

Executive Board First Regular Session

Rome, 14–16 February 2011

PROJECTS FOR EXECUTIVE BOARD APPROVAL

Agenda item 9

For approval



Distribution: GENERAL WFP/EB.1/2011/9-A/1 17 January 2011 ORIGINAL: ENGLISH

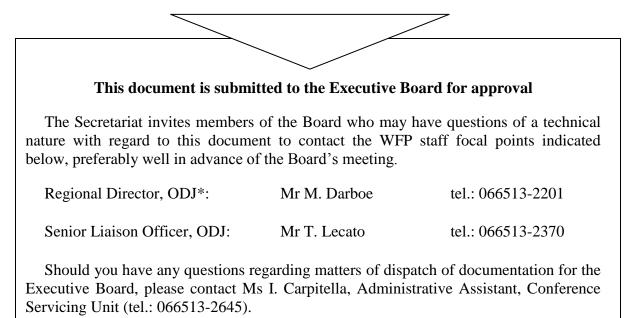
BUDGET INCREASES TO DEVELOPMENT ACTIVITIES— UGANDA COUNTRY PROGRAMME 108070

Supporting Government-Led Initiatives to Address Hunger

	Cost (United Stat	es Dollars)	
	Current budget	Increase	Revised budget
Food cost	30,899,449	19,243,035	50,142,484
Total cost to WFP	158,416,728	87,908,503	246,325,231

This document is printed in a limited number of copies. Executive Board documents are available on WFP's Website (http://www.wfp.org/eb).

NOTE TO THE EXECUTIVE BOARD



* Regional Bureau Johannesburg (Southern, Eastern and Central Africa)



DRAFT DECISION*

The Board approves the budget increase of US\$87.9 million for Uganda country programme 108070 "Supporting Government-Led Initiatives to Address Hunger" (WFP/EB.1/2011/9-A/1).

^{*} This is a draft decision. For the final decision adopted by the Board, please refer to the Decisions and Recommendations document issued at the end of the session.



NATURE OF THE INCREASE

- 1. This budget revision is to increase country programme (CP) 108070 "Supporting Government-Led Initiatives to Address Hunger" by US\$87.9 million to expand the scope of activities and reach an additional 510,000 beneficiaries under:
 - Component 1 food and nutrition security, particularly productive safety nets to respond to evolving needs and Government development priorities for the Karamoja region; and
 - Component 2 agriculture and market support, particularly agricultural recovery and diversification in northern Uganda and value-addition activities aimed at increasing national capacity to supply micronutrient-fortified foods in line with the Government's identification of WFP as a critical partner in achieving its agricultural development goals.
- 2. The budget revision increases beneficiary numbers from 2.3 to 2.8 million. It includes additional food and associated costs for productive safety net activities and additional other direct operational costs for agriculture and market support activities. External transport has been reduced by increasing local food purchases. A previous budget revision to separate other direct operational cost rates for food-based and non-food-based activities and to reduce direct support costs per mt was approved in November 2010.

JUSTIFICATION FOR THE BUDGET INCREASE

Summary of Existing Project Activities

- 3. WFP's activities in Uganda are aligned with the country strategy for 2009–2014, which supports implementation of the WFP Strategic Plan at the country level. The country strategy identifies three priorities for WFP in Uganda: 1) emergency humanitarian action; 2) food and nutrition security; and 3) agriculture and market support. Priority area 1 is covered by protracted relief and recovery operation (PRRO) 101213. Priority area 2 forms component 1 of this country programme; it addresses disaster preparedness and mitigation, including productive safety nets and climate change adaptation, chronic hunger, including mother-and-child health and nutrition (MCHN) and community-based nutrition programmes, targeted safety nets for children, support for education, and hunger awareness. Priority area 3 forms component 2 of this country programme; it comprises activities to improve market infrastructure and post-harvest handling including value-addition through milling and fortification and local purchase.¹
- 4. WFP's current PRRO 101213 is assisting 100,000 refugees through general food distributions, 117,000 moderately acutely malnourished children through supplementary feeding, and 6,500 caregivers of severely acute malnourished children receiving therapeutic feeding. Emergency operation (EMOP) 108110 to support severely food-insecure people affected by droughts in Karamoja ended in December 2010. Households still requiring assistance are to receive it through the CP if they have able-bodied members able to participate in productive safety net activities, or through the PRRO.²

