

Mozambique & Project No.:200355
B/R No.:03

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
<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 March 2012 **End date:** 31 Dec 2014 **Extension/Reduction period:** N/A **New end date:** N/A

Cost (United States dollars)

	Current Budget	Increase	Revised Budget
Food Related Costs	US\$ 24 415 363	US\$ 2 931 762	US\$ 27 347 125
Cash and Vouchers and Related Costs	US\$ 0	US\$ 0	US\$ 0
Capacity Development & Augmentation	US\$ 0	US\$ 568 137	US\$ 568 137
DSC	US\$ 3 755 842	US\$ 823 832	US\$ 4 579 674
ISC	US\$ 1 971 984	US\$ 302 661	US\$ 2 274 646
Total cost to WFP	US\$ 30 143 189	US\$ 4 626 392	US\$ 34 769 582

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 type="checkbox"/> Additional external transport | <input type="checkbox"/> Extension or Reduction in time | <input checked="" type="checkbox"/> Other | |

NATURE OF THE REVISION

1. A budget revision to Mozambique's Protracted Relief and Recovery Operation (PRRO 200355) is required to a) partially redirect PRRO in-country available resources for an immediate relief response to meet possible food needs stemming from the on-going political and military crisis, which has prompted almost 4,000 people in the centre of the country to flee their homes and take shelter in temporary camps; b) improve the GFD ration for the relief assistance in order to better meet minimum food requirements of disaster affected persons; c) include a Capacity Development & Augmentation tool in order to provide further technical support to the national institutions in disaster risk reduction, emergency response, and food security monitoring in Mozambique, and d) adjust associated costs accordingly.
2. Consequently, this revision will:
 - Allow the use of some of the in-country available resources to assist people that have been displaced due to the military-political tensions in the country
 - Increase food commodity costs by US\$ 2 931 762
 - Increase ODOC food costs by US\$ 31,063 from US\$ 2,597,658 to US\$ 2,628,721, resulting in a decrease of ODOC food rate from US\$ 72.32 to US\$ 27.04;
 - Adjust the Land Transport, Storage and Handling (LTSH) rate from US\$ 191.76 to US\$ 196.80 per metric ton, leading to an overall increase in LTSH costs by US\$ 715,964 from US\$ 6,888,272 to US\$ 7,604,236;
 - Include a Capacity Development & Augmentation tool amounting to US\$ 568, 137
 - Increase Direct Support Costs (DSC) by US\$ 823,832 from US\$ 3,755,842 to US\$ 4,579,674 resulting in an increase of DSC percentage from 15% to 16%;
 - Increase overall Indirect Support Costs (ISC) US\$ 302,661.
3. Overall, this budget revision will result in a net increase of US\$ 4,626, 392 from US\$ 30,143,189 to US\$ 34,769,582.

JUSTIFICATION FOR BUDGET INCREASE

Summary of existing project activities

1. This operation currently provides assistance to 253,000 beneficiaries over a period of 34 months from 01 March 2012 to 31 December 2014.
2. Each year in Mozambique there is a transitory caseload of acutely food insecure households affected by natural disasters, which require short-term support. The worst affected areas are those in the central and southern regions which are most prone to recurrent drought, floods and the coastal areas prone to cyclones. When the size of this transitory caseload exceeds the response capacity of the Government (through the National Institute for Disaster Management -INGC), this generally triggers a formal request for support from WFP and other partners. Therefore, through this PRRO, WFP ensures that populations that are transiently food insecure as a result of recurrent seasonal shocks are assisted through relief and early recovery interventions.

3. Through this PRRO, WFP also take steps to strengthen the capacity of the Government to take over the operational elements of such interventions. Specifically, WFP assists the Government to strengthen the surge capacity of the National Institute for Disaster Management (INGC) and to other national institutions, such as SETSAN, Ministry of Agriculture. to realise a timely and effective response to emergencies by providing capacity development support in the area of emergency preparedness and response, early warning system, disaster risk reduction and improved tools for food security monitoring, both at central and local levels.
4. The operation underpins the *National Action Plan for Poverty Reduction 2011-2014 (PRSP)*, the Disaster Management Master Plan, and the Contingency Plan and contributes to WFP Strategic Objectives 1 and 2. In relation to the new Strategic Results Framework (2014-2017) and its results framework, the PRRO objectives have been re-aligned to the SO1 and SO2, which are respectively “Save the lives and protect livelihoods in emergencies” and “Support or restore food security and nutrition and establish or rebuild livelihoods in fragile setting and following emergencies”. The first PRRO objective contributes to the achievement of the outcome 1.1. “Stabilized or reduced undernutrition among children aged 6-59 months and pregnant and lactating women” and to the outcome 1.4. “National institutions, regional bodies and the humanitarian community are able to prepare for, assess and respond to emergencies”. The second PRRO objective on strengthening the capacity of national institutions will contribute to the capacity development of the outcome 2.4. “Capacity developed to address national food security needs” of the new SRF.

Purpose of budget revision

5. Mozambique is facing a security crisis after the former rebel movement RENAMO unilaterally cancelled the 1992 peace agreement and took up arms in October 2013. Although so far the military actions were mainly confined to the central province of Sofala, the renewed fighting has raised fears and led hundreds of families to flee from their homes and take shelter in temporary accommodation centers. At the capital of Gorongosa district in Sofala province, central Mozambique, the local authorities estimate that at least 4,000 Internally Displaced People (IDPs) are in camps, having fled their homes because of frequent clashes between government forces and armed men from RENAMO. There were also reports about IDPs in Inhambane province in Southern Mozambique. Since the start of the crisis in October 2013, IDPs were assisted by the National Institute for Disaster Management (INGC). However, as the crisis persists, the Government of Mozambique recently expressed the need for humanitarian assistance to those IDPs by UN agencies and partners. WFP, in particular, has been solicited for providing food assistance. In the absence of major floods and cyclones during the current rainy season, WFP contingency stocks have remained unused so far and therefore uncommitted resources could be immediately available for assistance to the IDPs.

