

PROJECT REVISION FOR THE APPROVAL OF:

➤ Deputy Executive Director and Chief Operating Officer

	<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				
<u>CLEARANCE</u>				
Regional Director,
Project Budget and Programming Officer, RMBP
Chief, RMBP
Chief, OSLT (change in LTSH and/or				
External Transport)
Director and Deputy CFO, RMB
Director, OSZ
<u>APPROVAL</u>				
Deputy Executive Director and COO

PROJECT			
Start date: 01 January 2009	End date: 31 December 2013	Extension/Reduction period: Not applicable	
New end date: NA			
	Previous Budget (US\$)	Revision (US\$)	New Budget (US\$)
Food cost ¹	US\$70,961,287	US\$ 244,043	US\$ 71,205,330
External transport ²	US\$ 15,770,724	US\$ (11,240)	US\$ 15,759,484
LTSH ³	US\$ 13,888,933	US\$ 163,839	US\$ 14,052,772
ODOC ⁴	US\$ 5,726,321	US\$ 1,550,760	US\$ 7,277,081
DSC ⁵	US\$ 9,444,499	US\$ 851,453	US\$ 10,295,952
ISC (7%)	US\$ 8,105,422	US\$ 195,920	US\$ 8,301,342
Total WFP cost (US\$)	US\$ 123,897,186.02	US\$ 2,994,776	US\$ 126,891,961
<u>TYPE OF REVISION</u>			
<input type="checkbox"/> Additional commodity <input checked="" type="checkbox"/> Additional DSC <input checked="" type="checkbox"/> Additional ODOC <input checked="" type="checkbox"/> Additional LTSH <input type="checkbox"/> Additional external transport <input checked="" type="checkbox"/> C & V <input checked="" type="checkbox"/> Re-orientation <input type="checkbox"/> Extension or Reduction in time			

DISTRIBUTION:

DED and COO	Regional Director	
Chief, OSLT	Chief, OSZP, RMBP, OSZR, OSZC	RB Programme Advisor
Country Director	Programme Officer, RMBP	RB Programme Assistant
OD Registry	Programming Assistant, RMBP	RB Chrono
PGG	RMB	Liaison Officer, OM @

¹ Food cost can comprise both commodities and cash/voucher transfers.

² 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.

³ 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.

⁴ Other Direct Operational Costs - ODOC include deliverable goods (non-food items), services and training to beneficiaries and/or to implementing partners.

⁵ Direct Support Costs - DSC are those costs which are incurred directly in support of projects by a WFP Country Office.

NATURE OF THE INCREASE

1. *This budget revision will accommodate an initiative by the country office to support the hand-over of schools in arid areas of northern Kenya to the Government of Kenya's home-grown school meals programme (HGSMP). The initiative includes 4 activities (outlined later in this document) that aim to tackle critical issues affecting the Government's home-grown programme at both the policy and school levels.*
2. *The budget revision also adjusts the ODOC OBC to meet the requirements of activities (such as fuel-efficient stoves and capacity-building for the Ministry of Education) funded to the project through direct ODOC contributions in 2012.*
3. *Overall, the budget revision will add US\$2.99 million to the Country Programme over 9 months (April to December), including:*
 - *An increase of US\$0.49 million in cash transfers to replace 644 MT of in-kind food, reducing commodity costs by US\$0.28 million but increasing the net food costs by US\$0.24 million;*
 - *An increase in ODOC of US\$1.55 million out of which US\$0.9 million is tonnage-based to replenish the currently depleted ODOC OBC resulting from 2012 activities funded to the project through direct ODOC, and US\$0.654 million related to the planned activities outlined in this budget revision;*
 - *An increase in DSC of US\$0.85 million, which will be absorbed at the current approved rate; and*
 - *An increase in LTSH by US\$163,839. This is due to an increase in the rate from US\$89.36 per mt to US\$ 98.87 per mt.*
 - *A reduction in external transport by US\$11,240.*
4. *The activities outlined in this budget revision focus on schools in Kenya's arid lands, where food and transport costs are relatively higher and markets less efficient, mainly due to poor road conditions and insecurity. Food costs under the cash-based school meals pilot proposed herein are approximately 15 per cent higher than WFP's current costs for delivering the same commodities in-kind to the schools. However, the pilot is part of a larger package of activities aimed at strengthening the Government's home-grown programme, and supporting hand-over. Schools receiving cash from WFP in 2013 will be transferred to the Government's programme (and budget) in 2014.*
5. *The budget revision covers the first nine months of this initiative, until the current approved end-date of the Country Programme (December 2013). An extension-in-time for the project is planned for the period January to June 2014, to synchronize the new Country Programme with the UNDAF and Government of Kenya budget cycle. Activities to support the hand-over of the school meals programme will continue under the planned extension, and contribute to the formulation of the next phase of the Country Programme.*

