

BUDGET INCREASE 1 TO KENYA PROTRACTED RELIEF AND RECOVERY OPERATION 200294

Protecting and Rebuilding Livelihoods in the Arid and Semi-Arid Areas

Start date: 1 May 2012 End date: 30 April 2015

	Cost (United States dollars)		
	Current budget	Increase	Revised budget
Food cost	172,956,908	10,863,377	183,820,285
Cash cost	80,945,036	2,812,500	83,757,536
External transport	27,565,212	3,043,332	30,608,544
LTSH	57,392,102	29,872,094	87,264,196
ODOC	19,436,986	3,291,003	22,727,989
DSC	38,473,973	1,064,988	39,538,961
ISC (7.0 percent)	27,773,915	3,566,311	31,340,226
Total cost to WFP	424,544,132	54,513,605	479,057,737

NATURE OF THE INCREASE

1. This budget revision proposes to:

- Extend the duration of assistance (i.e. the number of feeding days) in 2012 for 2.2 million people, in response to food insecurity that is worse than forecast. This will increase the food requirements by 20,190 mt with a commodity value of US\$10.8 million.
- Increase the beneficiaries under the cash-for-asset (CFA) activity in 2012, which will increase cash transfers by US\$2.8 million.
- Introduce micronutrient powder (MNP) to the food basket.
- Increase the landside transport, storage and handling (LTSH) cost from US\$195.15/mt to US\$277.66/mt due mainly to increased transport costs on the local market and high costs of operating in remote areas. The revised LTSH matrix was approved in March 2012.¹ The overall increase of US\$29.87 million in projected LTSH cost applies to the entire un-resourced tonnage of the protracted relief and recovery operation (PRRO) 200294, not just the portion related to the increase tonnage proposed in this budget revision.

2. The costs of the PRRO increase as follows:

- food transfers and cash transfers by US\$13.7 million;
- external transport costs by US\$3.0 million;
- LTSH by US\$29.9 million;
- other direct operational costs (ODOC) by US\$3.3 million;
- direct support costs (DSC) by US\$1.1 million; and
- Indirect support costs (ISC) by US\$3.6 million.

These proposed revisions result in a total budget increase of US\$54.5 million (a proportional increase of the PRRO budget by 13 percent).

¹ Further details are available in the approved LTSH matrix as well as in paragraph 20 below of this document.

JUSTIFICATION FOR EXTENSION-IN-TIME AND BUDGET INCREASE

Summary of existing project activities

3. The original protracted relief and recovery operation (PRRO) 200294 “Protecting and Rebuilding Livelihoods in Arid and Semi-Arid Areas” was approved by the WFP Executive Board in February 2012 with a food cost of US\$173 million, a cash transfer cost of US\$81 million and a total project cost of US\$423 million. The PRRO duration is from May 2012 until April 2015.
4. The PRRO has three main components:
 - *Relief*: WFP supports the Government’s strategy to ensure that food gaps are met through general food distributions (GFD) and treating moderate acute malnutrition among children between 6-59 months and pregnant and lactating women through supplementary feeding;
 - *Early recovery and transition*: WFP provides food and/or cash for the creation of household and community assets that enhance and diversify livelihoods and build resilience against recurrent shocks.
 - *Preparedness*: WFP supports early warning systems, contingency planning and rapid response during shocks.
5. The GFD is planned to target 1.2 million drought-affected beneficiaries in arid and semi-arid districts for an average duration of up to 180 days in 2012.^{2 3}
6. Supplementary feeding (individual ration) beneficiaries for 2012 are estimated at 115,000: children between 6-59 months with moderate acute malnutrition, and pregnant and lactating women. The protection ration targets 35,000 people in households in areas not receiving GFD, FFA or CFA, and who have at least one household member registered in the supplementary feeding activity. The protection rations ensure that adequate food is available at household level.
7. Food-for-assets (FFA) and cash-for-assets (CFA) were planned to target 650,000 and 350,000 beneficiaries respectively, for an average duration of up to 109 days in 2012 for arid and semi-arid areas.⁴
8. The provision of micronutrient powder to children in their first 1,000 days from conception to the age of 2 is to prevent chronic malnutrition and micronutrient deficiencies. This intervention was envisioned but the detailed plan was not complete when the PRRO was designed and thus the commodity and associated costs were not included in the original PRRO budget.

