



**World Food Programme**

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**PROJECT BUDGET REVISION FOR APPROVAL BY THE REGIONAL DIRECTOR**

5) To:	Initials	In Date	Out Date	Reason for Delay
Regional Director				
4) Through:	Initials	In Date	Out Date	Reason for Delay
Programme Adviser, RB				
3) Through:	Initials	In Date	Out Date	Reason for Delay
Logistic Officer, RB (change in LTSH and/or External Transport)				
2) Through:	Initials	In Date	Out Date	Reason for Delay
Resource Management Analyst, RB				
1) From:	Initials	In Date	Out Date	Reason for Delay
Country Office				

**Cuba CP 200703**  
**B/R No.: 1**

<b>Total revised number of beneficiaries</b>	896,500
<b>Duration of entire project</b>	4 years (1 Jan 2015-31 Dec 2018)
<b>Extension / Reduction period</b>	N/A
<b>Gender market code</b>	2a
<b>WFP food tonnage</b>	5,571

**PROJECT**

**Start date:** 1 Jan 2015 **End date:** 31 Dec 2018 **Extension/Reduction period:** N/A **New end date:** N/A

**Cost (United States dollars)**

	<b>Current Budget</b>	<b>Increase (Decrease)</b>	<b>Revised Budget</b>
Food and Related Costs	US\$ 4,318,514	US\$ 695,450	US\$ 5,013,964
Cash and Vouchers and Related Costs	US\$ -	US\$ -	US\$ -
Capacity Development & Augmentation	US\$ 8,536,613	US\$ 454,909	US\$ 8,991,522
DSC	US\$ 1,550,951	US\$ 167,821	US\$ 1,718,772
ISC	US\$ 1,008,425	US\$ 92,273	US\$ 1,100,698
<b>Total cost to WFP</b>	<b>US\$15,414,503</b>	<b>US\$1,410,453</b>	<b>US\$16,824,956</b>

**CHANGES TO:**

**Food Tool**

- MT
- Commodity Value
- External Transport
- LTSH
- ODOC

**C&V Tool**

- C&V Transfers
- C&V Related Costs

- CD&A
- DSC
- Project duration
- Other

**Project Rates**

- LTSH (\$/MT)
- ODOC (\$/MT)
- C&V Related (%)
- DSC (%)



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### NATURE OF THE REVISION

1. This budget revision (BR) of the Cuba Country Programme (CP) 200703 “Supporting National Social Protection Systems and enhancing food security in Cuba” is intended to:
  - Increase support to food-based safety net programmes through the inclusion of a new commodity – dried skimmed milk. This will be distributed through the same social protection programmes already included in the CP supporting children, pregnant and lactating women (PLW) and the elderly through government institutions.
  - Extend programme to the municipality of Old Havana due to the priority given by Government of Cuba to these social programmes in that municipality and based on the high levels of vulnerability.
  - Include capacity development and augmentation activities to increase and stabilize the local production of fortified blended food in the Bayamo Plant, with funds carried over from the recently closed DEV 105890 and not included in the original CP.
  - Adjust DSC to meet increased costs of field monitors; and
  - Increase the overall budget by 9 percent or \$1.4 million to account for these changes.

### JUSTIFICATION FOR THE REVISION

#### Summary of existing project activities

2. The CP aims to improve food and nutrition security among vulnerable populations in Cuba by working with governments at national and local levels to support a shift to more sustainable and targeted social protection systems. The CP supports the achievement of WFP Strategic Objectives 1, 3 and 4, and will pursue three linked objectives that contribute to the achievement of the UNDAF and to the Zero Hunger challenge:
  - i. Support food security and nutrition-related social protection programmes;
  - ii. Strengthen links between social protection systems and agricultural value chains; and,
  - iii. Strengthen community resilience and disaster risk management capacities at local level.
3. As Cuba advances in updating its economic model and decentralizes the management of social programmes, as well as the processes of economic planning, investment, resources allocation, administration and production, the CP emphasizes capacity building and augmentation. These efforts are designed to support the government’s commitment to strengthen Cuba’s food security and nutrition-related safety nets by linking them to an improved agriculture management model.
4. Furthermore, as the government of Cuba manages this important process of updating its economic and social model, the financial situation in the country is challenging. WFP’s strategy for Cuba envisages supporting this process. This includes supporting Cuba’s food-based safety nets programmes through CD&A activities to increase the efficiency of food security systems, strengthen links with local procurement, while providing some direct support to food-based social protection programmes targeted at the most vulnerable groups