6. The LTSH rate has increased from US\$89.36 per mt to US\$ 98.87 per mt. The main reasons for the increase are changes in Component 2 i.e., change in the origin of the Super Cereal (the only commodity being distributed) and increased distribution costs as the planned tonnage has been reduced significantly. The entire tonnage will be moved from the port of Mombasa, with more stocks being moved to Eldoret (farther from port) compared to, unlike in the past where majority of stocks was moved to Nairobi. In addition, port rates went up due to increase in the Kenya Ports Authority tariffs as from 1st December 2012.

JUSTIFICATION FOR THE BUDGET INCREASE

Summary of existing project activities

7. ***The objective of the school meals component of the country programme is to support the Government in achieving MDG 2 and the goal of education for all. It addresses WFP's Enabling Development Policy priority two "Enabling poor households to invest in human capital through education and training", and contributes to WFP strategic objective four through increased access to education, and strategic objective five through progressively building capacity of the Government to take over the school meals programme.***
8. ***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 feeding programme.***
9. ***The programme targets the most food-insecure districts with the lowest net enrolment and completion rates, and high gender disparities, including all primary schools in the arid lands. Seasonal migration interrupts the education of many children in these highly food insecure, pastoral areas. The Government has developed community-managed mobile schools for grades one to three, supported by the United Nations Children's Fund (UNICEF), the Arid Lands Resource Management Project and NGOs. From grade four onwards, children are enrolled in low-cost boarding or day schools. WFP provides lunch for children in these mobile and boarding schools, in addition to those in the day schools. The Government provides breakfast and dinner for children in the boarding schools.***
10. ***As planned in the UNDAF, United Nations agencies support ministries and NGOs to provide services for children in targeted schools. Services include deworming, water and sanitation, hygiene, health and HIV/AIDS education, school gardens and fuel-efficient stoves. UNICEF supports WFP-assisted schools with learning materials, uniforms for girls, and water and sanitation infrastructure. NGOs in Arid and Semi-Arid Lands (ASAL) and the Nairobi unplanned settlements provide other complementary inputs and services.***
11. ***Integral to the school meals component of the country programme is WFP's active support for hand-over of the school meals programme to Government. Training, joint missions and exchange of staff are the primary strategies for building capacity in procurement, monitoring and evaluation, data collection, reporting, and programme management.***

12. *Since 1980, WFP and the Ministry of Education have jointly implemented a school meals programme to provide meals to children attending schools in slums and marginalized ASAL areas of Kenya that face chronic food shortages. As the programme targets areas where hunger often prevents children from attending class regularly, its primary objective is to promote school attendance including gender parity.*
13. *The initial phase of the SMP (1980 to 1985) included a caseload of 240,000 school children directly supported by WFP. The introduction of Free Primary Education in January 2003 boosted school enrolment, and by 2007 the programme was reaching more than 1.2 million children in 3,847 primary schools. Under a memorandum of understanding with the Government signed in 2008, WFP began to handover management of the SMP to the Ministry of Education's newly established home grown school meals programme (HGSMP). Under the HGSMP, the Government transfers funds directly to schools to buy local food for school meals. An initial caseload of 540,000 school children was transferred from SMP to HGSMP in 2009, with an agreement to handover an additional 50,000 school children each subsequent year.*

