

**Food Assistance for the Relief and Protection of Vulnerable Groups Exposed to
Food Insecurity**

PROJECT BUDGET REVISION #3

	Cost (United States dollars)		Revised budget
	Present budget	Increase	
Food cost	55,715,764	13,473,251	69,189,015
External transport	13,004,752	2,204,456	15,209,208
LTSH	10,366,665	4,167,791	14,534,456
ODOC	3,002,000	890,000	3,892,000
DSC	9,048,917	3,892,713	12,941,630
ISC (7%)	6,379,667	1,723,975	8,103,642
Total cost to WFP	97,517,765	26,352,186	123,869,951

1 Nature of increase

1. Haiti has been particularly affected by the global food price rise as it imports **over 50 percent of all of its food**, including over 80 percent of its rice. In the last six months the price of imported rice has increased over 60 percent, imported flour by 73 percent, and maize by 91 percent. Out of the total population, estimated at 9.2 million, **5.1 million people live on less than one United States dollar a day** (56 percent). There are approximately **4.3 million people undernourished** (47 percent of the population, as per FAO SOFI 2006) and **almost 300,000 children under the age of five are in a situation of chronic malnutrition**. The HIV rate remains the highest in the region at 5.4 percent.

2. Haiti is currently going through a tense stage of instability due to soaring food prices that resulted in weeks of riots and the ouster of Prime Minister on 12th of April. In order to provide a short-term safety net for the most vulnerable population in Haiti and to avoid further deterioration of the nutritional status, there is an urgent need to increase the food requirements of the Haiti PRRO 10674.0

3. The budget revision further takes into account the increased salary costs for the new international staff rates for 2008-2009, the 20 percent increase in local staff salaries from the latest staffing survey in Haiti and the new LTSH matrix rate.

4. The activities to be implemented with this budget revision will reach an additional 1.5 million beneficiaries with an additional 17,644 mt of commodity valued at US\$13,473,251, with an additional US\$12,878,935 for associated costs, giving a total budget revision amount of US\$26,352,186.

2 Justification for budget increase

Summary of project activities

6. PRRO 10674.0 was approved by the Executive Board in October 2007. A budget revision due to increased commodity costs was processed in April 2008. With the recent riots and the fall of the government, the WFP's critical role in the stabilization plan for the country has become paramount.

7. The original PRRO activities, school feeding, PLWHIV \ TB, and Mother-Child-Health supplementary feeding will continue to be implemented and strengthened in conjunction with the new activities detailed below. In addition, the immediate relief and emergency response components are also being expanded. The original PRRO planned to assist 1,422,640 beneficiaries with an average caseload of 735,000 per month.

Conclusions and recommendations from assessments

8. Among the crucial steps suggested by various experts (including IFPRI and the World Bank) to tackle the food price crisis, it is recommended to immediately work on comprehensive social protection and food and nutrition initiatives to meet the short- and medium-term needs of the poor. This is particularly important in a country like Haiti, where recurrent crisis, both man-made and natural disasters, have brought marginal livelihoods, which represent the majority of the population, to an almost irreversible spiral of deterioration in the recent years. Therefore, the planned interventions focus on the short term social protection needs of the poor while the medium term solutions are being defined.

9. Preliminary targeting is based on the available data from CNSA and FEWS and will take into consideration new data from the upcoming CFSVA. The planned activities are in line with Government and other stakeholders (NGOs and Donors) identified priorities as well as WFP's analysis of the situation.

Purpose of budget increase

10. The objective of the new planned interventions is to strengthen WFP's assistance to the Government of Haiti to respond to the current soaring price crisis by promoting the establishment of a comprehensive social safety net particularly in its food and nutritional components. Specifically, the new activities will address the short-term acute crisis requirements to ensure that the situation in the country does not further deteriorate due to insufficient food available to the most affected population, including rural marginalized communities and urban deprived areas. The planned outcomes of the interventions are to reduce the portion of households expenditures dedicated to food and to improve diet diversity after the food distribution for more than 75 percent of households.

11. The planned activities will supplement the current activities under the PRRO of school feeding, mother child health, and PLWHIV/TB. In addition, the existing immediate relief and emergency response components are being increased. Rations are based on the approved project document.

Immediate relief operations and emergency response to the civil unrest through targeted general food distributions:

12. In response to the current food security crisis, and to reduce the risk of further civil unrest, WFP plans to expand the emergency response component with family dry rations targeted to the most vulnerable people in the main urban areas. This program will start in the ten departmental capitals

and consequently be scaled up to cover an increased number of beneficiaries. These interventions will be targeted through WFP and partners' network, using socioeconomic criteria and focus on beneficiaries not already enrolled in existing programmes (indigent elderly and disabled people, female head of households, PLWHIV/TB). The ration, based on the current project will cover and additional 100,000 beneficiaries for 60 days.

13. As the overall response to the current crisis is taking place during the hurricane season, it is paramount to the success of the overall interventions that an emergency response strategy is developed and a set of interventions are carefully implemented in the coming months in order to reduce the impact of natural disasters, which could affect the expected results of the planned activities. Therefore, the budget revision includes an increase to the immediate relief component of the PRRO to include an additional 100,000 beneficiaries affected by natural disasters in the coming hurricane season.

