

PROJECT REVISION DOCUMENT

Budget revision n°004

PRRO 10553.0 : Post-conflict transition in the Forest Guinea region and assistance to vulnerable groups affected by high food prices

	Cost (United States dollars)		Revised budget
	Present budget	Increase	
Food cost	11 362 163	8 885 138	20 247 301
External transport	5 903 472	2 695 627	8 599 099
LTSH	4 909 502	3 311 181	8 220 683
ODOC	1 000 000	1 060 876	2 060 876
DSC	3 932 770	3 557 970	7 490 740
ISC (7%)	1 897 553	1 365 755	3 263 309
Total cost to WFP	29 005 460	20 876 548	49 882 008

1 Nature of increase

1.1 This budget revision to PRRO 10553.0 is required to:

- (i) reorient the operation to integrate newly emerging needs due to the combined effects of the high food prices and the lean season (with change in project title);
- (ii) expand PRRO 10553.0 to include new activities and beneficiaries and to cover the areas of Conakry, Middle and Upper Guinea, requiring an additional food commitment of 19,271 mt and associated costs;
- (iii) extend food assistance to refugees from the Ivory Coast who have been unable to repatriate.

1.2 The budget revision follows two previous budget revisions, the first to integrate new staffing needs, additional food commodities and external transport, and the second, to adjust the LTSH rate.

2 Justification for extension and/or budget increase

2.1 An increase in food and fuel prices has exacerbated a situation of structural food insecurity in Guinea and placed thousands of people at risk. In response to the crisis, the government has formed a food crisis committee and a technical cell for coordination, assessment and follow up of the food situation in the country.

2.2 The Government has implemented a national policy to promote lower food prices in urban areas and has maintained a ban on food exports. Measures include the temporary reduction of duties and taxes levied on rice imports, the readjustment of transport fees for civil servants and student grants. Fuel subsidies have also been a part of the contingency measures adopted by the Government. However, subsidies were lifted in April 2008 which resulted in a 62 percent rise in the price of fuel. This has already led to growing discontent among the Guinean population, which has been further exacerbated by local political disagreements. In May 2008, a riot by the army was resolved through the payment of salary arrears.

- 2.3 Despite government efforts, in the capital Conakry, the price of rice, which is the staple food for Guineans, is now among West Africa's highest. Currently, the price of a 50 kg bag of rice stands at 220,000 Guinean Francs (US\$ 50), whereas the average monthly wage is around 250,000 Guinean Francs (US\$ 57).
- 2.4 With the upcoming lean season (from end June – end September), food commodity prices are expected to rise further. It is feared that the 9 percent global acute malnutrition rate among under five children, currently prevailing in Guinea, will further deteriorate, with an upsurge in the number of new admissions to nutrition centres.
- 2.5 On 3 June 2008, in a meeting of representatives of G8 donors, China and multilateral organizations, the Government confirmed that it lacked buffer stocks to meet lean season food needs and appealed for external assistance for a contingency stock providing 25,000 mt of rice each month for a four to six month period.
- 2.6 With the continuing deterioration in food security, WFP food assistance is seen as a key instrument to bring immediate short-term relief to the affected population. WFP activities under this budget revision will form part of a joint WFP, FAO and UNICEF emergency program to provide immediate assistance over the period July – December 2008.

Summary of project activities

- 2.7 PRRO 10553.0 started in July 2007 for a two year period (until June 2009), with a targeted beneficiary caseload of 408,400 food insecure persons in areas that had been negatively impacted by the refugees presence, and in areas in which former refugees were being integrated.
- 2.8 The focus of the PRRO 10553.0 is the rehabilitation of livelihoods, with 51 percent of resources allocated to food-for-work and food-for-training activities; 24 percent to food for education, 21 percent to support internally displaced persons (IDPs) and Ivorian refugees, and 4 percent to support HIV-affected families and nutritional rehabilitation.
- 2.9 In addition to PRRO 10553.0, WFP implements a Country Programme (CP) 10453.0 with a yearly beneficiary caseload of 170,400 individuals over a five year period (1 January 2007 – 31 December 2011). The CP has three components: support to primary education, community rural development and the health/nutrition improvement of children, pregnant/lactating women and people living with HIV/AIDS. It is implemented in Middle and Upper Guinea, which are the regions hardest hit by food insecurity and illiteracy, as well as in Conakry (only for the third component). Out of the three components, primary education is the largest, targeting 115 000 school pupils.
- 2.10 From July to September 2008, primary schools will be closed although school feeding activities are implemented in the most food insecure areas and represent a major food transfer mechanism.

