

**Kenya Country Programme 106680
Budget Revision No.15.**

PROJECT REVISION FOR THE APPROVAL OF THE REGIONAL DIRECTOR

	<u>Initials</u>	<u>In Date</u>	<u>Out Date</u>	<u>Reason For Delay</u>
<u>ORIGINATOR</u>				
Country Office
<u>CLEARANCE</u>				
Project Budget and Programming Officer, RMBP
Chief, RMBP
Chief, OSLT (change in LTSH and/or External Transport)
<u>APPROVAL</u>				
Regional Director,

PROJECT			
Start date: 01/01/2009	End date: 31/12/2013	Extension period: 6 months	New end date: 30/06/2014
	Previous Budget (US\$)	Revision (US\$)	New Budget (US\$)
Food cost	70,717,830	2,964,467	73,682,297
Cash transfers	487,500	-	487,500
External transport ¹	15,759,484	176,852	15,936,336
LTSH ²	14,052,772	705,339	14,758,111
ODOC ³	7,277,081	358,050	7,635,131
DSC ⁴	10,295,952	1,284,815	11,580,767
ISC (7%) ⁵	8,301,342	384,267	8,685,609
Total WFP cost (US\$)	126,891,961	5,873,790	132,765,751
<u>TYPE OF REVISION</u>			
<input checked="" type="checkbox"/> Additional commodity <input checked="" type="checkbox"/> Additional DSC <input checked="" type="checkbox"/> Additional ODOC <input checked="" type="checkbox"/> Additional LTSH <input checked="" type="checkbox"/> Additional external transport <input type="checkbox"/> Additional cash transfer <input type="checkbox"/> Re-orientation <input checked="" type="checkbox"/> Extension or Reduction in time			

DISTRIBUTION:

DED & COO	Director, OSZ	Chief, OSZP
Director, OME	Chief, RMBP	Regional Director
Chief, OSLT	Chief, OSZR	RB Programme Advisor
Country Director	Programme Officer, RMBP	RB Programme Assistant
OM Registry	Programming Assistant, RMBP	RB Chrono
Director, PGG	OMO	

¹ The first leg of transport for commodities: from the donor country to the recipient country port, or in cases of regional commodity purchases, from the place of purchase to the recipient country.

² Landside, Transport, Storage and Handling - LTSH comprises the actions required to (a) care for and (b) physically deliver the commodities from the completion of external transport through to final distribution.

³ Other Direct Operational Costs - ODOC include deliverable goods (non-food items), services and training to beneficiaries and/or to implementing partners.

⁴ Direct Support Costs - DSC are those costs which are incurred directly in support of projects by a WFP Country Office.

⁵ Indirect Support Costs - ISC is a fixed rate resourced from all donor contributions, which is used to cover (non-project) corporate overhead costs, i.e. PSA.

NATURE OF THE INCREASE

1. A budget revision for Kenya country programme (CP) 106680, 2009-2013, is proposed to:
 - Extend the CP for six months, from January 2014 to June 2014, to align it with the revised United Nations Development Assistance Framework (UNDAF) cycle (January 2009 - July 2014).
 - Adjust the beneficiary planning figures for Component 1 (Support for the education of vulnerable school children in food-insecure areas) to assist 600,500 primary school children for the 2013 school year instead of the former plan of 583,500 children. For 2014, WFP plans to support 550,500 children.
 - Reduce the number of beneficiaries under Component 2 (Food and nutrition support for vulnerable populations affected by HIV) from 90,000 beneficiaries (index clients,⁶ orphans and other vulnerable children, and family members) to 4,000 beneficiaries (index clients only).
2. To implement the proposed changes, the CP will require additional food valued at US\$2,964,467 million and an increase in associated costs, specifically:
 - external transport and landside transport, storage and handling (LTSH) by US\$ 882,191 million;
 - other direct operational costs (ODOC) by US\$358,050;
 - direct support costs (DSC) by US\$1,284,815 and
 - indirect support costs (ISC) by US\$384,267.
3. This revision will increase the total budget of the CP by US\$5.87 million, from US\$126.89 million to US\$132.76 million.

