

**Country & Project No.: Georgia PRRO 107870**  
**B/R No.4**

**BUDGET REVISION FOR THE APPROVAL OF REGIONAL DIRECTOR**

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

PROJECT	Previous Budget	Revision	New Budget
Food cost	US\$ 13,386,173	US\$ -	US\$ 13,386,173
External transport	US\$ 832, 183	US\$ -	US\$ 832, 183
LTSH	US\$ 2,247,509	US\$ -	US\$ 2,247,509
ODOC	US\$ 2,166,993	US\$ 96,340	US\$ 2,263,333
DSC	US\$ 2,970,733	US\$ 121,184	US\$ 3,091,917
ISC (7%)	US\$ 1,512,251	US\$ 15,227	US\$ 1,527,478
<b>Total WFP cost (US\$)</b>	<b>US\$ 23,115,843</b>	<b>US\$ 232,751</b>	<b>US\$ 23,348,594</b>

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

**NATURE OF THE BUDGET REVISION**

1. A budget revision (BR) is requested to extend Georgia PRRO 107870 in time by an additional six months, bringing the end-date of the operation to 30 June 2012. The extension will enable the country office (CO) to complete local capacity development activities as part of WFP's hand-over strategy in Georgia.
2. The proposed budget revision envisages an increase of only ODOC and DSC funds. No other changes are proposed in the existing budget.

## **JUSTIFICATION FOR EXTENSION-IN-TIME**

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

3. The main objective of the PRRO has been to ensure a smooth transition from emergency relief to the creation and restoration of livelihoods. Moreover, the operation has aimed to promote sustainable food security among internally displaced persons (IDPs) and other vulnerable population groups.
4. IDPs comprised the majority of beneficiaries assisted through the relief component of the operation. Newly resettled populations, returnees and other vulnerable, food-insecure groups were also targeted with a view to maintaining adequate food consumption among targeted beneficiaries.
5. WFP's recovery assistance aimed to improve local food production through the creation and rehabilitation of agricultural assets. The target group included resettled IDPs and poor households in areas affected by the 2008 conflict. The modalities employed were food for work (FFW) and cash for work (CFW), tailored to the needs of communities and based on a participatory approach.
6. In addition, WFP, in partnership with national health care institutions, supported a tuberculosis project, targeting outpatients covered through directly observed treatment short (DOTS) course.
7. The overall number of beneficiaries assisted since the onset of the operation exceeded 140,000. WFP provided them with 8,700 tons of food and US\$ 1.2 million in cash assistance through relief and recovery interventions.
8. A critical shortage of funding forced the CO to decrease considerably the volume of food assistance to the most vulnerable war-affected people, and eventually discontinue it since June 2010. Cash-for-assets (CFA) projects ended in September 2010.
9. A 2010 multilateral allocation has enabled a small winterization programme for about 5,000 of the most vulnerable IDPs from November 2010 to May 2011.
10. At the same time, the country office started the process of downsizing to reduce programme activities and staff numbers, in keeping with the funding situation. Currently a small office is kept to complete activities geared towards developing and strengthening local capacities among government counterparts and beneficiary communities.

### **Conclusion and recommendation of the re-assessment**

11. Over the period 2008 to 2011, WFP conducted four Emergency Food Security Assessments (EFSAs) involving partners, particularly FAO and UNICEF. The last of these was conducted in October-November 2010. While the assessment did not show a significant change in food consumption among the targeted beneficiaries, discontinuation of food assistance resulted in an alarming trend of beneficiaries applying various coping strategies that entailed risks for their health and/or nutritional status. Those strategies included increase of debts; reduced size and/or skipped meals for adults in favour of children; and decrease in health care expenditure.
12. Another significant finding was that the proportion of IDPs with debts of different size doubled among the urban settlers since the previous assessment: the 30 percent registered in October 2009 rose to 61 percent in October 2010. In the vast majority of debt cases (75 percent), beneficiaries borrowed money to cover their food needs.
13. It should be noted that although the assessment showed a greater access to different sources of income among the study population, only 15 percent of IDPs had a regular income above the minimum subsistence level. Moreover, 80 percent of urban IDPs and 30 percent of rural settlers could spend only US\$0.71 a day (a mean expenditure among the study population).
14. According to the assessment, three months after discontinuation of food assistance, beneficiaries were engaging in extremely negative coping strategies. This clearly indicated the fragile food security situation of the IDP population.
15. The EFSA recommended the following:
  - Continuation of food assistance (relief or cash) to the IDPs resettled in urban settlements and collective centers as well as in rural settlements in remote areas with few agricultural opportunities;
  - Continuation of assistance to vulnerable groups in villages through FFW/CFW programmes; and
  - Establishment of a food security monitoring system with the Government's involvement as part of WFP's hand-over strategy.
16. Due to the funding shortage, WFP could not fulfill most of the recommendations related to continuation of different types of assistance (relief/FFW/CFW) to various groups of beneficiaries. However, a 2011 multilateral allocation is being used to promote local capacities for IDP communities that will in turn lead to strengthened self-reliance through improved local food production.
17. In line with the EFSA recommendation, in 2011, WFP, through the German Quality Improvement Grant (GQIG), helped the Ministry of Internally Displaced Persons from the Occupied Territories, Accommodation and Refugees of Georgia (MRA) establish a food security monitoring system among IDPs. An international consultant provided support to the formulation of the monitoring concept, the design and methodology for the household survey, and MRA staff training.
18. In this connection, MRA staff collected data for a first round of food security monitoring in two selected regions during November/beginning of December 2011. The data has been processed and the report prepared, analyzing the major findings and providing recommendations for potential interventions.
19. The major findings of the monitoring revealed the high level of education among IDPs, which represents a major asset to improve their socio-economic conditions, in spite of their limited physical and financial assets. The following were observed:

