





BUDGET REVISION No. 8 to KENYA PRRO 200294
Protecting and Rebuilding Livelihoods in Arid and Semi-Arid Areas

BUDGET REVISION FOR THE APPROVAL OF REGIONAL DIRECTOR

	<u>Initials</u>	<u>In Date</u>	<u>Out Date</u>	<u>Reason For Delay</u>
<u>ORIGINATOR</u>				
Country Office or Regional Bureau on behalf of Country Office		27/02/15	27/02/15	N/A
<u>CLEARANCE</u>				
Programme Adviser, RB		27/02/15		
Logistic Officer, RB (change in LTSH and/or External Transport)		2/3/15		
Resource Management Analyst, RB	CUB	2/3/15	3/3/15	
<u>APPROVAL</u>				
<input checked="" type="checkbox"/> Regional Director		5/3/15	6/3/15	—

PROJECT	Start date: 1 May 2012	End date: 30 April 2015	Extension/Reduction period: ...N/A	New end date: N/A..
Cost (United States dollars)				
	Current Budget	Increase (Decrease)	Revised Budget	
Food and Related Costs	USD 294,186,174	USD 4,132,679	USD 298,318,853	
Cash and Vouchers and Related Costs	USD 86,983,106	USD 0	USD 86,983,106	
Capacity Development & Augmentation	USD 1,090,685	USD 0	USD 1,090,685	
DSC	USD 37,964,206	USD 0	USD 37,964,206	
ISC	USD 29,415,692	USD 289,288	USD 29,704,979	
Total cost to WFP	USD 449,639,863	USD 4,421,966	USD 454,061,829	

CHANGES TO:

Food Tool <input checked="" type="checkbox"/> MT <input checked="" type="checkbox"/> Commodity Value <input checked="" type="checkbox"/> External Transport <input checked="" type="checkbox"/> LTSH <input checked="" type="checkbox"/> ODOC	C&V Tool <input type="checkbox"/> C&V Transfers <input type="checkbox"/> C&V Related Costs	<input type="checkbox"/> CD&A <input type="checkbox"/> DSC <input type="checkbox"/> Project duration <input type="checkbox"/> Other	Project Rates <input checked="" type="checkbox"/> LTSH (USD/MT) <input checked="" type="checkbox"/> ODOC (USD/MT) <input checked="" type="checkbox"/> C&V Related (%) <input checked="" type="checkbox"/> DSC (%)
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- DISTRIBUTION:**
- | | | |
|------------------|-----------------------------|------------------------|
| DED & COO | Director, OSZ | Regional Director |
| Director, OME | Chief, OSZP | RB Programme Advisor |
| Director, PGG | Chief, OSZR | RB Programme Assistant |
| Chief, OSLT | Chief, OSZI | RB Chrono |
| Chief, RMBP | Programme Officer, RMBP | OM Registry |
| Country Director | Programming Assistant, RMBP | |



NATURE OF THE REVISION

1. This budget revision to protracted relief and recovery operation (PRRO 200294) “Protecting and Rebuilding Livelihoods in Arid and Semi-Arid Areas”¹ proposes to:
 - increase beneficiary planning figures from 1.01 million beneficiaries to 1.36 million beneficiaries, taking into consideration the recommendations of 2014 long rains assessments² and WFP food security and outcome monitoring;³
 - increase the requirements for food transfers and associated costs for the increase in beneficiary numbers for the period December 2014 to April 2015;
 - revise land transport, storage and handling (LTSH) cost per ton for the PRRO, taking into account the changes in primary transport rates from the points of origin to the extended delivery points and the decommissioning of the Garissa trans-shipment hub for food destined for northeastern Kenya; and
 - adjust some direct support cost (DSC) budget lines, taking into account the current plan versus recent actual expenditures.
2. PRRO 200294 currently has a budget of USD 450 million. This revision will increase the budget by USD 4.4 million to bring the total cost to USD 454 million. The costs of the operation will be increased as follows:
 - food and related costs by USD 4.1 million; and
 - indirect support costs (ISC) by USD 289,288.

