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**Executive Board**

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WFP/EB.2/2016/8-C/5

Projects for Executive Board Approval

**For approval**

Executive Board documents are available on WFP's Website (<http://executiveboard.wfp.org>).

## **Budget Increases to Protracted Relief and Recovery Operations — Madagascar 200735**

*Response to the Food Security and Nutrition Needs of Populations Affected by  
Natural Disasters, and Resilience-Building of Food-Insecure Communities*

<b>Cost (United States dollars)</b>			
	<b>Current budget</b>	<b>Increase</b>	<b>Revised budget</b>
Food and related costs	17,188,709	37,239,895	54,428,603
Cash-based transfers and related costs	5,152,812	31,284,518	36,437,330
Capacity development and augmentation	1,210,020	1,500,000	2,710,020
<b>Total cost to WFP</b>	<b>30,102,427</b>	<b>82,096,506</b>	<b>112,198,933</b>

Gender marker code 2A

<https://www.humanitarianresponse.info/system/files/documents/files/gm-overview-en.pdf>.

### **Draft decision\***

The Board approves the proposed budget increase of USD 82.1 million for Madagascar protracted relief and recovery operation 200735 (WFP/EB.2/2016/8-C/5).

\* This is a draft decision. For the final decision adopted by the Board, please refer to the Decisions and Recommendations document issued at the end of the session.

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## Nature of the Increase

1. El Niño-induced drought caused considerable crop losses in southern Madagascar during the first harvest of 2016, extending the region's lean season into the second quarter of the year and leading to a significant rise in food insecurity and malnutrition.
2. This second budget revision to protracted relief and recovery operation (PRRO) 200735 will increase the total project by USD 82.1 million, to USD 112.2 million. Between November 2016 and March 2017, the budget revision will:
  - scale up relief operations to reach 1.1 million people in drought-affected areas at the height of the 2016/2017 lean season through general food distribution (GFD) and food assistance for assets (FFA);
  - prioritize emergency asset creation from the start of the lean season for moderately food-insecure populations and suspend long-term resilience-building activities in drought-affected areas;
  - extend the treatment of moderate acute malnutrition (MAM) to drought-affected areas and provide a household "protection ration" to families with members suffering from MAM in communities not receiving GFD or FFA; and
  - expand the prevention of acute malnutrition into affected areas.
3. Other PRRO activities, including those in cyclone- and flood-prone areas, will remain unchanged.

## Justification for Budget Increase

### Summary of Existing Project Activities

4. Since January 2015, WFP has implemented PRRO 200735 through:
  - GFD for populations affected by sudden-onset disasters such as floods and cyclones, followed by short-term FFA aimed at restoring critical assets to meet immediate food and nutrition needs;<sup>1</sup>
  - MAM treatment when global acute malnutrition (GAM) rates exceed 10 percent;
  - multi-year FFA activities<sup>2</sup> to build the resilience of vulnerable and food-insecure communities that are subject to recurrent shocks; and
  - technical assistance to enhance the capacities of the Government, WFP's partners and communities to prepare for, monitor, detect and respond to emergencies.
5. PRRO 200735 is complemented by Madagascar country programme 200733, which forms part of the overall response to El Niño in the country. The school feeding programme covers approximately half of all public primary schools in districts targeted by the PRRO and can be expanded if the situation deteriorates.
6. The operation is in line with WFP's 2015–2020 gender policy and the Southern Africa regional implementation strategy. It contributes to Strategic Objectives 1 and 3, the Zero Hunger Challenge and Sustainable Development Goals 2, 5 and 17.

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<sup>1</sup> WFP provides 15 days of GFD followed by 30 days of emergency FFA activities in cyclone- and flood-prone areas. Households with no able-bodied members continue receiving GFD beyond the initial 15 days.

<sup>2</sup> FFA activities are designed and implemented using participatory approaches that enable women to identify their priorities and needs; and are informed by the three-pronged approach.

