

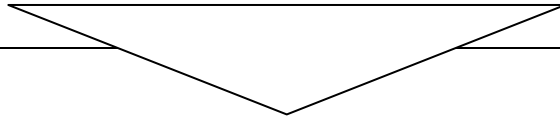
**BUDGET INCREASE TO PROTRACTED RELIEF  
AND RECOVERY OPERATION CHAD 200289**

**Budget Revision #04**

Targeted Food Assistance for Refugees and Vulnerable People  
Affected by Malnutrition and Recurrent Food Crises

Project Duration			
Start Date	End Date	Extension of one year	New end date
January 1, 2012	December 31, 2013	January 1, 2014	December 31, 2014
Cost (United States dollars)			
	Current budget	Increase	Revised budget
Food /cash and vouchers costs	142,982,410	57,561,152	200,543,562
External Transport	30,906,651	8,868,276	39,774,927
LTSH	136,825,931	42,153,165	178,979,096
ODOC	12,755,893	5,131,636	17,887,529
DSC	59,527,333	27,671,472	87,198,805
ISC (7.0 percent)	26,809,874	9,896,999	36,706,873
<b>Total cost to WFP</b>	<b>409,808,092</b>	<b>151,282,700</b>	<b>561,090,792</b>

## NOTE TO THE EXECUTIVE BOARD



The Secretariat invites members of the Board who may have questions of a technical nature with regard to this document to contact the WFP staff focal points indicated below, preferably well in advance of the Board's meeting.

Regional Director, OMD:                      Ms D. Brown                      tel.:066513-2792/13832100

Senior Liaison Officer, OMD:                      Ms N. Hegazy                      tel.: 066513-3189/13013189

Should you have any questions regarding availability of documentation for the Executive Board, please contact Ms I. Carpitella, Senior Administrative Assistant, Conference Servicing Unit (tel.: 066513-2645).

### **DRAFT DECISION**

The Board approves the proposed budget increase of **US\$ 151,282,700** for Chad Protracted Relief and Recovery Operation 200289 "Targeted food assistance for refugees and vulnerable people affected by malnutrition and recurrent food crises" with a one year extension from January 1 to December 31, 2014.

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## NATURE OF THE INCREASE

1. This budget revision to Chad Protracted Relief and Recovery Operation (PRRO) 200289 is requested to continue support through relief and rehabilitation activities with an emphasis on building resilience, from January to December 2014.<sup>1</sup>
2. Specifically, the budget revision will require:
  - An additional 91,450 mt of food valued at US\$ 46 million;
  - An additional US\$ 11.5 million in cash voucher (C&V) to scale up the C&V transfers for food insecure local households during the lean season, and introduce C&V programming for assets creation activities and for refugees;
  - An additional US\$ 83.8 million in associated costs consisting of external transport, landside transport, storage and handling, other direct operational costs and direct support costs;<sup>2</sup>
  - An additional US\$ 9.9 million in indirect support costs.

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## JUSTIFICATION FOR BUDGET INCREASE

### Summary of Existing Project Activities

3. PRRO 200289 was approved for 1 January 2012 to 31 December 2013 to support 1.8 million beneficiaries in 2012 (including a budget revision for the 2012 Sahel drought response) and 1.03 million beneficiaries in 2013 with a total budget of US\$ 413 million for two years.
4. In line with new WFP Strategic Plan (2014-2017), the project contributes to the achievement of Millennium Development Goals 1, 4, 5<sup>3</sup> and aims to:
  - Save Lives and Protect Livelihoods in Emergencies (WFP Strategic Objective 1, Goal 1,2 and 3);
  - Support or Restore Food Security and Nutrition and Establish or Rebuild Livelihoods in Fragile Settings and following Emergencies (WFP Strategic Objective 2, Goal 3);
  - Reduce Risk and Enable People, Communities and Countries to Meet their Own Food and Nutrition Needs (WFP Strategic Objective 3, Goal 1 and 3);
  - Reduce Undernutrition and Break the Intergenerational Cycle of Hunger (WFP Strategic Objective 4, Goal 1).

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<sup>1</sup> Consultations have been carried out with Government, donors and partners on the various aspects of this budget revision.

<sup>2</sup> Being a landlocked country, transport costs are very high, as is the overall cost of functioning in Chad.

<sup>3</sup> MDG1: eradicate extreme poverty and hunger; MDG4: reduce child mortality rates; and MDG5: improve maternal health.