Conclusion and recommendations of the rapid assessment on the impact of high food prices on food security and nutrition

- 2.11 WFP conducted a rapid assessment from 12-14 May 2008 to assess the impact of rapidly rising food prices and to propose an appropriate response. The mission confirmed that the food and fuel price shock was severely exacerbating existing structural food insecurity in the country.

- 2.12 The mission examined two scenarios on the impact of the high food prices. The first, more likely scenario anticipates increases of 15 to 20 percent in the price of rice in June 2008, with higher levels of food insecurity and malnutrition during the lean season, especially at the end of mango season. Global acute malnutrition rates would exceed 15 percent in the most deprived areas. By September, households would face further difficulties due to Ramadan price rises (month of September). Sporadic episodes of unrest in Conakry and other urban areas would not be ruled out. The actions proposed under the budget revision are aimed to address this first scenario. The second scenario foresees a more drastic rise in rice prices to 300,000 Guinean Francs per 50 kg bag during the lean season. Civil unrest, worse than the episodes of January/February 2007 would occur, hindering any actions of partners to mitigate the food crisis.
- 2.13 The price of rice in Conakry is among West Africa's highest, due to a monopolistic import sector, high port costs and an unstable exchange rate. A food export ban imposed since early 2007 has prevented rural populations from taking advantage of higher worldwide commodity prices. The group most affected by the price hikes are rural smallholders who have difficulty securing adequate food supplies, and who will now face problems of food access over the lean-season. In urban areas, the occupational groups most at risk are casual laborers and petty traders.
- 2.14 From secondary data analysis, the mission noted that reduced access to food due to diminishing purchasing power had already led to an increase in negative coping strategies in urban areas, especially in Conakry. In March 2008, the NGO Hellen Keller International carried out a food and nutrition survey¹ of 200 households in urban areas of Conakry, which showed that 58 percent of surveyed households frequently lacked money to buy food and 22 percent of households reported selling belongings to buy food. Households in the most deprived neighborhoods of Conakry were spending 61 percent of their income on food, while 29 percent of households had reduced the number of meals and 87 percent of households had reduced the quantities of food consumed over the month of February 2008.
- 2.15 The rapid assessment mission identified the lean season period from June-September as the peak period of hardship, a time when many households buy imported rice at high prices on the local market. Furthermore, the month of Ramadan, in September, leads to higher food prices at the end of the lean season. Although markets are well stocked, some of the poorest simply cannot afford to buy enough food to meet their basic needs, resulting in increased rates of malnutrition. By October 2008, it is feared that, without food assistance, prevailing global malnutrition rates will significantly worsen.
- 2.16 Food insecurity is linked to poverty, which affects 53 percent of the population (mostly comprising agricultural households)². The 2005 WFP VAM survey estimated that 6 percent of rural households were severely food insecure, with the most food insecure areas being Upper Guinea, Middle Guinea and Forest Guinea. Global acute malnutrition affected 9 percent of children under five. The high rates of malnutrition were further confirmed in the 2006 Demographic and Health Survey, which reported a global acute malnutrition rate of 10.4 percent in Upper Guinea, 11.6 percent in Middle Guinea, 10.8 percent in Forest Guinea and 8.7 percent in Conakry. Based on information collected during the rapid assessment of May 2008, the situation is expected to have further deteriorated.

¹ This survey implemented in collaboration with the Ministry of Public Health collected data pertaining to activities, expenditures, food consumption, survival strategies and nutrition from 200 households in five of Conakry's most deprived neighborhoods.

² Poverty Reduction Strategy paper II

- 2.17 The rapid assessment mission has estimated that 633,000 persons will be impacted by the combined effect of high food/fuel prices. Considering security concerns, particularly in urban areas, short term capacity, and WFP food distributions through ongoing operations during the lean season, the mission recommended additional food assistance for 458,000 people through vulnerable group feeding, therapeutic and supplementary feeding, and take-home family rations for children and pregnant and lactating women discharged from supplementary feeding activities.
- 2.18 Follow up livelihood assessments will be carried out to provide information on trends in rural and urban areas. A first assessment is planned for October/November 2008, and a second assessment for April 2009, with support from the Regional Bureau. The first assessment will meet three objectives: (i) estimating the increase in the “very vulnerable” category in rural areas resulting from the high price shock; (ii) assessing the extent of food insecurity in urban areas other than Conakry; and (iii) monitoring the evolution of urban vulnerability in Conakry through monthly SEFFAN³ data in collaboration with Helen Keller International.
- 2.19 A food security and nutrition monitoring system will be put in place that will include regular surveys on food and nutrition by Helen Keller International regular surveys on food and nutrition, nutritional surveys by Action Contre la Faim and the Integrated Food Security and Humanitarian Phase Classification (IPC) system. To reinforce preparedness, WFP will develop strategies and capacity for urban food programming, as highlighted in WFP May 2008 rapid assessment mission.

