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Operational matters

For information

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

Budget increase for Madagascar protracted relief and recovery operation 200735

Response to food security and nutrition needs of population affected by natural disasters and resilience building of food-insecure communities of south-western, southern and south-eastern regions

Cost (United States dollars)			
	Current budget	Increase	Revised budget
Food and related costs	61,724,737	11,930,788	73,655,525
Cash-based transfers and related costs	43,500,576	17,585,614	61,086,191
Capacity development and augmentation	2,710,020	1,142,422	3,852,442
Total cost to WFP	129,748,386	38,578,671	168,327,058

Gender marker code 2A

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

Decision

The Board approved by correspondence the budget increase of USD 38,578,671 for Madagascar protracted relief and recovery operation 200735, “Response to food security and nutrition needs of population affected by natural disasters and resilience building of food-insecure communities of south-western, southern and south-eastern regions”, for an 18-month extension of the operation from 1 January 2018 to 30 June 2019.

21 September 2017

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Nature of the increase

1. This fourth budget revision for protracted relief and recovery operation (PRRO) 200735 will extend the duration of the operation by 18 months to align it with the implementation of the Madagascar transitional interim country strategic plan (T-ICSP), which will run from January 2018 to June 2019, leading up to the launch of the first Madagascar country strategic plan (CSP) in July 2019.
2. Specifically, this budget revision will cover increases in:
 - the duration of the PRRO by 18 months;
 - the number of beneficiaries by 951,167, to a total of 3,020,307;
 - food transfers of 17,387 mt, to a total of 110,003 mt;
 - food and related costs by USD 11,930,788, to a total of USD 73,655,525;
 - direct support costs of USD 5,396,008, to a total of USD 18,720,849;
 - indirect support costs of USD 2,523,838 to a total of USD 11,012,051; and
 - the total project budget by USD 38,578,671, to USD 168,327,058.

Justification for extension and budget increase

Summary of activities

3. PRRO 200735 encompasses a range of relief and recovery activities to meet the immediate needs of disaster-affected communities and build resilience. These activities are concentrated in southern and south-eastern parts of the country suffering from the highest levels of food insecurity and vulnerability to shocks. The country office endeavours to promote gender equality and women's empowerment and integrate gender into all interventions. This includes encouraging the strong involvement of men as agents of change.
 - General food distribution is conducted 15 days per month, using both food transfers and cash-based transfers (CBTs).
 - General food distribution is followed by short-term early-recovery food-assistance-for-assets (FFA) interventions to restore critical assets and meet the immediate food and nutrition needs of populations affected by slow and sudden-onset disasters alike.
 - Nutritional support is available to treat moderate acute malnutrition (MAM) in the event of a nutritional emergency.¹
 - FFA for disaster risk reduction (DRR)/resilience-building, using food and cash modalities and informed by the three-pronged approach,² seeks to build the resilience of the most food-insecure and vulnerable communities affected by recurrent shocks.
 - Technical assistance is also provided to enhance the capacities of the Government, cooperating partners and communities to prepare for and respond to emergencies.
4. The PRRO complements Madagascar Country Programme 200733, which focuses on the medium- and long-term causes of chronic food insecurity in the country.

¹ This activity is triggered if global acute malnutrition rates rise above 10 percent, in accordance with national emergency thresholds.

² The three prongs of the approach are integrated context analysis, seasonal livelihood programming and community-based participatory planning at the local level.

