

### PROJECT BUDGET REVISION FOR APPROVAL BY THE REGIONAL DIRECTOR

5) To:	Initials	In Date	Out Date	Reason for Delay
Ms. Lola Castro Regional Director				
4) Through:	Initials	In Date	Out Date	Reason for Delay
Mr. Brian Bogart Programme Advis0r, RBJ				
3) Through:	Initials	In Date	Out Date	Reason for Delay
Ms. Christine Mendes Logistic Officer, RBJ (change in LTSH and/or External Transport)				
2) Through:	Initials	In Date	Out Date	Reason for Delay
Ms. Anna Mukiibi-Bunya Resource Management Analyst, RBJ				
1) From:	Initials	In Date	Out Date	Reason for Delay
Country Office				

#### Malawi Protracted Relief and Recovery Operation (PRRO) 200460 “Assistance to refugees in Malawi” Budget Revision No. 6

<b>Total revised number of beneficiaries</b>	87 050
<b>Duration of entire project</b>	73
<b>Reduction period</b>	6 months
<b>Gender marker code</b>	2
<b>WFP food tonnage</b>	29 877

**Start date:** 1 June 2013    **End date:** 30 June 2019    **Reduction period:** 6 months    **New end date:** 31 December 2018

#### Cost (United States dollars)

	Current Budget	Increase (Decrease)	Revised Budget
Food and Related Costs	US\$ 14 067 215	US\$ 1 755 930	US\$ 15 823 145
Cash and Vouchers and Related Costs	US\$ 9 576 520	US\$ (4 631 115)	US\$ 4 945 405
Capacity Development & Augmentation	US\$ 163 000	US\$ -	US\$ 163 000
DSC	US\$ 2 323 797	US\$ (210 275)	US\$ 2 113 522
ISC	US\$ 1 829 137	US\$ (234 689)	US\$ 1 594 448
<b>Total cost to WFP</b>	<b>US\$ 27 959 670</b>	<b>US\$ (3 320 150)</b>	<b>US\$ 24 639 520</b>

#### 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 (%)



## NATURE OF THE INCREASE

1. Budget revision six to Protracted Relief and Recovery Operation (PRRO) 200460, “Assistance to Refugees in Malawi” seeks to:
  - a. Change the food assistance delivery mechanism for all refugees residing in Dzalaka camp from cash-based transfers to in-kind food assistance from 1 January 2018 to 31 December 2018 given the challenges WFP is facing to attract support from donors to implement cash-based transfers in the refugee camp. No changes will be made to the food assistance delivery mechanism for the refugees residing in Luwani camp.
  - b. The implementation timeline will be adjusted from 30 June 2019 to 31 December 2018 as the Country Office will continue in the project approach until December 2018 and transition directly into a Country Strategic Plan (CSP) from January 2019.
2. This budget revision will adjust the overall budget downwards by USD 3,320,150 from USD 27,959,670 to USD 24,639,520.

## JUSTIFICATION FOR THE REVISION

### Summary of existing project activities

3. WFP provides assistance to refugees and asylum seekers residing in Dzaleka camp from the Democratic Republic of Congo (DRC), Burundi and Rwanda. Since 2015, WFP assistance has also been extended to asylum seekers from Mozambique who are residing in Luwani Camp in the border Mwanza district.
4. This PRRO seeks to contribute towards achieving and maintaining food and nutrition security among refugees while addressing micronutrient deficiencies in children under two with special emphasis on anaemia. The operation contributes to WFP Strategic Objectives 1 and 3, the Zero Hunger Challenge and Sustainable Development Goals 2, 5 and 17.

### Conclusion and recommendation of the re-assessment

5. The household socio-economic and livelihood assessment conducted by UNHCR in 2017 highlighted the lack of livelihoods opportunities that exist for the refugees and asylum seekers. The assessment also elaborated on the need to expand the asset base for the households in the camp to enable refugees and asylum seekers the opportunity to practice a variety of economic activities that will not displace the Malawian population.
6. Discussions between the Government and UNHCR on the migration policy and relocation plan for the refugees and asylum seekers are on-going. With the soft encampment policy of the Government and lack of access to livelihood opportunities, WFP food assistance remains the only reliable and predictable source of food for the refugees and asylum seekers.
7. The findings from a series of assessments that have been conducted since 2014, including a cash feasibility study, market assessments, sectorial capacity assessments and the Joint Assessment Mission (JAM) report from 2017, show that the surrounding markets in Dowa and Ntchisi districts can meet the demand for targeted populations in Dzaleka camp.



