

Malawi, Emergency Operation 200608

Budget Revision No.: 5

10 April, 2014

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 checked="" type="checkbox"/> Regional Director

PROJECT			
Start date: 1 September 2013	End date: 31 March 2014	Extension/ period: 2 months	New end date: 31 May 2014
<u>Cost (United States dollars)</u>			
	Current Budget	Increase (Decrease)	Revised Budget
Food and Related Costs	US\$ 67 599 777	US\$ 931 211	US\$ 68 530 989
Cash and Vouchers and Related Costs	US\$ 13 758 085	US\$ 578 350	US\$ 14 336 435
Capacity Development & Augmentation	US\$ 105 000	US\$ 0	US\$ 105 000
DSC	US\$ 3 588 930	US\$ 40 711	US\$ 3 629 641
ISC	US\$ 5 953 625	US\$ 108 519	US\$ 6 062 145
Total cost to WFP	US\$ 91 005 418	US\$ 1 658 792	US\$ 92 664 209

CHANGES TO:

Food Tool	C&V Tool		Project Rates
<input checked="" type="checkbox"/> MT	<input checked="" type="checkbox"/> C&V Transfers	<input type="checkbox"/> CD&A	<input type="checkbox"/> LTSH (\$/MT)
<input checked="" type="checkbox"/> Commodity Value	<input checked="" type="checkbox"/> C&V Related Costs	<input checked="" type="checkbox"/> DSC	<input type="checkbox"/> ODOC (\$/MT)
<input type="checkbox"/> External Transport		<input checked="" type="checkbox"/> Project duration	<input type="checkbox"/> C&V Related (%)
<input checked="" type="checkbox"/> LTSH		<input type="checkbox"/> Other	<input type="checkbox"/> DSC (%)
<input type="checkbox"/> ODOC			

NATURE OF THE REVISION

1. This fifth budget revision to the Malawi Emergency Operation (EMOP) 200608 “Targeted Relief Food Assistance to Vulnerable Population Affected by Natural Disasters”, seeks to extend in time the response by two months up to 31 May 2014. This follows the continued food insecurity of 220,664 beneficiaries in 9 districts mainly due to delayed crop harvest which has subsequently prolonged the lean season. This beneficiary population will need further food assistance during the months of April and May 2014.
2. The budget revision includes i) revised commodity value, ii) revised landside transport, storage and handling (LTSH) matrix, iii) revised C&V transfers and the related costs, iv) revised Direct Support Cost (DSC) and v) revised ISC. This budget revision will increase the overall budget plan from US\$ 91.0 million to US\$ 92.7 million.
3. The total cost increase of this revision amounts to US\$ 1.7 million and reflects the following requirements:
 - Increased food costs by US\$ 0.8 million;
 - Increased LTSH by US\$ 0.1 million;
 - Increased Cash and Voucher Transfers and its related costs by US\$ 0.6 million;
 - Increased Direct Support Cost (DSC) by US\$ 0.04 million
 - Increased Indirect Support Costs (ISC) by US\$ 0.1 million.

JUSTIFICATION FOR THE REVISION

Summary of existing project activities

4. EMOP 200608 was approved for the period from 1 September 2013 to 31 March 2014 to support 1.93 million beneficiaries with a total budget of US\$ 92.49 million. In line with the Malawi Growth and Development Strategy (MGDS) II, United Nations Development Assistance Framework and WFP’s Strategic Objective 1 of the WFP Strategic Plan (2008-2013), the objective of this emergency operation is to meet the immediate food needs and protect livelihoods of the victims of natural disasters and economic shocks. This will be achieved through the implementation of food and cash transfers targeting the affected populations guided by the annual assessment findings and recommendations of the Malawi Vulnerability Assessment Committee (MVAC) and emergency food security assessment (EFSA), including a market assessment that guided the geographical targeting of cash transfers.
5. This EMOP has had 4 budget revisions as follows:
 - Budget Revision 1 is the approved original budget
 - Budget Revision 2 was approved to adjust the external transport rate and related ISC;
 - Budget Revision 3 increased the overall budget following an increase in operational costs due to expansion of the geographical coverage of the response. Following the release of the updated MVAC report in November 2013, a budget revision was needed to align the original project budget requirements with the revised needs;
 - Budget Revision 4 decreased the LTSH rate to reflect actual LTSH needs for the project based on current market conditions

Conclusion and recommendation of the re-assessment

6. According to recent rapid assessment reports by FEWSNET, NGO partners and WFP,ⁱ the 2013/2014 food lean season has been prolonged due to delayed harvest following late onset of rains, erratic rains and prolonged dry spells in some areas, as well as localized floods affecting food production. Harvest is normally expected from April, but this will be delayed in some areas until end of April and into May.
7. Consequently, this extension is required up to 31 May 2014 in order to provide food assistance to 200,664 beneficiaries located in the most affected districts including Karonga, Mzimba, Kasungu, Balaka, Nsanje, Chikwawa, Blantyre, Machinga and Dedza. These districts will continue to require support in April 2014 after which crop harvest is expected. However, 2 northern districts (Mzimba and Karonga) will need assistance up to May 2014 due to delayed harvest.

Purpose of change in project duration and/or budget increase/decrease

8. This extension will enable the CO to meet the food needs of the targeted beneficiaries for the months of April and May 2014 in districts that have been affected by the continued food insecurity.
9. There is no change in the overall number of beneficiaries planned to receive WFP assistance as a result of this budget revision. The targeted population for this extension has been receiving assistance since the beginning of the operation in October. However the beneficiaries need continued food assistance due to delayed harvest.

FOOD REQUIREMENTS

10. A total of 1 898 MT will be distributed to 220,664 beneficiaries during this extension period. In addition, the extension will require US\$ 578,350 for Cash and Voucher transfers.

TABLE 1. FOOD REQUIREMENTS BY ACTIVITY TYPE			
	Food requirement (mt)		
Activity	Present	Increase (Decrease)	Revised
Targeted In kind Food Transfers	106 895	1 898	108 793
Targeted Cash Transfers	13 758 085	578 350	14 336 435

DISTRIBUTION:

DED & COO

Director, OME

Chief, OSLT

Country Director

OM Registry

Director, PGG

Director, OSZ

Chief, RMBP

Chief, OSZR

Programme Officer, RMBP

Programming Assistant, RMBP

Liaison Officer, OM @

Chief, OSZP

Regional Director

RB Programme Advisor

RB Programme Assistant

RB Chrono

ⁱ (i) FEWSNET, Malawi Food Security Outlook Update, February 2014, (ii) INGO Food Security Assessment Report, March 2014; (iii) Preliminary findings from the joint WFP/FEWSNET Food Security Monitoring report, March 2014