

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 April 2008

End date: 31 Dec 2013

Extension period: 6 months.

New end date: 30 June 2014.

Cost (United States dollars)

	Current Budget	Increase (Decrease)	Revised Budget
Food and Related Costs	US\$33,402,080	US\$ -	US\$33,402,080
Cash and Vouchers and Related Costs	US\$ -	US\$ -	US\$ -
Capacity Development & Augmentation	US\$ 2,040,200	US\$1,506,852	US\$ 3,547,052
DSC	US\$ 9,139,497	US\$ -	US\$ 9,139,497
ISC	US\$ 3,120,724	US\$ 105,480	US\$ 3,226,204
Total cost to WFP	US\$47,702,501	US\$1,612,332	US\$49,314,833

CHANGES TO:**Food Tool**

- ☐ MT
☐ Commodity Value
☐ External Transport
☐ LTSH
☐ ODOC

C&V Tool

- ☐ C&V Transfers
☐ C&V Related Costs

- ☒ CD&A
☒ DSC
☒ Project duration
☐ Other

Project Rates

- ☐ LTSH (\$/MT)
☐ ODOC (\$/MT)
☐ C&V Related (%)
☒ DSC (%)

DISTRIBUTION:

DED & COO

Director, OME

Chief, OSLT

Country Director

OM Registry

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Director, OSZ

Chief, RMBP

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Programme Officer, RMBP

Programming Assistant, RMBP

Liaison Officer, OM @

Chief, OSZP

Regional Director

RB Programme Advisor

RB Programme Assistant

RB Chrono

NATURE OF THE REVISION

1. This budget revision to the India Country Programme (CP 105730) is an extension to 30 June 2014. The extended duration of six months at an additional budget of USD 1.61 million is required to:
 - (i) Continue implementation of viable components of the CP that is consistent with the transition from food assistance to technical assistance and capacity building to scale up and improve the efficiency and effectiveness of the Targeted Public Distribution System and ongoing work to improve the nutritional value of the food basket of the TPDS;
 - (ii) Complete the ongoing strategic review of food and nutrition security in India as a Middle Income pilot;
 - (iii) Develop a Country Cooperation Strategy and Plan (CCS and CCP) and align it with priorities of the Government, WFP strategic priorities and priorities of the zero hunger challenge of the UN Secretary General and the India UNDAF (2013 -2017);
 - (iv) Develop a resourcing strategy for the new CCP from the Government and the private sector in India; and
 - (v) Discussion and approval of the new CCP by the Government and undertake feasibility and need assessment studies to facilitate implementation of the CCP and roll-out from 1 July 2014.

No new activity is proposed in this budget revision.

JUSTIFICATION FOR THE REVISION

Summary of existing project activities

- 1) WFP is transitioning from direct food assistance in India to technical assistance, capacity development and a more active role in policy advocacy in food and nutrition security. The CP is designed to support the Government of India to improve implementation of the national food security programmes.
- 2) The CP is comprised of three components: (i) capacity development through technical assistance to improve the implementation of government food-based schemes; (ii) provision of fortified supplementary food (India Mix) through the Integrated Child Development Services (ICDS), in conjunction with partners; and (iii) support to improve the livelihoods of food-insecure populations through asset creation to build resilience to natural disasters and degraded environments.
- 3) Food support provided through component (ii) and (iii) was phased out along with several capacity development projects including Wheat Flour Fortification and Nutrition project in Madhya Pradesh, Small food Production Units in Rajasthan, HIV-Nutrition project in Odisha and other micro projects in Uttarakhand under component I. The pilot project to improve the performance of the Targeted Public Distribution

System (TPDS) in Rayagada district of Odisha using technological solutions is being handed over to the Odisha State government.

- 4) A country-wide assessment of various TPDS reforms models was completed and a best practice model to reform the TPDS was developed by shared with States by the Ministry of Consumer Affairs, Food and Public Distribution. The Odisha State government has signed a 3 year demonstration project with technical support from WFP for a state-wide replication of the best practice model. Implementation of the rice fortification project will continue to December 2014 and the MOU is currently being reviewed by the Department of School and Mass Education and expected to be signed before the end of December 2013.

Conclusion and recommendation of the re-assessment (if applicable)

- The 2011 mid-term evaluation of the CP recommended transition from direct food assistance to technical assistance and capacity development to mobilize resources from the government to scale up viable pilot projects in food and nutrition security.
- The Government of India signed a Memorandum of Understanding (MoU) with WFP India to support the government's TPDS reforms initiatives in appreciation of the pioneering work by WFP on the Rayagada pilot to reform the TPDS¹. The Best Practice Model developed by WFP has been shared with States by the Ministry of Consumer Affairs, Food and Public Distribution to support the reforms agenda of the TPDS. A number of states have shown their willingness to partner with WFP to replicate the best practice model.
- Several stakeholder consultations have been undertaken to develop a new strategic focus for WFP operations in India including a mission from Headquarters. The mission from WFP Headquarters recommended the current programme portfolio to be refocused and build on its experiences to demonstrate efficiency and effectiveness of the partnership with the GoI. To achieve this, the WFP India Country Office must strengthen its competency to embark on large-scale projects staggered over a period of time to build a sound evidence-base for supporting and advocating reforms in food based social safety net programmes to improve efficiency and effectiveness .
- The 2013 National Food Security Act (NFSA, 2013) gives a legal right to 67 percent of the India population (813 million people) to receive adequate quantity of food grains at affordable prices. Priority areas for WFP support to improve the efficiency and effectiveness of food based social safety net programmes under NFSA were highlighted and discussed by various Stakeholders in the Government during the recent visit of the WFP Executive Director to India in November 2013. In addition, Professor Swaminathan