## Conclusion and Recommendations of the Re-Assessment

7. Since the start of the 2015/2016 crop season, the regions of Anosy, Androy and Atsimo Andrefana in southern Madagascar have experienced significant deficits in rainfall associated with an unprecedented El Niño event. Many poor and vulnerable households have had to adopt negative coping strategies for extended periods, eroding livelihoods and leading to critical asset depletion, with losses extending into the following crop-production period.<sup>3</sup>
8. According to integrated phase classification projections for October 2016 to March 2017, 333,343 people are in phase 4 (crisis) in Tsihombe, Beloha and Amboasary Sud districts, and 515,316 are in phase 3 (emergency) in Betioky, Bekily, Ambovombe and Ampanihy districts. An additional 528,498 people are classified as phase 2 (stressed), of whom 306,240 – (32 percent) – require support to avoid sliding into phase 3. These findings are coherent with those of the July 2016 crop and food security assessment mission. Humanitarian actors aim to reach the 1.2 million people in need.<sup>4</sup> An estimated 28 percent of food-insecure households are headed by women, including 48 percent of severely food-insecure households.<sup>3</sup>
9. This is the third consecutive year of crop failure in Madagascar. The main harvest in May and June 2016 largely failed in southern districts, with up to 95 percent of staple maize and cassava crops lost. Most household food stocks did not last more than one month after harvest and the lean season began much earlier than usual. Reduced availability of maize and other foods has led to increased food prices.
10. A “light market” assessment will provide a macroeconomic overview and analysis of food-supply markets in the south and will be followed by an in-depth market assessment to provide additional detail. In line with its scale-up of cash-based assistance, and based on recent post-distribution monitoring results, WFP will sensitize men to the importance of women’s decision-making regarding the use of cash. Seasonal livelihood programming has been carried out to understand the effects of drought on livelihood patterns and to inform local responses.
11. Deteriorating household food security has affected the nutrition status of children under 5; the average GAM rate was 8 percent among this age group in February 2016. In Tsihombe, Bekily and Amboasary districts, GAM rates in several communes were higher than the critical threshold of 10 percent. Tsihombe district was the most severely affected, with a GAM rate of 14 percent. In a typical year, acute malnutrition decreases during the post-harvest period of April to October. However, as a result of El Niño-induced drought, routine monitoring shows an abnormal trend: the underweight rate among children under 2 increased from 27 to 31 percent, with Tsihombe and Bekily districts seeing increases of 5–10 percent in six months.
12. In response to assessment findings, the humanitarian country team has mobilized humanitarian actors to provide immediate food security, nutrition, health, water, sanitation and hygiene assistance in affected regions.

## Purpose of Budget Increase

13. Acknowledging the significant deterioration in food and nutrition security in the drought-affected south, this budget revision will prioritize life-saving relief activities over previously planned longer-term resilience-building. The relief component will be scaled up from 82,500 beneficiaries to an estimated 1.1 million during the lean season of November to March in nine of the most drought-affected districts. As the outlook for the next harvest season becomes clear, WFP may conduct another budget revision to adjust programme activities.

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<sup>3</sup> Crop and Food Security Assessment Mission, July 2016.

<sup>4</sup> Non-governmental organizations will support 110,210 affected people and the Government’s safety net programme will support 56,250 starting in November as articulated in the Government’s drought response plan.

14. GFD will be provided to 1.1 million severely food-insecure people. Emergency FFA<sup>5</sup> using a low-tech, low-risk approach will be provided to 130,000 moderately food-insecure people during the lean season.<sup>6</sup> The response strategy takes into consideration the varying needs and labour availability in different areas. In consultation with other members of the food security and nutrition cluster, WFP's relief assistance will target communes with the highest levels of severe food insecurity and malnutrition according to mid-upper arm circumference measurements. Beneficiaries will be selected through a participatory community-based approach that involves sensitization and the establishment of community-level committees for targeting, complaints and feedback.
15. MAM treatment will target 95,600 children. In communities where MAM treatment is provided without GFD or FFA, the families of children treated for MAM will receive a "protection" food ration equivalent to the GFD food basket, to prevent intra-household sharing of ready-to-use supplementary foods. Given the increase in acute malnutrition measured during screening, WFP's MAM treatment programme will be linked to the severe acute malnutrition (SAM) programme of the United Nations Children's Fund (UNICEF). Children discharged from the UNICEF programme will be automatically enrolled in WFP's MAM treatment programme. WFP will also provide assistance to prevent acute malnutrition among 70,000 children under 2 and 50,000 pregnant and lactating women (PLW), complementing GFD. Following the lean season, efforts will be made to enrol children targeted for treatment and prevention of acute malnutrition into a stunting-prevention programme implemented through the country programme.
16. Whenever possible, nutrition support and relief activities will be implemented in the same locations to maximize food security and nutrition outcomes. Beneficiaries will receive information on nutrition, water, sanitation, hygiene and infant and young-child feeding, along with directions to the nearest MAM treatment centres. Cooking demonstrations will teach women and men beneficiaries how to prepare food, and will ensure that men as well as women are involved in household nutrition. WFP works in conjunction with partners and affected communities to encourage equal participation of women and girls in decision-making. A gender action plan and gender context analysis are being developed.
17. WFP and the Food and Agriculture Organization of the United Nations (FAO) have developed a joint response plan to reduce food consumption gaps and rebuild livelihoods. FAO will focus on agricultural and livelihood support including seeds, planting materials, tools, animal feed and deworming treatments for livestock. Whenever possible, WFP's interventions will target the same households as FAO livelihood support.

