

**BUDGET INCREASE TO PROTRACTED RELIEF AND RECOVERY OPERATION -  
PAKISTAN 10671.0**

(BUDGET REVISION No.6)

**Assistance to Food-insecure Households in Balochistan and the Federally Administered  
Tribal Areas (FATA) in Pakistan**

**Cost (United States dollars)**

	<b>Present Budget</b>	<b>Increase</b>	<b>Revised Budget</b>
<b>Food cost</b>	16,029,239	18,865,369	34,894,608
<b>External transport</b>	1,091,228	246,656	1,337,884
<b>LTSH</b>	4,420,757	4,312,029	8,732,786
<b>ODOC</b>	2,007,427	3,979,060	5,986,487
<b>DSC</b>	3,787,861	3,815,434	7,603,295
<b>ISC (7%)</b>	1,913,556	2,185,298	4,098,854
<b>Total cost to WFP</b>	<b>29,250,068</b>	<b>33,403,846</b>	<b>62,653,914</b>

**NATURE OF THE INCREASE**

1. The WFP Country Office proposes a budget revision to the Pakistan Protracted Relief and Recovery Operation – PRRO 10671, “Assistance to Food-insecure Households in Balochistan and the Federally Administered Tribal Areas (FATA)” – to continue support for the transition to recovery after decades of conflict in these volatile border areas. The current operation will be extended by one year starting from January 2010. In an effort to harmonize target areas under separate operations, education and food-for-work (FFW) activities in Balochistan that were earlier covered under WFP’s High Food Price emergency operation (EMOP) 10768.0 will be included under this PRRO. As a result, the project area will be extended by one agency in FATA and six districts in Balochistan.<sup>1</sup>
2. Care has been taken in the design of this budget revision to avoid overlap with other operations in WFP Pakistan’s portfolio. Limited to tribal areas in FATA and Balochistan, this PRRO tailors food assistance to the complexity and vulnerabilities of its target areas. Vulnerable populations affected by high food prices and in need of early recovery assistance in neighboring districts are targeted under a separate EMOP 10768.0. A second EMOP 10828.0 provides relief assistance to conflict-affected individuals from FATA until March 2010, after which time early recovery support is extended under this PRRO, thus ensuring no temporal overlap.
3. By the end of 2010, WFP will have completed a new comprehensive country strategy and developed related project responses to commence from early 2011. The country strategy

<sup>1</sup> PRRO coverage in 2010 (*new target areas in italics*): 5 agencies in FATA (Khyber, Mohmand, Kurram, Orakzai, Bajaur) and 10 districts in Balochistan (Killa Saifullah, Killa Abdullah, Pishin, Zhob, *Bolan, Kalat, Kharan, Nushki, Lora Lai and Chagai* )

will be informed by the Country Programme evaluation, which was originally intended to take place in late 2009, but was postponed in the aftermath of a series of security incidents (including the attack on WFP premises in Islamabad). This timeframe is consistent with the Government of Pakistan's five-year planning cycle and the scheduled development of a revised UNDAF.

4. The medium-term recovery plan for the conflict-affected areas will also be informed by the results of the ongoing Post-Conflict Needs Assessment (PCNA), which is expected to address the country-wide reform agenda and to develop a coherent and comprehensive strategy to address the needs of the conflict-affected areas.
5. In 2010 the PRRO aims to reach 1.3 million people located in Balochistan and FATA. As in the original PRRO, food will largely be distributed through schools and FFW activities and with smaller amounts also distributed for health and nutrition programmes. With the increase of US\$33,403,846 proposed through this budget revision, the revised budget will amount to US\$62,653,914.

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## **JUSTIFICATION FOR EXTENSION IN-TIME AND BUDGET INCREASE**

6. The province of Balochistan and the FATA are the most poorly-developed and food-insecure regions in Pakistan.<sup>2</sup> All socio-economic indices are well below national averages, with literacy, health, and unemployment of particular concern. Situated on the border with Afghanistan, the social and economic marginalization<sup>3</sup> of both areas is largely attributable to persistent insecurity which has long retarded development efforts. As such, infrastructure and communications networks are weak, while agricultural incomes and employment opportunities are constrained by inadequate economic and livelihood alternatives. Recent shocks have exacerbated underlying challenges to food security.
7. In FATA, widespread conflict and mass displacement – set against the backdrop of commodity price hikes in 2008 – had a notably adverse impact on peoples' access to sufficient food. In drought-prone Balochistan (where households already devote a significant proportion of their purchasing power to food), the dramatic rise in food prices significantly aggravated access to food and disrupted livelihoods.
8. Currently, military operations across FATA are subsiding, and displaced communities have begun to return to their homes. In Balochistan, where wheat prices are still higher than 2007 levels, prices have dropped marginally as markets appear to be stabilizing following the wheat harvest and the lifting of some internal commodity trading barriers. However, the protracted effect of shocks requires sustained recovery support for people whose resilience remains precarious.
9. The volatile geopolitical situation and strategic location of these regions have focused national and international attention on the crucial need to bring stability through the