Recommendations from the reassessment

5. In Madagascar, 90 percent of the population lives below the poverty line³ and 5 million people live in areas prone to natural disasters that undermine their food security.⁴ In addition, low agricultural productivity, limited economic opportunities and inadequate social services, coupled with entrenched gender disparities⁵ and recurring climatic shocks, undermine efforts to achieve sustainable and inclusive socio-economic progress.
6. Food insecurity in Madagascar is primarily due to inadequate economic access to food. According to the 2016 Crop and Food Security Assessment conducted in drought-prone areas of southern Madagascar, nearly 60 percent of the population is food insecure. Households headed by women are more frequently affected (45 percent) than those headed by men (34 percent) due to discriminatory socio-cultural factors, including limited access to resources and education among women.
7. Madagascar is among the six countries with the highest rates of chronic malnutrition, with nearly half of children under 5 affected by stunting.⁶ National global acute malnutrition prevalence is 8 percent, with southern regions worst affected. A 2017 nutrition cluster standardized monitoring and assessment of relief and transitions survey found global acute malnutrition rates above the national average in five of eight districts surveyed and higher than emergency thresholds in three, Amboasary (13.7 percent), Bekily (10.8 percent) and Beloha (13.9 percent). Anaemia affects 35 percent of girls and women of reproductive age and 50 percent of children under 5. Child and maternal mortality remain high, at 56 per 1,000 and 440 per 100,000, respectively.⁷

Purpose of extension and budget increase

8. The 18-month extension of the PRRO will allow WFP to continue existing interventions under the umbrella of the T-ICSP. The focus will remain on responding to the needs of disaster-affected and vulnerable populations through relief food assistance, early recovery, resilience strengthening and nutrition interventions.
 - *Relief food assistance:* Food and CBT modalities will support 58,000 beneficiaries in flood-prone areas and 100,000 beneficiaries in drought-affected areas.
 - *Early-recovery FFA:* Conditional early-recovery support, through food and CBT modalities, will be provided to 102,500 beneficiaries in cyclone-prone areas following the occurrence of sudden-onset crises and to 140,000 beneficiaries in drought-affected areas. These are low-risk activities (e.g. clearing paths) that will be implemented during the emergency phase.
 - *DRR/resilience FFA:* These interventions will support 100,000 beneficiaries in cyclone- and flood-prone areas and 300,000 in drought-affected areas. FFA interventions require a longer preparatory phase due to the complexity of planned activities, which aim to enable communities to absorb future shocks and sustain their livelihoods.
 - *Nutrition:* MAM treatment will be provided for 27,003 children under 5 in southern and southeastern areas frequently affected by droughts. To prevent sharing of the specialized nutritional products used to treat MAM, families of children in treatment will receive household protection rations.⁸

³ Calculated on the basis of a poverty headcount ratio of USD 3.10 per day (2013 purchasing power parity (PPP)).

⁴ Sex and age disaggregated data are not yet fully available. A gender context analysis and data collection mechanisms are foreseen for the second quarter of 2017.

⁵ Examples of gender disparities include women's limited access to land ownership or decision-making regarding the choice of crops.

⁶ National Statistics Institute (INSTAT). Madagascar Millennium Development Goals National Monitoring Survey (2012–2013).

⁷ The adolescent birth rate for 2006–2010 was 147.1 births per 1,000 women aged 15–19. While specific data on adolescent maternal mortality is not available, young age is one of the highest risk factors for maternal mortality.

⁸ A protection ration is equivalent to a general food distribution (GFD) food ration (see Table 2).

