



World Food Programme

PROJECT BUDGET REVISION FOR APPROVAL BY THE REGIONAL DIRECTOR

5) To:	Initials	In Date	Out Date	Reason for Delay
Regional Director				
4) Through:	Initials	In Date	Out Date	Reason for Delay
Programme Adviser, RB				
3) Through:	Initials	In Date	Out Date	Reason for Delay
Logistic Officer, RB (change in LTSH and/or External Transport)				
2) Through:	Initials	In Date	Out Date	Reason for Delay
Resource Management Analyst, RB				
1) From:	Initials	In Date	Out Date	Reason for Delay
Country Office				

Swaziland DEV 200422
B/R No.: 04

Total revised number of beneficiaries	263 900
Duration of entire project	01 January 2013 – 31 December 2016
Extension / Reduction period	8 months
Gender marker code	n.a.
WFP food tonnage	19 452

PROJECT

Start date: 01 Jan 2013 **End date:** 30 Apr 2016 **Extension period:** 8 months **New end date:** 31 Dec 2016

Cost (United States dollars)

	Current Budget	Increase	Revised Budget
Food and Related Costs	US\$ 12 020 382	US\$ 1 956 729	US\$ 13 977 111
Cash and Vouchers and Related Costs	US\$ -	US\$ -	US\$ -
Capacity Development & Augmentation	US\$ 155 895	US\$ -	US\$ 155 895
DSC	US\$ 1 773 555	US\$ 165 713	US\$ 1 939 268
ISC	US\$ 976 488	US\$ 148 571	US\$ 1 125 059
Total cost to WFP	US\$ 14 926 320	US\$ 2 271 013	US\$ 17 197 333

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 REVISION

1. *This budget revision to Development Project (DEV) 200422 will extend the project in time by eight months (up to 31 December 2016). Under this extension, there will be no changes to the activities implemented under this project and feeding of orphans and vulnerable children (OVC) at Neighborhood Care Points, will continue.*
2. *Under this budget revision, the implementation arrangements and the number of targeted beneficiaries have been maintained as per current operation. The ration has been modified in order to adhere to new international food safety standards on cereal-based foods for infants and young children. Supercereal Plus will be introduced in this project as a substitute to Supercereal.*
3. *In addition to the extension in time, a new LTSH matrix was approved in April 2016, which provides for a decreased LTSH rate for the period of the extension under this budget revision. The decrease is mainly due to lower landside transportation costs, due to exchange rate differences.*

JUSTIFICATION FOR THE REVISION

Summary of existing project activities

4. *Swaziland has a high HIV prevalence, at 27 percent among adults aged 15-49 and 38 percent among women of child-bearing age, and with an annual new infection rate of 2.7 percent. Prevalence rates by age differ between men and women with peaks in the 30 - 34 year age group for women (54 percent); and the 35 - 39 year age group for men (47 percent).¹ Women in Swaziland have higher infection rates and are more at risk of HIV than men. The pandemic has deeply affected the family structure and has increased the number of households headed by the elderly, particularly women. One of the effects of the pandemic is the number of OVC. Some 45 percent of Swazi children are estimated to be OVC, with one in four children having lost one or both parents.² Male and female children are more or less equally likely to be orphaned or vulnerable. In addition, levels of chronic malnutrition are also a concern, with 26 per cent of children under five being stunted.*
5. *DEV 200422 was designed to create safety nets for vulnerable children in the country, through the provision of food assistance to OVC aged 2 to 8 years attending neighbourhood care points (NCPs), which are community-run child centres that provide meals and other services for children. Volunteers from the communities cook the meals and provide additional complementary services for children such as early education lessons or links to nearby health clinics. WFP implements the project under the coordination of the Deputy Prime Minister's Office and the Ministry of Tinkhundla Administration and Development. The project was developed in support of the Impact Mitigation Programme for Swaziland coordinated by the National Emergency Response Council for HIV and AIDS (NERCHA), the principal recipient of the Global Fund to Fight AIDS, TB and Malaria in Swaziland.*
6. *The project is in line with WFP Strategic Objective 4 of the WFP Strategic Plan (2014-2017) which is to reduce undernutrition and break the intergenerational cycle of hunger. The project is aligned with national priorities, such as the Extended National Multi-Sectoral*

¹ Swaziland HIV Incidence Measurement Survey (SHIMS), 2011

² Government of Swaziland. 2011. Swaziland Multiple Indicator Cluster Survey 2010.