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<sup>2</sup> Food Insecurity in Rural Pakistan, WFP 2003

<sup>3</sup> The basic socio-economic indicators (education, adult literacy rates, attendance to pre- and post-natal care, immunization rates, etc.) systematically rank Balochistan last among the 4 provinces assessed for the Pakistan Social and Living Standards Measurement Survey. Similarly, a WFP assessment (Rapid Needs Assessment of FATA, 13-19 February 2007) in FATA and agencies show that they are ranked among the worst districts/agencies of Pakistan.

provision of basic health and social services, primary education, vocational training and the rehabilitation of community agricultural infrastructure.

10. The Government of Pakistan expects both regions to be particularly responsive to food-based interventions in their impact on school enrolment, nutrition and livelihoods. Evaluations of past WFP school feeding, maternal and child health (MCH), and FFW programmes in Pakistan<sup>4</sup> support this view. Accordingly, the Government requested their replication in the more food-deficit districts along the Afghanistan border to support an early transition to recovery after decades of conflict. The food-based programmes have the comparative advantage of targeting the most food insecure and impoverished, while enabling access to health, education and skills training.

### **Summary of existing project activities**

11. Drawing on assessments undertaken by the Government, WFP, the Asian Development Bank and national and international NGOs<sup>5</sup>, the original PRRO 10671.0 for Balochistan and FATA was approved in October 2007. The project sought to address the urgent need for targeted interventions to reduce food insecurity in these increasingly restive areas by addressing the health and nutritional needs of women and children, and by promoting basic education and livelihoods.
12. In spite of severe security challenges, PRRO 10671.0 has reached 98 percent of its planned caseload with food assistance. One notable observation in the May 2008 to September 2009 assessment was that enrolment increased at WFP-assisted schools by 91 percent, with girls' enrolment increasing by as much as 152 percent. Similarly, regular attendance at WFP-assisted schools rose from 42 percent to 99 percent. The average monthly income of farmers engaged in food-for-work (FFW) and food-for-training (FFT) increased by approximately 65 percent. Qualitative monitoring indicates improvements in vaccination coverage and regular attendance at healthcare facilities under the safe motherhood and MCH components, with a more structured assessment scheduled to take place soon. Donor response has been exceptional, with 2009 requirements exceeded before the year end.
13. Under PRRO 10671.0, WFP also initially provided food for internally displaced people from Bajaur, Mohmand and South Waziristan who were affected by armed conflict. However, following a rapid escalation in the conflict and resultant displacement, these beneficiaries were consolidated with other conflicted-affected caseloads and assisted under a dedicated EMOP 10828.0 from March 2009.

### **Conclusions and recommendations of re-assessments**

14. The joint programme review meeting in March 2009 with the FATA Secretariat recommended that WFP projects continue beyond December 2009 to meet recovery needs. It was further recommended that the activities be extended to Bajaur, where a degree of peace and stability have been achieved.
15. In June 2009, the provincial government of the North Western Frontier Province (NWFP) and the United Nations-led Early Recovery Network undertook a joint assessment – the

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<sup>4</sup> Impact Assessment Study: Assistance to Girls' Primary Education in Pakistan, WFP 2004; Impact Assessment Study: Assistance to Girls' Primary Education in Balochistan, WFP, 2005; Joint Evaluation of Effectiveness and Impact of the Enabling Development Policy: Pakistan Country Study, 2004.

<sup>5</sup> Rapid Needs Assessment, WFP 2007.

“Conflict Early Recovery Initial Needs Assessment” (CERINA) covering NWFP and FATA. This assessment reviewed the priority needs of the returnees as well as those who remained in the area during the conflict, as a first step towards recovery. Activities included health and nutrition interventions targeted at women and children, promotion of basic education and additional livelihood activities. Consistent with earlier findings, limited access and disrupted livelihoods had increased food insecurity among households in crisis areas sharply, up to 40 percent in September 2009, compared to 28 percent in August 2008. Agricultural land and irrigation facilities had been significantly damaged, particularly in Bajaur. Two cropping seasons were lost, and harvest projections for the Rabi harvest in May/June 2010 are poor due to drought and limited sowing. In conflict-affected areas of FATA and NWFP, high food prices further undermined low purchasing power of households, with approximately 65 percent of CERINA respondents reportedly having no money to buy food.