Conclusion and recommendation of the re-assessment

14. *The 2010 impact evaluation of school feeding in Kenya concluded that: "The gradual expansion (and success) of the Government Home Grown School Feeding programme is the key to sustainability and should be seen as the principal component of WFP's exit strategy for school feeding. This Government initiative holds great potential not only for achieving universal primary school feeding, but also for creating an effective platform for parental and community involvement in schools." The evaluation goes on to emphasize WFP's comparative advantage in working with Government, communities, and partners in both the education and agricultural sectors to support the transition of schools to the Government programme, and in positioning schools at the centre of communities.*
15. *In February 2011, WFP and the Ministry of Education carried out a review of the Government's home-grown programme to document some of the lessons from the first two years of implementation. The review found a number of compelling positives, in-line with the recommendations of the impact evaluation, in particular that the programme had empowered parents and school administrators by affording them more control over what their children eat in school, and more generally had increased parent and community involvement in school meals.*
16. *Weaknesses identified by the reviewers included: late disbursement of funds by Treasury, shortage of funds, opportunistic price increases by some traders, and a lack of capacity of some school meals committees – all of which resulted in too little food arriving in schools, too late, and sometimes not at all. The review acknowledged that cash transfers represent a significant shift to a new way of doing business, generating a new set of risks that have not been fully addressed in the design of the programme, and for which not enough capacity amongst stakeholders has been built.*
17. *The HGSMP currently covers primary schools in all of Kenya's semi-arid areas, and as the transition continues into arid areas, reservations have been expressed about the relatively higher food prices and less efficient markets in the more remote parts of the country. In 2012, WFP carried out a comprehensive market study of Kenya's arid areas. The study found that markets along the main transport corridors have sufficient capacity to respond to increased demand, but due to road conditions, food prices in markets off these main corridors are high and availability of some*

commodities is constrained in certain seasons. All stakeholders agree that expansion of the home-grown programme into the arid counties will require a strategy that takes into consideration the lack of nearby agricultural production, the role of local markets as a main source of food commodities, and the price variability (and volatility) resulting from a variety of market access constraints.

- 18. The 2010 impact evaluation also found that a lack of safe water in schools (a problem that is particularly acute in arid areas of the country) meant that meals were not being prepared, and hygiene and sanitation were poor in a considerable proportion of schools. The evaluation labeled this a “crisis”, concluding that water is one of the components of the Essential Package that, when missing, is most detrimental to health and learning impacts. The Kenya Country Portfolio Evaluation echoed this in 2011, urging WFP to explore “greater levels of institutional collaboration on issues related to water and hygiene, which, while outside WFP’s mandate, are critical to school feeding.”*
- 19. An impact study of WFP’s P4P programme in Kenya carried out by the University of Nairobi in 2012 highlighted the effectiveness of the programme in increasing production and marketing capacity of smallholder farmer organizations.⁶ A case study carried out in 2011 by the Royal Tropical Institute documented the success of P4P in building farmer organizations’ capacities to aggregate and sell commodities to formal buyers.⁷ Building the capacity of farmer organizations and traders to access the school meals market (and other institutional markets) is a natural transition for the market linkages approach that has emerged out of the 5-year P4P pilot in Kenya.*

⁶ Impact of Linking Small-Scale Farmers to Market on Farmer’s Production Practices and Welfare in Kenya. Author: Jonathan Makau Nzuma (Ph.D.), University of Nairobi, Department of Agricultural Economics, Date of publication: November 2012. Pages 15 - 18

⁷ P4P Kenya Case study on marketing capacity of FOs “The Contribution of P4P to Building, Farmers’ Organization capacity”. Kenya Country paper, 2011. Authors: Roger Bymolt, Alessia Decaterina, Doug Krieger, Royal tropical Institute