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<sup>5</sup> Depending on the outlook for the next harvest season, the focus of FFA activities may shift from emergency to early recovery or resilience-building in 2017.

<sup>6</sup> GFD and emergency FFA will be implemented in different localities based on their food and nutrition insecurity situations. In preparation for the harvest, in February and March assistance will shift from GFD to emergency FFA in areas affected by moderate food insecurity.

<b>TABLE 1: BENEFICIARIES BY ACTIVITY</b>										
<b>Activity</b>	<b>Beneficiary category</b>	<b>Current</b>			<b>Increase</b>			<b>Revised</b>		
		<b>Boys/ men</b>	<b>Girls/ women</b>	<b>Total</b>	<b>Boys/ men</b>	<b>Girls/ women</b>	<b>Total</b>	<b>Boys/ men</b>	<b>Girls/ women</b>	<b>Total</b>
<b>RESPONSE IN CYCLONE- AND FLOOD-PRONE AREAS</b>										
GFD and FFA – food	All	37 000	38 000	75 000	-	-	-	37 000	38 000	<b>75 000</b>
GFD and FFA – cash-based transfers (CBTs)	All	3 500	4 000	7 500	-	-	-	3 500	4 000	<b>7 500</b>
FFA, early recovery – food	All	39 000	40 000	79 000	-	-	-	39 000	40 000	<b>79 000</b>
FFA, early recovery – CBTs	All	9 000	9 500	18 500	-	-	-	9 000	9 500	<b>18 500</b>
MAM treatment	Children 6–59 months	9 096	5 904	15 000	-	-	-	9 096	5 904	<b>15 000</b>
	PLW	-	6 000	6 000	-	-	-	-	6 000	<b>6 000</b>
	Household protection	-	-	-	-	-	-	-	-	-
Prevention of acute malnutrition	Children 6–23 months	-	-	-	-	-	-	-	-	-
	PLW	-	-	-	-	-	-	-	-	-
<b>Resilience building*</b>										
FFA – food	All	20 814	21 376	42 190	-	-	-	20 814	21 376	<b>42 190</b>
FFA – cash	All	12 087	12 413	24 500	-	-	-	12 087	12 413	<b>24 500</b>
<b>RESPONSE IN DROUGHT-AFFECTED AREAS**</b>										
GFD – food	All	-	-	-	310 203	318 587	628 790	310 203	318 587	<b>628 790</b>
GFD – CBTs	All	-	-	-	177 333	202 667	380 000	177 333	202 667	<b>380 000</b>
Emergency FFA – food	All	-	-	-	63 684	65 316	129 000	63 684	65 316	<b>129 000</b>
Emergency FFA – CBTs	All	-	-	-	63 243	66 757	130 000	63 243	66 757	<b>130 000</b>

