

**Republic of Congo DEV 200211
B/R No.3**

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, OSLT (change in LTSH and/or External Transport)
<u>APPROVAL</u>				
<input type="checkbox"/> Regional Director

PROJECT

Start date: 01 July 2011 **End date:** 30 April 2013 **Extension period:** 8 months **New end date:** 31 December 2013

	Previous Budget	Revision	New Budget
Food cost ¹	US\$ 2 187 071	US\$ 1 580 321	US\$ 3 767 392
External transport ²	US\$ 43 044	US\$ 6 711	US\$ 49 755
LTSH ³	US\$ 39 506	US\$ 19 023	US\$ 58 529
ODOC ⁴	US\$ 400 520	US\$ 323 029	US\$ 723 549
DSC ⁵	US\$ 675 099	US\$ 306 500	US\$ 981 599
ISC (7%) ⁶	US\$ 234 165	US\$ 156 493	US\$ 390 658
Total WFP cost	US\$ 3 579 405	US\$ 2 392 076	US\$ 5 971 481

TYPE OF REVISION

Additional commodity
 Additional DSC
 Additional ODOC
 Additional LTSH
 Additional external transport
and review of LTSH matrix)
 Extension in time
 Other (commodity change

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 objective of this third budget revision to Development Project 200211 is to extend its operations in time by eight additional months and increase the budget plan in order to continue the provision of assistance to an increased number of beneficiaries (36,000 in total) and align the proposed food basket to the new WFP nutrition policy.
2. More specifically this budget revision seeks:
 - An eight month extension in time from 01 May 2013 to 31 December 2013;
 - To increase the beneficiary number from 23,436 to 36,000;
 - Change food commodity basket for HIV and TB beneficiaries: the Plumpy doz (RUSF) will be replaced by Supercereal (59.4 mt) and vegetable oil (5.94 mt) in order to be in alignment with the 2012 WFP nutrition policy for a total of US\$ 40,321;
 - Increase voucher transfer budget line by US\$ 1,540,000;
 - Increase the Land, Transport, Storage and Handling (LTSH) budget line by US\$ 19,023 following an LTSH matrix revision, and
 - Increase other associated costs namely External Transport costs by US\$ 6,711, Direct Support Costs (DSC) by US\$ 306,500, Other Direct Operational Costs by US\$ 323,029 and Indirect Support Costs by US\$ 156,493.
3. The overall budget plan will increase by US\$ 2,392,076 from US\$ 3,579,405 to US\$ 5,971,481.

JUSTIFICATION FOR EXTENSION-IN-TIME AND BUDGET INCREASE

Summary of existing project activities

4. The safety net project is a conditional voucher transfer targeting extremely vulnerable urban households, and is implemented through the distribution of electronic vouchers that are exchanged for basic food products in authorized shops. Beneficiaries are targeted according to pre-established criteria including households with a monthly income of less than US\$ 60 and less than US\$ 0.5 per day for all categories of beneficiaries. Other specific criteria include female-headed households with out-of-school children at primary level, those headed by pregnant and nursing women and households with People Living with HIV (PLHIV) and Tuberculosis (TB) patients who are on treatment.
5. The monthly vouchers enable beneficiaries to fill the gap that deprives them of food, forces them to take children out of school and to trade off health care with food. Vouchers are distributed on the following conditions: re-enrolment and regular school attendance by out-of-school children, and use of health services by targeted beneficiaries. For PLHIV and/or TB patients, only those identified as malnourished by their clinic qualify for the additional support which complements the voucher to help nutritional recovery. For those found malnourished, the support includes a nutrition supplement distributed at the local health centre and is conditional upon adherence to treatment.
6. The project is currently funded by Japan and the Government of the Republic of Congo, which is committed to investing more resources in social protection, as outlined in the 2013 social security policy aiming at ensuring access by the poorest to basic social services. It is also in line with the Government Development Plan (2012-2016).
7. The project is implemented jointly with the Ministry of Social Affairs and Humanitarian Action (MoSAHA) and aims to cover, inter alia, the following objectives:
 - Strengthen the capacity of the Government to reduce hunger by providing training and capacity development to its staff involved in implementing the pilot safety net

