

Zambia PRRO 200070
B/R No. 02

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 Director
<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	Previous Budget	Revision	New Budget
Food cost ¹	US\$ 2 714 946	US\$ 589 420	US\$ 3 304 366
External transport ²	US\$ 392 027	US\$ 14 228	US\$ 406 255
LTSH ³	US\$ 1 444 957	US\$ (161 697)	US\$ 1 283 260
ODOC ⁴	US\$ 547 490	US\$ 87 820	US\$ 635 310
DSC ⁵	US\$ 785 500	US\$ 157 057	US\$ 942 557
ISC (7%) ⁶	US\$ 411 944	US\$ 48 078	US\$ 460 022
Total WFP cost (US\$)	US\$ 6 296 864	US\$ 734 906	US\$ 7 031 770

TYPE OF REVISION

- | | | | |
|---|---|---|---|
| <input checked="" type="checkbox"/> Additional commodity | <input checked="" type="checkbox"/> Additional DSC | <input checked="" type="checkbox"/> Additional ODOC | <input checked="" type="checkbox"/> Reduce LTSH |
| <input checked="" type="checkbox"/> Additional external transport | <input checked="" type="checkbox"/> Extension in time | <input type="checkbox"/> Other | |

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

² The first leg of transport for commodities: from the donor country to the recipient country port, or in cases of regional commodity purchases, from the place of purchase to the recipient country.

³ Landside, Transport, Storage and Handling - LTSH comprises the actions required to (a) care for and (b) physically deliver the commodities from the completion of external transport through to final distribution.

⁴ Other Direct Operational Costs - ODOC include deliverable goods (non-food items), services and training to beneficiaries and/or to implementing partners.

⁵ Direct Support Costs - DSC are those costs which are incurred directly in support of projects by a WFP Country Office.

⁶ Indirect Support Costs - ISC is a fixed rate resourced from all donor contributions, which is used to cover (non-project) corporate overhead costs, i.e. PSA.

NATURE OF THE INCREASE

1. This second budget revision to Zambia PRRO 200070 seeks to extend in time the operation by 12 months from 01 January 2012 to 31 December 2012 in order to continue the provision of food assistance to the refugee population in camps in Zambia.
2. In this view, this revision proposes to:
 - Increase the food commodity plan by 1,283 mt valued at US\$ 589,420;
 - Increase the External Transport costs by US\$ 14 228;
 - Decrease the Landside Transport, Storage and Handling (LTSH) costs by US\$ 161,697;
 - Increase the Other Direct Operational Costs (ODOC) by US\$ 87,820; the Direct Support Costs (DSC) by US\$ 157,057 and the Indirect Support Costs (ISC) by US\$ 48 078.
3. The LTSH rate for this operation was reduced from US\$ 223 per mt to US\$ 136 per mt in June 2011 but no budget revision was processed to reflect the reduced rate. The new rate is now being incorporated to the budget plan thus resulting in a reduction of the LTSH overall costs.
4. This revision will increase the overall budget by US\$ 0.73 million from US\$ 6.3 million to US\$ 7 million

JUSTIFICATION FOR BUDGET INCREASE

Summary of existing project activities

5. This operation provides assistance to a maximum of 22,000 beneficiaries (22,000 in 2010 and 16,000 in 2011) over a period of 24 months starting on 01 January, 2010 and ending on 31 December, 2011.
6. In line with two of WFP's strategic objectives (SO1 and SO3), the primary objectives of this operation are to meet the basic nutritional needs of the refugee population by providing them access to basic, yet adequate nutrition until such time that they can attain food self-sufficiency or are repatriated and settled in their country of origin.
7. The strategy for refugee support in 2010-2011, as envisaged by UNHCR, WFP and implementing partners, has involved less emphasis on long-term empowerment programs, and, rather, a shift to measures that encourage greater levels of repatriation.
8. The total number of refugees that were to benefit from WFP food assistance under the PRRO in 2011 was established at 7,300, down from 22,000 in 2010 due to successful repatriation and other durable solutions. The population of WFP assisted refugees as of October 2011 is approximately 6,000 due to ongoing repatriations.

Conclusion and recommendation of the re-assessment

9. UNHCR recognises a total refugee population in Zambia to be 38,500, including 27,237 in the refugee settlements of Meheba and Mayukwayukwa, which are the only remaining refugee settlements in Zambia. In addition, some 6,000 refugees are registered and reside in urban areas while another 15,500 plus are registered as 'self-settled' and live in rural areas. Of the 27,237 refugees living in camps, 21,237 are considered self-reliant and do not receive individual assistance.