14. The total number of beneficiaries included in the immediate relief operations and emergency response activities will be approximately 200,000, with a need for 3,030 mt, equivalent to US\$4,816,235 (including associated costs).

Implementation of a safety net for the most vulnerable households:

15. As a further safety net, WFP will distribute take-home family rations to the most vulnerable population at the beginning of the school year, which corresponds to the peak of vulnerability of households in Haiti due to high school fees and related costs incurred by poor families. The 30 day dry food ration is the same as the emergency response component of the PRRO.

16. This activity will start in July and continue through the end of 2008. The family rations, targeted through WFP's and its partners' network, will benefit families at the peak of their annual expenditures as a safety net to protect households' incomes, and allow them to maintain adequate food consumption and avoid deterioration of their health and nutritional status, already at risk.

17. WFP will focus this safety net activity in the urban and selected marginal rural zones most affected by the current crisis, covering 1.1 million people, with a corresponding need for 12,654 mt, equivalent to US\$18,470,213 (including associated costs).

Daily meal for extracurricular activities during the school break (July – August):

18. School feeding represents another important safety net for many of the most vulnerable children in Haiti. In order to reduce the risk of children being drawn to towns and/or joining criminal groups, WFP in cooperation with existing partners is planning to continue school feeding through July and August through summer school until the regular school feeding program begins for the next school year in September.

19. This program will use the current WFP network of schools, providing approximately 200,000 children with a school meal for a 2-month period, with a corresponding need for 1,960 mt, equivalent to US\$3,065,738 (including associated costs).

20. This budget revision addresses the short-term acute crisis requirements of the country to ensure that the situation does not worsen due to insufficient food available to the most affected population. This response should therefore reduce the risk of further civil unrest and further deterioration of the health and nutritional status of the most vulnerable people, especially children and women. The food distribution will be done through WFP's existing network of partners, including UN agencies and international NGOs, using a pre-defined set of criteria for each activity.

21. The planned interventions are based on the available data from CNSA, FEWS and data from the coming CFSVA. However, there is a need to further strengthen the VAM capacity within the WFP CO as well as in the government. The proposed budget revision includes an Emergency Food Security and Needs Assessment (EFSA) planned in June 2008. Furthermore, WFP will provide additional support to the National Coordination for Food Security (CNSA) in order to strengthen its capacity in food security analysis and needs assessment by sponsoring the establishment of an Emergency Food Security Unit with direct technical assistance provided by WFP and FAO experts. The unit will focus on the consolidation of the analysis on rising food prices, strengthen and expand the current early warning and food monitoring systems as well as upgrade the reporting and monitoring mechanisms.

22. The proposed budget increase is to meet the immediate short term needs of the project. In the coming months, as a result of the EFSA and ongoing analysis, WFP's medium and long term response will be further developed. The project plans, and objectives will be revised in the fourth quarter of 2008 to take into account any further identified needs as well as pilot projects and other innovative activities for 2009 and beyond.

3. Food requirements

23. WFP will focus its safety net interventions in the urban and selected marginal rural zones most affected by the current crisis, covering an additional 1.5 million beneficiaries. The food basket and rations are based on those in the current approved project.

24. In order to meet the short term objectives, PRRO 10674.0 requires an additional 17,644 mt of food commodities, equivalent to US\$26,352,186 (including associated costs).

Approved by:

Josette Sheeran
Executive Director, WFP

Date

BUDGET INCREASE COST BREAKDOWN			
	Quantity (mt)	Average Cost per Ton	Value (dollars)
WFP COSTS			
A. Direct operational costs			
Commodity ¹			
Cereals-	13,190	662	8,730,870
Mixed and Blended	300	552.	156,631
Pulses	2,285	787	1,799,226
Vegetable Oil	1,063	1587	1,687,849
Canned Fish	195	2,640	514,797
Salt	237	90	21,378
HEB	375	1500	562,500
Total commodities	17,645		13,473,251
External transport			2,204,456
Landside transport			
Subtotal for ITSH			4,167,871
Total LTSH			4,167,871
Other direct operational costs			890,000
Total direct operational costs			20,735,498
B. Direct support costs (see Annex II for details)			
Total direct support costs			3,892,713
C. Indirect support costs (7 percent of total direct costs)			1,723,975
TOTAL WFP COSTS			26,352,186

¹ This is a notional food basket used for budgeting and approval purposes. The precise mix and actual quantities of commodities to be supplied to the project, as in all WFP-assisted projects, may vary over time depending on the availability of commodities to WFP and domestically within the recipient country.

DIRECT SUPPORT REQUIREMENTS (US\$)	
Staff	
International professional staff	1,246,225
National general service staff	872,550
Temporary assistance	466,400
Overtime	7,600
Staff duty travel	294,700
Staff training and development	20,000
Subtotal	2,907,475
Office expenses and other recurrent costs	
Rental of facility	365,334
Utilities (general)	35,474
Office supplies	7,650
Communication and IT services	39,000
Insurance	120,000
Equipment repair and maintenance	10,000
Vehicle maintenance and running cost	105,500
Other office expenses	
United Nations Organizations Services	18,780
Subtotal	701,738
Equipment and other fixed costs	
Furniture tools and equipment	75,000
Vehicles	
TC/IT equipment	208,500
Subtotal	283,500
TOTAL DIRECT SUPPORT COSTS	3,892,713