² A PRRO budget revision to include 32,000 extremely vulnerable households with no able-bodied members and to implement nutrition programmes in Karamoja is being prepared.



¹ All agriculture-oriented recovery activities which appeared in the original CP document under priority area 1 are now included in priority area 2.

- 5. In addition, WFP is the lead agency for the United Nations Joint Programme for Climate Change, which contributes to increased coherence and integration among United Nations agencies in Uganda, and strives to strengthen government and civil society institutions and vulnerable communities' capacity for climate change mitigation and adaptation, disaster preparedness and climate change response. It is funded through a trust fund and has no budget implications for the current revision.
- 6. Gender is mainstreamed in all CP activities. Approximately 53 percent of CP beneficiaries are women 56 percent in component 1 and 50 percent in component 2.

Conclusion and Recommendations of the Reassessment

- 7. Good crop and rangeland conditions in late 2010 have improved food availability and access for most households in Karamoja.³ The above-average harvest in Karamoja and adjacent regions has increased market supplies of most staples and reduced prices.⁴
- 8. There is increasing recognition that poverty and food insecurity are chronic in Karamoja and will endure even if good rains continue. The poverty rate in northern Uganda, which includes Karamoja, is the highest in the country at 46 percent compared with a national average of 23 percent.⁵ Addressing hunger in Karamoja requires a long-term view and strategy to tackle the underlying factors of chronic food insecurity and build long-term resilience to shocks.
- 9. The CP's Karamoja Productive Assets Programme (KPAP) has expanded rapidly into a major recovery and development vehicle. It is fully aligned with the Government's Peace, Recovery and Development Plan for Northern Uganda and the Karamoja Integrated Disarmament and Development Programme. WFP is shifting its assistance to vulnerable households from relief to more developmental interventions, and integrated 17,000 households targeted under the EMOP into the KPAP in 2010.⁶ Communities have accepted the transition from unconditional to conditional food assistance, as demonstrated by the generally peaceful food distributions and the wide demand for participation in the programme.
- 10. A 2009 WFP cash/voucher feasibility study recommended piloting cash-based programming in Karamoja and highlighted the potential advantages of cash over food in allowing people to meet their own specific needs, giving recipients choice, supporting market development and stimulating business activities in depressed local economies.⁷
- 11. There is increased clarity as to how WFP and the Government can pursue common objectives to support small farmers and traders selling produce. The Joint Action Agreement (JAA) signed by WFP and the Government in December 2009 outlines WFP's roles in supporting government work to promote growth and investment in the Ugandan agriculture sector and in increasing farmers' incomes, leading to exceptionally strong government commitment to these activities in 2010. The JAA supports WFP's strategy for building a network of market and agro-processing infrastructure with access for farmers.

⁷ Levine, S. and Carrington, G. 2009. Is Cash-Voucher Programming a Feasible Alternative for WFP in Uganda? Report for WFP. Rome.



³ Famine Early-Warning System Network. 2010. Uganda Food Security Outlook Update, September 2010; WFP Uganda. 2010 Climatic and Food Security Situation in Uganda; Vulnerability Analysis and Mapping input to WFP Regional Horn of Africa Food Security Update, October 2010.

⁴ WFP Uganda Market Monitoring.

⁵ Economic Policy Research Centre, Uganda, October 2010.

⁶ EMOP 108110, budget revision 5.