Purpose of the budget increase

- 2.20 The budget increase will provide food assistance for an additional 585,000 food insecure people from July to December 2008 with two main objectives: (i) protecting livelihoods and enhancing the resilience of targeted households to cope with the lean season/high food prices shock, and (ii) supporting the improved nutrition and health status of children, mothers and other vulnerable people. This figures includes an additional 128,000 beneficiaries, as compared to the rapid assessment mission recommendations, namely: inclusion of Ivorian refugees (3 000), more beneficiaries under the nutrition component (14,800), the extension of the 1 month discharge to the vulnerable groups of the CP10453.0 (51 000) as well as to those new beneficiaries of the nutrition component (59 200). These objectives are in line with the new WFP Strategic Objective 1: Save lives and protect livelihoods in emergencies.
- 2.21 The beneficiaries will be composed of the following groups:

Categories of beneficiaries	Male	Female	Adults		School-age children		Pre-school children		Total
			Male	Female	Male	Female	Male	Female	
Ivorian refugees	1,380	1,620	745	875	400	470	235	275	3,000
Vulnerable persons	114,000	266,000	61,560	143,640	33,060	77,140	19,380	45,220	380,000
Therapeutic feeding	499	501	0	0	0	0	499	501	1,000
Supplementary feeding (SFP)	12,499	12,501	0	0	0	0	12,499	12,501	25,000
SFP accompanying persons	300	700	213	497	87	203	0	0	1,000
Family rations SFP	52,500	122,500	28,350	66,150	15,225	35,525	8,925	20,825	175,000
Total	181,178	403,822	90,868	211,162	48,772	113,338	41,538	79,322	585,000

- 2.22 The PRRO 10553.0 areas of intervention will be extended from Forest Guinea to cover Middle Guinea, Upper Guinea and Conakry. In Conakry, in line with the recommendations

³ Suivi des Enfants, des Femmes et des Familles en Alimentation-Nutrition (children, women and households monitoring on food and nutrition)

of the rapid assessment mission, only two activities will be implemented: supplementary feeding and family rations for those discharged from supplementary feeding.

2.23 The following specific activities will be implemented through this budget revision:

(i) Activity 1: Food assistance for Ivorian refugees in Forest Guinea. The refugees will continue to be assisted through general food distributions for the new period July to December 2008, as security conditions in their country of origin have not allowed for their repatriation. Food distributions will be based on beneficiary lists provided by the United Nations High Commission for Refugees (UNHCR). Food assistance will help them maintain their nutritional status at an acceptable level, as they lack reliable incomes which can secure a steady access to food, particularly during the lean season.

(ii) Activity 2: General food distribution to vulnerable groups in rural areas. Under this new activity, eligible beneficiaries will be subsistence farmers who are particularly at risk due to weak coping mechanisms. This group, which purchases its food during the lean season, has children at increased risk to malnutrition. As recommended by the rapid assessment mission, targeting will be conducted through the existing school feeding network, with school feeding activities under both the Country Programme and the PRRO targeting the most food insecure areas of the country. Vulnerable households without children at school would also be eligible to receive assistance. Beneficiaries will receive a monthly lean season dry ration during a 3 month period.

(iii) Activity 3: Nutrition interventions for malnourished children under five and malnourished pregnant and lactating women. These interventions, which comprise supplementary feeding (for moderate malnutrition) and therapeutic feeding (for severe acute malnutrition), will be further expanded to cover vulnerable groups affected by the high food prices based on existing beneficiary targeting criteria. Food rations for supplementary feeding will be in the form of a dry take home ration. The health centers assisted during the period July – December 2008 are those in Upper and Middle Guinea and Conakry that are not included in the Country Programme 10453. The duration of assistance will be 90 days for supplementary feeding and 30 days for therapeutic feeding, as per existing guidelines from the Ministry of Public Health. The person accompanying interned malnourished children at therapeutic feeding centres will also receive a vulnerable group feeding ration for the duration of the treatment. This latter measure has been recommended by the food security and nutrition cluster to contain drop-out cases.