JUSTIFICATION FOR EXTENSION-IN-TIME AND BUDGET INCREASE

Summary of existing project activities

4. The CP is aligned to Strategic Objective 4 'Reduce chronic hunger and undernutrition' of the 2009-2013 WFP Strategic Plan. The two components of the CP contribute to the attainment of the Millennium Development Goals (MDGs) 1, 2 and 6.⁷

Component 1: Support for the Education of Vulnerable Children in Food-Insecure Areas:

5. The WFP school meals programme targets the most food-insecure districts with the lowest enrolment and completion rates and high gender disparities, including all primary schools in the arid lands. The intended outcomes for assisted schools are:
 - increased enrolment of boys and girls;
 - stabilized attendance of boys and girls;
 - increased completion rate; and
 - improved government capacity to manage the school meals programme.
6. Since 2009, under a memorandum of understanding with the Ministry of Education, WFP has been handing over its school meals programme in Kenya's semi-arid lands to the Government's home-grown school meals programme (HGSMP). Under the HGSMP, the Government transfers funds directly to schools to buy food for school meals locally. Over 760,000 students across 28

⁶ An HIV-infected person is defined as an "index client" when he or she is reported to the health department.

⁷ MDG 1: Eradicate extreme poverty and hunger; MDG 2: Achieve universal primary education; MDG 6: Combat HIV/AIDS, malaria & other diseases.

districts in the semi-arid areas have been handed over to the HGSMP so far. WFP supports the hand-over process through training, joint missions and exchange of staff to build national capacity in procurement, data collection, reporting, monitoring and evaluation, and programme management.

7. The HGSMP has, so far, not expanded beyond the semi-arid areas. Stakeholders have agreed that a new strategy needs to be developed to enable the HGSMP to sustainably transition into the arid areas. This will take into consideration the challenging context, including: the lack of nearby agricultural production; local markets as main source of food commodities; price variability and volatility; and sustainability. WFP has started supporting the development of a more appropriate model for the arid areas that will take into consideration these constraints. The new business model is being piloted in Isiolo county during the third term of 2013 (under budget revision 14 to this CP).

Component 2: Food and Nutrition Support for Vulnerable Populations Affected by HIV

8. WFP has been supporting government efforts to combat HIV with food and nutrition support to malnourished HIV-positive clients on antiretroviral treatment, malnourished tuberculosis (TB) and multi drug-resistant TB clients on treatment and their family members, as well as families hosting OVC. The monthly food ration has been cereals, pulses, vegetable oil and Super Cereal. In addition, partners have been providing medicines and complementary interventions such as counseling, life-skills training and income-generating activities in order to enhance sustainable livelihoods.
9. The intended outcomes have been:
 - increased adherence to treatment;
 - improved health and nutritional status;
 - increased enrolment of OVC (boys and girls);
 - increased school attendance of OVC (boys and girls);
 - increased access to HIV services for transport workers along the northern transport corridor; and
 - improved capacity of the Government and NGOs to implement nutritional support programmes for people affected by HIV and AIDS.

Conclusion and recommendation of the re-assessment

10. In line with Kenya's constitution,⁸ a devolved governance structure is being formed following the elections of March 2013. A new five-year (2013-2017) operational plan for the national development programme 'Vision 2030' is being finalized by the new Government - the second Medium-Term Plan (MTP II). The Government has agreed to a six-month extension of the UNDAF until 30 June 2014 to ensure that the United Nations development strategy is fully informed and aligned to the vision and priorities of the MTP II. This will also align the UNDAF with the fiscal year of the Government (July-June).
11. The 2013 Presidential elections and the start of devolution of the government system has strained national budgets, causing funding for the HGSMP to be irregular and well below the approved allocation. The Ministry of Education reported late disbursement and a shortage of funds to fully operate the programme.
12. The handover schedule of WFP's school feeding support to the Government HGSFP is set out in the existing country programme action plan (CPAP) and the standing agreement has been to transition 50,000 children from WFP's programme to the HGSMP each year. However, the

⁸ Constitution of Kenya, 2010.

Ministry of Education is able to take over only 33,000 of the planned 50,000 children in 2013. WFP will therefore continue to support the 17,000 children not able to be integrated into the HGSMP in 2013, in addition to the 2013 planned beneficiaries. The Ministry has also expressed reservations on the expansion of the HGSMP into the arid areas until an appropriate strategy and business model is in place that takes into account the more challenging market and transport systems. Costs for the school feeding programme will inevitably be higher in the arid areas.