<b>TABLE 1: BENEFICIARIES BY ACTIVITY</b>										
<b>Activity</b>	<b>Beneficiary category</b>	<b>Current</b>			<b>Increase</b>			<b>Revised</b>		
		<b>Boys/ men</b>	<b>Girls/ women</b>	<b>Total</b>	<b>Boys/ men</b>	<b>Girls/ women</b>	<b>Total</b>	<b>Boys/ men</b>	<b>Girls/ women</b>	<b>Total</b>
MAM treatment	Children 6–59 months	-	-	-	57 972	37 628	95 600	57 972	37 628	<b>95 600</b>
	PLW	-	-	-	-	-	-	-	-	-
	Household protection	-	-	-	235 813	242 187	478 000	235 813	242 187	<b>478 000</b>
Prevention of acute malnutrition	Children 6–23 months	9 096	5 904	15 000	42 448	27 552	70 000	51 544	33 456	<b>85 000</b>
	PLW	-	8 000	8 000	-	50 000	50 000	-	58 000	<b>58 000</b>
<b>Resilience-building***</b>										
FFA – food	All	62 436	64 124	126 560	-	-	-	62 436	64 124	126 560
FFA – CBTs	All	15 663	16 087	31 750	-	-	-	15 663	16 087	31 750
<b>Total beneficiaries</b>		<b>217 692</b>	<b>231 308</b>	<b>449 000</b>	<b>950 696</b>	<b>1 010 694</b>	<b>1 961 390</b>	<b>1 168 388</b>	<b>1 242 002</b>	<b>2 410 390</b>
<b>Total adjusted beneficiaries (excluding overlap)</b>		<b>217 692</b>	<b>231 308</b>	<b>449 000</b>	<b>539 389</b>	<b>567 401</b>	<b>1 106 790</b>	<b>757 081</b>	<b>798 709</b>	<b>1 555 790</b>

\* Multi-year resilience activities will continue at the current scale in flood- and cyclone-affected areas.

\*\* GFD and emergency FFA will be implemented in different localities based on their food and nutrition insecurity situations. In preparation for harvest, in February and March assistance will shift from GFD to emergency FFA in areas affected by moderate food insecurity.

\*\*\* Multi-year resilience activities for drought-affected populations will be suspended during the lean season, when relief activities are prioritized.

18. Cash will be distributed using mobile money in areas where markets are functioning, based on government data and mobile vulnerability analysis and mapping. Analysis of Omega values in four districts<sup>7</sup> yielded values below 1, demonstrating that CBTs are more cost-effective than in-kind assistance in these areas. WFP has contracted a mobile money service provider and has had positive experiences with this delivery mechanism. The results of market assessments will inform any changes to the target areas and beneficiary numbers for CBTs.
19. This budget revision does not change food rations. The types of cereal provided may vary according to the in-kind contributions received, but the composition and nutritional value will remain unchanged.
20. Distribution sites will be located in safe areas close to assisted communities to ensure beneficiary safety. Post-distribution assessments and monitoring tools have been designed to ensure gender sensitivity.

## Food Requirements

	GFD – food	Emergency FFA – food	GFD – CBTs	Emergency FFA – CBTs	MAM treatment	MAM treatment	Blanket supplementary feeding – children	Blanket supplementary feeding – PLW
					Children under 5	Household protection ration	Food	Food
Cereals	400	400	-	-	-	400	-	-
Pulses	60	60	-	-	-	60	-	-
Vegetable oil	35	-	-	-	-	35	-	-
SuperCereal	-	-	-	-	-	-	-	200
Plumpy' Sup	-	-	-	-	100	-	-	-
Plumpy' Doz	-	-	-	-	-	-	46	-
CBTs (USD/person/day)	-	-	0.4**	0.26***	-	-	-	-
<b>TOTAL</b>	<b>495</b>	<b>460</b>	<b>-</b>	<b>-</b>	<b>100</b>	<b>495</b>	<b>460</b>	<b>-</b>
<b>Total kcal/day</b>	<b>1 954</b>	<b>1 645</b>			<b>543</b>	<b>1 954</b>	<b>1 645</b>	
% kcal from protein	<b>10.4</b>	<b>12.3</b>				<b>10.4</b>		
% kcal from fat	<b>22.9</b>	<b>22.9</b>				<b>22.9</b>	<b>8.1</b>	
Number of feeding days per year (2016)	90		90	60	90	90	90	90
Number of feeding days per year (2017)	90	40	90	60	120	120	90	90

\* Food requirements for relief response in the drought-affected south only.