Purpose of budget increase

- 20. The activities proposed herein aim to strengthen the Government's home-grown school meals programme, smooth and maximize the benefits of the transition for schools as they move from an in-kind to a cash-based programme, contribute to ensuring schools have access to safe water for cooking and hygiene, and build on the successes of WFP's Purchase for Progress pilot in Kenya to provide quality locally produced food to schools. If proven successful, these activities are expected to continue under the next phase of the Country Programme (2014 to 2019).**
- 21. The over-arching goal of the initiative is to ensure that the handover continues uninterrupted, and school children continue to receive regular and adequate meals even as the Government programme expands into the more challenging contexts of Kenya's northern arid lands.**
- 22. Specific objectives are:**
 - a. To develop a school meals strategy that is community-driven, cognizant of market constraints in arid lands, and sustainable. (Activity 1)**
 - b. To improve efficiency, transparency and accountability of school meals programmes, by developing and testing new feedback, reporting, and delivery mechanisms. (Activity 2)**
 - c. To improve capacity of local producers/traders to aggregate and supply quality food to the school meals market. (Activity 3) And,**
 - d. To enhance the essential package of interventions to support education, health and nutrition of primary school children through provision of safe water in schools. (Activity 4)**

Activity 1: Community-driven school meals

- 23. Since 2009, under a memorandum of understanding (MOU) with the Ministry of Education, WFP has been progressively transitioning schools from its in-kind school meals programme to the Government's home-grown school meals programme (HGSMP). More than 760,000 students across 16 counties have been handed over to date. Under the HGSMP, the Government transfers funds directly to schools twice per year so that they can purchase food on the local market. Transfer values are based on enrolment figures at the start of the school year and a flat rate of KES 10/student/day intended to cover the full cost of the food delivered by suppliers to the schools.**
- 24. In the wake of the hand-over, many of these schools have experienced difficulties sustaining regular and adequate meals for their pupils, and a number of evaluations and reviews have highlighted challenges related to the transition from an in-kind to a cash-based school meals programme.**
- 25. As of 2013, all schools in Kenya's semi-arid areas will have been handed over; schools slated for hand-over from 2014 forward are all located in Kenya's northern arid areas. Given the challenges experienced by schools in the semi-arid areas, and the relatively more precarious food security and nutrition context in the arid areas, the Government has questioned the extent to which the current HGSMP model is appropriate for further expansion, and has requested WFP's support to develop a strategy and test new and more robust systems with a view to strengthening the programme and ensuring an uninterrupted continuation of the hand-over.**

26. *Under Activity 1, WFP will work with the Ministry of Education to define an overarching strategy for expansion of the Government's programme to schools located in the arid areas of the country. The strategy will rely on analyses of the structure, conduct and performance of the markets across the arid lands available from the recent comprehensive arid lands market study (the final report of which will be available in May), as well as numerous monitoring and evaluation reports documenting the successes and short-comings of the existing HGSMF implemented in the semi-arid counties since 2009. The study will also draw on extensive interviews with key informants, strategy formulation workshops, and focus group discussions with parents and educators in arid counties.*
27. *More than simply shifting from an in-kind to a cash-based school meals programme, the strategy that emerges from the study will aim for a sustainable programme, that positions schools at the centre of communities and increases community ownership over the meals served to their children at the schools. The dialogue generated during the formulation of the strategy will include also such sensitive issues as resourcing, accountability, and predictable flow of funds to schools, all of which undermine the effectiveness of the current home-grown programme and the feasibility of continued hand-over.*
28. *Evolving iterations of the strategy will be presented to the Ministry of Education and other stakeholders between April and June, with a final dissemination workshop in July. The aim will be to negotiate the strategy into the MOU between WFP and the Ministry of Education before the end of 2013, and provide key inputs to the new country programme now under formulation.*
29. *The total estimated cost of Activity 1 is US\$112,000.*