5. The main activities of PRRO 200289 are:

- *General food distributions* (GFD) for food-insecure households<sup>4</sup>: (i) refugees from Sudan (ii) refugees from Central African Republic (CAR) and (iii) vulnerable populations living in proximity to refugee population and in regions where food insecurity is high<sup>5</sup>;
- *Targeted supplementary feeding* (TSFP) for treatment of children aged 6–59 months with moderate acute malnutrition (MAM) and malnourished pregnant and lactating women (PLW) throughout the year in ten regions<sup>6</sup> with high acute malnutrition rates and aggravating factors including food insecurity. TSFP is also undertaken in refugee camps in three regions<sup>7</sup>;
- *Blanket supplementary feeding programme* (BSFP) jointly implemented with the United Nations Children’s Fund (UNICEF). The response targets children aged 6–23 months and lactating women in selected regions<sup>8</sup> for assistance during the lean season aiming to prevent increases in acute malnutrition;
- *Food assistance for assets* (FFA) for the creation of productive assets targeting chronically food-insecure Chadian households, and for increasing the level of autonomy of refugee households. A partnership framework for these activities exists with Government bodies, United Nations agencies and other actors. This work on resilience cannot be finalised within the timeframe of the current project, and will continue beyond 2014 either in the context of another PRRO or a Country Programme;
- Assistance to the government in developing its capacity to improve early warning systems: food security and nutrition monitoring, response to food and nutrition crises and local purchases.

6. WFP is also implementing development project 200288, ‘Support to Primary Education and Enrolment of Girls in Chad’. This project assists the government in establishing a system that will provide high-quality education for all and acts as a social safety net in food insecure areas.

## Conclusion and Recommendations of the Re-Assessment

7. Recurring natural disasters result in erratic agricultural production, one of the main contributors to rural poverty and food insecurity in Chad. Data from past assessments indicate high food insecurity levels particularly within the Sahelian zone in Chad. The estimated food insecurity level in 2010 was 60 percent, 51 percent in 2011 and 48 percent in 2012.<sup>9</sup> Although there has been a slight decrease, many of the regions in the Northern part of the Sahelian zone continue to suffer from recurrent food crises due to inadequate household food production, inadequate food consumption and poor dietary diversity, high dependence on markets, non-diversification of income generating activities, recurring shocks, and low resilience capacity of households and communities.

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<sup>4</sup> Bahr-El-Gazal, Batha, East Ennedi, Eastern Logone, Guera, Kanem, Moyen Chari, Ouaddai, Salamat, Sila and Wadi-Fira.

<sup>5</sup> Chad is divided into three climatic zones: the desert in the north, the Sahelian zone in the centre and a more fertile Sudanese savannah zone in the south.

<sup>6</sup> Lac, Kanem, Barh El Gazal, Batha, Wadi Fira, Ouaddai, Sila, Guera, Hadjer Lamis and Salamat.

<sup>7</sup> Logone Oriental, Moyen Chari and Ennedi.

<sup>8</sup> BSFP is implemented in regions where GAM rates are above 15 percent.

<sup>9</sup> Data measured in March/April of each year in the Emergency Food Security Assessments.