9. In the aftermath of the protracted El Niño-induced emergency, WFP has enhanced coordination and collaboration with stakeholders, including the Government,⁹ the Food and Agriculture Organization of the United Nations (FAO) and a wide range of national and international non-governmental organizations, to help restore livelihoods. Collaboration with FAO aims to ensure that the joint response will reduce food consumption gaps, treat acute malnutrition and rebuild the livelihoods of vulnerable affected populations, with FAO focusing on agricultural and livelihood support.
10. In consultation with the Food Security, Livelihood and Nutrition clusters, WFP will target priority communities demonstrating the highest rates of severe food insecurity and malnutrition in the southern regions. At the household level, beneficiaries will be selected using a community-based participatory approach accompanied by sensitization efforts and the establishment of a community targeting committee and a community complaints and reconciliation committee. Specific criteria are based on proxy variables for vulnerability, including households headed by women, with pregnant and lactating women and girls (PLW/G), with people affected by tuberculosis, with elderly or disabled members and children under 5, with high economic dependency ratios, with no labour capacity, with little or no land, and affected by other shocks.
11. The PRRO will seek to implement nutrition-support, general food distribution and FFA activities at the same locations in an effort to increase synergies between food security and nutritional objectives. It will also seek to strengthen synergies with WFP country programme (CP) activities: the blanket supplementary feeding programme to be implemented in the fourth quarter of the year will complement PRRO food security and nutrition assistance by preventing a deterioration in the nutritional status of PLW/G and young children during the lean season. The CP school meals programme provides a safety net for vulnerable households and complements relief and early-recovery activities implemented in the same areas.
12. CBTs will be implemented in areas with well-functioning markets close to communities and mobile network coverage adequate for mobile money delivery. While analysis suggests CBTs may be less cost-effective than food (Omega value of 1.02), CBT is considered a viable modality as it enables beneficiaries to choose food based on preference, has a positive impact on local markets and economies, and is flexible. An analysis of the supply capacity of markets has informed the number of beneficiaries to receive cash-based assistance.
13. In-kind food rations will remain the same in terms of composition and nutritional value, although the types of cereal distributed may vary if significant in-kind contributions are received.
14. CBT values have been calculated based on the local retail price of a food basket corresponding to beneficiaries' dietary habits and preferences and meeting minimum nutritional and energy requirements. WFP has signed contracts with two mobile-money service providers and a microfinance institution and is rolling out the SCOPE beneficiary and transfer management platform. This will allow WFP to choose the delivery mechanism best adapted to local conditions. Experiments with value vouchers have been conducted in Madagascar in 2017 and their use will be scaled up over coming months.

⁹ WFP's relief and early-recovery activities are implemented in close coordination with the National Disaster Risk Management Authority. Cash-based activities are coordinated with the Development Intervention Fund (*Fond d'intervention pour le développement*), a governmental agency implementing a World Bank-funded social safety net programme.

TABLE 1: BENEFICIARIES BY ACTIVITY										
Activity	Category of beneficiaries	Current			Extension period			Revised		
		Boys/men	Girls/women	Total	Boys/ Men	Girls/women	Total	Boys/men	Girls/women	Total
Response for cyclone/flood prone areas										
Relief and early recovery										
GFD (in-kind)	Household ration	114 626	117 724	232 350	11 445	11 755	23 200	126 071	129 479	255 550
GFD (cash)	Household ration	3 500	4 000	7 500	16 240	18 560	34 800	19 740	22 560	42 300
FFA – early recovery (in-kind)	Household ration	39 000	40 000	79 000	20 241	20 759	41 000	59 241	60 759	120 000
FFA - early recovery (cash)	Household ration	9 000	9 500	18 500	29 919	31 581	61 500	38 919	41 081	80 000
MAM treatment	Children 6–59 months	9 096	5 904	15 000	-	-	-	9 096	5 904	15 000
	PLW/G; household protection ration	-	6 000	6 000	-	-	-	-	6 000	6 000
Resilience-building										
FFA (in-kind)	Household ration	43 014	44 176	87 190	19 733	20 267	40 000	62 747	64 443	127 190
FFA (cash)	Household ration	34 287	35 213	69 500	29 600	30 400	60 000	63 887	65 613	129 500
Response for drought-affected areas										
Relief and early recovery										
GFD (in-kind)	Household ration	314 153	322 637	636 790	19 734	20 266	40 000	333 887	342 903	676 790
GFD (cash)	Household ration	188 033	214 967	403 000	29 600	300 400	60 000	217 633	245 367	463 000
FFA – early recovery (in-kind)	Household ration	103 184	105 816	209 000	27 647	28 353	56 000	130 831	134 169	265 000
FFA - early recovery (cash)	Household ration	121 623	128 377	250 000	41 440	42 560	84 000	163 063	170 937	334 000
MAM treatment	Children 6–59 months	73 132	47 468	120 600	16 375	10 628	27 003	89 507	58 096	147 603
	Household protection ration	235 813	242 187	478 000	74 000	76 000	150 000	309 813	318 187	628 000
Prevention of acute malnutrition	Children 6–23 months	51 544	33 456	85 000	-	-	-	51 544	33 456	85 000
	PLW/G	0	58 000	58 000	-	-	-	-	58 000	58 000
Resilience building*										
FFA (in-kind)	Household ration	82 166	84 394	166 560	59 197	60 803	120 000	141 363	145 197	286 560
FFA (cash)	Household ration	45 263	46 487	91 750	88 799	91 201	180 000	134 062	137 688	271 750
Total beneficiaries (cumulative)		1 467 434	1 546 306	3 013 740	483 970	493 533	977 503	1 951 404	2 039 839	3 991 243
Total adjusted beneficiaries (excluding overlap)		1 008 622	1 060 518	2 069 140	467 998	483 169	951 167**	1 476 620	1 543 687	3 020 307