16. In Balochistan, despite recent falls, the retail prices of wheat are still higher by 59 percent as compared to 2007, with heightened food insecurity underlining the need for recovery assistance to regain minimum consumption levels and livelihood opportunities. The recent WFP food security analysis exercise (2009)<sup>6</sup> indicates that around 90 percent of districts in Balochistan are in the extremely low to low food insecurity groups, with more than 10 percent in the borderline group, and no district qualifying for the food secure group. Between 2003 and 2009, the number of food insecure districts in Balochistan increased from 18 to 26, while the food secure districts (4) in Balochistan moved to the borderline group. Furthermore, although there are no military operations ongoing in Balochistan, the province borders conflict-ridden Afghanistan and high insecurity linked to militancy continues to obstacle recovery from shocks, as well as longer-term development efforts.

### **Purpose of extension in-time and budget increase**

17. This budget revision will extend this operation from 1 January to 31 December 2010 to support early recovery in FATA and Balochistan. In FATA, operations will be expanded to Bajaur Agency. In Balochistan, operations will be expanded to six additional districts of Bolan, Kalat, Kharan, Nushki, Lora Lai and Chagai. Objectives of the operation are:
  - To protect livelihoods and enhance resilience to shocks through the creation of sustainable assets and the development of human resources among food-insecure populations through FFW and FFT;
  - To improve the nutrition and health status of children and pregnant and lactating women by enabling access to health services, and by providing fortified food;
  - To increase access to education and combat short-term hunger through on-site feeding and take-home rations for both girls and boys attending primary schools.<sup>7</sup>
18. Given systemic impediments to productivity and the pressing need for viable and sustainable livelihoods, FFW activities in FATA will focus on livelihood-creation and the use of innovative agronomy techniques such as orchard-raising and land terracing. After the damage from the 2009 conflict, reconstruction and rehabilitation activities will be implemented in Bajaur. In Balochistan, recurrent drought compounds the challenges faced by vulnerable households, and the improvement in agricultural practices and livelihoods-based FFW activities will be designed accordingly.

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<sup>6</sup> WFP 2009 study to be released shortly.

<sup>7</sup> In Balochistan, there will not be on-site feeding in schools, but take-home rations will be provided.

19. In these volatile areas, schools are an effective mechanism for channeling WFP assistance. The take-home ration encourages families to enroll and keep their children in school. For the 2008-9 school year, Pakistan's Federal Bureau of Statistics estimated FATA's school enrolment at 41 percent. WFP assistance has increased enrolment to over 50 percent, and enrolment continues to rise. Vulnerable households without children in school will benefit from the FFW and nutrition components of this operation.

**Table 1: Beneficiaries by Activity Type**

Activity	Beneficiaries		
	Present	Increase	Revised
Food for Work/ Asset Creation Activities	36,000	135,000	171,000
Education: on-site feeding	88,000	62,000	150,000
Education: take-home rations	285,000	576,000	861,000
Safe Motherhood	63,000	-9,000	54,000
Mother and Child Health	35,000	27,000	62,000
Support to IDPs*	211,000	- 211,000	0
<b>Total</b>	<b>718,000</b>	<b>580,000</b>	<b>1,298,000</b>

\* Activity discontinued in the PRRO extension.

20. In 2010, 1.3 million beneficiaries will be assisted. Relief assistance will be discontinued for the 211,000 IDPs supported in 2009. The increase of FFW/FFA and education in 2010 is due to the inclusion of Bajaur Agency in FATA, consistent with recovery needs identified by the CERINA, and the support of groups in Balochistan that had previously been assisted under the High Food Price EMOP 10768.0.

21. Security represents a huge and growing challenge in Pakistan. Following the suicide bombing in WFP's Country Office on 5 October 2009, and the declaration of Security Phase IV across NWFP and FATA, further security measures are required. Additional investments are required to improve the security of WFP beneficiaries, staff, implementing partners, facilities and commodities. Related costs have been included in the revisions of this operation and the two current EMOPs. Specific measures include the construction of blast-resistant walls, strengthening of access control facilities at office premises, and the purchase of telecommunications equipment and armored vehicles.

22. Following a sharp rise in insecurity across operational areas in early 2009, and the subsequent constraint on direct access by WFP staff, a practical monitoring and evaluation structure was designed and outsourced to a competent local NGO. Similar arrangements will continue through local organizations resident and operational in the more insecure districts, to ensure appropriate monitoring of WFP activities where movement of United Nations staff is constrained.