10. Since 2009, food assistance has been limited to a 'one-off' package to new arrivals upon arrival and in the form of regular food distribution to vulnerable refugees who cannot provide for themselves. Provision of food assistance to bona fide refugees is now limited only to those meeting the following criteria:
 - a. The elderly (≥ 60 years old) without family or community support or if custodians of children below the age of 12 (children are to be included);
 - b. Refugees on ART (only ART patients, not family members unless falling within another vulnerable criteria);
 - c. Child-headed households;
 - d. Separated children registered alone or in a foster family;
 - e. Refugees with severe mental or physical disabilities without family or community support (on case by case basis);
 - f. Single-headed households with 3 or more children (on case by case basis); and
 - g. New arrivals, upon recognition and registration as bona fide refugees.
11. Significant efforts have been made during the past few years to increase the self-reliance of refugees through the introduction of income generating activities (IGAs) that focus on the promotion of agricultural activities including livestock production and small agro-business support. As a consequence, many refugees have been able to rise above their former vulnerable status and, subsequently, graduate from WFP assistance.
12. Repatriation has continued throughout 2011 and this has had an impact on the number of refugees in need of food assistance. Further efforts and specific arrangements will be made with the countries of origin as to facilitate the return of these refugees. UNHCR and other stakeholders will continue to advocate for local integration, which would allow the inclusion of refugees into national support systems. However, owing largely to 2011 having been an election year, achievements were not significant in this regard. As a consequence, there is a strong likelihood that many Angolans and Rwandans will remain in the settlements even after their refugee status ceases at the end of 2011.
13. A formal cessation of refugee status has been announced for refugees from Rwanda and Angola. The cessation clause will take effect on 01 January 2012 and will potentially affect 19,967 refugees. As durable solutions have not yet been identified for all refugees affected by the cessation clause, a transitional arrangement has been proposed for 2012 whereby UNHCR and the Government of Zambia will pursue their efforts to repatriate Angolan and Rwandan refugees and advocate for local integration opportunities for other categories of refugees. In this context, WFP assistance is expected to continue in throughout 2012 as UNHCR and the Government project that the remaining refugees and the new arrivals from DRC will still need assistance up to the end of 2012.
14. The Government has since requested WFP, through UNHCR, to continue providing food commodity support to 6,000 of the most vulnerable refugees in 2012. The legal status of these vulnerable refugees is not yet known. 2012 is considered as a transition year allowing the implementation of durable solutions (local integration or repatriation). Refugee numbers in 2012 will therefore depend on both the identification and feasibility of durable solutions and the number of new asylum seekers.

Purpose of extension and budget increase

15. The purpose of this budget revision is to extend the current PRRO for twelve months to provide support to the remaining vulnerable refugees and new asylum seekers during 2012 as requested by

the Government. In this context, an increase of US\$ 0.73 million in the budget plan is proposed to accommodate the additional needs of 1,283 mt of food commodities and its associated costs.

16. There are no changes in the beneficiary categories though WFP anticipates a slight decrease in their numbers.
17. The food distribution modalities during this period will remain the same as currently.

TABLE 1. BENEFICIARIES BY COMPONENT TYPE*			
	Beneficiaries		
Component	Present	Decrease	Revised
PRRO 200070	7,300	1,300	6,000
Total	7,300	1,300	6,000

*2011 caseload stands at 7,300, a revised caseload for 2012 is estimated at 6,000, which represents an overall decrease of 1,300.

FOOD REQUIREMENTS

18. Food requirements are described in the table below. Food basket will remain the same as it stands currently.

TABLE 2. FOOD REQUIREMENTS BY COMPONENT TYPE			
	Food distribution (mt)		
Component	Present	Increase	Revised
PRRO 200070	6,469	1,283	7,752
Total	6,469	1,283	7,752

DISTRIBUTION:

DED & COO, OD
Deputy COO & Director, ODE
Chief, ODLT
Country Director
OD Registry
Director, ERD

Director, ODX
Chief, RMBP
Chief, ODXR
Programme Officer, RMBP
Programming Assistant, RMBP
Liaison Officer, ODJoburg

Chief, ODXP
Regional Director
RB Programme Advisor
RB Programme Assistant
RB Chrono