The opening up of the East African Common Market in July 2010 and the Government's strong interest in linking Ugandan farmers to the large regional grain markets represented by WFP's operations in neighbouring countries have opened larger opportunities.

Purpose of the Budget Increase

12. The proposed budget revision is to expand the scope of activities in response to the improving food security situation in Karamoja, WFP's more specific role in supporting Government priorities and strategies, and the high demand from Government, local donors and communities for WFP activities.

Expansion of Activities under Component 1 - Food and Nutrition Security

- 13. The improved food security situation in 2010 has allowed WFP to incorporate 24,000 EMOP beneficiary households into KPAP in 2011, bringing to 74,000 the total number of households targeted for participation per year for the remainder of the CP. These are the poorest households with at least one able-bodied member, identified through comprehensive community-based targeting. The programme will support the construction of community assets that directly increase food production and storage in Karamoja communities, while transferring to participants the equivalent of nine days of work at the minimum wage in maize or cash.⁸
- 14. Approximately 10 percent of KPAP households those living within 7 km of major trading centres will receive a cash income transfer in 2011, gradually scaling up to 25 percent of households by 2014. These cash transfers will complement efforts by WFP, the Government and partners to stimulate food production and improve market infrastructure in Karamoja, and will contribute to the KPAP's recovery and development objective.
- 15. The nutrition sensitization campaign in Uganda's southwest will be expanded from one to five districts on the basis of demand and high potential for impact. In this region, food availability is sufficient but stunting rates are high at 49.6 percent (compared with a national average of 38.1 percent⁹) because of poor hygiene, caring practices and nutrition, particularly inadequate infant feeding. The nutrition sensitization campaign for 25,000 beneficiaries will continue to focus on women and other household members.
- 16. The budget revision also includes the piloting of WFP's Safe Access to Firewood and Alternative Energy initiative, which will provide energy-efficient stoves for 37,000 households in Karamoja. It is already funded to the end of 2010.
- 17. Early childhood development (ECD) in Karamoja is a new activity introduced in this budget revision. In collaboration with the United Nations Children's Fund, it will provide food or cash¹⁰ as an incentive for parents to send their preschool-aged children to ECD centres. For the piloting of cash transfers, payments will be effected through an identified banking institution using electronic SIM cards. The International Food Policy Research

¹⁰ Funded from the cash/vouchers corporate capacity development grant to WFP from the Government of Spain.



⁸ Nine days is considered a reasonable period for avoiding the diversion of labour from other productive activities and for enabling an income transfer of about one-quarter of average monthly household consumption expenditure for northern Uganda (Uganda Bureau of Statistics. 2010. *Statistical Abstract*. Kampala). The income-transfer value is in line with the Social Assistance Grants for Empowerment programme supported by the United Kingdom's Department for International Development and housed at the Ministry of Gender, Labour and Social Affairs.

⁹ FAO. 2010. *Nutrition Country Profile: the Republic of Uganda*. Rome.

Institute is collecting baseline information and will carry out an evaluation in 2011 to compare the effects of food and cash on children's attendance at ECD centres and on cognitive outcomes. The results will help joint advocacy efforts by WFP, the United Nations Children's Fund and the Government for institutionalization of the ECD programme in the long term.¹¹ Food support to ECD activities in 2013 and 2014 is budgeted in the current revision; the extension of cash support will depend on the outcomes of the evaluation.

