

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 or Regional Bureau on behalf of Country Office
<u>CLEARANCE</u>				
Project Budget & Programming Officer, RMBP
Chief, RMBP
Chief, ODLT (change in LTSH and/or External Transport)
<u>APPROVAL</u>				
<input checked="" type="checkbox"/> Regional Director

PROJECT			
Start date: 01-Jan-11	End date: 31-Dec-12	Extension/Reduction period: Six months	New end date: 30-Jun-13
	Previous Budget	Revision	New Budget
Food cost ¹	US\$ 8,002,544	US\$ 1,931,450	US\$ 9,933,994
External transport ²	US\$ 688,288	US\$ 180,580	US\$ 868,868
LTSH ³	US\$ 434,811	US\$ 94,448	US\$ 529,259
ODOC ⁴	US\$ 314,670	US\$ (0)	US\$ 314,670
DSC ⁵	US\$ 654,064	US\$ 176,424	US\$ 830,488
ISC (7%) ⁶	US\$ 706,607	US\$ 166,803	US\$ 873,410
Total WFP cost (US\$)	US\$ 10,800,984	US\$ 2,549,705	US\$ 13,350,689

TYPE OF REVISION

- ☒ Additional commodity
 ☒ Additional DSC
 ☐ Additional ODOC
 ☒ Additional LTSH
☒ Additional external transport
 ☒ Extension or Reduction in time
 ☐ Other

DISTRIBUTION:

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

Director, ODX
 Chief, RMBP
 Chief, ODXR
 Programme Officer, RMBP
 Programming Assistant, RMBP
 Liaison Officer, OD @

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

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. The PRRO 200142 was approved by the Executive Director for a two-year duration from 30 January 2011 to 31 December 2012.

The Budget Revision proposes a six-month extension-in-time to the ongoing PRRO beyond December 2012 to 30 June 2013. This time period is required to prepare for a new PRRO which will be informed by the Joint Assessment Mission (JAM) and the United Nations High Commissioner for Refugees (UNHCR) - WFP Joint Impact Evaluation on the contribution of food assistance to durable solutions in protracted refugee situations. The extension to the existing PRRO will serve as an interim arrangement to enable the purchase of food and prevent any disruption in distributions to the refugees until a new PRRO has been developed. The Budget Revision refers to an extension in time of the current activities, and the related increase in the commodity and the associated costs, exclusive of ODOC. No further ODOC contributions are required due to savings on quality inspections related to commodities; negotiation of a better NGO service rate under the cost-sharing arrangement with UNHCR than was budgeted; and savings on surveys and assessments.

The Budget Revision includes an overall increase of US\$ 2,549,705 including the associated costs. This includes an increase of US\$1,931,450 in the commodity value.

JUSTIFICATION FOR EXTENSION-IN-TIME AND/OR BUDGET INCREASE

Summary of existing project activities

2. The PRRO 200142 has provision to assist 31,000 Rohingya refugees from Myanmar living in two official camps, Kutupalong and Nayapara, in Cox's Bazar District, Bangladesh. The refugees are dependent on humanitarian assistance for their survival due to restrictions on income-earning activities by the Government of Bangladesh. The objectives of the PRRO are: i) Enhanced food consumption and nutritional intake within households; ii) Reduced levels of malnutrition among women and children; and iii) Increased access to education for refugee girls and boys.

WFP's assistance to the refugees is provided at the request of the Government and is consistent with WFP's Strategic Plan (2008-2013). It fulfills Strategic Objective 1 (Save lives and protect livelihoods in emergencies) and Strategic Objective 3 (Restore and rebuild lives and livelihoods in post-conflict, post-disaster or transition situations). The PRRO supports the achievement of the Millennium Development Goals: MDG1 - Eradicate extreme poverty and hunger; MDG2 - Achieve universal primary education; MDG4 - Reduce child mortality; and MDG5 - Improve maternal health.

The refugee population is assisted through a) General Food Rations to meet the minimum nutritional needs of the entire refugee population; b) Supplementary Feeding to address the particular nutritional needs of pregnant and lactating women (PLWs), moderately malnourished children aged 6-59 months, and all children 6-23 months; and c) School Feeding which acts as a safety net for refugee children, enhancing dietary diversity and encouraging school attendance.

- (a) *General Food Distribution (GFD)*: To meet the basic caloric requirements, beneficiaries under GFD receive rations comprising rice, pulses, super cereals, oil, sugar and salt.
- (b) *Supplementary Feeding*: Supplementary feeding aims to meet the special needs of moderately undernourished children 6-59 months, all children 6-23 months, and pregnant and lactating women by providing a dry ration composed of super cereal/super cereal+, oil

and sugar through community-based management of acute malnutrition (CMAM). WFP's assistance complements the overall nutrition programme in the camps which is funded and led by UNHCR and implemented by Action Contre la Faim (ACF). The division of responsibilities is agreed upon through an annual tripartite agreement.

- (c) *School Feeding (SF)*: School feeding aims to increase access to education for refugee boys, girls and adolescent literacy learners by providing fortified biscuits to children each school day. It also includes an 'essential learning package' which comprises sanitation, deworming, and awareness-raising on safe drinking water, nutrition and HIV/AIDS, and contributes to safeguarding child health and nutrition.