Conclusion and recommendation of assessments

9. The onset of the long rainfall season⁵ in 2012 was delayed by up to three weeks in the northern and north-eastern pastoral areas and south-eastern marginal agricultural areas, and was about five weeks late across the rest of the country. The seasonal rainfall performance for Kenya has been generally good but the exception is the northern and north-eastern pastoral areas and the south-eastern and coastal marginal agricultural areas, where rainfall has been 60 percent below normal and has been poorly distributed over time and space. As a result, the majority of households in areas with poor rainfall are classified as “stressed” or “borderline food-insecure” (integrated food

² 150 days for arid areas and 210 days for semi-arid areas.

³ The actual duration of assistance takes a seasonal approach, based on the specific assessments (long rains and short rains).

⁴ 113 days for arid areas and 105 days for semi-arid areas.

⁵ The long rains are normally between March and August.

security phase classification [IPC] phase 2), and some are in an “acute food and livelihood crisis” (IPC phase 3).⁶

10. Grazing resources have been depleted in some of the areas where the rains have been poor (Garissa, Isiolo, Mandera, Tana River and Wajir districts) and unusual livestock migration has occurred in Garissa, Ijara and Tana River districts. For pastoralists in areas where the rains have been exceptionally poor, food security has started to decline and is expected to worsen. The body condition of livestock has deteriorated due to the increased need to trek longer distances; this, combined with early livestock migration, has limited household access to milk.⁷
11. While 30 percent⁸ of children under 5 in Kenya are stunted (chronic malnutrition), the proportion is higher in drought-prone areas of the arid and semi-arid lands (ASAL). In addition to a high prevalence of stunting, the ASAL areas have “serious” or “critical” levels of wasting⁹ (global acute malnutrition - GAM), which increased even further during the drought of 2011.¹⁰ Also in the ASAL, micronutrient deficiencies are widespread, with vitamin A deficiency affecting 84 percent of children and iron anaemia affecting 73 percent of children under 5 and 60 percent of pregnant women.¹¹ Only 21 percent of children 6-23 months meet the minimum World Health Organization (WHO) dietary diversity¹² requirements.⁸ These factors affect the general nutrition and health status, and put at risk the development of children during the critical period of the first 1,000 days, with potential lifelong consequences.
12. The Government’s National Food and Nutrition Security Policy recommends vitamin and mineral supplementation as an intervention to address micronutrient deficiencies and stunting in early childhood.¹³ Micronutrient powders (MNP) have been found to be effective to reduce anaemia and iron deficiency in children between 6-23 months.¹⁴ In late-2011, the Ministry of Public Health and Sanitation initiated an MNP intervention throughout Kenya and requested WFP to intervene in the geographical areas where WFP has strong presence. The Government and other partners are implementing the MNP programme in other (non-arid) parts of the country.

Purpose of the budget revision

Increase duration of assistance for general food distributions and food-for-assets activities

13. The planned requirements in the original PRRO document were based on a scenario of normal rains, which have not materialized. The most recent food security information indicates a longer-than-normal lean season in certain ASAL areas, which will result in additional food requirements in affected communities (see above paragraphs 9 and 10). While the affected population is estimated to be the same, this budget revision will extend the duration of food assistance by 60 days for GFD (from five to seven months based on 30 feeding days per month) and by 46 days for FFA (also from five to seven months as the feeding days for FFA are based on 23 days per month).

⁶ May 2012 Kenya Food Security Steering Group (KFSSG) food security update.

⁷ May 2012 KFSSG food security update.

⁸ Central Bureau of Statistics, Kenya Demographic and Health Survey, 2009, Nairobi.

⁹ Wasting prevalence above 15 percent is “critical” and above 10 percent is “serious”. WHO 1995. Cut-off values for public health significance. www.who.int/nutgrowthb/en

¹⁰ Due to wasting that in some areas of ASAL exceeded 30 percent, WFP and partners responded to the crisis through a blanket supplementary feeding programme which was concluded in March 2012.

