

Country & Project No.: Republic of Congo PRRO 103121
B/R No.:09

BUDGET REVISION FOR THE APPROVAL OF REGIONAL DIRECTOR

	<u>Initials</u>	<u>In Date</u>	<u>Out Date</u>	<u>Reason For Delay</u>
<u>ORIGINATOR</u>				
Country Office or Regional Bureau on behalf of Country Office
<u>CLEARANCE</u>				
Programme Officer, RMBP
Chief, RMBP
Chief, RMBB
Chief, ODLT (change in LTSH and/or External Transport)
<u>APPROVAL</u>				
<input checked="" type="checkbox"/> Regional Director

PROJECT: 103121

	Previous Budget	Revision	New Budget
Food cost ¹	US\$ 6,261,965	US\$ 2,828,544	US\$ 9,090,509
External transport ²	US\$ 3,095,992	US\$ 781,233	US\$ 3,877,225
LTSH ³	US\$ 3,663,509	US\$ 1,592,774	US\$ 5,256,283
ODOC ⁴	US\$ 238,636	US\$ 239,000	US\$ 477,636
DSC ⁵	US\$ 1,810,800	US\$ 348,967	US\$ 2,159,767
ISC (7%) ⁶	US\$ 1,054,963	US\$ 405,336	US\$ 1,460,299
Total WFP cost (US\$)	US\$ 16,125,866	US\$ 6,195,854	US\$ 22,321,720

TYPE OF REVISION

- | | | | |
|---|---|---|---|
| <input checked="" type="checkbox"/> Additional commodity | <input checked="" type="checkbox"/> Additional DSC | <input checked="" type="checkbox"/> Additional ODOC | <input checked="" type="checkbox"/> Additional LTSH |
| <input checked="" type="checkbox"/> Additional external transport | <input checked="" type="checkbox"/> Extension in time | <input type="checkbox"/> Other | |

¹ Food cost can comprise both commodities and cash/voucher transfers.

² The first leg of transport for commodities: from the donor country to the recipient country port, or in cases of regional commodity purchases, from the place of purchase to the recipient country.

³ Landside, Transport, Storage and Handling - LTSH comprises the actions required to (a) care for and (b) physically deliver the commodities from the completion of external transport through to final distribution.

⁴ Other Direct Operational Costs - ODOC include deliverable goods (non-food items), services and training to beneficiaries and/or to implementing partners.

⁵ Direct Support Costs - DSC are those costs which are incurred directly in support of projects by a WFP Country Office.

⁶ Indirect Support Costs - ISC is a fixed rate resourced from all donor contributions, which is used to cover (non-project) corporate overhead costs, i.e. PSA.

NATURE OF THE INCREASE

1. This budget revision is to:
 - Extend the duration of the project by 9 months (from 1 April, 2010 – 31 December, 2010);
 - Increase the food requirements by 6,426mt mixed commodities valued at US\$2,828,544;
 - Increase associated costs: external transport; landside transport, storage and handling (LTSH); other direct operating costs (ODOC) and direct support costs (DSC) all valued US\$2,961,974;
 - Increase indirect support costs by US\$405,336.

JUSTIFICATION FOR EXTENSION-IN-TIME AND/OR BUDGET INCREASE

Summary of existing project activities

2. The Republic of Congo with a population of 3.9 million, is classified as a medium human development country but 51 percent of the population lives on less than one US dollar per day. The country ranks 136 out of 182 countries according to the UNDP Human Development Report of 2009. 52 percent of the children have no access to education and 60 percent of the population has no access to health services. Agriculture production provides only 30 percent of national food requirements hence one third of the population is facing chronic hunger while 26 percent of children suffer from chronic malnutrition. According to preliminary results from 2009 ESISC-1 survey, HIV prevalence in Congo is 3.2 percent among 15-49 year olds. UN joint multi sectoral response has been initiated to support the government's national strategy 2009-2013 that aims at reducing incidence of HIV and mortality rates among affected/infected people.
3. Since 2007, WFP food assistance provided under the PRRO 103120 and 103121 has been instrumental in improving food security of over 136,000 vulnerable beneficiaries affected by poverty and HIV/AIDS and living mainly in the peri-urban areas of Pointe Noire. Food assistance also supported the education of children in 178 primary schools in rural areas of Pool and Plateaux while about 4,400 HIV affected people, pregnant and lactating women in Brazzaville, Nkayi, Dolisie, Kinkala, Owando and Pointe Noire were provided with adequate diet. In addition, WFP supports recovery programmes complementing FAO, European Union, IFAD efforts in fighting cassava mosaic disease and construction/rehabilitation of feeder roads to improve access to markets.
4. Prior to WFP assistance, attendance rate was only 50 percent; this rate is now over 90 percent. World Bank, Ministry of Education are appealing for continuation of WFP assistance to the sector to complement their rehabilitation efforts.
5. The food assistance strategic focus is well in line with Poverty reduction strategy paper (PRSP) objectives and was acknowledged by the evaluation of PRRO 103121 commissioned by WFP in 2008. This is despite the various coordination and logistics constraints as well as the need to enhance government capacities and infrastructure rehabilitation.
6. In 2009, UNDAF (2009–2013) was launched while government expanded its food security programme.
7. In January 2010, Government of Congo successfully negotiated additional financial assistance to the tune of US\$1.9 billion with the International Monetary Fund (IMF) and the World Bank's International Development Association (IDA) which includes US\$ 255.2 million of debt relief from the two institutions. This decision implies a generation of total debt service savings of