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5. The proposed P4P-like approach linking safety net programmes with local production – particularly of beans – is intended to work as a catalyst to strengthen the bean value chain and promote a change in the agriculture management model. Given the agricultural production cycle, WFP planned to start purchasing locally produced beans in the second year of the implementation. However, the need to provide direct support to social protection programmes such as the School Feeding programme and centers for elderly people planned under Component 1 of the CP needs to be supported until the P4P-like activities result in increased production and subsequent procurement.
6. Gender equality is a cross-cutting theme within all components, taking into account that women and men face different opportunities and challenges, and that girls, boys, young people and elderly are key players in development processes, although with different needs.

### **Purpose of budget increase**

7. Given the uncertainty of being able to secure funds for the international purchase of commodities the amount included in the original budget of the CP was kept to a minimum. The availability of including dried skimmed milk, provided through an in-kind contribution, will allow WFP Cuba to reinforce the goals of the component 1 of the CP.
8. The Government of Cuba has repeatedly requested support in the provision of milk because of its importance within its social programmes. The state-run safety net programmes have an extensive experience in programming and managing dried skimmed milk, which is distributed regularly to beneficiaries. Therefore, the Cuban institutions, as well as WFP Cuba, has experience in managing this commodity and ensuring its safe and appropriate use.
9. The new product (dried skimmed milk) will be distributed to support the same beneficiaries already included in the CP – children, PLWs and the elderly, with the slight increase in beneficiaries accounting for the geographic expansion to the municipality of Old Havana. .
10. Part of the capacity development and augmentation activities are related to improvements of the Bayamo factory in eastern Cuba, to ensure the stable production of fortified blended food. This would require the procurement and installation of additional equipment and spare parts. These improvements were discussed with and approved by the donor during the implementation of DEV 105890. However, given some delays in the procurement process and the imminent closure of the DEV 10589 it was decided to transfer the procurement process to the CP. Under component 1 of the CP the distribution of locally produced fortified blended food is planned for the second year of the CP to allow for enough time to improve the capacity of the local factory.
11. In this BR the CO is also including the increase in costs of the six Field Monitors based on a staffing structure review and the corporate WFP local staff conversion process. Furthermore, the CO is charging to the CP DSC budget a portion of salaries of the National Officers positions that was previously planned under PSA budget.



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**TABLE 1: BENEFICIARIES BY COMPONENT**

Component	Current			Increase / Decrease			Revised		
	Boys / Men	Girls / Women	Total	Boys / Men	Girls / Women	Total	Boys / Men	Girls / Women	Total
Comp 1	247,700	371,300	619,000	1,275	1,225	2,500	248,975	372,525	621,500
Comp 3	140,250	134,750	275,000	-	-	-	140,250	134,750	275,000
<b>TOTAL</b>	<b>387,950</b>	<b>506,050</b>	<b>894,000</b>	<b>1,275</b>	<b>1,225</b>	<b>2,500</b>	<b>389,225</b>	<b>507,275</b>	<b>896,500</b>
Comp 2	7,200	4,800	12,000	-	-	-	7,200	4,800	12,000

12. Table 2 below reflects the changes to the portions of rations provided by WFP as a result of the inclusion of dried skimmed milk. This assistance is further complemented by government resources, including additional commodities.

