

**Malawi PRRO 105860:
B/R No. 9**

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 Director
<u>CLEARANCE</u>				
Project Budget & Programming Officer, RMBP
Chief, RMBP
Chief, ODLT (change in LTSH and/or External Transport)
<u>APPROVAL</u>				
<input type="checkbox"/> Regional Director

PROJECT			
	Previous Budget	Revision	New Budget
Food cost ¹	US\$ 83 283 845	US\$ 385 400	US\$ 83 669 245
External transport ²	US\$ 7 702 880	US\$ 0	US\$ 7 702 880
LTSH ³	US\$ 11 378 434	US\$ 169 017	US\$ 11 547 452
ODOC ⁴	US\$ 6 605 662	US\$ 7 766	US\$ 6 613 428
DSC ⁵	US\$ 9 127 331	US\$ 72 764	US\$ 9 200 095
ISC (7%) ⁶	US\$ 8 266 871	US\$ 44 446	US\$ 8 311 317
Total WFP cost (US\$)	US\$ 126 365 023	US\$ 679 393	US\$ 127 044 417

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 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 BUDGET INCREASE

1. This ninth budget revision to PRRO 105860 is required to:
 - Extend the project duration by three additional months (from 01 May to 31 July 2012) in order to facilitate the continuation of emergency food assistance;
 - Increase the current budget plan in order to:
 - Absorb an additional contribution of 1,927 mt of food commodities provided by the Government for the implementation of this emergency response,
 - Consequent increase on associated costs to allow the full cost recovery programming: Land, Transport, Storage and Handling (LTSH) costs by US\$ 169,017, Other Direct Operational Costs (ODOC) by US\$ 7,766, Direct Support Costs (DSC) by US\$ 72,764 and Indirect Support Costs (ISC) US\$ 44,446.
2. WFP contribution is part of the emergency response that has been implemented by the Government of Malawi since December 2011. To achieve this, the current PRRO budget plan will have to be increased by US\$ 679,393 from US\$ 126,365,023 to US\$ 127,044,417.

JUSTIFICATION FOR EXTENSION-IN-TIME AND BUDGET INCREASE

Summary of existing project activities

3. PRRO 105860 original objectives are i) to save lives in crisis situations, especially for those affected by sudden transitory food needs caused by small-scale natural disasters such as floods and drought; ii) to support the improvement of the nutritional status among children, pregnant and lactating women (PLW), TB patients and women and children enrolled in prevention of mother-to-child transmission (PMTCT) and iii) to promote the creation of assets in key food insecure areas to mitigate and reduce the impact of present and future disasters.
4. A total of 201,854 beneficiaries are currently receiving food support from WFP through PRRO 105860 under the emergency targeted food distribution which covers the period from December 2011 to April 2012. This assistance was approved under budget revision 8 as part of the Malawi Vulnerability Assessment Committee (MVAC) response provided by the Government of Malawi to the 10 most vulnerable districts of the country.

Conclusion and recommendation of the re-assessment

5. Following a complementary food security assessment conducted in January 2012, the MVAC determined that an additional 70,650 food insecure people will require food assistance from 01 May to 30 June 2012. These additional requirements were determined to be the consequence of an extended lean season coupled with the impact of high staple food prices and recent erratic weather patterns.
6. As a result, the Humanitarian Response Committee for Malawi agreed to assist this population and the Strategic Grain Reserve Committee subsequently approved a drawdown of maize from the national grain reserve.

Purpose of extension and budget increase

7. The Government of Malawi has requested WFP to extend the duration of its targeted food distributions by two months, i.e., from 01 May 2012 to 30 June 2012 in order to distribute food assistance. However, in order to accommodate the likelihood of delays that may affect the timely completion of the operation, a three month period of extension is proposed up to 31 July 2012.

8. This current budget revision request only relates to PRRO objective i) which is saving life in crisis situation, to allow continuation of the MVAC emergency response, provided by the Government. It does not affect other components of PRRO 105860 as these are now implemented under the new Country Programme 200287 which started on 01 March 2012.
9. The Government has approved the drawdown and allocation of 1,927 mt of maize from the national strategic grain reserves in order to assist some 70,650 people identified as being food insecure. WFP has been subsequently requested to programme this food through the TFD component of PRRO 105860. In order for WFP to respond to this request, it is necessary to increase the budget for all associated costs as per above mentioned.
10. The Country Office is actively mobilizing twinning funds for this Government contribution. It is also putting in place implementation plans and arrangements with all the stakeholders.
11. Selection of beneficiaries in the most vulnerable 10 districts (Balaka, Blantyre, Chikhwawa, Chiradzulu, Mwanza, Neno, Nsanje, Ntcheu, Phalombe and,Zomba) will be done by NGO partners in collaboration with local authorities. The team will use a set of economic and social indicators to determine the most vulnerable group in need of food assistance as per Joint Emergency Food Assistance Programme (JEFAP) guidelines.

TABLE 1. BENEFICIARIES BY ACTIVITY TYPE			
	Beneficiaries		
Activity	Present	Increase	Revised
TFD	201,854	70,648	272,502
FFA	0	0	0
HIV/AIDS	0	0	0
Nutrition	0	0	0
Emergency School Feeding & CBCC	0	0	0
Cash Transfer	0	0	0
Total	201,854	70,648	272,502

FOOD REQUIREMENTS

The food requirements needed for Targeted Food Distribution are as follows:

TABLE 2. FOOD REQUIREMENTS BY ACTIVITY TYPE			
	Food distribution (mt)		
Activity	Present	Increase	Revised
Targeted Food Distribution	5,431	1,927	7,358
Food for Assets	0	0	0
HIV/AIDS	0	0	0
Nutrition Interventions	0	0	0
Emergency School Feeding & CBCC	0	0	0
Cash Transfers	0	0	0
Total	5,431	1,927	7,358

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
Liaison Officer, ODJ

Chief, ODXP
Regional Director
RB Programme Advisor
RB Programme Assistant
RB Chrono