(iv) Activity 4: Family rations for children under five and pregnant and lactating women discharged from supplementary feeding centres. This new activity will target households of malnourished children and malnourished pregnant and lactating women in health centers. The caseload is based on the number of malnourished children and mothers in supplementary feeding activities currently assisted under the Country Programme and the PRRO. Based on an average household size of five, a one month family ration will be provided to the families of children and pregnant and lactating women discharged from the supplementary feeding activities.

2.21. The ration levels will remain the same as in the original PRRO 10553.0 for general food distribution to Ivorian refugees, as well as for therapeutic and supplementary feeding activities, as shown in the table below. However, for the Ivorian refugees, the provision of maize instead of rice will result in a decrease in the energy content of the food basket from 1,649 kcal down to 1,614 kcal.

Activity	Ration size	Duration (days)	Cereals (g)	Pulses (g)	Oil (g)	Salt (g)	CSB (g)	Sugar (g)	Total g per head/day	Kcal	Original Kcal
GFD refugees	x1	180	350	50	25	5	0	0	430	1614	1649
Vuln group feeding	x1	90	400	40	20	5	0	0	465	1711	n/a
Therapeutic feed	x1	30	0	0	10	0	150	10	170	699	699
SFP	x1	90	0	0	25	5	250	20	300	1251	1251
SFP accompanying pers	x1	30	400	30	20	5	0	0	455	1678	n/a
Family rations SFP	x5	30	400	40	20	5	0	0	465	1711	n/a

GFD: general food distribution; SFP: Supplementary feeding

- 2.22. WFP will avoid general food distributions in urban Conakry and other urban centres due to prevailing security concerns. There is a consensus among stakeholders interviewed by the rapid assessment mission that large-scale food distributions in urban centers would encounter difficulties in identifying the poorest households and run the risk of provoking violence in neighborhoods. Lower visibility interventions based on a coordinated expansion of existing interventions, mainly through health centres, will therefore be carried out in urban areas.
- 2.23. Food distributions to vulnerable groups will take place at the end of each month in July, August and September 2008 through the school feeding network, thus coinciding with the lean season. WFP will mobilize school directors, teachers, Parent Teachers Associations (PTAs) and local authorities for a few days at the end of each month to organize the dry ration distributions.
- 2.24. Severely malnourished children will receive their prepared daily food rations at therapeutic feeding centers. Moderately malnourished children under five and pregnant/lactating women enrolled in supplementary feeding, and accompanying persons, will receive their monthly dry take-home food rations after their consultation at the health centre. Food distributions will be staggered, so as to avoid single large-scale food distributions. The family food rations will also be provided to beneficiaries upon their discharge from the supplementary feeding activities.
- 2.25. The food basket will comprise maize as the cereal commodity. Prior the start of food distributions, stakeholders (beneficiaries, partners and government) will be sensitized on the relevance of shifting consumption to maize/maize meal rather than more expensive rice. In view of the short timeframe to avail of the large quantities of cereals required from July 2008, and upon agreement from donors, WFP will use current in-country cereals stocks earmarked for school feeding to start the food distributions.
- 2.26. Considering the large quantities of food to be distributed through the budget revision, particularly from July to September 2008, WFP will mobilize additional staff to ensure adequate services in logistics, coordination and the monitoring of food distributions. Post-distribution monitoring will be conducted regularly to ensure that beneficiaries receive their entitlements.
- 2.27. The capital city is the main entry point for commodities into Guinea and is the place where most warehouse facilities are located. In order to meet the needs of this budget revision, a new corridor will be opened from San Pedro port in Ivory Coast to N'Zérékoré in Forest Guinea. The new corridor will reduce delivery delays in the supply of commodities to Forest Guinea and will reduce tonnages transiting through Conakry.
- 2.28. The WFP fleet has four DAF trucks (5 ton capacity each) for food transportation; private carriers are also regularly used for food transportation. In view of the larger quantities to be

transported, particularly in July, August and September 2008, WFP will also use 15 trucks from the UNHCR fleet.