¹¹ The National Micronutrient Survey, Ministry of Health/University of Nairobi/KEMRI/SOMA-NET/UNICEF; 1999. An updated national micronutrient study is currently underway and is expected in a few months.

¹² The National Micronutrient Survey, Ministry of Health/University of Nairobi/KEMRI/SOMA-NET/UNICEF; 1999.

¹³ The Government with the support of partners - such as UNICEF and non-governmental organizations (NGOs) - routinely provides iron-folate supplementation to pregnant women for the duration of their pregnancy. Various micronutrients are also available in health facilities for the treatment of micronutrient deficiencies for the general population, including lactating women and adolescent girls.

¹⁴ The Cochrane Collaboration, 2011; Home fortification of food with multiple micronutrient powders for health and nutrition in children under 2 (Review).

This will provide early relief to affected communities, assist them in protecting their assets, and mitigate the impact of the poor rains on their food security.

14. The budget revision therefore proposes to increase the number of GFD and FFA rations to meet food requirements in the following arid districts: Baringo, East Pokot, Garissa, Ijara, Isiolo, Mandera, Kajiado, Laikipia, Marsabit, Moyale, Samburu, Tana River, Turkana, Wajir, and West Pokot.

Increase in cash transfer beneficiaries for cash-for-assets activities

15. The PRRO originally planned to target 650,000 beneficiaries through FFA and 350,000 beneficiaries through CFA in 2012. The most recent short rains assessment (October-January) revealed that 475,000 people were drought affected in districts under CFA activities – an increase of 125,000 on the planned beneficiaries for these districts. At the same time, districts under FFA activities were less affected by drought and the number of people needing support can be reduced by 125,000, leaving the overall number of beneficiaries in asset-creation activities unchanged (see Table 1).

Introduction of micronutrient powder to the food basket

16. The Government has recently completed its MNP strategy and WFP and other partners have been asked to assist in its implementation. The strategy involves MNP being implemented through government-run health facilities, where integrated management of acute malnutrition, including supplementary feeding, takes place. Admission into the MNP programme will be a continuous process and any child between 6-23 months of age will be eligible for admission. Children will receive monthly MNP supplies alongside routine growth monitoring at health facilities. To achieve high coverage, community mobilisation¹⁵ will be conducted to create awareness of the benefits of MNP and encourage mothers, fathers and caretakers to visit local health facilities and obtain MNP for their children. Also, for remote populations, MNP will be distributed as part of services provided through health facility outreach.
17. WFP's micronutrient powder (MNP) intervention will be introduced in the eight arid districts - Garissa, Isiolo, Mandera, Marsabit, Moyale, Samburu, Turkana, and Wajir - targeting all children between 6-23 months. The age of the children will be verified using health cards or, where not available, height limits between 65-87 cm will be applied.¹⁶ The eight districts have been selected on the basis of the prevalence of stunting and where wasting has been consistently above the "critical" threshold of 15 percent. Also, these areas are food-insecure with unacceptable dietary diversity¹⁷ for young children.¹⁸
18. WFP will provide 213,000 eligible children with MNP (103,000 boys and 110,000 girls) in the eight districts over a 30-month period. Each child will receive 15 sachets of MNP per month for at least six months, which will meet 50 percent of their recommended micronutrient intake; the remaining intake is expected to be obtained from food available in the household.
19. WFP will closely monitor implementation and coverage and will share findings with the Government and other stakeholders to improve implementation. Monthly reports will be compiled by the health facilities concerned. WFP, through cooperating partners, will hire one nutritionist in each district to support the MNP distribution programme. Programme components - including the

¹⁵ These will include WFP supported mobilization activities, national child health and nutrition campaigns such as the twice a year child health weeks (*Malezi bora*), and immunization campaigns.

¹⁶ WHO Child Growth Standards.

¹⁷ Acceptable dietary diversity is defined as three or more food groups for breastfed children and four or more food groups for non-breastfed children, WHO, 2005.

