

BUDGET REVISION OF SO FOR APPROVAL

South Sudan Special Operation 200267 “Logistics Augmentation in Support of the Strategic Grain Reserve in South Sudan”

	<u>Initials</u>	<u>In Date</u>	<u>Out Date</u>	<u>Reason For Delay</u>
<u>ORIGINATOR</u>				
Country Office or Chris Nikoi, Country Director
<u>CLEARANCE</u>				
Regional Director Valerie Guarnieri
Project Budget & Programming Officer, RMBP Betty Ka
Chief, RMBP Laurent Bukera
Chief, OSLT Adrian Van Der Knaap
Director, OSL Wolfgang Herbinger
Director, OST (<i>ICT operations only</i>)
<u>APPROVAL</u>				
<input type="checkbox"/> DED Amir Abdullah

PROJECT	Previous Budget	Revision	New Budget
ODOC	US\$85,217,850	- US\$2,104,950	US\$83,112,900
DSC	US\$5,007,442	- US\$886,571	US\$4,120,871
ISC	US\$6,315,770	- US\$209,406	US\$6,106,364
Total WFP cost (US\$)	US\$ 96,541,062	- US\$3,200,927	US\$93,340,135

<u>TYPE OF REVISION</u>			
<input checked="" type="checkbox"/> Reduction in DSC	<input checked="" type="checkbox"/> Reduction in ODOC	<input checked="" type="checkbox"/> Reduction in time	<input checked="" type="checkbox"/> Expansion of the SO's capacity building component until end of 2013

NATURE OF THE REVISION:

1. This budget revision will allow for the expansion of the capacity building component of Special Operation 200267 entitled: “Logistics Augmentation in Support of the Strategic Grain Reserve in South Sudan” to include both human and institutional capacity development activities. These activities are aimed at strengthening the capacity of the Government of the Republic of South Sudan to establish and manage an effective and sustainable National Strategic Food Reserve (NSFR). The budget revision will also allow for an early closure and reduction-in-time of the Special Operation by six months (from 10 July 2014 to 31 December 2013), resulting in a reduction of the overall budget from US\$96,541,062 to US\$93,340,135.

PROJECT BACKGROUND:

2. Special Operation 200267 was launched in 2011 on the recognition that a Strategic Grain Reserve could play an important role in land-locked South Sudan, as the country has inadequate infrastructure and a growing need for humanitarian assistance. It was envisaged that the establishment of a Strategic Grain Reserve would enhance food availability by eliminating the long lead-time needed for the pre-positioning of food or the mobilization of imported food assistance from donor countries. The expectation was that the reserve would improve the capacity of government and humanitarian actors to respond to emergencies in the country in a timely and more cost-effective manner.

3. The project was to focus on building five large-scale warehousing facilities and twenty satellite depots. An additional feature, relating to government capacity building, focused on the day-to-day operations of the warehouses.

4. A series of consultative meetings were held in early 2012 with stakeholders and technical experts to decide on the best implementation approach for a Strategic Grain Reserve project that would have a significant role in addressing food insecurity, stimulating the development of the agricultural sector and assisting in a timelier response to emergencies in South Sudan. These meetings culminated in a high-level consultative meeting in March 2012 where consensus was reached on prioritizing the building of a conducive policy environment and on strengthening the Government’s institutional capacity to design, establish, and manage an efficient and sustainable NSFR.

5. Given the context of South Sudan as the world’s youngest nation, where human and institutional capacity gaps pose major challenges to rehabilitation and development efforts, the construction of five warehouses and twenty satellite depots became inapplicable in the immediate term. The focus turned first and foremost to developing the policies and institutions necessary to ensure that the Government of South Sudan is able to manage a strategic food reserve, and then to construct warehousing facilities to operationalize the NSFR on a small-scale pilot level.

6. An Inter-Ministerial Technical Working Group (TWG) was formed to oversee the establishment of the NSFR and the group has worked with the Council of Ministers to pass a formal resolution in this regard. The TWG has also identified thematic areas relating to Food Security Information Systems where the Government lacks the required capacity to support the effective management of the NSFR. These thematic areas include Food Security and Vulnerability Analysis, Trade and Market Monitoring, Rainfall Monitoring, Crop Production Estimates, Preparation of National Food Balance Sheets, and Early Warning.

7. Working groups for the thematic areas have been established, comprised of technical experts from relevant government ministries and international non-government organizations. Under the technical leadership of WFP, the Food and Agriculture Organization of the United Nations (FAO) and the Famine Early Warning Systems Network (FEWS NET), the groups have embarked on an extensive assessment of the Government's institutional capacity. This assessment will lead to capacity strengthening to enable the Government to establish and manage a robust Food Security Information System to inform evidence-based decision making for the NSFR.

JUSTIFICATION FOR THE REVISION:

8. Building infrastructure is a necessary condition for establishing a strategic food reserve, but it cannot be the only one, as sustainable solutions to food security call for enhancements in the institutional capacity of the Government. Therefore, for this project's success, WFP's capacity building activities have to go beyond providing training to government staff on the day-to-day operations of the warehouses to include supporting the government to put in place the systems and structures that are crucial for the sustainability of the NSFR.

9. Supporting the creation of a favourable policy environment and investing in key systems and capacities will enable the Government to manage the reserve efficiently, and to effectively use the NSFR to respond to emergencies, support safety net programmes to protect the most vulnerable and build resilience of communities, and stimulate growth in the agricultural sector by creating a structured demand for food commodities.

10. Strengthening the Government's capacity in Food Security Information Systems provides decision makers with a better understanding of the dynamics of grain markets, giving them the necessary information to identify surplus and deficit producing areas, detect impending disaster as early as possible, provide timely and effective warning to guide decisions for preparedness and disaster mitigation, and ensure accurate targeting of beneficiaries.

11. Given the scope of a Special Operation as defined under General Rule II.2 (d): Programme Categories, a more suitable modality was sought to implement the capacity building activities that are critical for the sustainability of the NSFR. When Protracted Relief and Recovery Operation (PRRO) South Sudan 200572 is launched in 2014, the Food Security Information System capacity building component of the Special Operation will transition to the PRRO, allowing WFP to continue supporting capacity strengthening activities designed to enable the Government to provide essential support functions that are critical for an effective and well-managed NSFR.

12. With the capacity building components transitioning to the PRRO in January 2014 and the construction of the five central warehouses and twenty satellite collection depots considered inapplicable in the immediate term, the Special Operation will come to an early close on 31 December 2013. A new Special Operation, focused on those components related to operationalizing the NSFR as a small-scale pilot is under development.

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