8. Assessments have indicated that household food insecurity and the capacity to respond to shocks are directly related to household and community assets. Asset ownership varies across agro-ecological zones, with asset-poor households and communities located mostly in the Sahelian zone. These households living in communities with poor assets scores are more vulnerable to external shocks and resulting food insecurity.
9. The National Food Security Assessment<sup>10</sup> of rural households conducted in March 2013 by WFP/Government of Chad indicated that 2.1 million food-insecure people<sup>11</sup> of which 1.5 million living in the Sahelian zone and 600,000 people in the Sudanese zone. Out of the 1.5 million in the Sahel, 705,000 were food-insecure and received assistance during the 2013 lean season: they resided in communities with low resilience and high vulnerability to shocks. Although the level of food security improved after the 2012 Sahel food and nutrition crisis, the situation still remains critical in several regions and high levels are expected to remain prevalent in 2014 particularly during the lean season.
10. Although acute malnutrition rates have declined significantly from the exceptional highs recorded during the 2012 food and nutrition crisis in nearly all regions, the nutritional situation remains fragile. A 2013 nutrition survey<sup>12</sup>, using the SMART methodology, conducted in eleven regions of the Sahelian zone confirmed that acute malnutrition rates remain high for children 6-59 months. The World Health Organization's (WHO) 15 percent critical global acute malnutrition (GAM) threshold was exceeded in 5 of the 11 Sahelian regions in the post-harvest period.<sup>13</sup> Historical data shows a cyclical trend in acute malnutrition during the annual lean season, due to fragile food security and aggravating factors such as the depletion of existing food stocks at the household level, high food prices, deteriorating terms of trade and the presence of epidemics. During this period, GAM rates increase, often pushing several additional regions over the 15 percent critical threshold. The same survey indicated GAM rates below intervention thresholds for PLW, ranging from 0.4 to 4.7 percent, which would be largely due to the food ration provided to Sudanese refugees, which includes SuperCereal.
11. Malnutrition also remains a concern within the refugee population, particularly in children 6-59 months, though the situation shows signs of improvement relative to previous years. A SMART survey conducted among Sudanese refugee populations<sup>14</sup> indicated that acute malnutrition rates had declined significantly in 6 out of 12 camps with GAM rates below 10 percent. GAM rates in the remaining 6 camps were above 10 percent, reaching as high as 18 percent. The same survey indicated acute malnutrition rates below 2 percent for PLW. Chronic malnutrition rates were also above the 40 percent critical level in all camps. A study by the United Nations High Commissioner for Refugees (UNHCR) in camps highlighted a number of factors that contribute to undernutrition among young children, including: inadequate care

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<sup>10</sup> The assessment covered 18 administrative regions, excluding the desert zone.

<sup>11</sup> In 2012, the corresponding figure was 3.6 million.

<sup>12</sup> Ministry of Public Health and Unicef SMART Enquête nutritionnelle et de mortalité dans la bande sahélienne, Chari Baguirmi et N'Ndjamena janvier-février 2013

<sup>13</sup> Critical GAM prevalence was 18 percent in Bahr-el-Ghazal, 17 percent in Ouaddai and 15 percent in Kanem, Wadi-Fira and Batha. In Guera and Sila regions the GAM levels were at 12 and 10 percent respectively.

<sup>14</sup> UNHCR & WFP, Enquêtes nutritionnelles dans les camps des réfugiés soudanais à l'Est du Tchad, Février 2013.

practices, inadequate complementary feeding for children under two, limited access to micronutrient rich foods and high burden of diarrhoea and infectious diseases.<sup>15</sup>

12. A Joint Assessment Mission was conducted by WFP, UNHCR and the Government in October-November 2012. This mission confirmed the need to continue assisting Sudanese and CAR refugees and resulted in a multi-faceted plan of action for improving assistance to refugees.
13. UNHCR and WFP jointly commissioned a series of evaluations on the contribution of food assistance to durable solutions in protracted refugee situations in four countries, including CAR refugees in Chad. Among the findings were the following: high numbers of refugee households remained food-insecure, particularly female-headed households posing higher security risks for women; livelihood options for refugees were limited and livelihood support was generally weak; and UNHCR/WFP engagement with host communities was limited, with missed opportunities for synergies. The overarching conclusion was that the international community's response to refugees in protracted crises had yet to build self-reliance of the community. WFP and UNHCR have thus established a joint plan for assisting CAR refugees to become more self-sufficient and are engaged in building better coordinated and more effective activities.
14. In addition to influxes in 2012, the deterioration of the security situation in Darfur from January 2013 prompted the arrival of 28,000 new Sudanese refugees and some 20,000 Chadian returnees in the Tissi area, in Southern Chad. Due to civil unrest in CAR, there have been new influxes of more than 8,600 CAR refugees since 2013.
15. Following the results of various studies and evaluations, as well as the recommendations of the latest Cash for Change mission, C&V will be introduced for GFD and for FFA, as it is coherent with the objectives of these programmes, leads to diet diversification and stimulates the rural economy. As per market analysis carried out in April 2012, the use of C&V is feasible owing to good integration of markets in the areas of implementation. WFP has opted for electronic vouchers in order to strengthen the food security status of beneficiaries and to limit the physical transfers of cash owing to security issues. The microfinance institutions network being weak or inexistent, the best solution for a realistic scale-up remains the use and development of the mobile network.

