

**BUDGET INCREASE AND EXTENSION IN TIME No. 1
GHANA PROTRACTED RELIEF AND RECOVERY OPERATION 200046**

“Assistance to Food-Insecure Households in Ghana Vulnerable to Drought/Floods and High Food Prices”

	Cost (United States dollars)		
	Current budget	Increase	Revised budget
Food cost	US\$ 11,858,030	US\$ 5,130,464	US\$ 16,988,494
External transport	US\$ 1,369,873	US\$ 296,094	US\$ 1,665,967
LTSH	US\$ 3,894,306	US\$ 1,368,060	US\$ 5,262,366
ODOC	US\$ 548,514	US\$ 220,120	US\$ 768,634
DSC	US\$ 2,902,520	US\$ 1,003,098	US\$ 3,905,618
ISC (7%)	US\$ 1,440,127	US\$ 561,248	US\$ 2,001,375
Total cost to WFP	US\$ 22,013,370	US\$ 8,579,084	US\$ 30,592,454

NATURE OF THE INCREASE

1. A budget revision to the Ghana protracted relief and recovery operation (PRRO 200046) “Assistance to Food-Insecure Households in Ghana Vulnerable to Drought/Floods and High Food Prices” is proposed to extend the operation for six months, from 1 January to 30 June 2012, and address the food security needs of 119,000 beneficiaries following a series of shocks in 2010 and early 2011 (severe flooding and high food prices).
2. Specifically, the budget revision will:
 - Increase the food requirements by 11,160 mt valued at US\$5,130,464;
 - Provide additional associated costs of US\$2,591,278, consisting of land transport storage and handling (LTSH), other direct operational costs (ODOC) and direct support costs (DSC); and
 - Cover additional indirect support costs (ISC) of US\$561,248.

JUSTIFICATION FOR EXTENSION-IN-TIME

Summary of Existing Project Activities

3. PRRO 200046 was launched in January 2010 for a two-year duration in response to a persistent pattern of floods and droughts which have occurred periodically since 2008 and subsequent high food prices. WFP originally planned to reach 423,250 food-insecure and vulnerable persons during 2010-2011 through relief and recovery activities. These include assistance to smallholder farmers and communities through food for work/assets (FFW/FFA); food-for-training (FFT) activities for the most food-insecure groups at the highest risk of acute hunger; relief assistance to vulnerable people including refugees;

targeted supplementary feeding for malnourished children under 5, undernourished pregnant and lactating women as well as people living with HIV (PLHIV) on anti-retroviral treatment (ART) and their family members.

4. The planned number of beneficiaries was not fully achieved in 2010, as a result of late arrival of resources, commodities and a slow start up of partners for the implementation of the FFW and FFT components. However, WFP was able to support over 10,100 pregnant and lactating women and 12,200 children under 5 through the supplementary feeding programme, as well as 1,650 PLHIVs and affected households. While WFP was originally planning to assist 25,000 people through general food distributions in 2010, the actual beneficiary number exceeded 49,200. WFP assistance was provided for a short period using carry-over stocks from the previous emergency operation (EMOP) and did not exceed the planned tonnage for the year.
5. The next country programme (CP) 200247 (2012-2016), which will follow CP 104180 ending in December 2011, will be submitted for approval to the WFP Executive Board in November 2011. It has three components: 1) Support to primary education and girls' education; 2) Nutritional support to vulnerable groups; and 3) Resilience against climatic shocks and support to livelihoods. The new CP will be implemented in the three northern regions and like the current CP, will not target the same districts and communities than the PRRO. WFP's support to food-insecure PLHIV will shift from the PRRO to the new CP as of January 2012, with a change in the approach from "mitigation and safety" to "care and treatment" focussing on undernourished ART clients. There will be no overlap between the PRRO and CP interventions.

Conclusion and Recommendations of the Re-Assessment

6. This PRRO was launched in response to a persistent pattern of floods and droughts since 2008 and subsequent high food prices, which have disproportionately affected the poorest and most food-insecure households, especially in the northern regions. Floods destroyed large areas of cultivated land and assets and affected the most vulnerable populations, leaving farmers with reduced food stocks and damaged assets.
7. Subsequent additional shocks in 2009 and 2010 hampered recovery among the targeted population. Severe floods in 2010 affected about 140,000 people in various districts in Ghana following a combination of torrential rains and spillage of excess water from the Bagre Dam in Burkina Faso.¹ The floods occurred in Northern, Upper East, Upper West, Brong Ahafo, Eastern and Volta Regions. This necessitated WFP food assistance for 25,000 of the most critically affected and food-insecure people in the three northern regions. The January 2011 Food Security and Nutrition Monitoring (FSMNS) Bulletin indicates that the impact of flood damage on a large number of communities in northern Ghana is of great concern as their current livelihoods cannot guarantee access to sufficient food at the household level as a result of the loss of assets.