¹⁸ Central Bureau of Statistics, Kenya Demographic and Health Survey, 2009, Nairobi.

delivery system, capacity building, education and awareness-raising - will be established during the initial six months.

20. MNP distribution aims to reduce stunting in targeted children, as part of WFP Strategic Objective 3 - "Restore and rebuild lives and livelihoods in post-conflict, post-disaster or transition situations". WFP is also supporting household food security through GFD, FFA and CFA activities in the eight districts: children admitted into the MNP programme who are also from food-insecure households are likely to benefit from these activities because priority is given to households with malnourished individuals. The Government, United Nations Children's Fund (UNICEF) and non-governmental organization (NGO) partners will support complementary interventions such as disease prevention and control, and promotion of appropriate infant care.

TABLE 1: BENEFICIARIES BY ACTIVITY			
Activity	Current	Increase	Revised
Relief			
General food distribution	1,200,000	0	1,200,000
Supplementary feeding programme - individual	115,000	0	115,000
Supplementary feeding programme - protection	35,000	0	35,000
Subtotal Relief	1,350,000	0	1,350,000
Recovery			
Food for assets	650,000	-125,000	525,000
Cash for assets	350,000	125,000	475,000
Micronutrient powder	0	213,000	213,000
Subtotal Recovery	1,000,000	213,000	1,213,000
TOTAL	2,350,000	213,000	2,563,000
TOTAL	2,200,000	106,500	2,306,500

MNP is planned for 30 months during the lifetime of the PRRO, from November 2012 up to April 2015.

The total number of beneficiaries have been adjusted to avoid double-counting as follows:

- (i) 100 percent of beneficiaries under SFP (both individual and protection ration) are excluded;
- (ii) Around 50 percent of MNP beneficiaries are excluded since they are covered under GFD, FFA and/or SFP.

TABLE 2: REVISED DAILY FOOD RATION/TRANSFER BY ACTIVITY				
		General food distribution	Food for assets	Micronutrient powder
Micronutrient Powder				1g/person/day
Number of feeding days for 2012 (arid districts)	Original	150/year	113/year	not applicable
	Revised	210/year	159/year	15/month

Food for assets: 23 feeding days per month
 General food distribution: 30 feeding days per month

Rations for GFD, FFA, supplementary feeding are unchanged from the original PRRO:

http://one.wfp.org/operations/current_operations/project_docs/200294.pdf

REQUIREMENTS

21. The proposed adjustments to the PRRO result in additional commodities of 20,191 mt and US\$2,812,500 of cash transfers, as shown by activity in table 3, which includes the current requirements and the increased requirements. The additional costs of food, cash transfers and associated costs are shown in Annex I-A and IB.

Activity	Commodity Cash & voucher	Food requirements (mt) Cash/voucher (US\$)		
		Current	Increase	Revised total
General food distribution	Commodities	131,704	17,835	149,539
Supplementary feeding programme - individual	Commodities	10,350	0	10,350
Supplementary feeding programme - protection	Commodities	8,346	0	8,346
Food for assets	Commodities	143,692	2,260	145,952
Micronutrient powder	Commodities	0	96	96
TOTAL Tonnage (mt)		294,092	20,191	314,283
Cash for assets	Cash	80,945,036	2,812,500	83,757,536
TOTAL cash (US\$)		80,945,036	2,812,500	83,757,536

Increase in land transport, storage and handling costs

22. The increase in LTSH rate from US\$195.15/mt to US\$277.66/mt (42 percent) is a result of changed conditions between November 2011 (when the initial LTSH matrix was prepared) and March 2012 when the revised LTSH matrix was approved. The circumstances that led to this increase are described below:

- Generally increased transportation rates, due to:
 - Fierce competition in the internal transport market, hence a gradual increase in transport rates for commercial cargo.
 - Continued high demand for transport services (both humanitarian and commercial).
 - Deteriorated road conditions in 2012 following the poorly-distributed heavy rains in the latter part of 2011.