8. WFP introduced cash-based transfers for 31,000 people in Dzaleka camp through budget revision five from January 2018. The cash-based transfers were introduced to enable households to purchase locally and promote a more diversified diet. Despite extensive efforts, WFP has not yet attracted donor support for cash-based transfers, but will continue to advocate on the benefits of this assistance modality for the refugees and asylum seekers in Dzaleka camp.
9. The Global Acute Malnutrition (GAM) rate in Dzaleka and Luwani camps is below five percent<sup>1</sup>, however micronutrient deficiencies remain a concern, with anemia rates in children under two at 39 and 65 in Dzaleka and Luwani respectively.
10. Sexual and gender based violence (SGBV) remains widespread in Malawi with one out of every five females aged between 18 and 24 experiencing at least one incident of SGBV before reaching the age of 18. SGBV is also widespread amongst asylum seekers and refugees in the refugee camps.
11. WFP and partners will continue to strengthen the capacity of SGBV committees based in the refugee camps to provide psychosocial support and counselling to survivors of SGBV. Awareness raising activities will continue to be implemented by WFP and partners in the camps on division of labour and the burden of unpaid care work which is usually shouldered by women.
12. Through budget revision five, WFP extended PRRO 200460 from 1 June 2017 to 30 June 2019 to allow continued provision of WFP assistance to refugees and asylum seekers in Malawi until the planned start of the Country Strategic Plan (CSP). WFP has since changed its approach and will commence with a CSP on 1 January 2019, forgoing the Transitional Interim Country Strategic Plan (T-ICSP) process<sup>2</sup>.

### **Purpose of change in project duration and budget decrease**

13. Budget revision five aligned the length of this project to the projected Transitional Interim Country Strategic Plan (T-ICSP) period from 1 January 2018 to 30 June 2019. Subsequently, Headquarters and the Regional Bureau recommended that the Country Office adopted a flexible approach (continuing in a project approach) from 1 January 2018 to December 2018. The Malawi CSP is planned to start on 1 January 2019.
14. Under budget revision five, WFP introduced cash-based transfers for the general food distribution ration (excluding Super Cereal) to all beneficiaries in Dzaleka camp from January 2018. Since June 2017, WFP has approached multiple donors to fund the cash-based transfer modality for this project. Despite extensive fundraising and advocacy efforts there has been no uptake from donors, therefore WFP will shift the planned cash-based transfer for beneficiaries in Dzaleka camp to in-kind food assistance for the remainder of the project.

<sup>1</sup> Joint Assessment Mission Report: Dzaleka and Luwani Refugee Camps in Malawi – May 2017.

<sup>2</sup> Malawi Country Office changed to the flexible approach and did not transition to a T-ICSP to ensure alignment of the CSP to the new UNDAF. In addition, operational complexities following the L3 for the migration of activities to the T-ICSP coupled with the significant amount of USAID funding (for which resource migration is more complex) resulted in the recommendation of the flexible approach.



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**TABLE 1: BENEFICIARIES BY ACTIVITY**

Activity	Current			decrease			Revised		
	Boys / Men	Girls / Women	Total	Boys / Men	Girls / Women	Total	Boys / Men	Girls / Women	Total
<b>Relief: Targeted food assistance during the lean season</b>									
General Food Distribution (Food)	32 367	27 183	59 550	0	0	0	32 367	27 183	59 550
General Food Distribution (CBT)	16 066	13 484	29 550	16 066	13 484	29 550	0	0	0
Food for asset creation (Food) participants	1 500	1 500	3 000	0	0	0	1 500	1 500	3 000
Food for asset creation (CBT) participants	1 000	1 000	2 000	0	0	0	1 000	1 000	2 000
Prevention of Moderate Acute Malnutrition	3 013	3 025	6 218	0	0	0	3 013	3 025	6 218
<b>TOTAL</b>	<b>46 117</b>	<b>40 933</b>	<b>87 050</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>46 117</b>	<b>40 933</b>	<b>87 050</b>

No changes to the beneficiary figures will be made through this budget revision. GFD (CBT) beneficiaries are a subset of GFD (food) beneficiaries. Under Food for asset creation and livelihood activities for the host communities were removed through budget revision five and have not been implemented for the duration of the project due to resourcing constraints.

15. The planned cash-based transfer value per day per person for the refugees and asylum seekers in Dzaleka camp was USD 0.25 per person per day. This transfer was calculated for the recipients to purchase cereals, pulses and vegetable oil. This budget revision will remove the cash-based transfer assistance modality due to lack of resources for its implementation.