¹ Situation Update – Ghana Floods Report 2010. Compiled by UN Office for the Coordination of Humanitarian Affairs

8. According to the January 2011 FSNMS, most of the 140,000 people affected by the 2010 floods in the Northern Region are already depending on market purchases (unusual for this time of the year when they normally depend on their harvests) and will require food and non-food assistance to prevent them from sliding into extreme food insecurity or suffer the loss of productive assets. This compounds an already difficult situation for the most vulnerable populations as they were affected by high food prices of 2008 and which is continuing in 2011.
9. Currently, cereal prices in Ghana are very high as evidenced by the April 2011 edition of WFP's Market Monitor. Though cereal prices in West Africa are moderately increasing across the region, Ghana has seen a sharp rise in prices of staple foods in the first quarter of 2011, both in nominal and seasonally adjusted terms. There has been an increase of more than 20 percent in the cost of WFP Ghana's food basket from the fourth quarter of 2010 to the first quarter of 2011. The magnitude of quarterly price changes and its impact on the cost of the food basket is categorized as very high. The prices of the main staple foods (cassava, maize, yams, plantains and local rice) have also increased from the fourth quarter of 2010.
10. The purchasing power of unskilled wage labour has declined due to staple food price increases. Labour to maize terms of trade in Ghana slightly deteriorated in February 2011 compared to the previous quarter going from 8.8 to 6.8 kg in the Northern Region, 11 to 10 kg in the Upper East Region and 17 to 9.6 kg in the Upper West Region. The main reasons for these are an increase in wage labour rates in February 2011. The price of maize is also rising as farmers are holding stocks due to an increase in the cost of transport.²
11. The March 2011 edition of WFP Ghana's Food Security and Nutrition Monitoring System picked up high prices of all the major cereals in the Upper West Region. Maize recorded 31 percent increase over March 2010, millet increased by 28 percent over March 2010, sorghum increased by 9.6 percent, while rice increased by 54 percent.
12. Some of the most vulnerable households, already affected by flooding and previous commodity price hikes, have been once again affected by these latest commodity price shocks and are employing negative coping strategies such as selling charcoal and firewood and consuming their seeds. As a result, most households have exhausted their seeds stocks..

²WFP Food Security and Nutrition Monitoring Bulletin – February 2011

Purpose of Extension and Budget Increase

13. To assist affected households recover from these shocks, this budget revision is proposing to extend the PRRO by six months to undertake interventions with particular emphasis on rebuilding livelihoods and replenishing lost productive assets. WFP will continue general food distributions, targeted supplementary feeding, FFW as well as FFT/income-generation activities.

Relief

14. *General food distributions:* Since flooding is a yearly phenomenon in Ghana and occurs in the first half of the year, WFP anticipates having to respond quickly to the needs of an estimated 29,500 people through general food distributions. Emergency food distributions will target vulnerable flood/drought-affected persons in the three northern regions. This figure is based on projections from past emergency needs assessments.
15. *Supplementary feeding:* In 2012, the PRRO will continue to support a planned 12,300 malnourished children under 5 and 26,250 malnourished pregnant and lactating women according to the current modalities.

Early recovery

16. *Food for work:* Although some FFW schemes such as reforestation and school gardens are ongoing now, key FFW activities are primarily implemented during the dry season - October to May/June. Consequently, the activities to be implemented late in 2011 will spill over into the first half of 2012. Following renewed consultations with the Savannah Accelerated Development Authority (SADA)³ after the 2010 floods, there is still a need for support in the most severely flood-affected districts of the three northern regions, as the activities for rebuilding communal infrastructure require a few years to complete. The Government of Ghana earlier this year released an initial amount of GH¢25 million to SADA for flood mitigation response. SADA has approached WFP with the objective of collaborating on FFW schemes to rebuild the flood damaged community infrastructure and flood protection walls. The proposed extension will enable the implementation of a growing portfolio of FFW activities.
17. All FFW beneficiaries live in flood-prone districts in the three northern regions (including those affected in 2010), and are particularly vulnerable to high food prices. They are mainly food-insecure daily labourers, small holder farmers, food processors and agro-pastoralists. Under the PRRO, WFP will target 9,800 participants, whereas the country programme will target 2,500 participants in 10 communities. The PRRO and the CP will target different districts and communities.

³ SADA is the development authority for northern Ghana responsible for providing mitigation adaptation responses for the vulnerable communities to bridge the gap between the north and the south in terms of development.

18. *Food for training*: Food for training will target women within the livelihood groups of small-scale food processors/agro-pastoralists and food/cash crop farmers, including shea-nut collectors.

TABLE 1: Beneficiaries by Activity			
Activity	2010	2011	2012
Relief			
General food distribution	28,000	28,000	29,500
Supplementary feeding - Children under 5	70,000	38,000	12,333
Supplementary feeding - Pregnant/lactating women	55,000	24,000	26,250
PLHIV on ART and families	30,000	30,000	0
Early recovery			
Food for work	49,000	59,000	49,000
Food for training	22,000	2,250	2,250
TOTAL	254,000	181,250	119,333

19. *Capacity development*: In 2012, WFP will continue to provide technical assistance (such as commodity management and support to contingency planning) to the Government. At the end of the PRRO implementation period, most interventions will be absorbed by Government of Ghana through SADA. The supplementary feeding programme will be handed over to the Ghana Health Service by the end of the PRRO.