¹ WFP in partnership with the State government of Odisha has been implementing a project to reduce the errors in targeting and improve the supply chain management through use of Information and Communication Technology (ICT), and more specifically the biometric ration cards and bar coded coupons since later 2009 in the remote district Rayagada of Odisha, predominantly tribal with more than 72 percent population below poverty line. Taking cognizance of the infrastructure available, two distinct models were implanted- distribution of ration through biometric smart card and use of Point of Sale (PoS) with online transaction recording and tracking in urban areas (18 Fair Price Shops) and batch transaction update in rural areas (370 Fair Price Shops) with poor connectivity through use of bar coded coupons issued through biometric registration. Huge savings (of about 1.2 million US\$ annually for Rayagada which is nearly 7 percent) were recorded through the biometric registration and de-duplication for removing duplicate, bogus and ghost cards. Improved tracking systems are helping rationalization of allotments and reduction in leakages. The Rayagada project has provided important lessons to the Ministry of Food, Government of India, who is now expanding the computerization across the country in phased manner.

has agreed to lead a strategic review of food and nutrition security in India to inform the WFP country cooperation strategy and plan (July 2014 –June 2018).

- A six months extension is proposed to ensure that the recommendations emanating from the strategic review and various consultations and missions are incorporated in the Country Cooperation strategy and plan signed with the GoI.

Purpose of change in project duration and/or budget increase/decrease (applicable for all projects)

- The Mid-term evaluation of the Country Programme (2008 – 2012) in early 2011 concluded that the CP was consistent, relevant and supportive of the Government goals of inclusive growth as outlined in its Eleventh Five Year Plan. However, given India's strong economic growth in the last decade, self-sufficiency in food grains production at the national level, and its ability to implement and oversee large scale food-based safety net programmes, the evaluation recommended that the best way WFP India can add value to the effort of the GoI to address food insecurity and malnutrition is technical assistance and capacity development through few effective pilots owned by the government to facilitate replication to improve the efficiency and effectiveness of food based safety net programmes.
- Food and nutrition security is one of the top priorities of GoI. The same is being pursued through the legal framework of the National Food Security Act that is using the Targeted Public Distribution System (TPDS) as the main vehicle to provide food assistance to 75% of the rural and 50% of the urban population through nearly 500,000 Fair Price Shops across the country. However, the TPDS is not functioning effectively due to high leakages and sub-optimal performance that has necessitated reform of the TPDS as a priority to enhance the impact of NFSA. An estimated 58 percent of the subsidized food grains issued from the central pool do not reach the people below the poverty line because of identification errors, non-transparent operation and unethical practices in implementation of the TPDS according to the 2005 evaluation by the Planning Commission.
- WFP's experience in improving the performance of the TPDS in the Rayagada pilot and commitment to improve nutrition translates into emphasis on two main objectives: (i) improving the efficiency and quality of entitlement transfers to targeted beneficiaries through TPDS and (ii) increase availability and access to fortified food for vulnerable population.
- In this regard, WFP India undertook a comprehensive Staffing and Structure Review (SSR) and phased-out projects with limited strategic importance. The projects that will go forward towards the long term vision currently being developed will include:
 - *TPDS Reform Scale-up:* As per the MoU signed with the Government of Odisha, WFP will provide technical assistance for state-wide scale-up of the TPDS reforms project. The project is designed for a period of three years to cover the entire state followed by a potential support for full-scale implementation for another year.
 - *Advocacy for TPDS Reforms:* Based on the Best Practice model developed for TPDS computerization, WFP is engaging various states through different approaches. Different states of India are at different development and governance level with the TPDS reform. Based on the readiness of the states, technical support of differing intensity is being

provided by WFP. While intense support is being provided to Odisha, only tools and approaches are shared with other states.

- *Advocacy through Assessment of innovative models in TPDS for nutritional enhancement:* In order to facilitate replication of the best practice model across India in partnership with GoI, WFP is undertaking an assessment of existing nutritional enhancement models. Based on the findings of the study, an operational model is being developed to demonstrate and replicate within India. TPDS traditionally distribute cereals and there is potential to integrate nutrition for large scale impact.
- *Rice Fortification Project:* Improving nutritional value of the food being distributed through government's social safety net schemes is one of the important pillars of WFP's strategy. WFP, in partnership with government of Odisha is implementing a pilot project to fortify rice for the Mid-day Meal Scheme (GoI School Feeding programme) in Gajapati district of Odisha.
- The extension for six months will ensure continuation of these activities and integration into the new CCP, alignment of the CCP with Government priorities, WFP strategic priorities and UNDAF, and development of a resourcing strategy from the Government and the private sector to fund the new CCP from July 2014 to June 2018. This time frame will also enable the Country Office to undertake required feasibility and need assessment studies to facilitate implementation of the CCP.