

Bangladesh CP 200243

B/R No.: 902

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, ODLT (change in LTSH and/or External Transport)
<u>APPROVAL</u>				
<input checked="" type="checkbox"/> Regional Director

PROJECT
Start date: 01/01/2012 **End date:** 31/12/2016 **Extension/Reduction period:** N/A **New end date:** N/A

	Previous Budget	Revision	New Budget
Food cost ¹	US\$ 227,216,429	US\$ 2,891,158	US\$ 230,107,587
External transport ²	US\$ 22,775,135	US\$ 26,602	US\$ 22,801,737
LTSH ³	US\$ 10,927,974	US\$ 4,107	US\$ 10,932,081
ODOC ⁴	US\$ 26,997,282	US\$ 429,388	US\$ 27,426,670
DSC ⁵	US\$ 33,794,087	US\$ 390,859	US\$ 34,184,946
ISC (7%) ⁶	US\$ 22,519,764	US\$ 261,948	US\$ 22,781,712
Total WFP cost (US\$)	US\$ 344,230,671	US\$ 4,004,062	US\$ 348,234,733

TYPE OF REVISION

- Additional commodity
 Additional DSC
 Additional ODOC
 Additional LTSH
 Additional external transport
 Extension or Reduction in time
 Other

DISTRIBUTION:

DED, OD	Director, ODX	Chief, ODXP
Deputy COO & Director, ODE	Chief, RMBP	Regional Director
Chief, ODLT	Chief, ODXR	RB Programme Advisor
Country Director	Programme Officer, RMBP	RB Programme Assistant
OD Registry	Programming Assistant, RMBP	RB Chrono
Director, ERD and COO	Liaison Officer, OD @	

¹ Food cost can comprise both commodities and cash/voucher transfers.

² The first leg of transport for commodities: from the donor country to the recipient country port, or in cases of regional commodity purchases, from the place of purchase to the recipient country.

³ Landside, Transport, Storage and Handling - LTSH comprises the actions required to (a) care for and (b) physically deliver the commodities from the completion of external transport through to final distribution.

⁴ Other Direct Operational Costs - ODOC include deliverable goods (non-food items), services and training to beneficiaries and/or to implementing partners.

⁵ Direct Support Costs - DSC are those costs which are incurred directly in support of projects by a WFP Country Office.

⁶ Indirect Support Costs - ISC is a fixed rate resourced from all donor contributions, which is used to cover (non-project) corporate overhead costs, i.e. PSA.

NATURE OF THE INCREASE

1. The Budget Revision proposes (i) the inclusion of additional cash as part of the emergency response (ii) an expansion in cash transfer activities for investment and consumption support; (iii) an addition of canned fish as part of the food basket for the *Enhancing Resilience* programme under Component-3: Enhancing Resilience to Disasters and the Effects of Climate Change.

The Budget Revision includes an overall increase of US\$ 2,891,158 of the commodity/cash value. The associated costs reflect the outcome recommendation of the Structure and Staffing Review in September 2012.

JUSTIFICATION FOR EXTENSION-IN-TIME AND/OR BUDGET INCREASE

Summary of existing project activities

2. The Bangladesh Country Programme was approved by the WFP Executive Board in November 2011 and has the overarching objective to support the Government in improving the long-term food security and nutrition situation of ultra-poor households in Bangladesh. The CP includes the following components:

Component 1: Improving Maternal and Child Nutrition

A combined preventive and curative approach will be implemented in communities with very high rates of acute and chronic undernutrition among children under 5 and pregnant and lactating women and/or in areas with high rates of undernutrition, coupled with aggravating factors such as high food insecurity. The expected outcomes are: i) improved nutritional status of young children and pregnant and lactating women during the critical 1,000-day window of opportunity; and ii) enhanced nutrition and hygiene practices of caregivers, adolescent girls and other key household members.

Component 2: School Feeding

School feeding contributes to the Government's goal of achieving universal primary education by 2015. It constitutes a safety net to ensure that children receive adequate micronutrients and do not feel hungry throughout the day, and is an incentive for parents to send children to school. The expected outcome is increased enrolment, attendance and retention.

Component 3: Enhancing Resilience to Disasters and the Effects of Climate Change.

The *Enhancing Resilience* programme under this component focuses on vulnerable communities and households in areas prone to recurrent shocks. The expected outcomes are: i) enhanced resilience among vulnerable communities to natural disasters and the effects of climate change through the creation of community assets; and ii) improved food and nutrition security of ultra-poor households in these communities. The existing *Enhancing Resilience* programme, jointly implemented by WFP and the Government, has been enhanced to include 'cash transfers for investment', inclusion of this cash transfer aims to provide ultra-poor women with the 'boost' they need to graduate themselves and their families from poverty. These women are from among the 82,000 beneficiaries currently assisted under *Enhancing Resilience*. It has been agreed with the Government agencies that funding from donors will meet the requirement for the cash grant, and 12 months of monthly allowance for 5,500 households while the Government will support 10,000 households for the cash grant and 6 of the 12 months of the monthly allowance, through complementary funding of nearly US\$2 million. Funding from donors will meet the remaining 6 months (of the total 12 month) monthly allowance for these 10,000 households (excluding the associated costs). The 15,500 households have been identified from *Enhancing Resilience* programme areas prioritized on the basis of poverty prevalence and vulnerability to natural disasters.

Component 4: Strengthening Government Safety Nets

This component supports the Government in reforming social safety nets addressing hunger and household food insecurity. Social protection is a pillar of the Government's national poverty reduction strategy, in which safety nets are an important element for supporting the ultra-poor. WFP will complement government work in formulating new integrated safety-net models that focus on food security, redesigning and streamlining existing programmes and enhancing its institutional capacity to manage them.