\*\* The transfer value is based on local preferences and the nutritious foods available on local markets.

\*\*\* The transfer value is equivalent to the minimum wage and is harmonized with the transfers of other actors by the National Disaster Management Authority. The daily USD 0.26 is worth slightly more than the FFA food ration, to mitigate inflation or seasonal food price volatility.

<sup>7</sup> Omega values were 0.61 for Bekily; 0.64 for Ambovombe; 0.65 for Tsihombe; and 0.64 for Beloha.

<b>TABLE 3: FOOD/CBT REQUIREMENTS BY ACTIVITY</b>				
<b>Activity</b>	<b>Food/CBTs</b>	<b>Food requirements (mt) CBTs (USD)</b>		
		<b>Current</b>	<b>Increase</b>	<b>Revised total</b>
Emergency response	Food	2 867	42 606	45 473
	CBTs	360 000	24 264 000	24 624 000
MAM treatment	Food	223	17 273	17 496
Acute malnutrition prevention	Food	222	2 380	2 602
Resilience-building	Food	25 539	(7 219)	18 320
	CBTs	3 334 500	-	3 334 500
<b>TOTAL</b>	<b>Food</b>	<b>28 851</b>	<b>55 039</b>	<b>83 890</b>
	<b>CBTs</b>	<b>3 694 500</b>	<b>24 264 000</b>	<b>27 958 500</b>

### **Risk Assessment and Preparedness Planning**

21. In anticipation of this budget revision, surge capacity is being developed, with staff profiles and skills matched to the response, including increased logistics capacities in the south. Additional resources will be sought through appeals, press releases, donor meetings and an advance financing request.



## ANNEX I-A

PROJECT COST BREAKDOWN			
	Quantity ( <i>mt</i> )	Value ( <i>USD</i> )	Value ( <i>USD</i> )
<b>Food</b>	-	-	
Cereals	41 713	13 418 609	
Pulses	6 257	3 411 569	
Oil and fats	4 019	3 655 182	
Mixed and blended food	3 050	4 278 033	
<b>Total food</b>	<b>55 039</b>	<b>24 763 392</b>	
External transport		3 908 697	
Landside transport, storage and handling		6 302 332	
Other direct operational costs – food		2 265 474	
<b>Food and related costs<sup>1</sup></b>		<b>37 239 895</b>	
Cash-based transfers		24 264 000	
Related costs		7 020 518	
<b>Cash-based transfers and related costs</b>		<b>31 284 518</b>	
<b>Capacity development and augmentation</b>		<b>1 500 000</b>	
Direct operational costs			70 024 413
Direct support costs (see Annex I-B) <sup>2</sup>			6 701 294
<b>Total direct project costs</b>			<b>76 725 707</b>
Indirect support costs (7 percent) <sup>3</sup>			5 370 799
<b>TOTAL WFP COSTS</b>			<b>82 096 506</b>

<sup>1</sup> This is a notional food basket for budgeting and approval. The contents may vary.

