

**Republic of Congo DEV 200211
B/R No.4**

BUDGET REVISION FOR THE APPROVAL OF REGIONAL DIRECTOR

	<u>Initials</u>	<u>In Date</u>	<u>Out Date</u>	<u>Reason For Delay</u>
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ORIGINATOR

Country Office or Regional Bureau on behalf of Country Office
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CLEARANCE

Project Budget & Programming Officer, RMBP
Chief, RMBP
Chief, OSLT (change in LTSH and/or External Transport)

APPROVAL

<input type="checkbox"/> Regional Director
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PROJECT

Start date: 01 July 2011 **End date:** 31 December 2013 **Extension period:** 2 months **New end date:** 28 February 2014

Cost (United States dollars)

	Previous Budget	Revision	New Budget
Food cost ¹	US\$ 3 767 392	US\$ 504 215	US\$ 4 271 607
External transport ²	US\$ 49 755	US\$ 4 712	US\$ 54 467
LTSH ³	US\$ 58 529	US\$ 12 682	US\$ 71 211
ODOC ⁴	US\$ 723 549	US\$ 58 134	US\$ 781 683
DSC ⁵	US\$ 981 599	US\$ 26 021	US\$ 1 007 620
ISC (7%) ⁶	US\$ 390 658	US\$ 42 404	US\$ 433 062
Total WFP cost	US\$ 5 971 481	US\$ 648 168	US\$ 6 619 650

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"/> Additional 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 fourth budget revision which seeks to extend the project in time for a period of 2 months, from 01 January to 28 February 2014 to serve as a bridge until the approval of BR5 by the Executive Board expected in February 2014;
2. An additional 44 metric tons of supplementary foods for the extension period; and
3. An increase of US\$ 504 215 food costs and US\$ 101 549 to cover associated costs (DSC, ODOC, LTSH, and External Transport). This revisions will increase the overall budget by US\$ 648 168 to US\$ 6 619 650.

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 sent to beneficiaries' mobile devices and exchanged for basic food products in authorised shops. Only households with a monthly income of less than US\$ 60 are eligible. Among these, households with out-of-school children at primary level, those headed by Pregnant and Lactating Women (PLW), and households with People Living with HIV (PLHIV) and/or Tuberculosis (TB) who are on treatment, are targeted and enrolled.
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 PLW and PLHIV and/or TB. For HIV and/or TB treatment clients, only those identified as malnourished by their clinic qualify for the nutrition supplement, which complements the voucher to help nutritional recovery.
6. The project is currently funded by Japan, Luxembourg and the Government of the Republic of 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 National 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 (SO 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); and
 - Improve enrolment and school attendance among children 6-12 years in the urban areas of Brazzaville and Pointe Noire for (SO 4) through re-enrolment of out-of-school children.
8. This is a pilot project, which introduced the use of e-vouchers in the Republic of Congo. An external mid-term evaluation conducted in December 2012 underlined the adequacy of the e-voucher modality. This evaluation also showed that the voucher modality was successful in minimising fraud and improving the quality of monitoring. Submission of monthly reports by the financial service providers provided data on the number of beneficiaries who received transfers and those who were not served by the project.

9. The pilot project has also recognised the need for the adoption of a nutrition-sensitive approach. This is being achieved through the addition of food groups and conditionality of the choices of food on the e-voucher system.
10. The evaluation also highlighted areas for improvement one of which was to improve coordination mechanisms between the different stakeholders and build the capacity of the Government and partners. During the first semester of 2013, actions were implemented to make improvements. This was achieved through the reanimation of the project's various committees, weekly joint working sessions at the Government and WFP offices, and the organisation of a workshop to train Government field monitors on targeting and monitoring of beneficiaries.
11. In July 2013 WFP presented a bi-annual report of the project to MoSAHA (based on data collected between January and June 2013 by Government field monitors and staff at health centres). The report emphasised the efficiency of the project and its positive impact on beneficiaries.
12. The food security of beneficiaries measured by the Food Consumption Score (FCS) has also improved. In absence of baseline data, the survey compared the FCS of beneficiaries enrolled in the programme since January 2013 with that of beneficiaries targeted in June 2013 but who are not receiving transfers yet. Given that the targeting criteria were not changed, the two groups of beneficiaries were assumed to have the same characteristics. At Brazzaville, the average FCS of already enrolled beneficiaries stood at 77.7 while that of the second group was 62.7. At Pointe-Noire, beneficiaries had an average FCS of 67.5 and non-beneficiaries an average of 49.4.

Purpose of extension and budget increase

13. Based on the satisfactory performance and results of the project, the Government of Republic of Congo has requested an expansion of the project to four food insecure Departments (Plateaux, Cuvette, Pool and Lekoumou). This will increase the number of households to 6,000 by 2014.
14. This budget revision aims to extend current activities in time to allow for adequate preparation for the planned scale-up of the project. It will allow the CO to capitalise on lessons learned, invest in assessments and feasibility studies and receive the support of the Regional Bureau and other partners to tailor its design and activities to the new context of rural areas.

TABLE 1. BENEFICIARIES BY ACTIVITY TYPE			
	Beneficiaries*		
Activity	Present	Increase	Revised
Voucher Transfer	36,000	0	36,000
Nutrition Supplement	3,300	0	3300
Total			

*All project beneficiaries will receive one monthly voucher per household of six people (total 6,000 households); PLHIV and TB treatment clients will also receive nutrition supplement in addition to voucher transfers. The nutrition category is therefore a sub-category of the voucher transfer category.

FOOD REQUIREMENTS

15. The two-month extension will require an additional US\$ 480,000 in vouchers and 44 mt of nutrition supplement.

TABLE 2. CASH AND FOOD REQUIREMENTS BY ACTIVITY TYPE			
	Cash (US\$)/Food requirement (mt)		
Activity	Present	Increase	Revised
Voucher Transfer	3, 191 840	480, 000	3, 671 840
Nutrition	211	44	255
Total US\$	3, 191 840	480, 000	3, 671 840
Total mt	211	44	255

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