Expansion of Activities under Component 2 - Agriculture and Market Support

- 18. The Joint Action Programme with the Government sets out four common objectives of WFP and the Government: i) WFP will increase its local purchases of food to US\$100 million a year; ii) smallholder farmers will benefit from these purchases; iii) WFP will increase the value-added processing and production done in Uganda; and iv) WFP will help to develop market mechanisms to ensure sustainability. Partnership with the Food and Agriculture Organization of the United Nations (FAO) is crucial to these objectives, and all activities are divided among the Government, WFP and FAO. Activities described in the following paragraphs have received strong donor support and significant additional resources are expected to be available.
- 19. WFP will promote milled, fortified and blended food products by supporting production directly and by being a source of demand. The budget revision includes rental/purchase of a processing and fortification plant with potential to operate as a national facility.¹² From 2011 to 2013, WFP will provide limited financial support for research and development of foods of high nutritional value using local ingredients.
- 20. Under a memorandum of understanding between WFP and FAO, support for agricultural production and diversification in northern Uganda will expand in 2011 and 2012 through a combination of post-production training, value-addition technology and support for marketing. Activities previously included in component 1 and shifted to component 2 consist of support for production and/or post-harvest handling of cassava, rice, vegetables, fish, fruit and gum-arabic, and production of bio-fortified sweet potato.¹³ Beneficiary households are members of selected legally recognized farmers' groups who have access to land and prior training in agricultural production. The agriculture and market support activities will reach 319,650 households during the CP's duration.
- 21. All activities will be monitored as part of WFP's regular programme monitoring. Where necessary, tools are being adjusted to monitor cash interventions.

¹³ Conventionally bred crops with higher content of bio-available micronutrients such as vitamin A, zinc and iron can be a cost-effective solution for vitamin and mineral deficiencies in Uganda.



¹¹ Hand-over options will be based on the Government's policy of supporting communities' move towards a home-grown school meals model.

¹² In cooperation with the International Finance Corporation a detailed feasibility study on this initiative is being undertaken.

TABL	E 1: BENEFICIA	RIES BY CO	MPONENT		
Activity	Beneficiary category	Beneficiary numbers			
	category	Current	Increase	Revised	
Component 1					
Productive safety nets/KPAP (formerly disaster preparedness) ^a	Poor households in Karamoja communities	262 558	193 784	456 342 ^b	
Agricultural livelihoods (formerly recovery)	Poor households in post-conflict situations	575 584	-571 984	3 600	
School meals, ECD and CROWNS/teachers' houses ¹⁴ (formerly chronic hunger/ support to education)	Children in school and teachers (for house construction)	397 376	-210 712 ¹⁵	186 664 [°]	
MCHN and hunger sensitization (formerly chronic hunger/MCHN/sensitization)	Young children and pregnant and lactating women	171 535	94 414	265 949	
Subtotal		1 407 053	-494 498	912 555	
Component 2 ^a	·		·		
Market infrastructure ^d	Smallholder farmers	340 000	280 800	620 800	
Post-harvest handling and value addition	Smallholder farmers	573 312	517 188	1 090 500	
Local purchases ^d	Smallholder farmers	573 312	47 488	620 800	
Livelihood support (formerly recovery)	Poor households in post-conflict situations	-	827 400	827 400	
Subtotal		913 312	1 004 588	1 917 900	
TOTAL ¹⁶		2 320 365	510 090	2 830 455	

^a Beneficiary numbers based on a family of six members.

^b Includes 12,000 schoolchildren assisted for one year through the Belgian Survival Fund to establish school gardens.

^c A hand-over plan based on the home-grown school meals approach will be developed with the Government.

^d These numbers include beneficiaries who might also participate in activities of post-harvest handling and value addition, and livelihoods.

¹⁶ Cash will be given to 32,100 direct participants/123,550 beneficiaries: 116,350 under component 1, and 7,200 under component 2.



¹⁴ Under the Netherlands-funded Community Renewed Ownership of West Nile Schools (CROWNS) programme, 484 teachers' houses are being constructed to increase quality of education by housing teachers close to schools.

¹⁵ This decrease reflects an improved method for calculating school feeding beneficiaries that eliminates potential double counting and considers the highest number of beneficiaries in the year (86,700).