### **Purpose of Extension and Budget Increase**

16. In line with the original project document, WFP will continue to provide food and nutrition assistance to food insecure refugees and to local populations in areas with persistently high food insecurity and malnutrition levels (Bahr-El-Gazal, Batha, East Ennedi, Eastern Logone, Guera, Hadjer Lamis, Kanem, Lac, Mandoul, Moyen Chari, Ouaddai, Salamat, Sila, Tandjile, Wadi-Fira and Western Logone). For both groups, WFP will prioritize resilience-building activities to help households respond to recurring food insecurity. FFA activities will be implemented particularly during the period of low agricultural activity between November and June, and will target food-insecure rural communities, including host communities near refugee camps.

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<sup>15</sup> UNHCR & WFP, Joint Assessment Mission, Situation des réfugiés Soudanais et Centrafricains au Tchad, April 2013.

Households suffering from food insecurity, and particularly those with immediate food needs, will be prioritised. Activities will include those listed in the original project document, such as water retention and water management projects; activities contributing to increases in agricultural production especially for CAR refugees; and skills training for income generation. These activities will be implemented in conjunction with Government services, the Food and Agriculture Organisation (FAO), UNHCR, UNICEF and other partners who will contribute technical expertise and by leading planning processes at community level.

17. WFP strives to ensure strong complementarity and integration of activities undertaken by WFP and partners: ongoing treatment for acute malnutrition help for children under 5; school feeding acts as a safety net through the school age years; emergency food assistance during the lean season helps families survive without liquidating all their resources; FFA activities help households and communities to build up productive assets and “graduate” from a cycle of recurrent crises; and cash and vouchers programmes inject cash into rural economies. The Government, in parallel, has launched an ambitious programme of road infrastructure, thereby contributing to the integration of markets, providing an outlet for products from rural areas, and reducing food prices for consumers.
18. Adjustments have been made to Sudanese and CAR refugees beneficiary figures based on field realities. In 2013, the planned caseload of Sudanese refugees was 270,000: however, due to occasional influxes and to high birth rates, the refugee population has increased by 30,000. Out of the above-mentioned 2013 influx in the area of Tissi, it is assumed that approximately 10,000 people will remain as refugees in Chad in 2014. Based on information from UNHCR, an additional contingency of 10,000 people is being planned for, owing to the volatile situation in South Darfur. In 2013, although the planned caseload for CAR refugees was 52,000, the actual caseload was higher.<sup>16</sup> In 2014, 67,781 CAR refugees will be assisted, accounting for births, recent influxes, and a contingency for new arrivals. Nevertheless, the overall volume of assistance will decrease compared to 2013, as beneficiaries’ needs allow for a shift from full ration to reduced and lean season rations. For 2014, an estimated 16,945 refugees, including new arrivals, are fully dependent on external assistance and will receive full rations. The remaining 50,836 will receive full rations during the two-month lean season, of which 16,945 are partially dependent and will also receive half rations for the rest of the year. Using the results from a joint WFP/UNHCR assessment planned for October 2013, ration levels for CAR refugees will be adjusted as needed.
19. Supplementary feeding activities will be scaled down to reflect the transitioning nutritional situation. In 2013, assisted beneficiary numbers for nutritional activities were maintained at the same level as 2012: following the nutritional crisis, recovery was slow and the needs remained high. GAM from the latest surveys while still high, have begun to return to pre-crisis levels. Caseloads for nutrition activities in 2014 were therefore adjusted based on 2013 GAM rates and response capacity<sup>17</sup>, leading to

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<sup>16</sup> Actual CAR refugee caseload for 2013 was 63,767. The four types of rations planned could not be implemented in 2013, and only two types of rations were distributed.

<sup>17</sup> Coverage rate was increased to 75% for BSFP activities based on experience from previous years and availability of operational partners. TSFP coverage has been increasing steadily since the beginning of 2012. However, supplementary feeding activities are largely health-facility-based, which limits the possibility of expansion. Based on this assessment, coverage rate for MAM treatment was set at 80% in the general population and at 90% in refugee settings.

reduced beneficiary figures for BSFP and some TSFP activities.<sup>18</sup> TSFP will be implemented as part of an integrated response that includes treatment of both moderate and severe acute malnutrition.