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

3. Summary of the findings and recommendations of the re-assessment or of any other relevant mission.

Aside from the *Enhancing Resilience* programme, and in line with the provision of the approved CP, WFP is undertaking a number of small-scale emergency response responses under Component-3 - focused in areas of Bangladesh where flooding, waterlogging and/or landslides have caused devastation to ultra-poor households. The responses in the Chittagong Hill Tracts (CHT) and in the southern coastal plains of Bangladesh have been informed by rapid food security assessments, jointly led by WFP and FAO⁷, and complemented by nutrition surveys, field monitoring by WFP Sub-Offices, and Situational Reports as relevant. In both areas the responses reflect expansions to ongoing emergency activities, which have involved beneficiary households receiving a combination of cash and food assistance. The rapid assessment reports also recommend combined food and cash transfers to address food security, nutrition and meet the immediate recovery needs of the identified households. As markets are functional in the emergency response areas cash provides targeted households with the flexibility they require to meet their food and other needs, while the food portion helps to combat high market prices. Furthermore the response packages align with the preference of the beneficiaries, other development partners active in the area, and the donors.

With the support of the Government, the joint WFP-GoB programme, *Enhancing Resilience*, also under Component-3, has been improved with the integration of 'cash transfers for investment and consumption support'. The enhancement is based upon lessons learnt from ongoing programmes, including WFP's Food Security for the Ultra-Poor project, which indicate that a grant for investment in a productive asset, combined with training and support can lead to sustainable improvements in household food consumption.

A number of sub-districts in the northern *Enhancing Resilience* project areas have been affected by repeated flooding during the last monsoon and have experienced economic crisis. Participant households have employed negative coping strategies to survive, in which the quality of their diet, particularly fat and protein, were compromised.

4. ***Describe reasons for extension-in-time (e.g. difficulties the project/ programme has encountered).***

This Budget Revision does not refer to an extension in time

⁷ Rapid Food Security Assessment in Sajek and Banderban (FAO & WFP, May 2012); and Follow-Up Rapid Food Security Assessment in Satkhira (WFP & FAO, December 2011).

Purpose of extension and/or budget increase (applicable for all projects)

5. The budget revision aims to:

i. Increase the emergency provision for cash under Component-3: where WFP is undertaking the core activities of *Enhancing Resilience* (work/training for food/cash) as well as rapid small scale emergency responses. Based on needs assessments and recommendations additional cash was included for distribution under Component-3, approved in the previous budget revision. Subsequent missions, in which the donor actively participated, reinforced the recommendations to implement emergency cash based assistance in 2012. This budget revision therefore includes an additional US\$329,547 to meet the needs of identified households who have been affected by flood, waterlogging and/or landslide.

ii. Increase the provision for cash activities under Component-3: to implement cash transfers for investment and consumption support (comprising a one-time cash grant, and a time-bound subsistence allowance) under the existing *Enhancing Resilience* programme. For these activities an additional US\$1.6million cash is required for 15,500 identified households currently enrolled in *Enhancing Resilience* who will receive this support. Of these 15,500 households, WFP will provide a one-time cash grant and monthly subsistence allowance for 12 months from January to December for 5,500 participants. Complementary funding from the Government will meet the requirement of the cash grant and 6 months (January-June 2013) of the monthly subsistence allowance for the 10,000 households. WFP, with other donor funding will meet the remaining 6 months of the monthly allowance for these 10,000 households from July-December 2013.

iii. Increase the provision for food under Component-3: to include 134mt of canned fish to supplement the protein intake of *Enhancing Resilience* households, with preference to those in the flood-affected sub-districts where the *Enhancing Resilience* programme is operational. The canned fish contribution was received in combination with cereals from a major donor to the *Enhancing Resilience* programme. The canned fish will be distributed as a one-time distribution together with regular food distribution. The distribution of canned fish would not require any additional DSC.

In addition, the Budget Revision includes the necessary associated costs, reflecting the recent Structure and Staffing Review (September 2012).

The County Office is in receipt of confirmation or strong indications from the donors to meet the increased funding needs as proposed under this Budget Revision.

Purpose of extension and/or budget increase (applicable for all projects)

TABLE 1. BENEFICIARIES BY ACTIVITY TYPE			
	Beneficiaries		
Activity	Present	Increase	Revised
Component-1	1,860,000	0	1,860,000
Component-2	1,340,000	0	1,340,000
Component-3	1,400,000	0	1,400,000⁸
Component-4	248,500	0	248,500
Total	4,348,500	0	4,348,500

FOOD REQUIREMENTS

1. Additional and total food quantity needed for achieving revised activities.

TABLE 2. FOOD REQUIREMENTS BY ACTIVITY TYPE			
	Food requirement (mt)		
Activity	Present	Increase	Revised
Component-1	53,580		53,580
Component-2	202,399		202,399
Component-3	149,710	134	149,844
Component-4	816		816
Total	406,505	134	406,639
Cash transfer (US\$)			
Component-3	\$3,204,210	\$2,024,525	\$5,228,735
Component-4	\$10,787,840		\$10,787,840
Total	\$13,992,050	\$2,024,525	\$16,016,575

1. There is no change in the modalities of the food/cash transfer to beneficiaries proposed under this Budget Revision.

⁸ There is no increase in the total number of beneficiaries over the Country Programme. However, 15,500 households (77,500 beneficiaries) from the 2011-2012 cycle will continue to receive assistance for an extended 12 month period in 2013. Therefore, the number of beneficiaries will increase from 622,500 to 700,000 under component 3 in 2013.