Strategic Framework for HIV and AIDS (2014 – 2018) and the Government's National Plan of Action for Children (2011-2015). The project contributes to the United Nations Development Assistance Framework (2016 – 2020).³ The project is also in line with international priorities such as the Sustainable Development Goals. In particular, the enactment of a nutrition sensitive national social protection system contributes to SDG target 2.2 to “by 2030 end all forms of malnutrition”.⁴

Purpose of change in project duration and budget increase

7. *DEV 200422 is scheduled to end on 30 April 2016, yet the need for social protection interventions to support the most vulnerable children has increased in light of the serious deterioration in food security throughout Swaziland due to the drought caused by the 2015-2016 El Niño phenomenon. The current agricultural season (October 2015-April 2016) has seen the lowest recorded rainfall in the SADC region in the past 35 years related to El Niño conditions.*
8. *Swaziland has already experienced low rainfall and acute food and water shortages since early 2015. The poor 2014/15 agricultural season in Swaziland disrupted a five-year average of progress, as it was 6 percent lower than the five-year production average and 31 percent lower than the bumper harvest experienced in 2013/14. Preliminary estimates indicate that for the 2015/2016 agricultural season, maize production could be about 64 percent lower than previous year. The National Emergency Response Mitigation and Adaptation Plan estimates 300,000 people, or about 25 percent of the population, will be in need of food assistance related to the extreme impact of the drought. As a net importer of food, Swaziland is also vulnerable to increases in food prices in the region. In January 2016, the National Maize Corporation (NMC) had to increase the official price of maize by 66 percent, due to increases in South Africa’s market. And the precarious food security situation is also exacerbated by this year’s poor economic performance of the country, forecasted significant reduction of revenues from the Southern Africa Custom Union (SACU), and the depreciation of the South Africa’s Rand to which the Swaziland Lilangeni is pegged.*
9. *As 63 percent of the population are also living below the poverty line, many households struggle to meet the needs of children. A 2012 review of social safety nets in Swaziland by the World Bank identified orphans and vulnerable children as one of the most vulnerable groups affected by poverty and food insecurity in Swaziland.⁵*
10. *Swaziland has a number of social protection initiatives in place, however there is a gap in the services available to the youngest children (aged 2 to 8 years) who are not yet in school. The World Bank 2012 review showed that few services are available to support these young children, and the only nation scale project to directly protect this most vulnerable group from food insecurity is the WFP implemented project for food assistance at NCPs. A 2014 external evaluation of WFP assistance to OVC confirmed that NCPs are one of the few mechanisms available to reach poor, rural children consistently with food assistance. Thus,*

³ UNDAF Priority Area 1 (Poverty and inequality reduction, inclusive growth and sustainable development) Output 1.1.2: Vulnerable groups have improved access to social protection services. HIV and AIDS; pillar 2: Pove

⁴ Target 2.2 by 2030 end all forms of malnutrition including achieving by 2025 the internationally agreed targets on stunting and wasting in children under five years of age and address the nutritional needs of adolescent girls, pregnant and lactating women, and older persons;

⁵ World Bank.2012.Swaziland: Using Public Transfers to Reduce Extreme Poverty

despite substantial resource investments in social protection mechanisms by the government and development partners, OVC aged 2 to 8 years are at risk of not being able to access their basic needs. And given the low expectations on the country's economic performance in 2016, domestic resources to implement and scale-up social assistance programs are currently constrained.

- 11. While in the long run, WFP is planning to shift its engagement from providing food assistance to supporting the Government to develop a sustainable comprehensive national social protection mechanism which will contribute to improved access to nutritious foods for vulnerable children, the impact of the drought and limited national resources require a continuation, in the short term, of provision of food assistance through NCPs to meet young OVC's needs, especially given the El Nino impact. The Government, has also reiterated this need, and requested for WFP's continued assistance.*
- 12. Therefore, to mitigate the effects of El Nino in Swaziland, WFP will continue provide food assistance to young OVC's aged 2 to 8 years through this budget revision for an period of eight months (May 2016 to December 2016). Assistance will continue at the existing scale and will target 52,000 children in 1,594 NCPs country-wide.*
- 13. WFP continues to choose in-kind rather than cash or vouchers as the most appropriate transfer modality for providing food for OVCs at NCPs. The provision of food at NCPs as on-site meals supports the objective of increasing children's attendance and their access to educational and other services. Monitoring of market prices as well as food production trends continue to indicate higher food prices in Swaziland compared to neighbouring countries, and the country is still a net importer of food. The choice for in-kind food assistance was also confirmed as appropriate by the 2014 external Operation Evaluation of the project.*
- 14. In terms of capacity development, WFP will continue to work with the Government of Swaziland in identifying options for future strategy and sustainability of support to OVCs through NCPs.*
- 15. The project continues to be in line with WFP Strategic Objective 4 (Reduce undernutrition and break the intergenerational cycle of hunger) and Outcome SO4.1 (Increased equitable access to and utilization of education). Results, outcomes and outputs and related indicators in the project logical framework have been maintained, as activities will not change. The project end and targets have been adjusted in the logframe to reflect the project extension.⁶*
- 16. Under this budget revision the implementation arrangements and number of targeted beneficiaries have been maintained as per current operations. The increase of beneficiaries in Table 1 represents the planned beneficiaries for the extension period. The current figures represent the cumulative current project plan. The revised total is the cumulative for the project, including the extension.*

⁶ Outcome indicators for support of OVC at NCPs include attendance rate and gender ratio. Indicators appear as if for primary schools in the logframe due to standard name of these indicators, however the information will be collected on NCPs. This is specified in notes to the indicators.