TABLE 2: STANDARD RATION (g/person/day)							
Ration	Maize	Pulses	Vegetable oil	Sugar	CSB+	Duration/ frequency	kcal per day
Asset creation: teachers' houses, food for work	3 kg of grain or US\$1.32					9 days/month, up to 12 months/year	
Productive safety nets: KPAP, poor households in Karamoja communities	3 kg of grain or US\$1.32					9 days/month, up to 12 months/year	
MCHN: pregnant and lactating women ^a			25 g	15 g	229 g	360 days	1 200
MCHN: young children			25 g	15 g	229 g	360 days	1 200
Education incentives: children, school breakfast and lunch	150 g of meal	45 g	5 g		75 g	180 days	1 340
Education incentives: children, school boarders	300 g of meal	90 g	10 g		75 g	252 days	1 790
Education incentives: girls, take-home ration ^b			3.7 kg		25 kg	3 times a year	
ECD: (children 2–6 yrs)			20 g	15 g	200 g		
			US\$7.50/month		360 days	1 040	

^a MCHN rations are unchanged and target 25,000 mothers and children under 2 attending health centres.

^b Take-home rations are provided at the end of each school term to primary-school girls in grades 4 to 7 who have attended 80 percent of school days.



FOOD REQUIREMENTS

22. Table 3 gives the additional and total food quantities needed for achieving the revised programme.

TABLE 3: FOOD/CASH AND VOUCHER REQUIREMENTS					
		Food requ	uirements (<i>mt</i>) cash/v	ouchers (<i>US\$</i>)	
	Food type/cash and voucher	Current	Increase	Revised total	
Food-based assistance	Cereals	52 470	34 014	86 484	
assistance	Pulses	4 748	(30)	4 718	
	Vegetable oil	2 187	537	2 724	
	Mixed and blended food	18 796	6 362	25 158	
	Sugar	1 351	(94)	1 257	
Subtotal		79 552	40 789	120 341	
Non-food-based assistance	ODOC	56 174 948	48 475 640	104 650 588	
Cash/vouchers	Cash	1 352 665	7 063 022	8 415 687	



BUDGET INCREASE COST BREAKDOWN				
Food ¹	Quantity <i>(mt)</i>	Value (US\$)	Value <i>(US\$)</i>	
Cereals	34 014	8 556 395		
Pulses	(30)	(56 081)		
Oil and fats	537	603 122		
Mixed and blended food	6 362	3 133 917		
Others	(94)	(57 340)		
Total food	40 789	12 180 013		
Cash transfers 7739 355				
Voucher transfers				
Subtotal food and transfers	19 243 035			
External transport	(687 289)			
Landside transport, storage and handling			6 369 161	
Other direct operational costs		48 229 143		
Direct support costs ² (see Annex I-B for details)			9 003 429	
Total direct project costs			82 157 429	
Indirect support costs (7.0 percent) ³			5 751 024	
TOTAL WFP COSTS			87 908 503	

ANNEX I-A

³ The indirect support cost rate may be amended by the Board during the project.



¹ This is a notional food basket for budgeting and approval. The contents may vary.

² Indicative figure for information purposes. The direct support costs allotment is reviewed annually.

ANNEX I-B

DIRECT SUPPORT REQUIREMEN	ITS (<i>US\$</i>)
Staff and staff-related costs	
International professional staff	(449 640)
National officers	424 802
General service	845 515
Temporary assistance	1 268 273
Overtime	16 164
Hazard pay and hardship allowance	12 802
International consultants	2 169 920
Local consultants	120 000
United Nations volunteers	966 240
Commercial consultancy services	(176 296)
Staff duty travel	(68 920)
Subtotal	5 128 860
Recurring expenses	
Rental of facility	511 642
Utilities general	170 993
Office supplies and other consumables	93 450
Communications and information technology services	509 444
Equipment repair and maintenance	489 621
Vehicle running cost and maintenance	645 793
Office set-up and repairs	282 356
United Nations organization services	492 382
Subtotal	3 195 681
Equipment and capital costs	
Vehicle leasing	102 000
Telecommunications/information technology equipment	178 890
Local security costs	397 998
Subtotal	678 888
TOTAL DIRECT SUPPORT COSTS	9 003 429



