



World Food Programme

PROJECT BUDGET REVISION FOR APPROVAL BY THE REGIONAL DIRECTOR

5) To:	Initials	In Date	Out Date	Reason for Delay
Miguel Barreto, Regional Director, RBP				
4) Through:	Initials	In Date	Out Date	Reason for Delay
Regis Chapman, Programme Adviser, RBP				
3) Through:	Initials	In Date	Out Date	Reason for Delay
Andrew Stanhope, Logistic Officer, RB (change in LTSH and/or External Transport)				
2) Through:	Initials	In Date	Out Date	Reason for Delay
Joachim Groder, Resource Management Analyst, RBP				
1) From:	Initials	In Date	Out Date	Reason for Delay
Pasqualina Di Sirio, Honduras Country Office				

**Honduras CP 200240
BR No. 5**

Total revised number of beneficiaries	850,000
Duration of entire project	72 months
Extension / Reduction period	12 months
Gender marker code	2.A
WFP food tonnage	39,202 mt

Start date: 01-Jan-12 **End date:** 31-Dec-16 **Extension/Reduction period:** Yes **New end date:** 31-Dec-17

Cost (United States dollars)

	Current Budget	Increase	Revised Budget
Food and Related Costs	33,289,890	1,311,647	34,601,537
Cash and Vouchers and Related Costs	2,032,110	1,296,932	3,329,042
Capacity Development & Augmentation	812,338	402,229	1,214,567
DSC	3,410,669	534,328	3,944,997
ISC	2,768,151	248,159	3,016,310
Total cost to WFP	42,313,158	3,793,295	46,106,453

CHANGES TO:

Food Tool

- MT
 Commodity Value
 External Transport
 LTSH

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 (%)

ODOC

NATURE OF THE REVISION

1. A budget revision 5 to the Honduras Country Programme (CP) 200240 is being requested in order to:
 - extend the operation by twelve months to allow for a transition towards the WFP Country Strategic Plan (CSP) for Honduras;
 - phase over a number of school children targeted under component 1 of the CP to assistance provided under a trust fund with the Government of Honduras;
 - augment the energy value of the school feeding ration by adding dates;
 - supplement the food ration provided to some school children by fresh foods;
 - support the preventive strategy on the 1000 days/SUN initiative for children under 2, and suspend food assistance to children aged 24 to 59 months and their families as well as to people living with HIV and their families,
 - increase the number of beneficiaries receiving cash-based transfers as an incentive to create assets under the resilience program; and
 - augment costs associated with the increased transfers and adjust rates accordingly.
2. The budget revision maintains the overall strategic direction of the CP. The budget increase of USD 3.8 million will result in a total budget of USD 46 million over six years of project duration.

JUSTIFICATION FOR THE REVISION

Summary of existing project activities

3. The objective of the CP is to reduce food and nutrition insecurity in Honduras and provide technical assistance to the Government. In line with WFP Strategic Objectives 3 and 4, the programme has three components:
 - component 1 supports the Government in increasing enrollment in pre- and primary schools, and improve pupils' health and nutrition through school meals (WFP Strategic Objective 4);
 - component 2 contributes to improving the nutritional status of children under 5 and of pregnant or lactating women (PLW) through a mother-and-child health and nutrition (MCHN) programme. Additional activities are carried out to improve adherence of people living with HIV to anti-retroviral treatment. (WFP Strategic Objective 4); and
 - component 3 contributes to resilience building through food assistance for asset creation activities among vulnerable households in degraded environments exposed to climatic shocks (WFP Strategic Objective 3).
4. The school feeding activities under the CP are complemented by the provision of food assistance to more than one million schoolchildren under a trust fund agreement between WFP and the Government. This is currently the largest social safety net in the country relying on local procurement from smallholder farmers to provide hot meals and fresh foods to pupils
5. PRRO is also being implemented to support affected families by recurrent climate shocks.

Conclusion and recommendation of the re-assessment

6. An emergency food security assessment (EFSA) was conducted in September 2016 by the Technical Unit for Food Safety and Nutrition (UTSAN) and Ministry of Agriculture and Livestock (SAG), with the support of the Humanitarian Network, including NGOs, FEWSNET, FAO and WFP. The assessment found that 15 percent of households had unacceptable level of food consumption characterized by a low dietary diversity. The majority of households were applying one or more food-based coping strategies, including reducing the number and size of meals. Moreover, 34 percent of households had already applied one or more emergency coping strategies, such as the selling of land, productive assets and animals or migration. Due to the crop losses, shortage of basic grains stocks and lack of employment opportunities, it is expected that at least 25 percent of moderately food-insecure households will become severely food-insecure.
7. Activities under WFP's country programme contribute the long term strategy of the Government to enhance resilience and adaptation to climate change by strengthening livelihoods and addressing the structural causes of vulnerability.

Purpose of change in project duration and budget increase

8. This budget revision seeks to extend the operation by twelve months to initiate the transition towards the WFP Country Strategic Plan (CSP) for Honduras. During the last year of CP implementation, WFP will hand over part of its school feeding beneficiaries to the larger government programme, improve the school feeding ration, continue its activities to prevent stunting, and increase the number of FFA beneficiaries to strengthen community resilience and mitigate the heightened food insecurity of the population living in the Dry Corridor.
9. In order to further improve the quality of its programme, WFP will continue to expand its home-grown nutrition-sensitive school feeding strategy based on the Government's decentralized procurement policies. In 2017, in addition to the basic ration, 7,500 children will receive locally purchased fresh foods. WFP will further extend its collaboration with *mancomunidades*, and provide them with cash-based transfers (CBT) in order to link local purchase of eggs and vegetables from smallholder farmers to the structured demand of social safety nets, thereby supporting long term socio-economic development of communities. CBT may eventually be expanded to cover additional local commodities as deemed appropriate and possible. This model is likely to inform the decentralization and sustainability of the larger government school feeding programme. An additional ration of dates will benefit all children assisted under component 1 of the CP as well as over 44,850 children currently assisted and complemented with a food basket under the GoH's Trust Fund.
10. WFP will continue to prevent stunting in children by supporting 6,000 children aged 6 to 23 months and 2,000 pregnant and lactating mothers, as part of the government strategy of "Criando con Amor", led by the First Lady's Office in collaboration with UNICEF. For lack of resources, it is likely that support to PLWHIV can no longer be sustained in 2017.