* Multi-year resilience activities for drought-affected populations will be suspended during the lean season, given prioritization of relief activities.

** Under the T-ICSP, strategic outcome 1 will include 551,167 planned beneficiaries under this PRRO and 7,000 planned beneficiaries under the CP. Strategic outcome 4 will include only planned beneficiaries from this PRRO (i.e. 400,000).

15. WFP will follow its standard procurement procedures and support the economic empowerment of smallholder farmers through local purchases. WFP will continue to monitor prices and resort to regional or international procurement in accordance with market conditions if necessary. However, given the long commodity lead times associated with international purchases, WFP will use local procurement when favourable, especially for the first months of an emergency. WFP will continue to purchase food commodities¹⁰ not available locally from regional and international markets.
16. Food and cash-transfer modalities will remain unchanged across activity rations.

	Relief and early recovery response							Resilience-building	
	GFD high-energy biscuits	GFD food	FFA food	Unconditional cash	FFA cash	MAM treatment women	MAM treatment children under 5	FFA food	FFA cash
High-energy biscuits (g/person/day)	450								
Cereals (g/person/day)		400	400					400	
Pulses (g/person/day)		60	60					60	
Vegetable oil (g/person/day)		35	35			20			
SuperCereal (g/person/day)						200			
Plumpy'Sup (g/person/day)							100		
CBTs (USD/person/day)				0.40 ^a	0.40 ^b				0.26 ^c
TOTAL	450	495	495			220	10	460	
Total kcal/day	2 025	1 954	1 954	1 954	1 954	929	500	1 543	1 543
% kcal from protein	10.7	10.4	10.4	10.4	10.4	13	10	16.2	16.2
% kcal from fat	30	22.9	22.9	22.9	22.9	35	55	4.8	4.8
Number of feeding days per year	15	15	20	15	20	90	60	120	120

^a Unconditional cash value was calculated on the basis of the GFD food ration. It is assumed that the cash will be used to purchase a food basket consisting of 400g of cereals, 60g of pulses and 35g of vegetable oil per person per day.

^b FFA involves light casual work (per government policy) and is aligned with the unconditional cash value.

^c Cash transfer value for FFA under the resilience component (equivalent to the minimum wage) is harmonized with that of other actors by the National Disaster Risk Management Authority of Madagascar. According to recent calculations, the USD 0.26 daily amount is slightly higher than the value of an FFA food ration. This difference will mitigate mild inflation due to seasonal food price volatility or inflationary trends.

Food requirements

17. The proposed extension of PRRO activities will require an additional 17,092 mt of food and an increase in the value of cash and voucher transfers of USD 13,732,800.

¹⁰ High-energy biscuits, oil, SuperCereal and Plumpy'Sup.