<b>TABLE 1: BENEFICIARIES BY ACTIVITY</b>			
<b>Activities</b>	<b>Current 2013</b>	<b>Increase 2014</b>	<b>Revised 2014</b>
GFD (Sudanese refugees)	270,000	50,000	320,000 <sup>(1)(2)</sup>
GFD (CAR refugees – full ration)	6,400	10,545	16,945 <sup>(3)(4)</sup>
GFD (CAR refugees –reduced ration)	5,400	-5,400	-
GFD (CAR refugees – lean season ration)	40,200	10,636	50,836 <sup>(3)(4)</sup>
GFD (CAR refugees – reduced ration, vulnerable groups) <sup>(5)</sup>	10,000	6,945	16,945 <sup>(3)(4)</sup>
Seasonal targeted food assistance to food-insecure Chadian population	425,000	-	425,000 <sup>(6)</sup>
TSFP – children 6-59 months	177,000	-	177,000
TSFP – PLW	44,000	-24,000	20,000
TSFP – PLW refugees	5,000	-5,000	-
TSFP – child refugees 6–59 months	20,000	-10,000	10,000
BSFP – lactating women	75,000	-15,000	60,000
BSFP – children 6–23 months	300,000	- 100,000	200,000
Volunteers at supplementary feeding centres (SFC)	6,250	750	7,000
Caregivers for children suffering from severe acute malnutrition (SAM)	2,000	5,000	7,000
Prevention of chronic malnutrition – refugee children 6-23 months	-	20,000	20,000
FFA	325,000	-	325,000 <sup>(7)</sup>
<b>TOTAL (without overlap)</b>	<b>1,031,000</b>		<b>1,254,700</b>

- (1) Including 48,000 beneficiaries who will receive unconditional C&V transfers.
- (2) Including a contingency for 10,000 new arrivals.
- (3) Including 42,663 beneficiaries who will receive unconditional C&V transfers.
- (4) Including a contingency for 4,000 new arrivals.
- (5) These beneficiaries receive a 10-month reduced ration and also receive a full ration during the two-month lean season.
- (6) Including 75,000 beneficiaries who will receive unconditional C&V transfers.
- (7) Including 100,000 beneficiaries who will receive conditional C&V transfers.

<sup>18</sup> Planned TSFP figures remain unchanged for children 6-59 months in the general population but were reduced for children 6-59 months in refugee camps as well as PLW (refugees and non-refugees). BSFP figures were reduced compared to 2013.



20. The C&V programme will be implemented in the Sahelian zone throughout the year, markets permitting. In a year with a good harvest, it will be possible to implement the modality from October to June without significant strain on the market. If the market, through good integration, can handle additional demand during the lean season, the programme will continue into the lean season. According to recent capacity assessments, the most appropriate delivery mechanism for the C&V intervention is a value voucher issued electronically using mobile phones, which will allow beneficiaries to purchase food commodities in participating shops. The voucher transfer value is projected to be approximately US\$ 35 for a monthly family ration. The transfer value was calculated taking into consideration the cost of a typical household food basket and the average market value of the WFP in-kind ration in different major markets over the past two years. The products authorized for the voucher transactions will include cereals, pulses, oil, salt and sugar. For asset creation activities, the numbers of working days will be adjusted to fit the transfer value. C&V activities will be implemented through a partnership with (i) a mobile operator, accountable for the creation and transfer of e-money, (ii) local merchants, where beneficiaries can redeem the voucher to receive food commodities and (iii) NGO partners, to ensure adequate targeting, implementation and monitoring.
21. WFP will provide a low-quantity lipid-based nutrition supplement (Nutributter®) in Sudanese refugee camps to prevent chronic malnutrition among children aged 6-23 months,<sup>19</sup> complementing the GFD ration which meets the macro-nutrient needs of the refugee children. This activity, currently undertaken by UNHCR, will target 20,000 children throughout the year in 2014; WFP will cover July to December 2014.<sup>20</sup> WFP will also liaise with partners to ensure that complementary nutrition, health and hygiene activities are implemented.
22. As part of the “Renewed Efforts against Child Hunger and Malnutrition” (REACH) initiative which was launched in Chad in March 2013, WFP, UNICEF, WHO and FAO will provide support to the government in achieving the goals set under the Scaling Up Nutrition initiative, and support the formulation of a national nutrition policy.
23. WFP and FAO are working with the Government to reinforce the National Early Warning System and the Food Security and Crisis Management Action Committee. WFP and its partners contribute to improving data collection, analysis and information management and sharing of real-time information. WFP will continue to provide technical support and capacity building to the government and partners in emergency preparedness, food security data collection, assessments and analysis, and food security monitoring. This capacity-building initiative will strengthen ministerial technical departments’ capacities, and assure sustainability and gradual handover of some activities to the Government.

