

HAITI PROTRACTED RELIEF AND RECOVERY OPERATION 108440

Food Assistance for Vulnerable Groups Exposed to Recurrent Shocks

B/R No.: 4 Rev 16 November 2012

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	Haiti.....
<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			
Start date: 01/01/2010	End date: 31/12/2012	Extension/Reduction period: None	
	Previous Budget	Revision	New Budget
Food cost	132,775,100	(2,982,438)	129,792,662
External transport	22,270,849	(1,563,378)	20,707,471
LTSH	24,499,851	(1,058,100)	23,441,751
ODOC	20,192,421	(1,080,690)	19,111,731
DSC	33,460,219	649,271	34,109,490
ISC (7%)	16,323,291	(422,473)	15,900,818
Total WFP cost (US\$)	249,521,731	(6,457,808)	243,063,923

<u>TYPE OF REVISION</u>			
<input type="checkbox"/> Additional commodity	<input 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	

NATURE OF THE INCREASE

1. A budget revision to the Haiti protracted relief and recovery operation (PRRO) 108440 "Food Assistance for Vulnerable Groups Exposed to Recurrent Shocks" is proposed to realign WFP requirements with the changing context in Haiti and prioritize some activities in view of Haiti

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Government recovery strategy and funding constraints. While an additional 485,000 children will benefit from school feeding, the food-for-assets (FFA) and seasonal support activities will be scaled down.

2. Specifically, this budget revision will:

- decrease the overall food requirements by 6,918 mt valued at US\$2.9 million; decrease the external transport, landside transport, storage and handling (LTSH) and other direct operational costs by US\$3.7 million;
- increase direct support costs (DSC) by US\$0.6 million;
- decrease indirect support costs (ISC) by US\$0.4 million; and
- adjust the LTSH rate from US\$170.70 to US\$152.95 to reflect the slight decrease in transport costs.

JUSTIFICATION FOR EXTENSION BUDGET REVISION

Summary of existing project activities

3. The PRRO supports the Government in meeting the needs of the Haitian population affected by repeated shocks, in particular, extreme weather events associated with the annual hurricane and tropical storm season, economic downturn, high food prices and civil strife.

4. Current activities under the PRRO include:

- *Emergency response:* General food distribution (GFD) for 517,000 people and immediate nutrition support for 172,000 children and pregnant and lactating women are included as a contingency to respond to potential new shocks in 2012, especially the hurricane season from July to November 2012.
- *Nutrition interventions:* About 75,000 children aged 6–59 months and 48,500 pregnant and lactating women are targeted in 2012. Children receive Plumpy'supTM and pregnant and lactating women a premix of Supercereal, vegetable oil and sugar.
- *Supplementary feeding for people living with HIV (PLHIV):* Anti-retroviral therapy and tuberculosis (TB) patients receive a supplementary feeding ration to optimize the effectiveness of and adherence to treatment, and a take-home ration (THR) for a five-member household. A total of 60,000 beneficiaries are expected to receive WFP support in 2012.
- *School feeding:* The post-earthquake response demonstrated the capacity of school feeding to provide an immediate relief mechanism for vulnerable and disaster-affected populations. While the PRRO was supporting 1.1 million school children in 2011, the number of targeted students was expected to reduce to 615,000 in January 2012 that part of the school feeding activities would have transitioned to a development project.
- *Seasonal assistance:* In order to mitigate spikes of food insecurity, WFP conducts a one-off distribution of take-home rations at the beginning of the school year to offset school fees' costs.

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- *Cash/food for assets*: Productive safety net activities, including cash for assets (CFA) and FFA, successfully introduced under the emergency operation have continued under the PRRO. The choice of the transfer modality (cash, food or a combination of both) depends on market conditions and beneficiaries' preferences. The cash modality is preferred in earthquake-affected urban areas where markets are accessible and functioning; a mix of cash and food is the best approach in peri-urban and rural areas, where market supply can only partially meet the additional demand; and food is the most appropriate response modality in highly food-insecure isolated rural areas with limited access to markets.

Conclusion and recommendation of the re-assessment

5. A national food security survey carried out by the Government and WFP in 2011 found that 38 percent of the populations (corresponding to 3.8 million people) are either moderately or severely food-insecure (see Table 1).¹ Poor households are the most vulnerable to shocks that affect their ability to produce or buy food. The poorest families devote nearly three quarter of their expenditures on food compared to half for the richer households, making them particularly vulnerable to the volatility of food prices. In rural areas, more than half of the families faced at least three major shocks over the last 12 months prior the survey, compared to nearly a quarter in the Port-au-Prince urban area.² To manage shocks, very poor households immediately reduce both the quantity and quality of the food being consumed. The vulnerability of poor households poses a serious risk on their resistance to otherwise common and curable diseases, productive and learning capacities and loss of assets.

	High food security	Moderate food security	Moderate food insecurity	Severe food insecurity
Percentage	24%	38%	30%	8%
Number of individuals	2,402,871	3,804,546	2,993,577	810,969

6. The National Plan for the Reconstruction of Haiti recognized school feeding as an effective social safety net, providing nutritious meals to children and supporting their return to school. School feeding is considered as a durable investment as well as a resilience-building intervention by the Government, who requested WFP to focus its support on the school meals program as a key recovery mechanism. In addition, WFP monitoring reports found that families opt to retain children in school where a hot meal is provided, thereby maintaining children's nutritional status despite the shocks and allowing children to remain in school during difficult times. Keeping children in school is key for the development of human capital and allows for complementary activities such as vaccination and deworming, as well as increased environment and nutrition education to break the cycle of poverty and food insecurity.