JUSTIFICATION FOR THE REVISION

Summary of existing project activities

3. By rebuilding livelihoods and enhancing resilience, the PRRO aims to support the Government’s social protection strategy and commitment to ending drought emergencies by supporting households in arid and semi-arid lands (ASALs) to cope with, and recover from, recurring drought. This PRRO, including this budget revision, is aligned with the United Nations Development Assistance Framework (2014-2018). The PRRO has four objectives in line with three Strategic Objectives of the WFP Strategic Plan (2014-2017):
 - Assist emergency-affected households in reducing the impacts of shocks by addressing their food needs (Strategic Objective 1).
 - Reduce acute malnutrition among children under 5 and pregnant and lactating women in identified populations in crisis-affected areas (Strategic Objective 1).
 - Support and re-establish livelihoods, food security and nutrition aftershocks (Strategic Objective 2).
 - Enhance communities’ resilience to shocks through asset creation, and increase government capacity to design and manage disaster-preparedness and risk-reduction programmes (capacity development includes preparedness, early warning and livelihood-based planning - Strategic Objective 3).
4. The PRRO has three components: relief, recovery and preparedness.

¹ http://one.wfp.org/operations/current_operations/project_docs/200294.pdf

² http://www.ndma.go.ke/images/assessments/national_2014_lra.pdf

³ WFP Kenya Food Security and Outcome Monitoring. Consolidated report, December 2014.

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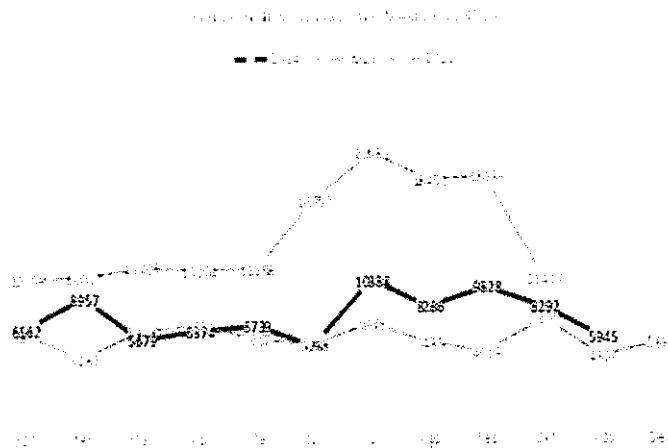
- *Relief*: assisting emergency-affected households to reduce the impacts of shocks by addressing their immediate food needs; and reducing acute malnutrition among children under 5 and pregnant and lactating women in identified populations in crisis-affected areas.
- *Recovery*: disaster reduction and resilience - enhancing local communities' resilience to shocks through productive safety nets that help creation of community and household assets; including re-establishing of livelihoods and food security after the shocks.
- *Preparedness*: increasing government capacity to design and manage disaster-preparedness and risk-reduction programmes.