TABLE 3: FOOD/CBT REQUIREMENTS BY ACTIVITY				
Activity	Commodity /CBT	Food requirements (mt) CBTs (USD)		
		Current	Increase/Decrease	Revised total
Relief assistance GFD	Food	44 169	1 954	46 123
	CBTs	21 645 000	2 368 800	24 013 800
Early recovery FFA	Food	6 865	3 713	10 578
	CBTs	6 939 000	4 500 000	11 439 000
MAM treatment	Food	17 946	4 912	22 858
Acute malnutrition prevention	Food	2 602	-	2 602
Resilience-building FFA	Food	21 034	6 808	27 842
	CBTs	5 050 500	6 864 000	11 914 500
TOTAL	Food	92 616	17 387	110 003
	CBTs	33 634 500	13 732 800	47 367 300

Risk assessment and preparedness

18. Adverse climatic conditions such as heavy rains could lead to a deterioration of roads and affect the timely delivery of commodities. To mitigate this risk, WFP will pre-position food stocks in warehouses close to assisted communities.
19. Food and CBT distribution points will be set up in safe areas close to assisted communities to ensure beneficiary safety. WFP and cooperating partners will inform local authorities of the timing of distributions to enable them to support operational security. Beneficiaries will be sensitized on safety measures to reduce their vulnerability to theft and violence (such as travelling in groups to distribution sites). Community complaint committees and suggestion boxes and a recently activated phone hotline will enable WFP to monitor and respond to beneficiary feedback and complaints regarding issues such as the quality and quantity of food distributed, service delivery, targeting and security concerns.
20. WFP interventions have been designed to meet the needs of different beneficiary groups. A dedicated field partner facilitates beneficiary access to complaint mechanisms and sensitizes them on equal access to complaint mechanisms for women and men. In order to respect dignity and ensure protection, mechanisms to ensure the functioning of priority distribution lines for extremely vulnerable beneficiaries will be adopted.
21. While WFP succeeded in mobilizing the resources required for the El Niño emergency response in 2016, the risk of pipeline breaks during the PRRO extension period exists. To mitigate this risk, WFP will increasingly seek to engage with non-traditional donors, strengthen partnerships with existing stakeholders and emphasize joint resource-mobilization strategies. A comprehensive partnership strategy has recently been finalized and donor mapping exercise completed. Furthermore, advocacy and communication will be enhanced better to convey how WFP is supporting national efforts to achieve Sustainable Development Goal 2 in Madagascar.

ANNEX I-A

BUDGET REVISION COST BREAKDOWN			
	Quantity (mt)	Value (USD)	Value (USD)
Food			
Cereals	14 330	5 628 349	
Pulses	2 150	989 459	
Oil and fats	736	712 783	
Mixed and blended food	172	526 157	
Total food transfers	17 387	7 856 748	
External transport		1 024 882	
Landside transport, storage and handling		2 633 615	
Other direct support costs – food		415 544	
Food and related costs¹			11 930 788
CBTs		13 732 800	
CBT-related costs		3 852 814	
CBTs and related costs			17 585 614
Capacity development and augmentation			1 142 422
Direct operational costs			30 658 825
Direct support costs (see Annex I-B) ²			5 396 008
Total direct project costs			36 054 832
Indirect support costs (7.0 percent) ³			2 523 838
TOTAL WFP COSTS			38 578 671

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

² Indicative figure for information purposes. The direct support cost allotment is reviewed annually.

³ The indirect support cost rate may be amended by the Board during the project.