¹ Coordination Nationale de la Sécurité Alimentaire (CNSA), "National Survey on Food Security 2011", February 2012.

² Main shocks include high food prices, sickness or major incident for a household member, irregular rainfalls, drought, illness of small animals.

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7. When the PRRO resumed activities in April 2011, WFP was assisting 1.1 million children throughout the country. A development project (DEV 200150) “Support for the National School Meals Programme” was expected to be launched in January 2012 to assist 485,000 schoolchildren in the five departments not directly affected by the 2010 earthquake. Accordingly, the number of school children assisted under the PRRO was expected to reduce to 615,000 school children in the other departments. However, the start of the DEV project was delayed due to funding constraints.
8. Due to funding constraints, WFP cash and food for assets sharply declined by mid-2011 and no activities could be implemented in the first half of 2012. As highlighted by the Haitian authorities, cash for work is the preferred option to enhance resilience. Given the lack of funding, and in agreement with the authorities, priority has been given towards school meals program.

Purpose of budget Revision

9. This budget revision reaffirms the PRRO’s overall goal Beneficiary numbers have been adjusted based on government requests and prioritized needs in response to funding constraints.
10. *School Feeding:* Given that education was declared a national priority by the Government, uninterrupted WFP support is considered essential. Therefore, an additional 485,000 students will be covered under the PRRO between January and June 2012. The DEV project will cover these children in northern Haiti with the start of the new school year in September 2012. This will also contribute to prevent a deterioration of the nutritional status of these school children located in some of the poorest areas of Haiti. The PRRO will continue to support school children in earthquake-affected regions from September to December 2012.
11. *Food/cash-for-assets:* Acknowledging implementation capacity constraints, this component has been adjusted to cover 46,000 FFA/CFA participants (a total of 230,000 beneficiaries) including 21,000 participants for ongoing earthquake recovery-related activities and 25,000 participants for early recovery activities linked to more recent shocks.
12. *Seasonal assistance:* Take-home rations will no longer be distributed to parents (who were previously paying school fees) following the new government policy in support of free national school. The removal of this component will help offset the increased school feeding needs.
13. The relief component and the nutritional activities, including the targeted mother-and-child health programme and assistance to PLHIV/TB patients and households, remain unchanged.

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TABLE 2: BENEFICIARIES BY ACTIVITY TYPE				
	Activity	Beneficiaries (2012)		
		Present	Increase/ decrease	Revised
Relief	Immediate response (High-energy biscuits)	517,000	0	517,000
	Rapid response (GFD)	517,000	0	517,000
	Emergency blanket supplementary feeding children <3 years	68,800	0	68,800
	Emergency blanket supplementary feeding children between 36-59 months, Pregnant and lactating women	103,200	0	103,200
Early Recovery	Mother and Child Health (MCH) - Children <5 years	75,000	0	75,000
	MCH - Pregnant and lactating women	48,500	0	48,500
	Supplementary feeding – PLHIV/TB patients	12,000	0	12,000
	Assistance to PLHIV - TB households	60,000	0	60,000
	School feeding and summer camps	615,000	485,000	1,100,000
	Seasonal support distributions	307,500	(307,500)	0
	FFA/CFA	385,000	(155,000)	230,000
	Total*	2,008,000	22,500	2,030,500

*The total has been adjusted to avoid double-counting of beneficiaries assisted through more than one activity.

FOOD REQUIREMENTS

14. The overall modalities for distribution, rations, etc. remain unchanged. However, following a re-prioritization of activities, food and cash requirements are adjusted as outlined in Table 3.

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TABLE 3: FOOD REQUIREMENTS BY ACTIVITY TYPE				
	Activity	Current	Increase/ decrease	Revised
Relief	Immediate response (High-energy biscuits)	527	-	527
	Rapid response (GFD)	12,143	-	12,143
	Emergency blanket supplementary feeding children under 3	600	-	600
	Emergency blanket supplementary feeding children 36-59 months, Pregnant and lactating women	4,365	-	4,365
Subtotal Relief Component		17,635	-	17,635
Early Recovery	Mother and Child Health (MCH) - children under 5	1,153	-	1,153
	MCH - Pregnant and lactating women	7,532	-	7,532
	Supplementary feeding – PLHIV/TB patients	1,589	-	1,589
	Assistance to PLHIV - TB households	12,846	-	12,846
	School feeding and summer camps	43,363	9,661	53,024
	Seasonal support distributions	24,553	(10,516)	14,037
	FFA	35,284	(6, 063)	29,221
	CFA (US\$)	32,611,968	-	32,611,968
Subtotal early recovery component		126,320	(6,918)	119,402
Total food requirements (mt)		143,956	(6,918)	137,038
Total cash requirements (US\$)		32,611,968	-	32,611,968

15. A revised LTSH matrix was approved in March 2012 resulting in a reduction of the LTSH rate from US\$170.70 per mt to US\$152.95 per mt, reflecting a slight decrease of transport costs following the suspension of barge's renting.
16. The January 2010 earthquake caused considerable damages to buildings and infrastructure. While an immense reconstruction work is underway, WFP decided to construct a guest house in Port-au-Prince to provide safe accommodation to its staff and those of other United Nations agencies. This will result in an increase of US\$649,271 of the DSC budget.

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RECOMMENDATION OF THE REGIONAL DIRECTOR

The proposed decrease of the commitment of food, resulting in the revised budget for Haiti PRRO 108440, is recommended to the Regional Director for approval.

Approved by:

Gemmo Lodesani
Regional Director
United Nations World Food Programme

Date

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