The majority of WFP beneficiaries are located in areas difficult to access (North-Eastern Province, Samburu and Turkana). Transport costs to remote areas remain very high, even after the rainy season, due to the limited road repairs. Remote destinations are generally unattractive to transporters because adequate commercial business is available on easier routes, including those to destinations in neighbouring countries. WFP introduced measures to meet significantly increased transport requirements which included incentives applied on top of transport rates, aimed to attract necessary capacity for deliveries to destinations with very difficult road access.

- The need to supplement existing transport arrangements with specialized “all-terrain” trucks to ensure deliveries during the rainy season.
- The need to enhance existing transshipment hubs in Eldoret and Nairobi and establish a new transshipment hub in Garissa. This is to: relieve pressure on Mombasa port; maximize use of

existing transport capacity; and ensure WFP's ability to reach extended delivery points, especially those in difficult-to-access areas.

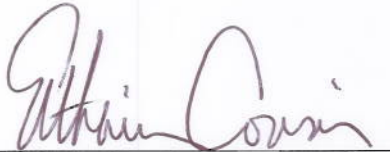
➤ The appreciation of Kenyan shilling versus the United States dollar by 12 percent.

23. The increase of US\$29.8 million in the projected LTSH cost applies to the entire non-resourced tonnage of the PRRO and not only to the increased food requirement of proposed by this budget revision.

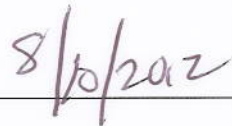
RECOMMENDATION

24. The proposed budget revision for an additional commitment of food and associated costs, resulting in the revised budget for Kenya 200294 is recommended for approval by the Executive Director.

APPROVAL



Ertharin Cousin
Executive Director
United Nations World Food Programme



Date

ANNEX I-A

BUDGET INCREASE COST BREAKDOWN			
Food ¹⁹	Quantity (mt)	Value (US\$)	Value (US\$)
Cereals	14,214	4,344,073	
Pulses	2,843	1,643,423	
Oil and fats	926	1,321,710	
Mixed and blended food	1,993	3,530,503	
Others	215	23,668	
Total food	20,191	10,863,377	
Cash transfers		2,812,500	
Voucher transfers			
Subtotal food and transfers			13,675,877
External transport			3,043,332
LTSH			29,872,094
Other direct operational costs			3,291,003
Direct support costs (see Annex I-B)			1,064,988
Total WFP direct costs			50,947,294
Indirect support costs (7.0 percent) ²⁰			3,566,311
TOTAL WFP COSTS			54,513,605

¹⁹ This is a notional food basket for budgeting and approval. The contents may vary.