Conclusions and recommendations of the re-assessment (if applicable)

3. The current PRRO was designed based on the recommendations of the June 2010 JAM conducted by UNHCR and WFP. Ongoing monitoring of the situation by the WFP Cox's Bazar Sub Office, and the findings of the ACF Nutrition Causal Analysis (NCA) 2012 and UNHCR Annual Nutrition Survey 2012 clearly indicate the need for continued support to the Rohingya refugees. Discussions have taken place with development partners and the Refugee Relief and Repatriation Commissioner to undertake the UNHCR-WFP JAM at the end of 2012, the findings of which, in addition to the 2012 UNHCR-WFP Impact Evaluation Mission, are necessary to inform the next phase of the PRRO.

Following the increase in violence in the Northern Rakhine State of Myanmar in June 2012 the political situation for Rohingya refugees in Cox's Bazar district in Bangladesh has become significantly more challenging, with an increase in the number of Rohingya refugees attempting to flee to Bangladesh. As a deterrent, in August 2012, three international NGOs were ordered by the Government to stop providing aid to Rohingyas outside of the official camps.

The refugees live in two camps in Cox's Bazar, where they continue to face restrictions in terms of their right to movement, work opportunities, and access to education. Vulnerable households, and particularly those who are female-headed or elderly, remain heavily dependent on the food assistance provided by WFP. Ration-sharing amongst registered and unregistered refugees remains a challenge which continues to be monitored by WFP. The proportion of households who do not meet adequate caloric intake has increased since 2011 and currently stands at close to 40% (UNHCR Annual Nutrition Survey, 2012). Undernutrition rates remain high in both Nayapara and Kutupalong refugee camps assisted by the current PRRO. The Global Acute Malnutrition (GAM) rate of children aged 6 to 59 months old in Nayapara camp is 14.8% and in Kutupalong camp it is 9.5% (UNHCR Annual Nutrition Survey, 2012).

Reasons for extension-in-time

4. WFP considers that a concrete exit strategy is premature until an agreement is reached between UNHCR, the Government of Bangladesh and the Government of the Union of Myanmar on the refugees' future. The phasing out of WFP assistance will be subject to the refugees attaining self-reliance, which would depend on a change to the current policy of the Government. International humanitarian support continues to be required as the Government, local communities and non-governmental organizations lack the means to substitute the inputs now provided by WFP, and therefore a new phase of the PRRO is required. It is foreseen that a new strategic direction will be taken in the development of the next PRRO to work towards more durable solutions for the registered refugees.

The development of the new PRRO will begin following the findings of the 2012 UNHCR-WFP JAM.

The JAM has been postponed to the end of the year in order to take into account the pending report of the 2012 UNHCR-WFP Impact Evaluation. The draft report will be a major input to the JAM and the design of the next PRRO. An assessment to determine the feasibility of changing to a cash/voucher modality for the delivery of food assistance will also be undertaken, with the involvement of a cash and voucher expert from the Regional Bureau in December 2012. The recent changes to the political situation increase the likelihood of a subsequent change in strategic direction and therefore the conclusions from the Impact Evaluation and the cash and voucher assessment and market assessment will feed into the JAM.

Discussions have been held between development partners and the Refugee Relief and Repatriation Commissioner for the launch of the JAM at the end of the year. The final recommendations of the JAM are expected in end-December 2013 and will inform the Joint Action Plan and the new phase of the PRRO. The Action Plan and PRRO will be developed in parallel and drafts will be prepared in advance to allow for timely finalization and implementation.

The request for extension in time for six months until June 2013 will ensure that commodities can be procured and distributions will continue undisrupted to the refugee population until the new PRRO will start.

Purpose of extension and/or budget increase (applicable for all projects)

5. The budget revision aims to extend all three activities (general food distribution, supplementary feeding and school feeding) under the current PRRO for 6 months, effective from 1 January until 30 June 2013.
6. The activities will be implemented in line with the approved PRRO with no change in implementation strategy, expected outcomes of the PRRO, or change in planned beneficiary numbers.
7. There will be no change in the modality of the food transfers.

TABLE 1. BENEFICIARIES BY ACTIVITY TYPE			
	Beneficiaries		
Activity	Present	Increase	Revised
General food distribution	31,000	-	31,000
Supplementary feeding	4,200	-	4,200
School Feeding	15,200	-	15,200
Total	31,000*	-	31,000*

* Excluding overlap between General Food Distribution, Supplementary Feeding and School Feeding beneficiaries

FOOD REQUIREMENTS

8. Table 2 reflects the additional and total food quantity required for achieving the extension in time.

TABLE 2. FOOD REQUIREMENTS BY ACTIVITY TYPE			
	Food requirement (mt)		
Activity	Present	Increase	Revised
General food distribution	13,127	3,255	16,382
Supplementary feeding	797	167	964
School Feeding	866	216	1,082
Total	14,790	3,638	18,428

9. There is no change to the modalities of food transfer to beneficiaries proposed under this Budget Revision.