Conclusion and recommendation of the re-assessment

5. Food security deteriorated in Kenya's pastoral, agropastoral and marginal agricultural areas following below-average March-May 2014 long rains. From the 2014 long rains assessment, an estimated 1.5 million people are currently acutely food insecure and require immediate food assistance, with the next assessment (for the short rains season) available in March 2015. The population has increased from the 1.3 million that required immediate food assistance in February 2014, representing a 15 percent increase. This is attributed to the cumulative effects of the poor 2013 short rains season coupled with the below-average 2014 long rains season in the pastoral, agropastoral and marginal agricultural areas, with increasing food prices and conflict.
6. The poor rains resulted in below-average crop production and poor recovery of rangeland condition. In pastoral and agro-pastoral areas, forage conditions were fair to poor, with 70-80 percent of groundwater sources reported to have been exhausted and trekking distances to water sources increased. Livestock migration was earlier-than-normal in the pastoral areas of Isiolo, Marsabit, Mandera, Samburu, Turkana and Wajir, as well as in agropastoral areas of Baringo, Kajiado, Laikipia and West Pokot. The deteriorated forage conditions resulted in poor livestock body condition; in some cases livestock were emaciated. In the southeastern marginal agricultural areas, most of the maize crop did not reach maturity. Household stocks have been depleted, resulting in high market dependence for food access while income-earning opportunities have significantly declined.
7. The areas of concern include parts of Turkana, Wajir, Mandera, Marsabit, Samburu, Baringo and West Pokot, where localised households have moved into "Crisis" phase of the Integrated Food Security Phase Classification (IPC Phase 3) and significant numbers still "Stressed" (IPC Phase 2) are at risk of sliding into "Crisis". Households in northern parts of Garissa, Isiolo and southeastern marginal agricultural areas also experienced a deterioration of food security. The below-normal long rains resulted in below-average crop harvest, especially in Kenya's grain basket areas of the Rift Valley highlands.
8. Nutrition surveys conducted by Ministry of Health and partners in mid-2014 in arid counties showed that the nutrition situation had deteriorated significantly from 2013 to: (i) "very critical" global acute malnutrition (ie above 20 percent) in Turkana, Baringo (East Pokot), Mandera, Wajir West; and (ii) "critical" global acute malnutrition (15-20 percent) in Samburu and Wajir East/South. However, the admission trends from the supplementary feeding activity in the arid counties indicated a continued reduction in new admissions since the peak in July 2014.⁴ Admissions remain slightly higher than in 2013 (see figure 1 – for arid counties only).

⁴ WFP Kenya Food Security and Outcome Monitoring. Consolidated report, December 2014.

FIGURE 1: TARGETED SUPPLEMENTARY FEEDING ADMISSIONS



9. The Kenya Food Security Steering Group (KFSSG) recommended that the response to food insecurity, to the extent possible, focuses on activities that enhance resilience. The KFSSG recognizes the contribution of resilience-building activities, such as food-assistance-for-assets, to improved food security and that such initiatives require sufficient time for implementation. WFP will consolidate the gains made so far, while improving the quality of assets to help ensure they can sustain beneficiaries through future droughts. This approach supports the Government's Ending Drought Emergencies strategy.⁵
10. The 2014 long rains assessment concluded that 1.51 million people are acutely food insecure and recommended they receive immediate food assistance. The Government of Kenya and WFP discussed the response to the long rains assessment figures: out of the 1.51 million people recommended for food assistance, it was agreed that the Government takes responsibility for 250,000 people while WFP provides assistance to 1.26 million people plus an additional 100,000 beneficiaries who were not considered to need immediate food assistance but who were retained because they are food insecure and are working on asset-creation activities for resilience. Thus WFP will assist a total of 1.36 million beneficiaries. The requirements for targeted supplementary feeding have not increased because the admission trends of malnourished children under 5 and malnourished pregnant and lactating women are expected to remain within the existing planning figures of the PRRO.
11. The results of the long rains assessment are communicated from the national level by the Government's Special Programme Directorate to the county steering groups, which deliberate the results for endorsement at county level. WFP's cooperating partners inform and sensitize the communities on the changes at public meetings (Barazaa).

Purpose of the budget revision

Increase in beneficiaries

12. The main purpose of this budget revision is to align the cost of operations for period December 2014-April 2015 to reflect an increase in the number of beneficiaries from 1.01 million to 1.36

⁵ Ending Drought Emergencies, Kenya Vision 2030, Second Medium Term Plan, 2013-2017.

million for the same period. The net effect is an increase from the current budget of USD 450 million to a revised budget of USD 454 million.

13. The number of beneficiaries will increase by 345,900 beneficiaries. The specific adjustments are explained as follows (see Table 1):
 - General food distribution (food) beneficiaries have increased by 325,000 (from 300,000 to 625,000) because of additional beneficiaries in Baringo, Mandera, Wajir and Samburu counties.
 - General food distribution (cash) beneficiaries have increased by 10,500 because of the introduction of unconditional cash transfers in Samburu and Isiolo counties.
 - Food for assets beneficiaries have increased by 10,400 (from 321,800 to 332,200) because of the addition of asset-creation activities in East-Pokot sub-county in Baringo County.