Activity 2: Capacity-building and accountability

30. *Even while WFP works with the Ministry of Education to establish a strategy for the arid areas, it is important that the hand-over schedule set out in the existing MOU continues uninterrupted, and steps need to be taken to ensure that the transition for the schools is relatively smoother and better supported than it has been in the past.*
31. *The approximately 100 primary schools (50,000 students) in Isiolo county are slated for hand-over to HGSMF in 2014. To prepare these schools, WFP will switch from providing in-kind food to transferring cash in 2013 (i.e. one term prior to hand-over) and support the schools through their first experience of local food procurement.*
32. *Isiolo's location bordering the productive areas of Central Province and on a main transport corridor means that these particular schools, though located in an arid district, are not likely to have difficulty procuring food on the market. Schools located off the main corridor will receive additional funds to cover the higher transport costs they face. Roads are not likely to be affected by rains in the dry season between July and August when the schools will be procuring for the start of Term 3 in September.⁸ For the most part, the main markets in Isiolo county do not suffer from the high and volatile prices found in the more remote northern areas of Kenya, making it a suitable candidate for handover under the existing MOU while the work under activity 1 to develop a broader strategy is underway.*
33. *Under this activity, WFP will work with the District Education Officer to build capacity of school meals committees to procure food from local suppliers, who will themselves be supported through a P4P activity (see Activity 3, below). It is assumed that the*

⁸ The rainy seasons in Isiolo are April through June and October through December.

injection of cash at the school level along with supply-side support, will strengthen local supply-chains and have other positive spill-over effects for the local economy.

- 34. To ensure accountability and provide parents and community members with an effective mechanism to report any concerns they may have about the programme, WFP will expand its complaints and feedback pilot (currently implemented in conjunction with the mobile money services pilot under PRRO 200294) to cover the entire district. The mechanism includes a hotline, answered by a professional operator, that concerned persons can call (or 'flash' and receive a call back). Complaints are logged in a centralized database, where follow up and resolution are also recorded. A cross-functional country office complaints committee oversees the process.*
- 35. On-time reporting of enrolment and attendance is a problem for all school meals programmes, so WFP will also develop and test a low-cost SMS-based reporting system, with a view to rolling it out in 2014. Network coverage in Isiolo is relatively good; through the pilot, WFP will analyse the cost-efficiency of this type of reporting in relation to the existing paper-based reporting system. WFP will also explore the feasibility of leveraging new technology and partnerships to improve controls and strengthen accountability.*
- 36. The Ministry of Education is fully aware of all aspects of the pilot, and monthly consultations and progress updates will continue throughout the year, intensifying April through July during the formulation of the new Country Programme.*
- 37. The total cost for Activity 2 is estimated at US\$1.46 million.*

Activity 3: Linking farmers and traders to the school meals market

- 38. WFP Kenya began implementing the 5-year Purchase for Progress (P4P) pilot in 2009, with the objective of building the capacity of small and medium scale farmers and traders to establish sustainable market linkages. Achievements to date include: increased awareness on and improvement in food quality; improvement on postharvest handling and storage facilities; farmer group cohesion enhancing bargaining power; and access to agricultural loans.*
- 39. To leverage these achievements, and within the scope of its memorandum of understanding with the Ministry of Agriculture, WFP will implement a P4P intervention in conjunction with the cash-based school meals programme in Isiolo and five other semi-arid and arid areas currently under the Government's HGSM (Makueni, Elgeyo Marakwet, Machakos, Turkana, Kitui and Tharaka). In addition to capacity-building for producers and traders, a coordination and information sharing mechanism will be established to strengthen partnerships between agricultural development partners, and the Ministries of Agriculture and Education. WFP capacity building support will focus on training producers and traders on food quality standards, provision of equipment (such as tarpaulins, sieves, and moisture meters) and infrastructure (storage facilities) to meet these standards, as well as providing procurement training to school meals committees.*
- 40. The Ministry of Education is currently updating and finalizing a food procurement manual that includes a special provision for procuring from small and medium scale farmers and traders. Partnership with the Dutch cooperation agency – SNV – and with the Partnership for Child Development (PCD) will ensure that their current advocacy work with the Government for a timely release of funds for food procurement is efficient and bears fruits. Capacity building activities will be implemented in*