- 2.29. Given Guinea's strong market potential, modalities for implementing local purchases will be explored, taking into consideration WFP's purchasing for progress initiative. Also, to expedite the delivery of food to the country, regional purchases will also receive a preference.
- 2.30. WFP will enhance the capacity of its current cooperating partners and will also identify new partners, particularly for food distributions to vulnerable groups and for therapeutic and supplementary feeding activities, in order to keep pace with the increase in food distributions. ODOC funds will be used to meet the additional cost of staff and operational equipment; these will be covered in local field level agreements with partners. The volatile security situation will also require additional security measures at the time of food distribution. The country office will therefore reinforce security measures to respond to the volatile security situation prevailing in Guinea, particularly in Conakry.
- 2.31. The response to the food prices crisis consists of short, medium and long-term measures. In the short term, the focus will be on nutrition and food assistance through WFP, UNICEF and FAO. UNICEF, which is the lead for nutrition, is currently operating in areas most at risk where it provides 'plumpy-nut' for severely acute malnourished children. UNICEF is planning to scale up its nutrition activities to all prefectures to assist 50,000 children and pregnant women, which will complement WFP interventions. Nutrition activity will also build on existing partnerships with Action Contre la Faim (ACF), Helen Keller International (HKI) and Terre des Hommes (TDH).
- 2.32. The medium term focus will be on FAO agricultural support to 70,000 households in October-December 2008 for market gardening and to 165,000 households in April – July 2009 for rice and maize production throughout the country. Through the food security cluster, WFP will seek for greater synergies with FAO and other actors in the sector. In the long term, the government will be assisted in the formulation and implementation of a national food security programme.
- 2.33. Within the UN system, WFP will advocate for the updating of the joint UN contingency plan. Current contacts with FAO, UNICEF and the World Bank will also be further exploited to support the design of complementary and coordinated responses to the food crisis.
- 2.34. This budget revision focuses on activities during the lean season. After the lean season, WFP will ensure a link between lean season activities and those activities that continue in 2009 and beyond, (i.e. school feeding, food for work, HIV/AIDS), including the promotion of income generation activities. In urban centres, WFP will continue to implement low visibility interventions, targeting beneficiaries through health centres, until new modalities of intervention, such as the voucher-based program, can be formulated. A priority will be given to the development of a plan of action for urban and peri-urban areas with partners.

3. Food requirements

- 3.1. As at 6 June 2008, PRRO 10553.0 had an outstanding balance of commitment (OBC) of only 7,477 mt, while available resources under the Country Programme 10453 were insufficient to cover approved needs, making it difficult for both operations to address the emerging new food needs. The food quantities required to meet the revised PRRO objectives as contained in

this budget revision amount to an additional 19,271 mt of commodities, as shown below (in metric tons):

Beneficiary category	Cereals	Pulses	Oil	Salt	CSB	Sugar	Total
GFD refugees	189	27	14	2	0	0	232
Vuln group feeding	13680	1368	684	171	0	0	15903
Therapeutic feeding	0	0	0	0	5	0	5
Supplementary feeding	0	0	56	11	563	45	675
SFP accompanying persons	12	1	1	0	0	0	14
Family rations SFP	2100	210	105	27	0	0	2442
Total	15981	1606	860	211	568	45	19271

GFD: general food distribution; SFP: Supplementary feeding

4. APPROVAL

- 4.1 This budget revision will require a net increase of 19,271 mt of assorted commodities valued at US\$8,885,138; the total cost increase to WFP is US\$20,876,548. The new total revised cost for the WFP operation is US\$49,882,008

Approved by:

Executive Director, WFP

Date

BUDGET INCREASE COST BREAKDOWN			
	Quantity (mt)	Average Cost per Ton	Value (dollars)
WFP COSTS			
A. Direct operational costs			
Commodity ⁴			
Cereals	15 981	352.45	6 148 104
Pulses	1 606	424.02	1 043 905
Vegetable oil	860	1 157.63	1 290 000
CSB	568	409.74	357 840
Salt	211	93.70	22 789
Sugar	45	457.76	22 500
Total commodities	19 271	396.25	8 885 138
External transport			2 695 627
Landside transport			
Subtotal for ITSH			
Total LTSH			3 311 181
Other direct operational costs			1 060 876
Total direct operational costs			14 630 694
B. Direct support costs (see Annex II for details)			
Total direct support costs			3 557 970
C. Indirect support costs (7 percent of total direct costs)			1 365 755
TOTAL WFP COSTS			20 876 548

⁴ This is a notional food basket used for budgeting and approval purposes. The precise mix and actual quantities of commodities to be supplied to the project, as in all WFP-assisted projects, may vary over time depending on the availability of commodities to WFP and domestically within the recipient country.