direct recipients of targeted food distribution are women; women hold at least 50 percent of leadership positions in food committees.
 - Performance indicators include: (i) percentage of women collecting food at distribution sites; (ii) percentage of women holding leadership positions in food committees; and (iii) percentage of household ration cards issued in the name of women in general food distributions.
- iv) Increased access by target communities in refugee host areas to nutritional inputs, physical assets and skills.
 - Performance indicators include: (i) percentage of target communities with access to physical assets; (ii) percentage of target communities with newly acquired skills; and (iii) number of beneficiaries receiving nutritional support through local hospitals and health clinics.

⇒ *Additional DSC, LTSH, external transport for upgrading information and communications technology (ICT) equipment, purchase of vehicles and milling services*

- 10. An assessment by the ODK regional bureau and FITTEST of the state of ICT equipment in the refugee operation recommended upgrading the existing facility in line with WFP standard communications and security requirements and minimum operating security standards (MOSS). The original PRRO budget has US\$112,000 for ICT facilities, but there is a need for an additional US\$112,430 to finance the upgrade.
- 11. The current fleet of 25 vehicles has deteriorated: 16 vehicles have exceeded the recommended 100,000 km and four-year age limits and require replacement to ensure mobility and safety. The PRRO requires an additional US\$350,000 from this budget increase to procure 15 replacement vehicles. WFP provides milling equipment and services, which require US\$543,579. The PRRO originally assumed that it would receive 50 percent maize grain and 50 percent maize meal, but because nearly 100 percent of maize is grain, the milling component is essential.

⇒ *Staffing*

- 12. The operation has not been able to downsize because of the large number of refugees residing in Tanzania, so WFP should reinstate the three positions that were given up in 2003 when funding was insufficient and should retain the three positions scheduled to be terminated this year if refugee numbers had reduced significantly. This results in six positions needing financial support of US\$1.4 million from the PRRO budget that had not been foreseen.

⇒ *De-earmarking of BP5 biscuits*

- 13. The PRRO has an allocation of 65 mt of BP5 biscuits that are longer required because of the major decline in refugee returnee programme. These can be de-earmarked, given the resource constraints faced by the operation.



RECOMMENDATION OF THE EXECUTIVE DIRECTOR

14. This budget revision will require an additional 47,022 mt of combined food commodities (see annex I) to provide assistance to 473,000 refugees; the total cost is US\$26,346,904 including a food value of US\$9,781,274. The project duration remains 36 months, from 1 February 2003 to 31 January 2006. The Executive Director recommends the budget increase for approval.



ANNEX I

PROJECT COST BREAKDOWN						
	Existing PRRO	Revised PRRO	Difference	Existing total value	Revised total value	Difference
WFP COSTS						
A. Direct operational costs						
Commodity						
– Cereals	114 471	148 158	33 687	19 540 200	25 266 990	5 726 790
– Pulses	24 318	31 409	7 091	6 468 588	8 376 067	1 907 479
– Vegetable oil	6 436	8 210	1 774	3 964 576	5 085 744	1 121 168
– Salt	2889	3 776	887	288 900	377 600	88 700
– Corn-soya blend	14 783	18 328	3 545	3 902 712	4 866 952	964 240
– Sugar	535	535	0	147 125	147 125	0
– HEB	154	257	103	154 000	256 897	102 897
– BP5 biscuits	100	35	-65	200 000	70 000	-130 000
Total commodities	163 686	210 708	47 022	34 666 101	44 447 375	9 781 274
External transport				6 909 790	11 651 020	4 741 230
Overland						4 313 800
ITSH						3 087 463
Total LTSH				16 532 286	23 933 549	7 401 263
Other direct operational costs				1 244 760	1 788 340	543 580
Total direct operational costs				59 352 937	81 820 284	22 467 347
B. Direct support costs (see annex II for details)				9 174 727	11 330 655	2 155 928
C. Indirect support costs (7.0 % of total direct costs)				5 345 158	7 068 787	1 723 629
TOTAL WFP COSTS				73 872 822	100 219 726	26 346 904



ANNEX II

DIRECT SUPPORT REQUIREMENTS (US\$)	
Staff	
International professional staff	1 441 133
National general service staff	86 164
National professional staff	(25 089)
Temporary assistance	6 750
International consultants	30 000
Overtime	83 350
Incentives	(79 550)
Staff duty travel	33 750
Subtotal	1 576 508
Office expenses and other recurrent costs	
Rental of facility	(350)
Utilities (general)	48 190
Office supplies	22 600
Communication and IT services	(1 600)
Insurance	2 000
Equipment repair and maintenance	13 600
Vehicle maintenance and running costs	17 900
United Nations organizations services (WFP's share of common United Nations costs in Nairobi)	800
Other office expenses	6 100
Subtotal	109 240
Equipment and other fixed costs	
Furniture, tools and equipment:	7 750
Vehicles	350 000
TC/IT equipment	112 430
Subtotal	470 180
TOTAL DIRECT SUPPORT COSTS	2 155 928

* Milling costs are under ODOC and thus not captured in this DSC budget summary.



ACRONYMS USED IN THE DOCUMENT

AGFHI	aggregate household food-security index
CMR	crude mortality rate
DOC	direct operational costs
DSC	direct support costs
ECW	Enhanced Commitments to Women
FFA	food for assets
FFW	food for work
GDI	gross domestic income
ICT	information and communications technology
IDP	internally displaced person
ISC	indirect support costs
ITSH	inland transport, shipping and handling
LTSH	landside transport, shipping and handling
MOSS	minimum operating security standards
ODK	Regional Bureau for East and Central Africa
ODOC	other direct operational costs
PRRO	protracted relief and recovery operation
SP	Strategic Priority
UNHCR	Office of the United Nations High Commissioner for Refugees