13. The country portfolio evaluation⁹ recommended that the HIV component should focus on supporting food-insecure HIV-affected households through sustainable safety nets with clear hand-over strategies. However, resource constraints have increasingly limited WFP's capacity to extend support to households. The mid-term evaluation¹⁰ of the CP further recommended that WFP hand over the clinical nutritional management of the component to other stakeholders with a comparative advantage in this aspect and focus on those areas where there are gaps, as well as advocacy work at a policy level. The recognition by the Government of several key players in food-by-prescription services to malnourished people living with HIV in Kenya has led to more concerted efforts to harmonize and align interventions. National guidelines are currently being revised to provide an integrated health package, with malnourished HIV clients supported through the National Integrated Management of Acute Malnutrition programme.
14. In line with the WFP Kenya country strategy (2013 - 2017), WFP has revised its HIV and nutrition strategy, drawing on recommendations made by the country portfolio evaluation, the mid-term evaluation, and reviews of the OVC and Roadside Wellness Centre activities.¹¹ The revised strategy considers the severe resourcing constraints that have hampered the full implementation of activities to date and proposes to: (i) integrate and mainstream HIV support into other WFP nutrition activities (in PRRO 200294); (ii) hand over the OVC and Roadside Wellness Centres to government and non-governmental organization (NGO) partners; (iii) target food assistance to HIV index clients whose body mass index (BMI) is less than 18.5; and (iv) change the targeting focus for WFP's support from high disease burden areas, where there are already a number of other stakeholder actively working, to the most food-insecure areas where HIV prevalence is a public health concern and few development actors are present.

Purpose of extension and budget increase

15. The proposed six-month extension-in-time from January 2014 to June 2014 will align the CP with the revised UNDAF cycle, which in turn is aligned to the MTP II. The United Nations agencies, including WFP, have secured full commitment from the Government to continue supporting the Government under their respective existing CP frameworks during the six-month bridging period.

Component 1: Support for the Education of Vulnerable Children in Food-Insecure Areas

16. WFP will continue to complement the Government's HGSMP through the provision of school meals in the northern arid areas and in the urban slums of Nairobi. WFP will support a total of 600,500 children in 2013: 550,500 school children through in-kind food support and 50,000 school children through cash transfers to schools in Isiolo, as part of the transition to the HGSMP cash transfer modality.¹² Beneficiary figures for 2013 are slightly higher than envisaged earlier due to the handover to the Government's HGSFP being 33,000 children rather than 50,000.
17. WFP is helping the Ministry of Education to formulate an appropriate national HGSMP model to support the transition from WFP support to a Government-managed programme in arid areas. It is

⁹ WFP Country Portfolio Evaluation. Kenya: An Evaluation of WFP's Portfolio (2006-2010). July 2011.

¹⁰ WFP, 2012. Mid-Term Evaluation of Country Programme 106680.

¹¹ WFP November 2010. Food and Nutrition Support to Orphans and Vulnerable Children. Busia County-Western Kenya. Koech and Tonui. 2012, The Roadside Wellness Centre Project - Final Evaluation report.

¹² See CP 106680 budget revision 14.

expected that the new strategy and business model will be finalised by end-2013 and further refined during the six-month extension period in 2014.¹³ The Government and WFP will agree on the pace of handover of schools for 2014 and beyond based on the results of this work.

18. WFP's school feeding beneficiary planning figures for 2014 are 550,500 based on the standing agreements for handover, and pending agreements with the Government on the pace and modalities for the expansion of the national HGSMP to the arid areas. A further revision to the CP may be required to accommodate changes in WFP's beneficiary numbers.
19. No changes to the food ration or implementation modalities for this component are envisaged for this budget revision.

Component 2: Food and Nutrition Support for Vulnerable Populations Affected by HIV