US\$1.9 billion, including US\$1.7 billion from Enhanced Heavily Indebted Poor Countries (HIPC), and US\$201.3 million from the Multilateral Debt Relief Initiative (MDRI). Congo is determined to take steps to complete and implement measures related to the PRSP, macro economic stability, financial governance and oil sector management as well as reforming the health and education sector.

Conclusion and recommendation of the re-assessment

8. ODJ conducted a programme review in May-June 2009 and suggested that WFP assistance shifts its focus to supporting better the post conflict transitional phase through enhancing capacity building in aligning food assistance with the PRSP 2008-2010 and UNDAF.
9. The July 2009 re-election of the president has been seen as a consolidation of the peace process. Alongside an expanded government national food security programme, the president issued in August his programme for the future of Congo which prioritizes among others CAADP objectives, equality of sexes, governance, economic diversification, human development and poverty reduction.
10. The extension of the PRRO is in tandem with an increased government commitment and contribution which has been estimated at US\$645,000 as of December 2009. Government of Congo has already committed to fund to 60 percent of total WFP future programme costs which should focus on capacity development, home grown school feeding, food security and nutrition.

Purpose of extension and/or budget increase (applicable for all projects)

11. The 9-months extension in time of PRRO 103121 will accord WFP an opportunity to:
 - align WFP assistance to government of Congo transition agenda and UNDAF;
 - refocus WFP food assistance to better enhance MDGs implementation in the field of food security, nutrition Education and health as well as poverty reduction;
 - take in to consideration, CFSVA findings, WFP country office 2009 Road Map which spelt out a strategic framework for the implementation of WFP strategic objectives four and five; and
 - Consult with government and partners to outline a strategy and programme documents that take into account various evaluation reports and partnership opportunities in the current context.
12. This process is an important ingredient in the preparation of a successor development project that will incorporate the recommendations and which is in line with national priorities.
13. During this period, additional commodities will be required to reach some 112,500 beneficiaries through GFD, school feeding, MCH/Supplementary feeding programmes, support to HIV/AIDS and TB beneficiaries on DOTs and FFW.

TABLE 1. BENEFICIARIES BY ACTIVITY TYPE			
	Beneficiaries		
Activity	Present (2009)	Increase	Revised (2010)
Vulnerable groups	0	0	0

Nutritional Programme	0	0	0
Food for Work	12,500	0	12,500
School feeding	70,000	0	70,000
Asistance to HIV/AIDS affected	30,000	0	30,000
Total	112,500	0	112,500

FOOD REQUIREMENTS

14. The additional food requirement for the project extension is as given in table 2 below

TABLE 2. FOOD REQUIREMENTS BY ACTIVITY TYPE

	Food distribution (mt)		
Activity	Present	Increase	Revised
Vulnerable groups	1,203	0	1,203
Nutritional Programme	96	0	96
Food for Work	4,058	658	4,716
School feeding	4,844	1,596	6,440
Asistance to HIV/AIDS affected	4,620	4,172	8,792
Total	14,821	6,426	21,247

DISTRIBUTION:

DED & COO, OD
Deputy COO & Director, ODE
Chief, ODLT
Country Director
OD Registry
Director, ERD

Director, ODX
Chief, RMBP
Chief, ODXR
Programme Officer, RMBP
Programming Assistant, RMBP
Chief, RMBB

Chief, ODXP
Regional Director
RB Programme Advisor
RB Programme Assistant
RB Chrono
Liaison Officer, ODJ