While the current caseloads for both GFD and FFW activities will remain the same, it is proposed that Country Office Mozambique could include those IDPs under the GFD caseload and redirect the in-country available PRRO resources to meet the needs of IDPs. The food assistance will be provided in close coordination with national local authorities. Rations applied will be the PRRO GFD rations.

Should the situation persist and/or worsen and the number of IDPs significantly increases, an EMOP would be considered.

6. Currently the GFD ration used during the relief phase is the same as the FFW ration used for the recovery activities; it is composed of maize in grain and pulses. During the last emergencies it was observed that the ration does not adequately meet the minimum macronutrient and micronutrient requirements of beneficiaries. In addition, maize in grain is not appropriate in assisting displaced people who have fled their homes and left behind all their food utensils. It is therefore proposed to revise the GFD ration by, substituting maize in grains by fortified maize meal and adding fortified oil and Super Cereal in order to meet minimum macronutrient and most of micronutrient requirements of disaster affected people. On due course, cooperative partners will be sensitized and supported in addressing the use of Super Cereal to the groups of the population at higher risk of nutritional insecurity, namely children under five and pregnant and lactating women. Moreover, targeted food provision will support population members who are living with HIV and/or TB and in need of continuing their treatments.

These revisions are supported by national authorities and donors. The GFD ration will be distributed for a period of two months in the immediate aftermath of a disaster. When required, food assistance will be prolonged beyond the relief phase through FFW activities.

In line with WFP corporate recommendations, the proposed GFD ration will be composed of Fortified Maize Meal (400 g/day/person), Pulses (60 g/day/person), Fortified Oil (25 g/day/person), and Super Cereal (50 g/day/person). Super Cereal will be destined to vulnerable population.

7. The revision of the PRRO encompasses the inclusion in the budget of a Capacity Development & Augmentation (CDA) tool in order to strengthen CDA activities planned in the initial project and aiming at supporting national institutions, such as INGC, SETSAN, Ministry of Agriculture (MINAG), etc. While ODOC food rate cannot generate funds enough to support both food and CDA activities, it is needed, as recommended by the New Financial Framework, to add a CDA tool in order to ensure that CDA activities can be duly resourced and implemented. CDAs will be carried out to enhance the capacities and the means of the above-mentioned institutions in the following fields of expertise: i) emergency assessments and impact on household food security; ii) spatial data analysis; iii) remote sensing tools for monitoring agriculture and forecasting; iv) equipment and training of local communities in emergency preparedness; v) risk mapping and district profile; vi) advance mobile tools and training for data collection on food security along with program performance monitoring (output, process, outcome); vii) support market assessments and price data collection (including by means of mobile devices); viii) support the improvement of the platform on food security and poverty. The CDAs will be coordinated and implemented by the VAM and M&E Unit in Mozambique, with some support of international consultants.
8. In collaboration with Ministry of Health (MoH) and the Nutrition Cluster members, WFP is currently exploring the possibility to support a MoH mission to conduct a Rapid Nutrition Appraisal. This aims to highlight potential nutrient gaps in the vulnerable sections of the population, but, most of all, the possible mechanism to better target them with the more nutrient-dense foods (Super Cereal). This mission offers also other opportunities. Other nutrition-sensitive targets will be identified (e.g. water and sanitation), while its results will be shared with partnering relevant government sectors, UN agencies and NGO's.
9. Local food procurement will be done from northern and central areas which have good production potential and produce surplus; purchases will be conducted as much as possible during the commercialization season of maize (June – September) and pulses (April-October). All regional purchases will be done in close coordination with OMJ procurement and will also tend as much as possible to be done accordingly to the harvest period in order to obtain the lowest prices.

Due to a ban on importation the oil, CO Mozambique has no other option than purchasing oil locally.

10. Initial food rate was calculated to support both food distribution and CDA activities. With the inclusion of a CDA tool, the ODOC food rate decreases from US\$ 72.32 to US\$ 27.04.
11. DSC expenditures for CO Mozambique are shared among the PRRO, the CP and Trust Funds. It was initially planned that the CP, being the largest project, will support the major part of the costs. However, considering that the CP level of funding is about 37%, CP cannot support the planned costs sharing. As a result DSC PRRO budget needs to be increased in order to reflect the revised cost sharing plan. In addition, IT cost per capita, not yet included in the budget, have been added, UNDS costs, initially underestimated, have been increased. And last, positions have been added both at central and field levels to strengthen Programme and support units and ensure an adequate staffing for handling emergencies responses.
12. The LTSH matrix with revised rates was approved by OSLT on 2 May 2014.

Year	TABLE 1: BENEFICIARIES BY ACTIVITY			
	Activity	Men/boys	Women/girls	Total
2014	GFD	95,256	103,194	198,450
	FFW	95,256	103,194	198,450
	Refugees/Asylum Seekers	3,840	4,160	8,000
	MCH/Supplementary and therapeutic feeding programmes	500	500	1,000
	Sub-Total	99,596	107,854	207,450

FOOD REQUIREMENTS

TABLE 2. FOOD REQUIREMENTS BY ACTIVITY TYPE			
Activity	Food requirement (mt)		
	Present	Increase/ Decrease	Revised
GFD*	16,071	2,719	18,790
FFW*	16,071	0	16,071
Refugees/Asylum Seekers	3,779	0	3,779
Total	35,921	2,719	38,640

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