20. In close consultation with the Government and cooperating partners, WFP will align its support in 2013 to the national food-by-prescription protocol. Only malnourished HIV-positive and TB index clients will be targeted with fortified blended foods to improve their nutritional status. By 2014, it is anticipated that no new index clients will be targeted for support under this component – however those already enrolled will continue to be supported until they complete their treatment.
21. The intended outcomes for the component will be:
 - increased adherence to antiretroviral treatment (ART) and TB treatment; and
 - improved health and nutritional status of index clients.
22. WFP will provide a ration of Super Cereal to HIV-affected clients, which will be age-specific as illustrated in Table 2.
23. Resource limitations restrict WFP's ability to continue to offer a household ration for affected families of index clients in 2013 and beyond. WFP will work with partners and the Government to minimize negative effects from the discontinuation of this assistance and advocate with the Government and other stakeholders to support these households.
24. In line with the Government's strategy to provide an integrated health package, WFP will support the Ministry of Health's efforts to mainstream nutritional interventions to HIV-affected populations into other nutritional programmes, specifically to integrate malnourished HIV clients into the existing Integrated Management of Acute Malnutrition programme implemented in the arid and semi-arid lands.¹⁴ WFP support to OVC and Roadside Wellness Centres will be handed over to government and non-governmental organization (NGO) partners.
25. WFP will enhance its advocacy and policy dialogue with the Government and others to ensure nutrition is a key component in the management of HIV.
26. Beneficiary planning figures in 2013 for component 2 will be scaled down from the planned 90,000 beneficiaries (comprising index clients and their families, and OVCs and their families) to 4,000 index clients.¹⁵ Beneficiaries will be targeted in health facilities in the Western, Rift Valley and North Rift regions of the country and the unplanned settlements of Nairobi through WFP's cooperating partners AMPATH and Feed the Children based on revised targeting criteria.

¹³ A further budget revision will be necessary to continue the cash transfer modality in 2014.

¹⁴ Under PRRO 200294, WFP plans to broaden the admission criteria of its supplementary feeding programmes to include all HIV-affected individuals with a body mass index of less than 18.5. A separate budget revision will be undertaken to adjust PRRO 200294 to include this change.

¹⁵ Originally, the 90,000 planned beneficiaries under the HIV component included: 10,500 index clients, 52,500 family members (based on a household size of (6), and 27,000 OVC, and household members.

Targeting criteria has been jointly developed with partners to align with the Government's FBP protocol.¹⁶

TABLE 1: BENEFICIARIES BY ACTIVITY TYPE			
Component	Beneficiaries		
	Current (2013)	Revised (2013)	Revised (Jan. – Jun. 2014)
1. Support for the Education	605,500	600,500	550,500
2. Food and Nutrition Support HIV-affected populations	90,000	4,000	4,000
Total	695,500	604,500	554,500

27. Modalities of food transfers to beneficiaries in Component 1 will remain unchanged, while rations in component 2 will be adjusted as follows:

TABLE 2: PROPOSED MODIFICATION OF DAILY FOOD RATION (g/person/day)			
Commodity	Component 2: Food and Nutrition Support HIV- affected populations		
	Adults and pregnant and lactating women	Children 2-17 years	Children 6-23 Months
Super Cereal	300	200	100
Total (g)	300	200	100
Total kcal/day	1 127	752	376
% kcal from protein	16.3	16.3	16.3
% kcal from fat	19.2	19.2	19.2

FOOD REQUIREMENTS

28. The adjusted food requirements for the CP are shown in Table 3 below.

TABLE 3: FOOD/CASH REQUIREMENTS BY ACTIVITY TYPE				
Component	Commodity / Cash	Food requirements (mt) / Cash (US\$)		
		Current	Increase/ (Decrease)	Revised total
1. Support for the Education	Commodity	130,271	11,831	142,102
	Cash	487,500	-	487,500
2. Food and Nutrition Support HIV index clients	Commodity	47,429	(4,697)	42,732
	Total (mt)	177,700	7,134	184,834
Total (US\$)	Cash	487,500	-	487,500

¹⁶ The criteria will target HIV+ malnourished adults (body mass index, BMI ≤ 18.5), HIV positive pregnant and lactating women (middle-upper arm circumference, MUAC ≤ 23), HIV + children aged 5-17 years $< -2SD$, children 6-59 months (MUAC ≤ 12.5 cm) and malnourished TB clients (BMI ≤ 18.5).

Risk Assessment

29. The handover of school children from WFP to the HGSFP was less than expected in 2013 and this may slow-down the momentum of the progressive transition strategy established in 2009. WFP will continue dialogue with the Government as the new model for the arid lands is developed to agree on the pace of transition for these more challenging contexts.
30. The significant reduction in WFP support to the HIV activities may affect the positive gains that have been made in terms of ensuring improved nutritional status and increased adherence of targeted index clients by WFP and partners. WFP will continue its strategy to address the needs the former beneficiaries and enhance dialogue with cooperating partners.

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