23. Furthermore, FFW/FFA participants are identified and organized through a decentralized network of local community-based organisations, to implement activities in small groups of 5 to 10 individuals. These groups will receive food close to their worksites and at varying times. This will limit the security risks associated with large gatherings. In FATA, the International Fund for Agricultural Development (IFAD) will supply requisite

non-food items, while technical expertise will be provided by the Food and Agriculture Organization (FAO). In Balochistan, local NGO partners will be closely engaged in the implementation of specific activities.

## FOOD REQUIREMENTS

24. This extension through 2010 requires an increase of 40,952 mt of food. The revised tonnages by activity are shown in Table 2.

**Table 2: Food Requirements by Activity Type**

Activity	Food distribution (MT)		
	Present	Increase	Revised
Food for Work/ Asset Creation Activities	7,014	13,088	20,102
Education: on-site feeding	11,539*	2,633**	14,172
Education: take-home rations	11,197	22,653	33,850
Safe Motherhood	1,687	971	2,658
Mother and Child Health	2,253	1,607	3,860
Support to IDPs	11,094	0	11,094
<b>Total</b>	<b>44,784</b>	<b>40,952</b>	<b>85,736</b>

\*wheat transformed into HEB biscuits

\*\* as per new modality in this budget revision, quantity represents HEBs to be purchased in-kind

25. The modalities for food distribution and ration scales are shown in Table 3. In Balochistan, the composition and size of the FFW ration differs slightly from that in FATA, for consistency with activities under the High Food Prices EMOP 10768.0.

**Table 3: Rations and Nutritional Value**

Activity	Rations per person per day (g)						Kcals
	Wheat	Pulses	Oil	Salt	Biscuits	FBF	
FFW FATA <sup>8</sup>	450	50	30	5			2,011
FFW Balochistan <sup>9</sup>	555		50				2,385
Education (take-home)	70	0	25	0			466
Education (on-site)	0	0	-	0	75		338
Safe Motherhood			50				443
Mother and Child Health						100	425

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**RECOMMENDATION**

18. The proposed additional commitment of food and associated costs as well as an extension-in-time from 1 January to 31 December 2010 is recommended to the Executive Director for approval.

Approved by:

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Josette Sheeran  
Executive Director

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Date

<b>BUDGET INCREASE COST BREAKDOWN</b>			
	<b>Quantity (mt)</b>	<b>Average Cost/mt</b>	<b>Value (US\$)</b>
<b>WFP COSTS</b>			
<b>A. Direct operational costs</b>			
<b>Commodity<sup>10</sup></b>			
Wheat	30,198	311	9,393,237
Pulses	1,116	490	546,840
Vegetable Oil	5,248	836	4,385,810
High Energy biscuits	2,633	1,100	2,896,300
Fortified Blended Food	1,607	1,016	1,632,681
Salt	150	70	10,500
<b>Total commodities</b>	<b>40,952</b>		<b>18,865,369</b>
<b>External transport</b>			<b>246,656</b>
<b>Landside transport</b>			
<b>Subtotal for ITSH</b>			
<b>Total LTSH</b>			<b>4,312,029</b>
<b>Other direct operational costs</b>			<b>3,979,060</b>
<b>Total direct operational costs</b>			<b>27,403,114</b>
<b>B. Direct support costs (see Annex II for details)</b>			
<b>Total direct support costs</b>			<b>3,815,434</b>
<b>C. Indirect support costs (7 percent of total direct costs)</b>			<b>2,185,298</b>
<b>TOTAL WFP COSTS</b>			<b>33,403,846</b>



<b>DIRECT SUPPORT REQUIREMENTS (US\$)</b>	
<b>Staff</b>	
International professional staff	829,985
Local staff - National Officer	166,100
Local Staff – General Service	209,889
Local Staff – Temporarily Assist.	133,940
Local Staff – Overtime	91,200
Hazard Pay & Hardship Allowance	178,935
Staff Duty Travel – Actual costs	609,360
<b>Subtotal</b>	<b>2,219,409</b>
<b>Office expenses and other recurrent costs</b>	
Rental of facility	141,372
Utilities (general)	29,436
Office supplies	40,062
Communication and IT services	29,282
Equipment repair and maintenance	3,762
Vehicle maintenance and running cost	130,994
Office Set-up and Repairs	3,630
<b>Subtotal</b>	<b>378,538</b>
<b>Equipment and Capital costs</b>	
Vehicle Leasing	30,600
Local Security costs planning	776,808
TC/IT equipment	410,079
<b>Subtotal</b>	<b>1,217,487</b>
<b>TOTAL DIRECT SUPPORT COSTS</b>	<b>3,815,434</b>