ANNEX II: LOGICAL FRAM	IEWORK		
Results	Performance indicators	Risks, assumptions	Resources required
UNDAF outcome: Increased opportunities for people, especially for the most vulnerable, to access and utilize quality basic services and realize sustainable employment, income generation and food security	 UNDAF outcome indicator: Percentage and number of people living below the poverty line 		
CP component 1: Food and nutrition security	•		
Target: Most post-conflict recovering communities have become net food producers, and chro	nic child hunger has been cut (Strategic Objectives 2, 3 a	nd 4)
Outcome 1.1 (Strategic Objective 2) Early warning systems, contingency plans and food security monitoring systems in place and enhanced with WFP capacity development support	Disaster preparedness index ≥ 7 in 100% of targeted communities by 2014	No major pipeline break in food supply	Food: US\$19 243 035 Landside
<i>Output 1.1.1</i> Disaster mitigation measures in place with WFP capacity development support	 National climate change policy in place by 2014 100% of targeted districts have incorporated climate change into district development plans by 2014 100% of targeted communities have a disaster response system in place by 2014 	shortfall No major disasters and/or political conflict in the intervention areas	transport, storage and handling: US\$6 369 161 Other direct operational costs: US\$48,229,143
<i>Output 1.1.2</i> Disaster mitigation assets built or restored by targeted communities	100% of planned disaster mitigation outputs achieved		
Outcome 1.2 (Strategic Objective 3) Adequate food consumption over assistance period for targeted households and communities	 Food consumption score > 35 in 100% of households in targeted communities 		

wfp.org

Results	Performance indicators	Risks, assumptions	Resources required
<i>Output 1.2.1</i> Food and non-food items and cash distributed in sufficient quantities and quality to targeted beneficiaries	100% of planned food tonnage distributed, by type		
	100% of planned non-food items and cash distributed, by type		
	100% of men/women beneficiaries receiving cash on time		
	100% of men/women beneficiaries receiving food on time		
Outcome 1.3 (Strategic Objective 3)	Community asset score		
Targeted communities have increased access to assets in fragile, transition situations	Target: 80% of targeted communities have access to improved community assets and additional livelihood opportunities		
Output 1.3.1	> 100% of planned		
Build or restore community assets in targeted communities	community assets created		
<i>Output 1.3.2</i> Capacity and awareness developed through WFP-organized actions/training	100% of planned Government counterparts, partners and communities receive training, exposure trips or exchange visits		
Outcome 1.4 (Strategic Objective 4)	> 20% reduction in		
Improved nutrition status of targeted women, girls and boys	prevalence of stunting among targeted children under 2 by 2014		