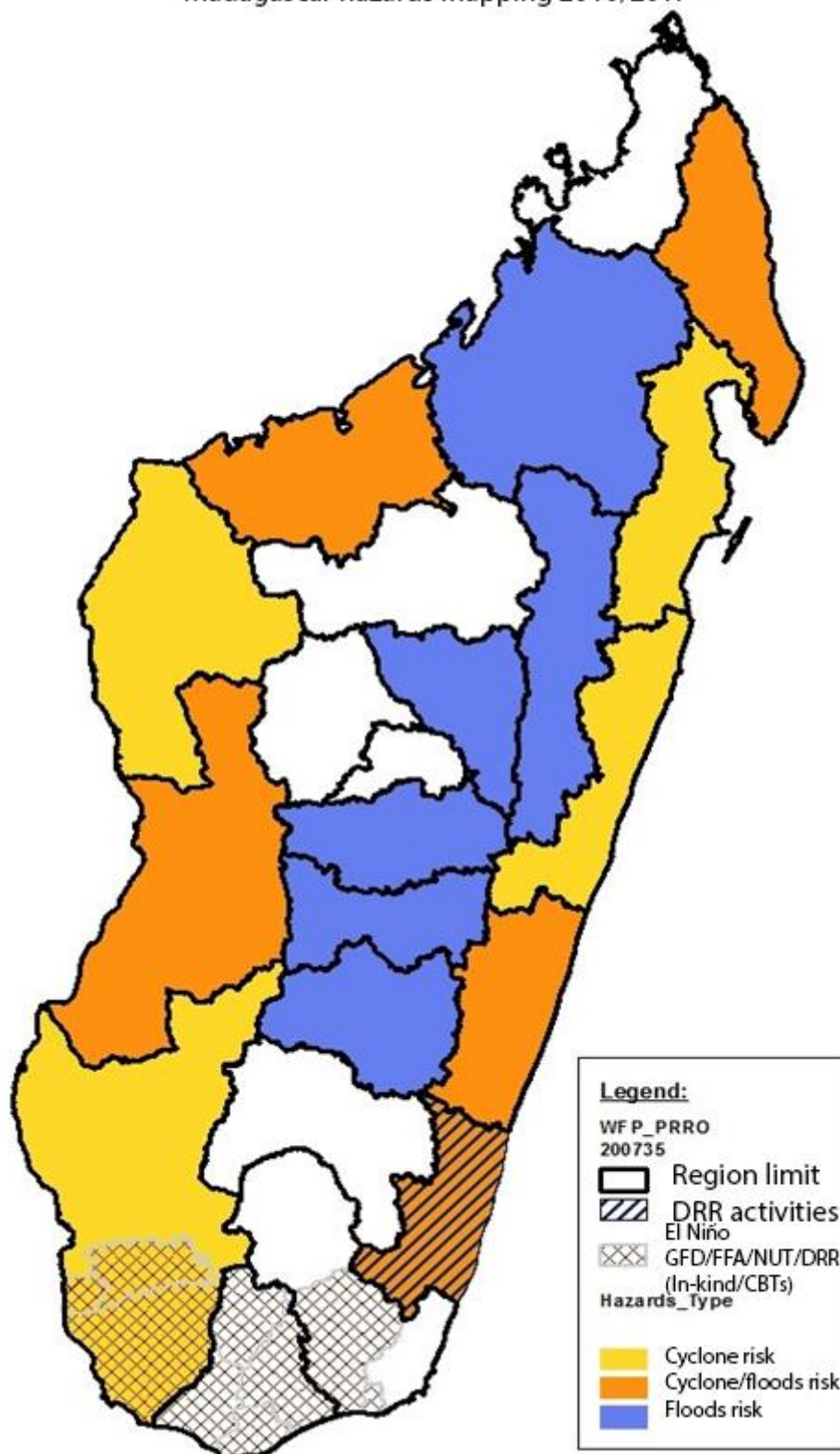
ANNEX I-B

DIRECT SUPPORT REQUIREMENTS (USD)	
WFP staff and staff-related	
Professional staff	1 650 040
General service staff	1 284 072
Subtotal	2 934 112
Recurring and other	1 452 123
Capital equipment	120 854
Security	210 237
Travel and transportation	528 682
Assessments, evaluations and monitoring¹	150 000
TOTAL DIRECT SUPPORT COSTS	5 396 008

¹ Reflects estimated costs when these activities are performed by third parties.

ANNEX II

Madagascar PRRO 200735 intervention areas 2016/2017 and
Madagascar hazards mapping 2016/2017



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
CP	country programme
CSP	country strategic plan
DRR	disaster risk reduction
FAO	Food and Agriculture Organization of the United Nations
FFA	food assistance for assets
GFD	general food distribution
GS	General Service
MAM	moderate acute malnutrition
PLW/G	pregnant and lactating women and girls
PRRO	protracted relief and recovery operation
T-ICSP	transitional interim country strategic plan