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

Commodity	General Food Distribution	Nutrition
		Prevention of Moderate Acute Malnutrition (MAM) for children under two
Maize	450	-
Pulses	50	-
Vegetable oil	25	-
Super cereal	50	-
Super cereal Plus		200
Cash/voucher (USD/person/day)	N/A	N/A
<b>TOTAL</b>	<b>575</b>	<b>200</b>
<b>Total kcal/day</b>	<b>2085</b>	<b>820</b>
% kcal from protein	14.2	16.2
% kcal from fat	16.4	22.8
Number of feeding days per year or per month (as applicable)	<b>365 days / year</b>	<b>30 days / month</b>

## FOOD REQUIREMENTS

16. The shift in assistance modality from cash-based transfers to in-kind from January to December 2018 has resulted in an increase in the food requirements as reflected in table two below.
17. Maize, pulses, vegetable oil and Super Cereal will be purchased locally or regionally, including through WFP's Global Commodity Management Facility (GCMF). Super Cereal Plus will be procured internationally as it is not available in the region.

TABLE 2: FOOD/CASH AND VOUCHER REQUIREMENTS BY ACTIVITY				
	Commodity / Cash & voucher	Food requirements (mt) Cash/Voucher (USD)		
		Current	Increase / Decrease	Revised total
General Food Distribution	In-kind food	21 691	5 481	27 172
General Food Distribution	Cash Based Transfers	8 330 159	(4 260 110)	4 070 049
Nutrition	In-kind food	1 514	(360)	1 154
Food for Assets	In-kind food	1 551	-	1 551
Food for Assets	Cash Based Transfers	427 534	-	427 534
TOTAL	In-kind food	24 756	5 121	29 877
	Cash Based Transfers	8 757 693	(4 260 110)	4 497 583

## Hazard / Risk Assessment and Preparedness Planning

18. There is a risk that if the Government and UNHCR discussions on the migration policy and the relocation plan for the refugees and asylum seekers are not concluded in the near future, the protracted situation in the camps will continue with limited opportunities for livelihood activities. This, coupled with the fact that WFP is currently only able to provide in-kind food assistance could potentially reduce the impact of support that is provided to the refugees and asylum seekers. To mitigate this risk, WFP will continue to advocate with donors on the benefits of the cash-based transfer assistance modality and asset creation activities within the camps.

Drafted by: [Bernard Owadi] Country Office  
 Cleared by: [Mietek Maj] Country Office on [date]  
 Reviewed by: [Trixie-Belle Nicolle] Regional Bureau  
 Cleared by: [Brian Bogart] Regional Bureau on [date]


**ANNEX I-A**

<b>PROJECT COST BREAKDOWN</b>			
	<b>Quantity (mt)</b>	<b>Value (US\$)</b>	<b>Value (US\$)</b>
<i>Food Transfers</i>			
Cereals	4 698	1 059 935	
Pulses	522	393 558	
Oil and fats	261	209 106	
Mixed and blended food	(360)	(269 168)	
Others	-	-	
<b>Total Food Transfers</b>	<b>5 121</b>	<b>1 393 431</b>	
External Transport		9 202	
LTSH		180 528	
ODOC Food		172 769	
<b>Food and Related Costs <sup>3</sup></b>		<b>1 755 930</b>	
C&V Transfers		(4 260 110)	
C&V Related costs		(371 005)	
<b>Cash and Vouchers and Related Costs</b>		<b>(4 631 115)</b>	
<b>Capacity Development &amp; Augmentation</b>		<b>-</b>	
<i>Direct Operational Costs</i>			(2 875 185)
Direct support costs			(210 275)
<b>Total Direct Project Costs</b>			<b>(3 085 460)</b>
Indirect support costs (7.0 percent) <sup>4</sup>			(234 689)
<b>TOTAL WFP COSTS</b>			<b>(3 320 150)</b>

<sup>3</sup> This is a notional food basket for budgeting and approval. The contents may vary.

<sup>4</sup> The indirect support cost rate may be amended by the Board during the project.



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## ANNEX I-B

<b>DIRECT SUPPORT REQUIREMENTS (US\$)</b>	
<b>WFP Staff and Staff-Related</b>	
Professional staff *	(26 620)
General service staff **	(67 155)
Danger pay and local allowances	0
<b>Subtotal</b>	<b>(93 775)</b>
<b>Recurring and Other</b>	<b>(47 500)</b>
<b>Capital Equipment</b>	<b>0</b>
<b>Security</b>	<b>(13 500)</b>
<b>Travel and transportation</b>	<b>(45 500)</b>
<b>Assessments, Evaluations and Monitoring<sup>5</sup></b>	<b>(10 000)</b>
<b>TOTAL DIRECT SUPPORT COSTS</b>	<b>(210 275)</b>

\*Costs to be included in this line are under the following cost elements: International Professional Staff (P1 to D2), Local Staff - National Officer, International Consultants, Local Consultants, UNV

\*\* Costs to be included in this line are under the following cost elements: International GS Staff, Local Staff - General Service, Local Staff - Temporary Assist. (SC, SSA, Other), Overtime

<sup>5</sup> Reflects estimated costs when these activities are performed by third parties. If WFP Country Office staff perform these activities, the costs are included in Staff and Staff Related and Travel and Transportation.