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<sup>19</sup> The general context, including the absence of a national nutrition policy, and difficulties in identifying a cooperating partner preclude WFP from piloting this activity in the general (non-refugee) population at this point in time.

<sup>20</sup> UNHCR will provide commodities from June 2013 through June 2014.

**TABLE 2: DAILY FOOD RATION BY ACTIVITY (g/person/day)**

	GFD – Sudanese Refugees	GFD - CAR refugees			GFD- Local vulnerable groups	TSFP		BSFP		Volunteers at SFC	Caregivers for children with SAM	Prevention of chronic malnutrition	FFA
	Full ration	Full ration	Lean season ration	Reduced ration to vulnerable groups	Reduced ration	Children 6–59 months	PLW	Lactating women	Children 6 – 23 months			Sudanese refugees children 6-23 months	
Supercereal	50						200	200			50		
Cereals	425	450	450	250	225					450	450		450
Pulses	50	100	100	75	50					75	50		100
Vegetable oil	25	25	25	15	15		25	15		25	25		25
Sugar	15						20	15					
Salt	5	5	5	5	5					5	5		5
Plumpy'sup@						92							
Plumpy'doz@									47				
Nutributter												20	
<b>TOTAL</b>	<b>570</b>	<b>580</b>	<b>580</b>	<b>345</b>	<b>295</b>	<b>92</b>	<b>245</b>	<b>230</b>	<b>47</b>	<b>555</b>	<b>580</b>	<b>20</b>	<b>580</b>
Total kcal/day	2070	2060	2060	1220	1050	500	1053	944	247	1980	2084	108	2060
% kcal from protein	13.0	14.2	14.2	14.8	13.9	12.8	30.6	30.6	10	64.5	67.1	10	14.2
% kcal from fat	17.9	17.2	17.2	17.0	18.9	30.5	41.1	31.1	58	39.4	43.1	58	17.2
<b># days/year</b>	<b>365</b>	<b>365</b>	<b>60</b>	<b>300</b>	<b>90</b>	<b>90</b>	<b>180</b>	<b>120</b>	<b>120</b>	<b>240</b>	<b>30</b>	<b>180</b>	<b>120<sup>21</sup></b>

<sup>21</sup> Feeding and working days.

## FOOD REQUIREMENTS

24. The increases in the food and cash voucher requirements are listed below in Table 3.

<b>TABLE 3: FOOD &amp; CASH VOUCHER REQUIREMENTS BY ACTIVITY</b>				
<b>Activity</b>	<b>Commodity/ C&amp;V</b>	<b>Food requirements (mt) C&amp;V (US\$)</b>		
		<b>Current project</b>	<b>Increase 2014</b>	<b>Revised Total Project</b>
Assistance to refugees	Commodity	124,087	60,145	184,232 mt
	C&V	-	7,001,862	7,001,862 US\$
Seasonal targeted assistance to Chadian food-insecure population	Commodity	89,764	9,293	99,057 mt
	C&V	-	1,041,667	1,041,667 US\$
TSFP	Commodity	10,174	2,430	12,604 mt
BSFP	Commodity	18,847	2,784	21,631 mt
Volunteers at SFC	Commodity	1,500	932	2,432 mt
Carergivers for malnourished children	Commodity	70	122	192 mt
Prevention of chronic malnutrition	Commodity	304	84	388 mt
FFA	Commodity	40,577	15,660	56,237 mt
	C&V	-	3,456,790	3,456,790 US\$
<b>TOTAL</b>	<b>COMMODITY</b>	<b>285,323 mt</b>	<b>91,450 mt</b>	<b>376,773 mt</b>
	<b>C&amp;V</b>	<b>-</b>	<b>11,500,318 US\$</b>	<b>11,500,318 US\$</b>

## HAZARD / RISK ASSESSMENT AND PREPAREDNESS PLANNING

25. Programmatic and institutional risks identified in the original PRRO document remain valid. Boko Haram in Northern Nigeria constitutes an additional threat to security and market stability.