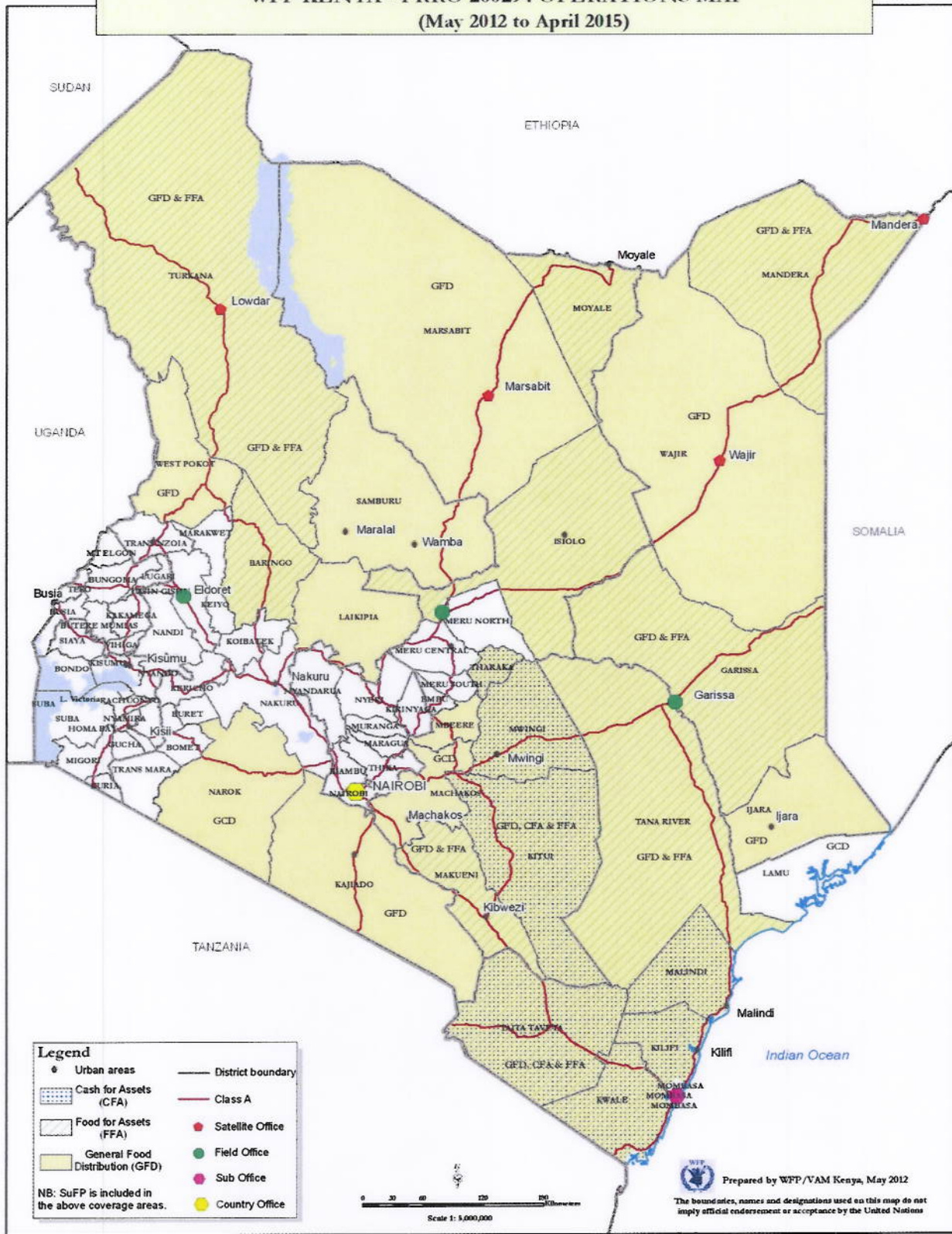
²⁰ The indirect support cost rate may be amended by the Board during the project.

ANNEX I-B

DIRECT SUPPORT REQUIREMENTS (US\$)	
Staff and staff-related costs	
International professional staff	
International general service staff	
Local staff - national officers	39,701
Local staff - general service	164,132
Local staff - temporary assistance	
Local staff – overtime	689
Hazard pay and hardship allowance	3,558
International consultants	
Local consultants	
United Nations volunteers	
Commercial consultancy services	105,773
Staff duty travel	26,960
Subtotal	340,813
Recurring expenses	
Rental of facility	155,800
Utilities	18,250
Office supplies and other consumables	20,500
Communications services	46,818
Equipment repair and maintenance	77,150
Vehicle running costs and maintenance	97,900
Office set-up and repairs	
United Nations organization services	5,500
Subtotal	421,918
Equipment and capital costs	
Vehicle leasing	5,100
Communications equipment	108,157
Local security costs	189,000
Subtotal	302,257
TOTAL DIRECT SUPPORT COSTS	1,064,988

ANNEX II – MAP SHOWING AREAS OF OPERATION FOLLOWING RECOMMENDATIONS OF THE SHORT RAINS ASSESSMENT 2012

WFP KENYA - PRRO 200294 OPERATIONS MAP
(May 2012 to April 2015)



ACRONYMS USED IN THE DOCUMENT

ASAL	arid and semi-arid lands
CFA	cash-for-assets
DSC	direct support costs
FFA	food-for-assets
GAM	global acute malnutrition
GFD	general food distribution
IPC	integrated food security phase classification
ISC	indirect support costs
LTSH	landside transport, storage and handling
MNP	micronutrient powder
NGO	non-governmental organization
ODOC	other direct operational costs
PRRO	protracted relief and recovery operation
UNICEF	United Nations Children's Fund
WHO	World Health Organization
WFP	United Nations World Food Programme