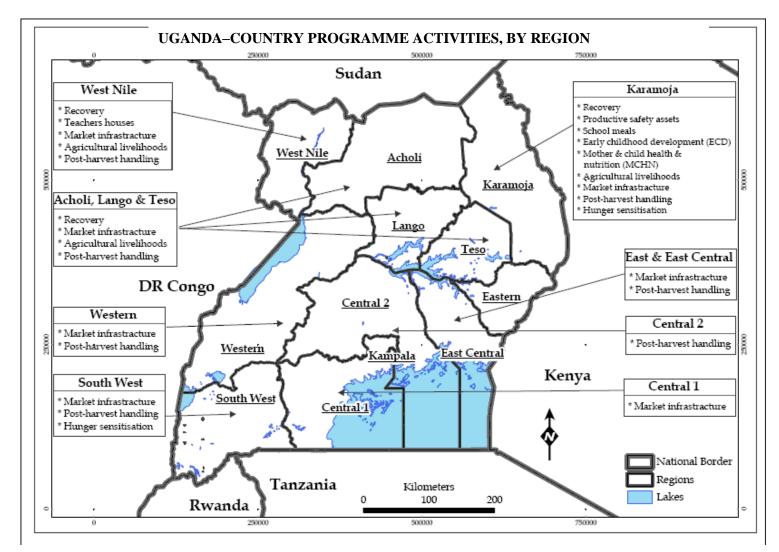
14

ANNEX II: LOGICAL FRA			
Results	Performance indicators	Risks, assumptions	Resource required
<i>Output 1.4.1</i> Food and non-food items distributed in sufficient quantities and quality to targeted beneficiaries	100% of planned tonnage of food distributed, by type		
	 100% of planned non-food items distributed, by type 		
	 100% of men/women beneficiaries receiving cash on time 		
	100% of men/women beneficiaries receiving food on time		
Outcome 1.5 (Strategic Objective 4) Increased access to education and human capital development in assisted schools	Annual increase in enrolment > 6%		
	80% attendance rate in assisted schools		
	 80% retention rate in assisted schools 		
	 50% pass rate at assisted schools 		
	Ratio of girls to boys enrolled of 1:1 in 95% of assisted schools		
Output 1.5.1 Food and non-food items and cash distributed in sufficient quantities and quality to targeted beneficiaries	 100% of planned tonnage of food distributed, by type 		
	 100% of planned non-food items and cash distributed, by type 		

	ANNEX II: LC	GICAL FRAMEWORK	I	1
	Results	Performance indicators	Risks, assumptions	Resource required
		 100% of men/women beneficiaries receiving cash on time 		
		 100% of men/women beneficiaries receiving food on time 		
	CP component 2: Agriculture and market support Target: Farmers and traders are in a position to sell to WFP locally proc	luced food commodities: (Strategic Object	ives 4 and 5)	
	Outcome 2.1 (Strategic Objective 5)	Local purchase increases by 10% a year	Warehouse receipt system is accepted by	Food: None
WFP	Increased marketing opportunities with cost-effective WFP local purchases	 Income of targeted farmers increases by 10% a year 	the target users Stakeholders recognize market opportunities and	Landside transport, storage and handling: N
	<i>Output 2.1.1</i> Food purchased locally	 70% of WFP's food purchased locally by 2014 50% of WFP's local 	are willing to take advantage of them Normal conditions for cultivation during the project period: weather,	Other direct operational costs: US\$48 229
		purchases coming from smallholder farmers' groups by 2014	inputs, diseases, etc. Agricultural inputs are available through	
		Number of targeted farmers with access to district food markets increases by 10% a year	sustainable means and are easily accessible for farmers	
		 Volume of surpluses meeting WFP quality standards increases by 10% a year 		

16

ANNEX II: LOGICAL FRA	MEWORK		
Results	Performance indicators	Risks, assumptions	Resource require
Outcome 2.2 (Strategic Objective 4) Increased production capacity, including of fortified foods	 50% of targeted communities have access to bio-fortified crops 10% increase in production of fortified foods over assistance period 		
Output 2.2.1 Increased production of locally milled and fortified maize	 100% of maize distributed by WFP is milled and fortified locally 		
<i>Output 2.2.2</i> Increased productivity and diversification of agriculture in targeted communities and households	 100% of planned km of roads constructed 100% of planned area of cassava cultivated 100% of planned area of New Rice for Africa cultivated 100% of planned orchards cultivated 		



The designations employed and the presentation of material in this publication do not imply the expression of any opinion whatsoever on the part of the World Food Programme (WFP) concerning the legal status of any country, territory, city or area or of its frontiers or boundaries.



ACRONYMS USED IN THE DOCUMENT

СР	country programme
CROWNS	Community Renewed Ownership of West Nile Schools
CSB	corn-soya blend
ECD	early childhood development
EMOP	emergency operation
FAO	Food and Agriculture Organization of the United Nations
JAA	Joint Action Agreement
KPAP	Karamoja Productive Assets Programme
MCHN	mother-and-child health and nutrition
PRRO	protracted relief and recovery operation