collaboration with the Ministry of Agriculture, the United Nations Food and Agriculture Organization (FAO) and local non-governmental organizations operating in agricultural sector. These organizations include and are not limited to: Cereal Growers Association (CGA), the Academic Model Providing Access to Health care (AMPATH), SACDEP, Catholic Diocese and Christian Community Services. SNV will work with WFP to strengthen the linkage between schools and local small-holder farmers while PCD will provide technical support in the areas of training and monitoring and evaluation to enhance the Ministry of Education's capacity to implement the programme.

- 41. WFP anticipates that 50 farmer organizations (comprising 2,500 farmers) will benefit from the project through capacity building activities and/or effective sale to the HGSMF and other markets.*
- 42. In areas where farmers are not well organized, the linkage will be done through targeted small scale traders. The project will build on the currently registered P4P vendors (farmer organizations and traders) in the targeted areas to consolidate their gains in grain marketing by supplying food directly to schools, WFP and other buyers.*
- 43. The total estimated cost of Activity 3 is US\$336,686; funding for this activity will augment the current activities covered under the P4P trust fund which runs to the end of 2013.*

Activity 4: Safe water in schools

- 44. Lack of safe water for food preparation, hygiene and sanitation leads to high incidents of diarrhoea, threatening the health and safety of children, and undermining their education. This problem is particularly acute for schools in Kenya's arid areas, and poses a challenge to both WFP's in-kind school meals programme, and the Government's home-grown programme.*
- 45. In partnership with UNICEF, WFP will support access to safe water for cooking and hygiene in schools, including through shallow wells, roof catchments and connection to community water supply. UNICEF will collaborate by providing training in hygiene and sanitation and other activities related to quality learning. WFP and UNICEF are in the process of signing an MOU to formalize this agreement and set the stage for joint programming in the area.*
- 46. The total estimated cost of Activity 4 is US\$518,950.*

Monitoring and evaluation

- 47. A detailed logical framework for all components of this budget revision has been developed, including the indicators that will be used to measure key outcomes, outputs, and processes. The CP 10668 logframe has been updated to reflect the corporate outcomes/outputs that these activities will contribute to.*
- 48. Monitoring and reporting of the standard education outcomes will be through the government systems. In addition, joint monitoring of the activities by WFP, UNICEF and other partners will be periodically conducted. The findings of such monitoring will be used to discuss and advocate for support to fill in any capacity gaps in order to achieve the objective of making the school meals more efficient and the handover more successful.*
- 49. In the past, the Ministry of Education has been cautious about introducing 'project specific' information into its Education Management Information System (EMIS).*

Under the auspices of the new strategy, WFP will re-open this discussion with the aim of integrating key HGSMIP indicators, beyond the basics like enrolment, school facilities, number of teachers that are already captured by EMIS. Development of a comprehensive monitoring and evaluation plan is underway.

50. An evaluation of Activities 2 to 4 has been budgeted for, at an estimated cost of US\$ 157,000.

Transfer value and composition

51. *There will be no changes in the total number of beneficiaries under the Country Programme, but under Component 1, more than 45,500 children will receive meals under a cash-based (rather than in-kind) school meals programme for at least one term prior to hand-over to the Government programme. The transfer will be sufficient to purchase the existing school meals commodities (maize, beans, vegetable oil and salt) for all enrolled children, which are used to make githeri, a staple dish traditional to the area.*

TABLE 1: BENEFICIARIES BY ACTIVITY TYPE			
	Beneficiaries		
Activity	Current	Increase/(Decrease)	Revised
Support for the education of vulnerable children in food-insecure areas (in-kind)	605,500	(50,000)	555,000
Support for the education of vulnerable children in food-insecure areas (cash-based)	0	50,000	50,000
Food and nutrition support for vulnerable populations affected by HIV/AIDS	90,000	0	90,000
Total	695,500	0	695,500

