

Swaziland: Project 106020
Budget revision No. 3

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 type="checkbox"/> Regional Director

PROJECT	Previous Budget	Revision	New Budget
Food cost ¹	US\$ 19,280,494	US\$ -2,629,202	US\$ 16,651,292
External transport	US\$ 6,938,493	US\$ -326,502	US\$ 6,611,990
LTSH	US\$ 4,594,782	US\$ -623,799	US\$ 3,970,983
ODOC	US\$ 2,535,902	US\$ -851,362	US\$ 1,684,540
DSC	US\$ 3,636,925	US\$ 922,736	US\$ 4,559,662
ISC (7%)	US\$ 2,589,062	US\$ -245,569	US\$ 2,343,493
Total WFP cost (US\$)	US\$ 39,575,658	US\$ -3,753,699	US\$ 35,821,959

<u>TYPE OF REVISION</u>			
<input type="checkbox"/> Additional commodity	<input checked="" type="checkbox"/> Additional DSC	<input type="checkbox"/> Additional ODOC	<input type="checkbox"/> Additional LTSH
<input type="checkbox"/> Additional external transport	<input type="checkbox"/> Extension or Reduction in time	<input checked="" type="checkbox"/> Other	

1. NATURE OF THE DECREASE

This budget revision seeks to:

- decrease in food costs, external transport, LTSH, ODOC and ISC;
- increase DSC costs;
- achieve an overall reduction of total budget of US\$3,753,699 from US\$39,575,658 to US\$35,821,959.

The US\$2,629,202 reduction in food cost, and the corresponding reduction in LTSH and external transport, represents a reduction in the available OBC (outstanding balance of commitment) tonnage of 7,518 tons.

The DSC has been increased by US\$ 922,736 to reflect the necessary and likely DSC funding that the Country Office will need and will be able to generate taking into account the decreased tonnages to implement this programme reduction (and its associated costs implications for a one-time spending alignment to resources) and run the operation until its original

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

projected termination date. The revisions will become applicable for the remainder of the project duration (i.e. June 2010 to April 2011).

2. JUSTIFICATION FOR EXTENSION-IN-TIME AND/OR BUDGET DECREASE

2.1 Summary of existing project activities

Under the on-going PRRO 106020, WFP has planned to cover a total of 201,000 beneficiaries between 2010 and 2011 with a total tonnage of 21,000 tons through the following activities:

- (i) Lean season school meals for 60,000 children (September to April);
- (ii) Targeted Relief Lean season food Distribution for 20,000 people (3,500 households);
- (iii) Dietary support to 25,000 patients on ART and tuberculosis treatment;
- (iv) Support to 12,000 pregnant and lactating mothers and children under five under the PMTCT and Maternal and Child health and nutrition programmes;
- (v) Support to 15,000 beneficiaries (2,500 households) affected by HIV and AIDS including child and elderly headed households and households caring for OVC;
- (vi) Support to 40,000 orphans and vulnerable children in community care points; and (vii) Livelihood support for 4,000 households through FFA/ FFW and FFT.

2.2 Purpose of budget decrease

The Country Office is currently confronted with a critical resource shortfall. In its third year of operation, the PRRO is only 31 percent resourced and the CO continues to experience serious difficulties in raising the required resources. Currently, the CO has sufficient ODOC and LTSH to last until January and April 2011 respectively, but DSC will last only until June 2010.

Therefore, the purpose of this budget revision is to align the current approved budget plan for 2010 and 2011 (20,910 tons) to the actual resource reality by reducing the project needs by 7,518 tons (down to 13,392 tons) from May 2010 until the end of the project life. However, it is to be noted that should resources not materialize on time, there will be a need to reduce even more the planned needs by an additional 9,300 tons to reach the 4,100 tons planned needs, which is actually the bare minimum for implementing the core activities agreed upon with the Government of Swaziland.

Through a process of consultation with the Government of Lesotho and the Regional Bureau, a decision was made to prioritize three activities beginning May 2010 up to April 2011 in line with available resources and forecasted contributions. These activities are:

- (i) Support to Orphaned and Vulnerable Children;
- (ii) Support to patients on ART and Tuberculosis treatment programmes through Food by Prescription activities;
- (iii) Support to Pregnant and Lactating Women (PLW) and children under the age of 5.

The combined number of beneficiaries for these three activities is 48,000, and a total food requirements amount to approximately 4,100 metric tons. As the CO has stocks of 1,861 tons of mixed commodities in May 2010, the projected shortfall is 2,220 tons.

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