

**ZIMBABWE PROTRACTED RELIEF AND RECOVERY OPERATION 200162
BUDGET REVISION No. 3**

‘Assistance for Food-Insecure Vulnerable Groups’

	Cost (United States dollars)		
	Present budget	Decrease	Revised budget
Food cost	105 296 861		105 296 861
External transport	18 494 038		18 494 038
LTSH	53 212 779		53 212 779
ODOC	23 397 136		23 397 136
DSC	40 370 863	(14 961 869)	25 408 994
ISC (7%)	16 854 017	(1 047 331)	15 806 687
Total cost to WFP	257 625 695	(16 009 200)	241 616 495

NATURE OF THE DECREASE

1. This third budget revision to Zimbabwe protracted relief and recovery operation (PRRO) 200162 “Assistance for Food-Insecure Vulnerable Groups” seeks to decrease the overall budget plan by US\$16 million. More specifically, the budget revision will:
 - reduce direct support costs (DSC) by US\$15 million; and
 - reduce indirect support costs (ISC) by US\$1 million.

JUSTIFICATION FOR BUDGET DECREASE

Summary of existing project activities

2. The objectives established for PRRO 200162 are:
 - protect lives and livelihoods, and enhance self-reliance in vulnerable households in response to seasonal food shortages (Strategic Objective 1 “Save lives and protect livelihoods in emergencies”);
 - improve the well-being of chronically ill adults to achieve greater capacity for productive recovery (Strategic Objective 3 “Restore and rebuild lives and livelihoods in post-conflict, post-disaster or transition situations”);
 - safeguard food access and consumption of highly vulnerable food-insecure households, and support the recovery of livelihoods and access to basic services (Strategic Objective 3); and
 - increase government and community capacities to manage and implement hunger reduction policies and approaches (Strategic Objective 5 “Strengthen the capacities of countries to reduce hunger, including through hand-over strategies and local purchase”).
3. The PRRO combines relief and early-recovery elements and prioritizes food assistance through in-kind food interventions and voucher/cash transfer approaches.

Purpose of budget decrease

4. The PRRO objectives remain the same and the three components - i) seasonal targeted assistance; ii) health and nutrition; and iii) social safety nets – will not be changed by this budget revision.
5. The budget revision follows the finalization, in January this year, of a thorough analysis at country office level indicating reduced DSC requirements for 2012, more specifically reduced staff requirements.
6. The proposed decrease in DSC will align the DSC budget with actual expenditures and mitigate variances between future programmed DSC and actual DSC expenditures. The DSC rate will be reduced by 70 percent.
7. WFP will continue to monitor its DSC budget variance strategy. To date, 75 percent of planned DSC expenditures have been secured for the operation. Tonnage programmed for the last year of the PRRO's implementation will generate the remaining 25 percent of DSC requirements.

RECOMMENDATION OF THE DEPUTY EXECUTIVE DIRECTOR

Approved by:

Mr. Ramiro Lopes Da Silva
Deputy Executive Director, Operations Department
World Food Programme

Date

BUDGET DECREASE COST BREAKDOWN			
	Quantity (mt)	Value (US\$)	Value (US\$)
WFP COSTS			
Food¹			
Cereals			
Pulses			
Oils and fats			
Mixed and blended food			
Others			
Total food			
Cash transfers			
Voucher transfers			
Subtotal food and transfers			
External transport			
Landside transport, storage and handling			
Other direct operational costs			
Direct support costs ² (see Annex IB)			
Total WFP direct costs			(14,961,869)
Indirect support costs ³ (7.0 percent)			(1,047,331)
TOTAL WFP COSTS			(16,009,200)

¹ This is a notional food basket used for budgeting and approval purposes. The precise mix and actual quantities of commodities to be supplied to the project, as in all WFP-assisted projects, may vary over time depending on the availability of commodities to WFP and domestically within the recipient country.

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

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

DIRECT SUPPORT REQUIREMENTS (US\$)	
Staff and staff-related costs	
International professional staff	-2 926 055
National general service staff	-4 522 174
Local staff - temporary assistance	-1 735 495
International consultants	
UNV	-33 000
Staff duty travel	-701 248
Subtotal	-9 917 972
Recurring expenses	
Rental of facility	-539 884
Utilities	-90 362
Office supplies and other consumables	-140 600
Communications services	-492 300
Equipment repair and maintenance	-100 000
Vehicle maintenance and running cost	-388 960
Other office expenses	-759 540
United Nations Organizations Services	-222 000
Subtotal	-2733 646
Equipment and other fixed costs	
Local security costs	-517 351
Vehicle leasing	-408 000
Communications equipment	-1 384 900
Subtotal	-2 310 251
TOTAL DIRECT SUPPORT COSTS	-14 961 869