Decrease in land transport, storage and handling costs

14. The primary transport rates from the points of origin to the extended delivery points decreased by an average of 20 percent in line with new transport contracts. The reduction of rates from the previous contracts is attributed to stabilization of the transport demand from Mombasa throughout 2013 and 2014. Also, the previous land transport, storage and handling transport matrix had assumed that 10 percent of the food requirements for extended delivery points in north-eastern Kenya would be transported through the Garissa transshipment hub, but a review concluded that the hub will be phased out of the logistics network and reduce transshipment cost by USD 6 per mt.

Realignment of direct support cost budget lines

15. This budget revision also aims to realign some of the DSC budget lines, taking into account the current plan against actual expenditures. The DSC budget lines that have been reduced include office set-up and renewal while those lines that have increased include danger/hazard and hardship allowances.

TABLE 1: BENEFICIARIES BY ACTIVITY⁶

Activity	Category of beneficiaries	Current			Increase / Decrease			Revised		
		Boys / Men	Girls / Women	Total	Boys / Men	Girls / Women	Total	Boys / Men	Girls / Women	Total
General Food Distribution (Food)	Disaster-affected households	138,000	162,000	300,000	149,500	175,500	325,000	287,500	337,500	625,000
General Food Distribution (cash)	Disaster-affected households	-	-	-	4,830	5,670	10,500	4,830	5,670	10,500
Supplementary Feeding (individual)	Mainourished children and pregnant and nursing women	25,200	44,800	70,000	-	-	-	25,200	44,800	70,000
Supplementary Feeding (Protection)	Families with malnourished children and pregnant and nursing women	7,200	12,800	20,000	-	-	-	7,200	12,800	20,000
Food Assistance For Assets/Food	Disaster-affected households	148,028	173,772	321,800	4,784	5,616	10,400	152,812	179,388	332,200
Food Assistance For Assets/Cash	Disaster-affected households	170,200	199,800	370,000	-	-	-	170,200	199,800	370,000
Total Beneficiaries		488,628	593,172	1,081,800	159,114	186,786	345,900	647,742	779,958	1,427,700
Adjusted Total Beneficiaries⁷		463,428	548,372	1,011,800	159,114	186,786	345,900	622,542	735,158	1,357,700

⁶ The number shown in the table reflects the highest numbers during the period, which may be reached for only a few months out of the year.

⁷ Adjusted total number of beneficiaries excludes supplementary feeding beneficiaries because they are assumed to include in general food distributions. It also includes beneficiaries under protection ration.

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REQUIREMENTS

16. There are no changes to beneficiary rations and cash transfer values. The revised requirements for food and cash transfers to achieve the outcomes of the PRRO are shown in Table 2.

TABLE 2: FOOD AND CASH REQUIREMENTS BY ACTIVITY				
Activity	Commodity / Cash & voucher	Food requirements (mt) Cash/Voucher (US\$)		
		Current	Increase / Decrease	Revised total
General Food Distribution	Commodity	163,610	7,056	170,666
Food For Assets	Commodity	113,817	393	114,210
Supplementary feeding (individual)	Commodity	10,863	0	10,863
Protection ration for supplementary feeding	Commodity	6,864	0	6,864
Micronutrient powder ⁸	Commodity	35	0	35
TOTAL Tonnage (mt)		295,189	7,449	302,638
Cash Transfers	Cash	75,777,911	0	75,777,911
TOTAL Cash (USD)		75,777,911	0	75,777,911

⁸ Micronutrient supplementation for reducing iron deficiency anemia in children 6-23 months: as adjusted by budget revision 6, the micronutrient requirements continue to be covered by trust fund and are no longer included in this PRRO.

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ACRONYMS USED IN THE DOCUMENT

ASAL	Arid and semi-arid land
DSC	Direct support costs
IPC	Integrated Food Security Phase Classification
ISC	Indirect support costs
KFSSG:	Kenya Food Security Steering Group
LTSH	Landside, transport, storage and handling
ODOC	Other direct operational costs
PRRO	Protracted relief and recovery operation
USD	United States dollars
WFP	United Nations World Food Programme