- programme in the main suburban areas of Brazzaville and Pointe Noire (Strategic Objective 5);
- Meet the food and nutrition needs of HIV and/or TB affected population, ensure adherence to treatment and accelerate recovery from under nutrition (SO 4);
 - Improve enrolment and school attendance among children 6-12 years in the urban areas of Brazzaville and Pointe Noire for (SO4) through re-enrolment of out-of-school children.

Conclusion and recommendation of the re-assessment

8. The Mid-term evaluation of the Safety Net E-Voucher pilot project carried out in January 2013 recommended a gradual expansion. There are possibilities to increase the number of beneficiaries, but this scale up should be gradual and carried out in phases, due to the length of time required to identify beneficiaries and to find an adequate number of small shops to be included in the project. The Government has also shown interest in a nationwide safety net for the poor and it is hoped WFP safety net pilot can eventually be scaled up to meet that expectation while addressing the concerns raised in the recent mid-term evaluation.

Purpose of extension and budget increase

9. It is envisaged that this project will become one of the components of the new Country Programme to be developed later this year to start January 2015. As the Government has requested coverage of other provincial localities through this programme, there will be a need to consider targeting additional food insecure areas for inclusion in the Country Programme.
10. Through this budget revision and in line with the recent nutrition guidance, Plumpy doz (RUSF), which is more appropriate and cost effective for under-5 children will be replaced by Supercereal and vegetable oil as most of the affected PLHIV and TB clients are adults. The project will avoid using two different products for the same component in order to reduce difficulties of management for the operational partners, specifically the health centre staff. The total quantity of Plumpy Sup required for treating the malnourished PLHIV and TB child clients would be very small, and therefore it would be difficult to control its supply chain efficiently.
11. A monitoring system will be put in place to follow-up on changes in recovery time on the new commodity. Currently a data base to follow the nutritional status progress of the HIV and TB clients is in place. A consultant will be hired to strengthen the Country Office ability to implement the recommendations of the evaluation while also starting a gradual scale-up. One Non-Governmental Organization (NGO) has been identified to strengthen government staff capacity and ability to gather data. In order to solve some difficulties encountered with MTN in the transfer of vouchers to the beneficiaries, an agreement will be signed with another telephone Company (Airtel) for the new beneficiaries to be identified during the extension period.

TABLE 1. BENEFICIARIES BY ACTIVITY TYPE			
	Beneficiaries*		
Activity	Present	Increase	Revised
Voucher Transfer	23,436	12,564	36,000
Nutrition	2,200	1,100	3,300
Total	23,436	12,564	36,000

* All project beneficiaries will receive voucher transfers; PLHIV and TB clients will also receive nutrition supplement in addition to voucher transfers. The nutrition category is therefore a sub-category of the voucher transfer category.

TABLE 2: Nutrition supplement	
Nutrition Supplement for Malnourished HIV/TB clients	
Supercereal	200
Vegetable Oil	20
TOTAL	220
Total kcal/day	929
% kcal from protein	13.2
% kcal from fat	35.0
Expected recovery period per patient	90 days

FOOD REQUIREMENTS

12. As explained above, there will be a change in the food basket. Plumpy doz (RUSF) will be replaced by Supercereal and vegetable oil but there will be no change in the distribution modalities.

TABLE 3. CASH AND FOOD REQUIREMENTS BY ACTIVITY TYPE			
	Food and voucher requirements		
Activity	Present	Increase	Revised
Voucher Transfer	US\$ 1,651,840	US\$ 1,540,000	US\$ 3,191,840
Nutrition	145.73 mt	65.34 mt	211.07 mt
Total	US\$ 1,651,840 145.73 mt	US\$ 1,545,000 65.34mt	US\$ 3,151,840 211.07 mt

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