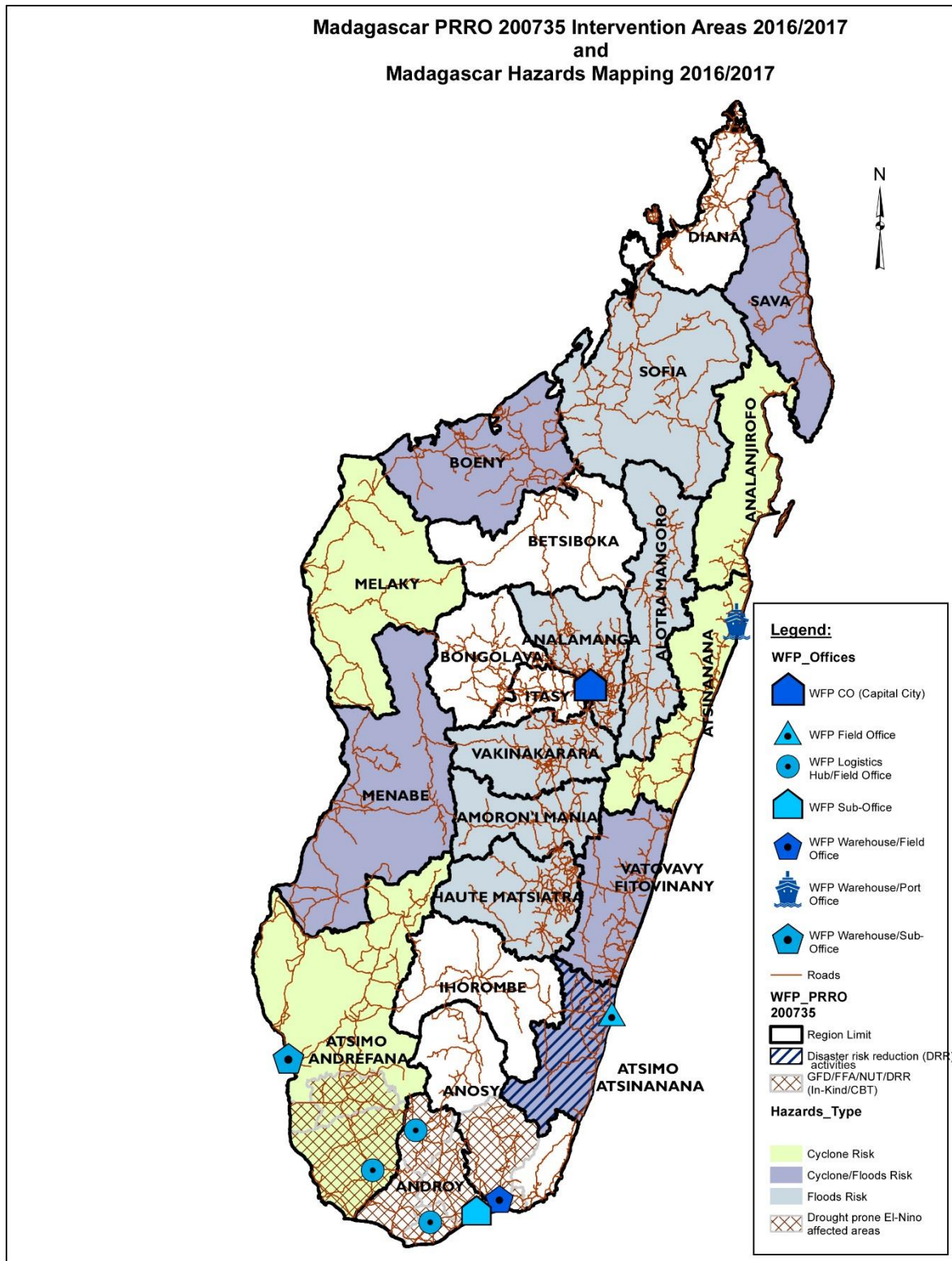
<sup>2</sup> Indicative figure for information purposes. The direct support cost allotment is reviewed annually.

<sup>3</sup> The indirect support cost rate may be amended by the Board during the project.

**ANNEX I-B**

<b>DIRECT SUPPORT REQUIREMENTS (USD)</b>	
<b>WFP staff and staff-related</b>	
Professional staff	1 015 621
General service staff	619 391
Danger pay and local allowances	72 000
<b>Subtotal</b>	<b>1 707 012</b>
<b>Recurring and other</b>	<b>1 267 696</b>
<b>Capital equipment</b>	<b>1 719 053</b>
<b>Security</b>	<b>271 063</b>
<b>Travel and transportation</b>	<b>1 395 470</b>
<b>Assessments, evaluations and monitoring</b>	<b>341 000</b>
<b>TOTAL DIRECT SUPPORT COSTS</b>	<b>6 701 294</b>

ANNEX II



The designations employed and the presentation of material in this publication do not imply the expression of any opinion whatsoever on the part of the World Food Programme (WFP) concerning the legal status of any country, territory, city or area or of its frontiers or boundaries.

## **Acronyms Used in the Document**

CBT	cash-based transfer
DRR	disaster risk reduction
FAO	Food and Agriculture Organization of the United Nations
FFA	food assistance for assets
GAM	global acute malnutrition
GFD	general food distribution
MAM	moderate acute malnutrition
PLW	pregnant and lactating women
PRRO	protracted relief and recovery operation
UNICEF	United Nations Children's Fund