52. *The amount of cash transferred to each school will cover both the cost of purchasing food (wholesale) in the nearest main market, and the cost of transporting the food each term from the market centre to the school. Schools already operate accounts for purchase of non-food items (such as text books). Dedicated accounts for the school meals transfers will be set up in June, and procurement training delivered to the school meals committees during the break in July. Cash transfers will take place at the beginning of August 2013, allowing schools one month to procure food needed for Term 3.*
53. *Based on price data collected in sentinel markets over the past 3 cycles of WFP Kenya's Food Security and Outcome Monitoring system (FSOM), the average cost of the daily school meals ration in Isiolo would be approximately 14US¢ (or KES 12) per school child per day (see table 2 below). These prices will fluctuate throughout the year, influenced by seasonal variation in national production, food and fuel costs. WFP will adjust the transfer value based on trends identified through the most recent Food Security and Outcome Monitoring (FSOM) analyses immediately prior to making each term's transfer.*

TABLE 2: FOOD PRICES (KES/KG or L) IN REFERENCE MARKETS AND THE RESULTING COST OF THE SCHOOL MEALS RATION (KES/CHILD/DAY) -- JANUARY 2013												
	Isiolo		Kulamawe		Modogashe		Sericho		Merti		Garbatulla	
	Price	Cost/ration	Price	Cost/ration	Price	Cost/ration	Price	Cost/ration	Price	Cost/ration	Price	Cost/ration
Maize grain	50	7.50	50	7.50	50	7.50	50	7.50	50	7.50	50	7.50
Beans	70	2.80	100	4.00	70	2.80	100	4.00	100	4.00	100	4.00

Vegetable oil	220	1.10	150	0.75	220	1.10	210	1.05	210	1.05	150	0.75
Salt	40	0.08	40	0.08	40	0.08	40	0.08	40	0.08	40	0.08
Totals		11.48		12.98		11.48		12.63		12.63		12.33

54. *The most likely commodities that cash-receiving schools will purchase are maize grain, beans, vegetable oil and salt, differing slightly from the current in-kind ration, where the less preferred yellow split peas are often provided as pulses.*

TABLE 3: DAILY FOOD RATION TO BE PURCHASED LOCALLY THROUGH CASH TRANSFERS TO SCHOOLS (g/person/day and US\$/person/day)	
Commodity Type/ Cash Transfer	School meal commodities purchased locally by schools using cash transfers
Cereals	150 g
Pulses	40 g
Vegetable oil	5 g
Salt	3 g
Cash transfer (US\$/child/day)	14¢
Total	198g of food for 14US¢
Total kcal/day	703.25
% kcal from protein	13.5
% kcal from fat	14.6

55. *Transportation costs will vary according to the volume of commodities being purchased (i.e. the number of children in the school) and the distance of the school from the nearest main market. Table 4 (below) outlines the approximate additional cash that schools will receive each term to cover transport costs, based on WFP's current secondary transport rates for Isiolo of KES 27/mt/km. On average, transport will add approximately 1US\$/child/day (less than KES 1/child/day) to the cost of the school meals.*

TABLE 4: TRANSPORT COSTS (KES/TERM)				
Distance to nearest main market (km)	Number of school children enrolled			
	<100	100 to 200	200 to 400	400 to 800
0 to 3 km	102	204	408	816
3 to 5 km	170	340	680	1,361
5 to 20 km	680	1,361	2,722	5,443
20 to 50 km	1,701	3,402	6,804	13,608
50 to 100 km	3,402	6,804	13,608	27,216
100 to 150 km	5,103	10,206	20,412	40,824
150 to 200 km	6,804	13,608	27,216	54,432

56. *Combined food and transport costs will result in an approximate (average) transfer value of 15¢/child/day (KES 13/child/day). Currently, the cost per student of WFP's in-kind school meals programme in Isiolo is 12¢/child/day (KES 10/child/day). The HGSMF operating in the semi-arid areas currently transfers this same amount to*

schools (i.e., KES 10/child/day). The study (component 1) will include more complete picture of the cost-efficiency of various potential models for delivering school meals in arid areas.