- good access to public transport, which facilitates contact with public offices, search for employment, training opportunities, sale of produce, etc.;
  - precarious level of employment situation with a high rate of unemployment;
  - relatively good food consumption, with a small proportion of households recording poor consumption; and
  - limited livelihood assistance that reaches only a small proportion of IDP households.
20. The first round recommended regular monitoring of IDP livelihoods and food security, preferably on an expanded scale, to allow for a better coverage in terms of location and diversity.
  21. Other recommendations included: a need to carefully consider options that build on opportunities arising from the good education levels of many IDPs, while planning a strategy for livelihood support; necessity of combining improved physical and financial assets with more emphasis placed on product development and marketing in order to boost current income levels, particularly from agriculture; a more systematic and realistic approach to identify real opportunities before investing in professional or vocational trainings.
  22. Although WFP-supported capacity development projects for IDP communities were approved before conducting the first FSM exercise, major aspects of ongoing projects are in line with the FSM recommendations: needs and opportunities have been thoroughly assessed during a comprehensive community mobilization process. Activity types as well as the training contents were selected with clear and realistic objectives; ongoing projects are not limited to the creation of new agricultural assets but also envisage establishing a complete value chain, from production up to marketing of excess harvest.

### **Purpose of extension and/or budget increase**

23. The proposed extension in time will allow WFP to further strengthen its hand-over and capacity development strategy in Georgia following a two-pronged approach that focuses on two major stakeholders: the Government and the beneficiary communities.
24. WFP will continue working with the MRA to ensure long-term sustainability of the established FSMS. Additional support will be provided to plan and conduct a second round of monitoring, tentatively planned for May 2012. Lessons learned and experience accumulated during the pilot phase will allow for further refining the survey methodology.
25. The sustainability of the FSMS established within MRA was emphasized from the planning stage of the GQIG project. A number of measures have been taken to ensure functioning of the Food Security Monitoring Unit (FSMU) and regularity of FSM rounds after WFP's hand-over: design of the FSMS was built on a light, inexpensive and more targeted approach that would be easy to implement and not require considerable investments. A FSMU has been established within the existing structure of MRA to avoid any structural changes and/or need for additional financing; comprehensive training sessions have been delivered to the unit staff as well as enumerators from MRA regional offices responsible for data collection.
26. In parallel with the Government capacity development, WFP will continue to focus its efforts on IDP communities in the areas of their resettlement. The 2011 multilateral allocation was used to develop the capacities of IDP communities to rebuild/re-establish their livelihoods and food security. This goal is being attained through strengthening agricultural skills and introducing modern production technologies and agricultural innovations.

27. Working together with three international and local NGOs, WFP provided extensive training sessions for selected beneficiaries, focusing on new agricultural technologies, and business and marketing skills.
28. Further selection of beneficiaries was done following the training sessions: the most successful beneficiaries were identified for innovative demonstration projects – greenhouses for vegetable growing, vertical farming, fruit driers and mushroom farms.
29. Due to the inventive nature of supported activities, more time was required for WFP to conduct consultations with local counterparts, identify partners and finalize project proposals. Unfavourable weather conditions have also affected the timely implementation of planned activities. Close monitoring of the projects revealed that activities would not be completed within the initial time-frame – up to the end of December 2011.
30. Therefore, WFP needs to extend the operation to be able to complete all ongoing projects: to continue training of the households to ensure proper management of created assets; to help beneficiaries found associations/social enterprises and establish a complete value chain, from production and processing up to the selling of excess harvest; and to continue monitoring created assets during the first agricultural (planting) season.
31. Moreover, during the extension period WFP will use the current savings in ODOC and DSC to replicate the most successful projects with other IDP communities or to provide an additional training component and/or strengthen the established value chain within existing projects.

## **FOOD REQUIREMENTS (n/a)**

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