**TABLE 2: RATIONS BY ACTIVITY (g/person/day)**

	Component 1														Component 3	
	Children 6-11 months	Children 12-23 months	PLW Eastern prov.	PLW Havana	Children in day-care centers	Pregnant women in maternity homes	Children in half boarding	Children in half boarding Havana.	Children in full boarding Eastern prov	Women and men above 65 in institutions Eastern prov	Women and men above 65 in Family Support System Eastern provinces	Women and men above 65 in Social Protection Programs in Havana	Pre-positioned			
MNPs	1	-	-		-	-	-		-		-				-	
Super Cereal	-	50	50		-	-	-		-		-				-	
Bio-fortified beans	-	-	-		35	30	-		-		-				--	
Beans	-	-	-				20		40		50		50		75	
Plain dried skimmed milk				25				25	50	50	50	50	25	25	25	
Total Kcal/day	-	188	188	91	119	102	68	91	322	181	352	181	262	181	91	256
<u>% kcal from protein</u>		16.3	16.3	42.0	25.3	25.3	25.3	42.0	34.9	42.0	34.1	42.0	31.0	42.0	42.0	25.3
<u>% kcal from fat</u>	-	19.2	19.2	2.0	3.7	3.7	3.7	2.0	2.8	2.0	2.8	2.0	3.1	2.0	2.0	3.7
Number of feeding days per year	120	365	365	240	180	180	40	240	40	65	180	60	180	60	240	21



**FOOD REQUIREMENTS**

13. The addition of dried skimmed milk requires an increase of the overall commodity requirements as reflected in table 3 below.

<b>TABLE 3: FOOD/CASH AND VOUCHER REQUIREMENTS BY COMPONENT</b>				
<b>Activity [or Component]</b>	<b>Commodity<sup>1</sup> / Cash &amp; voucher</b>	<b>Food requirements (mt) Cash/Voucher (US\$)</b>		
		<b>Current mt</b>	<b>Increase / Decrease - mt</b>	<b>Revised total mt</b>
<b>Component 1</b>	Commodity (fortified blended food, MNP, beans, milk)	<b>4,988</b>	<b>150</b>	<b>5,138</b>
<b>Component 3</b>	Commodity (beans)	<b>433</b>	<b>0</b>	<b>433</b>
<b>TOTAL</b>		<b>5,421</b>	<b>150</b>	<b>5,571</b>

<sup>1</sup> Please only present overall food requirement. Do not split by commodity.



<b>PROJECT COST BREAKDOWN</b>			
	<b>Quantity (mt)</b>	<b>Value (US\$)</b>	<b>Value (US\$)</b>
<i>Food Transfers</i>			
Cereals	-	-	
Pulses	-	-	
Oil and fats	-	-	
Mixed and blended food	-	-	
Others	150	660,326	
<b>Total Food Transfers</b>	<b>150</b>	<b>660,326</b>	
External Transport		27,000	
LTSH		-	
ODOC Food		8,124	
<b>Food and Related Costs <sup>2</sup></b>		<b>695,450</b>	
C&V Transfers		-	
C&V Related costs		-	
<b>Cash and Vouchers and Related Costs</b>		<b>-</b>	
<b>Capacity Development &amp; Augmentation</b>		<b>454,909</b>	
<i>Direct Operational Costs</i>			1,150,359
Direct support costs (see Annex I-B)			167,821
<b>Total Direct Project Costs</b>			<b>1,318,180</b>
Indirect support costs (7.0 percent) <sup>3</sup>			92,273
<b>TOTAL WFP COSTS</b>			<b>1,410,452</b>

<sup>2</sup> This is a notional food basket for budgeting and approval. The contents may vary.

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

## ANNEX I-B

<b>DIRECT SUPPORT REQUIREMENTS (US\$)</b>	
<b>WFP Staff and Staff-Related</b>	
Professional staff *	24,565
General service staff **	21,624
Danger pay and local allowances	-
<b>Subtotal</b>	<b>46,189</b>
<b>Recurring and Other</b>	<b>63,743</b>
<b>Capital Equipment</b>	<b>8,040</b>
<b>Security</b>	<b>-</b>
<b>Travel and transportation</b>	<b>49,849</b>
<b>Assessments, Evaluations and Monitoring<sup>4</sup></b>	<b>-</b>
<b>TOTAL DIRECT SUPPORT COSTS</b>	<b>167,821</b>

\* Costs to be included in this line are under the following cost elements: International Professional Staff (P1 to D2), Local Staff - National Officer, International Consultants, Local Consultants, UNV

\*\* Costs to be included in this line are under the following cost elements: International GS Staff, Local Staff - General Service, Local Staff - Temporary Assist. (SC, SSA, Other), Overtime

<sup>4</sup> Reflects estimated costs when these activities are performed by third parties. If WFP Country Office staff perform these activities, the costs are included in Staff and Staff Related and Travel and Transportation.