26. Planning assumptions are for abundant and well-distributed rains, which improve food security. Should the 2013-2014 agricultural harvest be below that of a normal year and Chad register a production deficit, the food security and nutritional situation will deteriorate across the targeted areas. WFP is prepared to respond to any additional needs caused by these risks through further budget revisions to PRRO 200289 which,

in the case of reduced availability of food on the local market, might imply the replacement of C&V by in-kind distributions.

27. WFP and partners are regularly monitoring early warning indicators, as well as contextual and operational risks.

28. The design of this project has taken into account the major risks associated with the implementation of C&V such as fraud, corruption, capacity of partners, supply, security and inflation. In the Chadian context, there are additional risks such as community conflicts, monopoly, problems with identification of beneficiaries and diversions. To mitigate these risks, WFP will work with financial partners registered with the Bank of Central African States and controlled by banking auditors, who demonstrate strict application of rules and regulations for tracking and monitoring financial transfers. WFP will evaluate the C&V programme mid-2014. A detailed Risk Analysis Matrix has been designed as a reference document.

### **RECOMMENDATION OF THE EXECUTIVE DIRECTOR**

The proposed 12 month extension, as well as the additional commitment of food and cash voucher, resulting in the revised budget for project 200289 is recommended to the Executive Board for approval.

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Ertharin Cousin

Executive Director, WFP

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Date

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## ACRONYMS USED IN THE DOCUMENT

BSFP	Blanket supplementary feeding programme
CAR	Central African Republic
C&V	Cash & Vouchers Programming
FAO	Food and Agriculture Organization
FFA	Food assistance for assets
GAM	Global acute malnutrition
GFD	General food distributions
MAM	Moderate Acute Malnutrition
PLW	Pregnant and Lactating Women
PRRO	Protracted relief and recovery operation
SAM	Severe Acute Malnutrition
SMART	Standardized monitoring and assessment of relief and transition
SFC	Supplementary Feeding Centres
TSFP	Targeted supplementary feeding programme
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
WHO	World Health Organization

<b>BUDGET INCREASE COST BREAKDOWN</b>			
<b>Food<sup>1</sup></b>	<b>Quantity (mt)</b>	<b>Value (US\$)</b>	<b>Value (US\$)</b>
Cereals	64 995.50	19 423 333	
Pulses	10 027.89	6 663 971	
Oil and fats	4 028.31	4 593 401	
Mixed and blended food	9 894.92	14 370 296	
Others	2 503.35	1 009 832	
<b>Total food</b>	<b>91 449.97</b>	<b>46 060 834</b>	
Cash transfers		00 000	
Voucher transfers		<b>11 500 318</b>	
Total food, cash and voucher transfers			<b>57 561 152</b>
External transport			8 868 276
Landside transport, storage and handling			42 153 165
Other direct operational costs			5 131 636
Direct support costs (see Annex I-B)			27 671 472
Total WFP direct costs			<b>141 385 701</b>
Indirect support costs (7.0 percent) <sup>2</sup>			9 896 999
<b>TOTAL WFP COSTS</b>			<b>151 282 700</b>

<sup>1</sup> This is a national food basket for budgeting and approval. The contents may vary.

<sup>2</sup> The indirect support cost rate may be amended by the Board during the project.

## ANNEX I-B

<b>DIRECT SUPPORT REQUIREMENTS (US\$)</b>	
<b>Staff and staff-related costs</b>	
International professional staff	11 064 060
Local staff - national officers	500 304
Local staff - general service	1 080 416
Local staff - temporary assistance	2 115 260
Local staff – overtime	43 128
Hazard pay and hardship allowance	350 400
International consultants	118 408
Local consultants	29 693
United Nations volunteers	400 000
Staff duty travel	2 285 957
<b>Subtotal</b>	<b>17 987 625</b>
<b>Recurring Expenses</b>	
Rental of facility	472 917
Utilities	559 805
Office supplies and other consumables	59 509
Communications services	960 778
Equipment repair and maintenance	543 222
Vehicle running costs and maintenance	645 650
Office set-up and repairs	740 000
United Nations organization services	1 600 000
<b>Subtotal</b>	<b>5 581 881</b>
<b>Equipment &amp; Capital Costs</b>	
Vehicle leasing	867 000
Communications equipment	1 504 567
Local security costs	1 730 398
<b>Subtotal</b>	<b>4 101 965</b>
<b>TOTAL DIRECT SUPPORT COSTS</b>	<b>27 671 472</b>

MAP