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11. In response to the extended drought, WFP will increase the number of beneficiaries participating in agroforestry and resilience to climate change activities, and provide CBT as an incentive to communities to create assets and build their resilience to shocks.
12. WFP Honduras has already carried out the necessary CBT assessments as part of a successful pilot programme. The necessary infrastructure is in place for upscaling the use of cash transfers in Honduras. Assessments of the provision of CBT under the school feeding programme demonstrated high levels of community participation that led to a strong social audit minimizing losses and diversions.
13. Government counterparts, in collaboration with WFP, will be responsible for the implementation, monitoring and evaluation of all program activities at field level, as well as for providing updated progress reports on achievements.

BENEFICIARIES

Component	Beneficiaries	Current			Increase			Revised		
		Boys/Men	Girls/woman	Total	Boys/Men	Girls/woman	Total	Boys/Men	Girls/woman	Total
Component 1	Primary	77,565	80,731	158,296	25,616	26,661	52,277	103,181	107,392	210,573
	Pre-School	22,262	23,171	45,433	3,493	3,635	7,128	25,755	26,806	52,561
Component 2	Children (6-23) Months	24,905	25,921	50,826	2,940	3,060	6,000	27,845	28,981	56,826
	Children (24-59) Months	4,363	4,541	8,904	0	0	0	4,363	4,541	8,904
	PLW	0	13,929	13,929	0	2,000	2,000	0	15,929	15,929
	PLHIV households	12,588	13,102	25,690	0	0	0	12,588	13,102	25,690
	Households members of targeted children and PLW	180,465	187,830	368,295	0	0	0	180,465	187,830	368,295
Component 3	FFA beneficiaries	47,752	49,702	97,454	6,125	6,375	12,500	53,877	56,077	109,954
TOTAL	TOTAL	369,900	398,927	768,827	38,173	41,732	79,905	408,073	440,659	848,732

FOOD / CBT RATIOS

	Component 1		Component 2		Component 3
	Primary school	Preschool	PLW	Children 6-23 months	FFA
	Revised	Revised	No change	No change	Revised
Maize Meal	60	30	-	-	
Rice	30	30	-	-	
Beans	25	25	-	-	
Oil	10	10	20	-	
SuperCereal	-	-	200	-	
SuperCereal Plus	-	-	-	200	
Sugar	-	-	20	-	
Dates	50.5	50.5	-	-	
TOTAL	175.5	145.5	240	200	
CBT (USD/person/day)	0.19	0.19	-	-	0.55
Total kcal/day			1059	763	
% kcal from protein			13.7	17.2	
% kcal from fat			33.9	14.2	
No. of feeding days per year	200	200	150	360	150



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FOOD REQUIREMENTS

TABLE 3: FOOD/CBT REQUIREMENTS BY COMPONENT				
Component	Transfer	Food requirements (mt) / CBT (US\$)		
		Current	Increase / Decrease	Revised total
Component 1: School Meals	Commodity	12,944	653.4	13,598
	CBT	\$254,853	\$230,992	\$485,845
Component 2: Vulnerable Groups	Commodity	18,649	504	19,153
Component 3: Agroforestry	Commodity	\$6,451	\$0	\$6,451
	CBT	\$1,704,000	\$1,040,510	\$2,744,510
TOTAL		38,044 mt/	1,157.40 mt/	39,202 mt/
		\$1,958,853	\$1,271,502	\$3,230,355

Hazard / Risk Assessment and Preparedness Planning

14. Climatic shocks, such as drought or floods may affect agricultural production and thus the possibility to purchase commodities from smallholder farmers. Soil and water conservation activities and the construction of water reservoirs are being promoted to mitigate the effects of the recurrent drought in the area.

ANNEX I-A

PROJECT COST BREAKDOWN			
	Quantity (mt)	Value (US\$)	Value (US\$)
<i>Food Transfers</i>			
Cereals	252	159,652	
Pulses	73	107,547	
Oil and fats	35	49,154	
Mixed and blended food	491	445,560	
Others – Sugar	306	426,429	
Total Food Transfers	1157	1,188,350	
External Transport		104,616	
LTSH			
ODOC Food		18,681	
Food and Related Costs ¹			1,311,647
C&V Transfers		1,271,502	
C&V Related costs		25,430	
Cash and Vouchers and Related Costs			1,296,932
Capacity Development & Augmentation			402,229
<i>Direct Operational Costs</i>			
Direct support costs (see Annex I-B)			3,010,808
Total Direct Project Costs			3,545,136
Indirect support costs (10 percent) ²			248,159
TOTAL WFP COSTS			3,793,295

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

² The indirect support cost rate may be amended by the Board during the project.


ANNEX I-B

DIRECT SUPPORT REQUIREMENTS (US\$)	
WFP Staff and Staff-Related	
Professional staff	66,350
General service staff *	306,752
Danger pay and local allowances	
Subtotal	373,102
Recurring and Other	72,404
Capital Equipment	0
Security	10,000
Travel and transportation	72,822
Assessments, Evaluations and Monitoring	6,000
TOTAL DIRECT SUPPORT COSTS	534,328

* 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