TABLE 1: BENEFICIARIES BY ACTIVITY

Activity	Current			Increase ⁷			Revised		
	Boys	Girls	Total	Boys	Girls	Total	Boys	Girls	Total
OVC feeding at NCPs	87 520	96 480	184 000	25 480	26 520	52 000	87 520	96 480	184 000
Secondary school meals	35 485	40 015	75 500	-	-	-	35 485	40 015	75 500
Sebenta school meals	2 068	2 332	4 400	-	-	-	2 068	2 332	4 400
TOTAL	125 073	138 827	263 900	25 480	26 520	52 000	125 073	138 827	263 900

17. *The food basket composition for the OVC feeding has been modified under this extension. WFP will continue to provide OVCs with two meals a day on weekdays (for an average of 22 days per month). A meal composed of maize meal, beans and fortified vegetable oil will continue to be provided for lunch. However, Supercereal Plus will now be provided as breakfast meal instead of Supercereal. The change follows recommendations on new international food safety standards on cereal-based foods for infants and young children regarding levels of Deoxynivalenol (DON), adopted by the FAO/WHO Codex Alimentarius Commission in July 2015. In line with the new standards, programs for young children should only distribute Super Cereal Plus (or its alternatives) instead of Supercereal. For the activity under this project the ration level has been maintained at 75g per child per day, as the ration reduction to provide equivalent nutritional value would be only minimal, while there would be higher operational implications, such as need to retrain all the 4,800 caregivers to adapt to new quantities.*

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

	OVC Feeding at NCPs
Supercereal Plus	75
Maize Meal	150
Pulses	40
Oil	7.5
TOTAL	272.5
Total kcal/day	1,037
Number of feeding days	22 per month

FOOD REQUIREMENTS

18. *The BR involves an increase in food requirements. The additional requirements for the extension in time and the revised total for the project are indicated in Table 3.*

⁷ In the current plan the assumption was 47% male and 53% female beneficiaries based on average national statistics. Based on actual beneficiary information, the ratio in the planning for OVCs at NCPs has been changed since 2015 to 49% male and 51% female.

19. Swaziland produces less than its total cereal requirements and is a net importer of food commodities.⁸ It is therefore anticipated that food will be purchased regionally (70 percent) and internationally (30 percent).

TABLE 3: FOOD REQUIREMENTS BY ACTIVITY				
Activity	Commodity	Food requirements (mt)		
		Current	Increase	Revised total
OVC feeding at NCPs		13 092	2 494	15 586
Secondary school meals		3 730	-	3 730
Sebenta school meals		136	-	136
TOTAL		16 958	2 494	19 452

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⁸ Shortfall in white maize production was around 30% for 2014/2015 agricultural season (Swaziland Annual Vulnerability Assessment and Analysis Report. Swaziland VAC. 2015) and is expected to be higher for 2015/2016 due to the impact of the drought caused by the El Nino phenomenon.

ANNEX I-A

PROJECT COST BREAKDOWN			
	Quantity (mt)	Value (US\$)	Value (US\$)
<i>Food Transfers</i>			
Cereals	1,373	658,944	
Pulses	366	237,952	
Oil and fats	69	45,302	
Mixed and blended food	686	600,603	
Others	-	-	
Total Food Transfers	2,494	1,542,801	
External Transport		37,061	
LTSH		273,581	
ODOC Food		103,286	
Food and Related Costs ⁹		1,956,729	
C&V Transfers		-	
C&V Related costs		-	
Cash and Vouchers and Related Costs		-	
Capacity Development & Augmentation		-	
<i>Direct Operational Costs</i>			1,956,729
Direct support costs (see Annex I-B)			165,713
Total Direct Project Costs			2,122,442
Indirect support costs (7.0 percent) ¹⁰			148,571
TOTAL WFP COSTS			2,271,013

⁹ This is a notional food basket for budgeting and approval. The contents may vary.

¹⁰ The indirect support cost rate may be amended by the Board during the project.

ANNEX I-B

DIRECT SUPPORT REQUIREMENTS (US\$)	
WFP Staff and Staff-Related	
Professional staff *	22,051
General service staff **	91,970
Danger pay and local allowances	-
Subtotal	114,021
Recurring and Other	23,574
Capital Equipment	4,617
Security	1,491
Travel and transportation	22,011
Assessments, Evaluations and Monitoring¹¹	-
TOTAL DIRECT SUPPORT COSTS	165,713

* 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

¹¹ 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.