- 57. The relatively higher cost of food and transport in Kenya's arid areas poses a significant new constraint to hand-over. The Government is already under-resourced for the existing home-grown caseload in the semi-arid areas, and adding more children at ever-growing unit costs appears infeasible. As part of both the strategy and new project formulation processes, WFP has already initiated a dialogue with the Ministry of Education and key donors to identify mechanisms to increase predictable funding for the home-grown programme.*
- 58. In addition to assessing the extent to which objectives were met and results achieved, the evaluation of all 4 components will take stock of progress made more generally in relation to the home grown school meals programme, identifying any other unmet needs or gaps in support that WFP and partners should address in order to further strengthen the Government-led programme going forward.*

FOOD REQUIREMENTS

- 59. Only Activity 2 will affect the Country Programme's food requirements, resulting in an overall reduction of 644MT of in-kind food, and a new requirement of US\$487,500 for cash transfers.*

TABLE 5: CHANGE IN FOOD/CASH REQUIREMENTS RESULTING FROM ACTIVITY 2				
Activity	Commodity & Cash Transfers	Food requirements (mt) Cash (US\$)		
		Current	Increase/ (Decrease)	Revised total
Support for the education of vulnerable children in food-insecure areas (in-kind)	Commodity	24,036 mt	(644) mt	23,392 mt
Support for the education of vulnerable children in food-insecure areas (cash-based)	Cash transfers	0	US\$487,500	US\$487,500

Risk Assessment and Mitigation Planning

- 60. The main risk related to Activity 1 is the Government's adoption of and donor support for the strategy. The strategy will need to align with both donor and Government priorities, defining an approach that has the controls and accountability desired by donors, but that is feasible for the Government to implement within its existing capacity. WFP will consult heavily with stakeholders throughout the process of developing the strategy, to ensure all potential options are explored and key concerns addressed. The introduction of time-bound milestones for programme assumption and delivery, coupled with incentives for milestones met, will be considered.*
- 61. Activity 2 comes with two main risks:*
- a. That school meals committees will not have adequate capacity to procure quality food in time for start of the school term. To mitigate this risk, WFP will work with the District Education, Agriculture and Public Health Officers to*

deliver procurement and food quality training to the committees, and will closely monitor the food procurement process, as well as the size and frequency of meals provided to the children.

- b. The second key risk is that cash transfers will be used by schools for something other than providing meals to students. To mitigate this, schools will be required to open dedicated accounts for the programme, and will authorize their respective banks to disclose all activity in these accounts to WFP. WFP will also expand its complaints and feedback mechanism currently being piloted in conjunction with a mobile money services pilot in Isiolo, to ensure parents and community members are aware of how to use WFP's hotline to lodge complaints or raise issues of concern about the programme.*
- 62. For Activity 3, the best practices developed through 4 years of piloting P4P in Kenya will be employed to reduce the risk that defaults (by farmers and traders) pose to school meals programmes. However, insufficient food supply due to crop failures as a result of drought and disease outbreaks may lead to contract defaults or suppliers' inability to fulfill contracts in a timely manner. In case of an anticipated food supply shortage, farmer organizations from high potential areas and traders will be contracted to supply food to schools.*
- 63. And for Activity 4, WFP will work with the National Environmental Management Agency (NEMA) to ensure the design and location of shallow wells meets national environmental standards and regulations.*

Drafted by: Cheryl Harrison, Coordinator of Programme Innovations, WFP Kenya
Cleared by: Ronald Sibanda, Country Director, WFP Kenya, on [date]
Reviewed by: [name] Regional Bureau
Cleared by: [name] Regional Bureau on [date]
Reviewed by: [name] Programme Cycle Unit (OSZ)

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