FOOD REQUIREMENTS

20. Food rations will remain the same except for FFW and targeted supplementary feeding. An increase of the daily minimum labour wage (between 2009 and 2011) has necessitated a corresponding increase to the FFW ration. Daily labour wages rose from GH¢1.84 in 2009 to GH¢3.11 in 2010 and then by a further 20 percent in February 2011 to GH¢ 3.73. The value of the proposed FFW ration is now GH¢1.7 equivalent to only 46 percent of the minimum daily labour wage.
21. Supplementary feeding rations for children under 5 will be adjusted as of January 2012 in line with WFP corporate nutrition strategy to ensure a more optimal food ration for the treatment of moderate acute malnourished children. Beneficiaries will receive daily rations of 200 g of super cereal plus (CSB ++).

22. The revised rations for FFW and supplementary feeding are outlined in table 2 below.

TABLE 2: REVISED DAILY FOOD RATION (g/person/day)		
	FFW	Supplementary feeding - Children under 5
	Revised rations	Revised rations
Maize	500	0
Pulses	50	0
CSB ++	0	200
Vegetable oil	15	0
Salt	5	0
TOTAL	570	200
Total kcal/day	2,183	840
% Kcal from protein	11	18
% Kcal from fat	20.9	13.5
Number of feeding days per year	165	180

23. The proposed budget revision will result in an additional 11,160 mt of food, as follows:

TABLE 3: FOOD REQUIREMENTS BY ACTIVITY TYPE (mt)			
Activity	Present	Increase	Revised
General food distributions	6,456	1,806	8,262
Supplementary feeding	8,679	1,578	10,257
PLHIV on ART and families	5896	0	5,896
Food for work	5,906	7,663	13,569
Food for training	848	113	961
TOTAL	27,785	11,160	38,945

RECOMMENDATION

24. The proposed 6-month extension as well as the additional commitment of food, resulting in the revised budget for PRRO 200046 is recommended to the Executive Director for approval.

APPROVAL

Josette Sheeran
Executive Director, WFP

Date

BUDGET INCREASE COST BREAKDOWN			
Food	Quantity (<i>mt</i>)	Value (<i>US\$</i>)	Value (<i>US\$</i>)
Cereals	8,289.99	2,922,220	US\$ 5,130,464
Pulses	1,003.28	845,765	
Oil and fats	319.35	389,926	
Mixed and blended food	1,389.00	897,294	
Others	158.33	75,257	
Total food	11,159.95	5,130,464	
Cash transfers		00 000	
Voucher transfers		00 000	
Subtotal food and transfers			US\$ 5,130,464
External transport			US\$ 296,094
Landside transport, storage and handling			US\$ 1,368,060
Other direct operational costs			US\$ 220,120
Direct support costs (see Annex I-B)			US\$ 1,003,098
Total WFP direct costs			US\$8,017,835
Indirect support costs (7.0 percent)			US\$561,248
TOTAL WFP COSTS			US\$ 8,579,084

DIRECT SUPPORT REQUIREMENTS (US\$)	
Staff and staff-related costs	
International professional staff	312,150
International general service staff	00 000
Local staff - national officers	56,683
Local staff - general service	201,375
Local staff - temporary assistance	30,189
Local staff – overtime	5,067
Hazard pay and hardship allowance	00 000
International consultants	00 000
Local consultants	15,000
United Nations volunteers	29,833
Commercial consultancy services	00 000
Staff duty travel	95,000
Subtotal	745,298
Recurring expenses	
Rental of facility	30,000
Utilities	24,000
Office supplies and other consumables	12,000
Communications services	24,000
Equipment repair and maintenance	12,000
Vehicle running costs and maintenance	18,000
Office set-up and repairs	12,000
United Nations organization services	20,000
Subtotal	152,000
Equipment and capital costs	
Vehicle leasing	71,400
Communications equipment	20,000
Local security costs	14,400
Subtotal	105,800
TOTAL DIRECT SUPPORT COSTS	1,003,098

ANNEX II - LIST OF ACRONYMS USED IN THE DOCUMENT

CP	Country programme
CSB	Corn-soya blend
DSC	Direct support costs
DHS	Demographic Health Survey
EMOP	Emergency operation
FFA	Food for assets
FFT	Food for training
FFW	Food for work
IGA	Income-generating activities
ISC	Indirect support costs
LTSH	Landside transport shipping and handling
ODOC	Other direct operational costs
PRRO	Protracted relief and recovery operation
SADA	Savannah Accelerated Development Authority
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
WFP	World Food Programme

ANNEX III – FOOD SECURITY MAP

