

**Chad Protracted Relief and Recovery Operation 200289**  
**B/R No. 3**

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**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>
<b><u>ORIGINATOR</u></b>				
Country Office				
<b><u>CLEARANCE</u></b>				
Regional Director, OMD	.....	.....	.....	.....
Project Budget and Programming Officer, RMBP	.....	.....	.....	.....
Chief, RMBP	.....	.....	.....	.....
Chief, OSLT (change in LTSH and/or				
External Transport)	.....	.....	.....	.....
Director, RMB	.....	.....	.....	.....
Director, OSZ	.....	.....	.....	.....
<b><u>APPROVAL</u></b>				
Deputy Executive Director and COO	.....	.....	.....	.....

**Targeted Food Assistance for Refugees and Vulnerable People Affected by Malnutrition and Recurrent Food Crisis**

**Start date:** 1 January 2012

**End date:** 31 December 2013

	<b>Previous Budget (US\$)</b>	<b>Revision (US\$)</b>	<b>New Budget (US\$)</b>
Food cost	142,982,410	352,000	143,334,410
External transport	30,906,651	0	30,906,651
LTSH	136,825,931	0	136,825,931
ODOC	12,755,893	135,394	12,891,287
DSC	59,527,333	0	59,527,333
ISC (7%)	26,809,874	34,118	26,843,992
<b>Total WFP cost (US\$)</b>	<b>409,808,092</b>	<b>521,512</b>	<b>410,329,604</b>

**TYPE OF REVISION**

☐ Additional commodity
 ☐ Additional DSC
 ☒ Additional ODOC
 ☐ Additional LTSH  
☐ Additional external transport
 ☒ Other/ C&V
 ☐ Re-orientation
 ☐ Extension or Reduction in time

**DISTRIBUTION:**

DED and COO

Chief, OSLT

Country Director

OD Registry

PGG

Regional Director

Chief, OSZP, RMBP, OSZR, OSZC

Programme Officer, RMBP

Programming Assistant, RMBP

RMB

RB Programme Advisor

RB Programme Assistant

RB Chrono

Liaison Officer, OMD

## NATURE OF THE INCREASE

1. The proposed budget revision to Chad Protracted Relief and Recovery Operation (PRRO) 200289 initiates a cash and voucher (C&V) pilot to assist 11,000 food-insecure beneficiaries through unconditional voucher transfers.

The budget revision will require:

- an additional US\$ 352,000 in C&V transfers;
- an additional US\$ 135,394 in other direct operating costs (ODOC); and
- an additional US\$ 34,118 in indirect support costs (ISC).

## JUSTIFICATION FOR BUDGET INCREASE

### *Summary of existing project activities*

2. With a total budget of US\$409.8 million over two years, the PRRO assisted 1.8 million vulnerable beneficiaries in 2012, including those affected by the Sahel drought, and 1.03 million beneficiaries in 2013.
3. The PRRO is aligned with the WFP Strategic Plan (2008-2013), and contributes to achieving Strategic Objective (SO) 1: save lives and protect livelihoods in emergencies; SO2: prevent acute hunger and invest in disaster preparedness and mitigation measures; SO3: restore and rebuild lives and livelihoods in post-conflict, post-disaster or transition situations; and SO5: strengthen the capacities of countries to reduce hunger, including through hand-over strategies and local purchase. Activities under this operation include targeted and blanket supplementary feeding in areas with high levels of food insecurity and malnutrition; general food distribution (GFD) for the most food-insecure households during the lean season; food assistance for assets for vulnerable food-insecure households before and after the lean season; and GFD and targeted supplementary feeding for refugees from the Central African Republic and Sudan.

### **Conclusion and recommendation of the re-assessment**

4. Following the results of two evaluations<sup>1</sup> conducted in preparation for Chad budget revision No 4, C&V transfers are recommended for this operation as they will support programme objectives, increase diet diversification and stimulate the rural economy. A market analysis carried out in April 2012 indicates good integration of markets, confirming feasibility of C&V in certain regions. As recommended by capacity assessments, a value voucher issued electronically using mobile phones is the most appropriate delivery mechanism for C&V intervention. Vouchers are preferred over cash given security risks and the weak microfinance institutions in Chad.

### **Purpose of budget increase**

5. ***The proposed budget revision will introduce C&V transfers to assist 2,200 additional households (11,000 beneficiaries) facing high food insecurity. Post-distribution monitoring and a final evaluation of technical and operational lessons learned that is planned from November through December 2013 will help evaluate the cost-effectiveness and efficiency of C&V, and determine how to optimally scale-up and geographically expand C&V activities.***

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<sup>1</sup> Cash and vouchers feasibility study (June 2012) and Prospective study for efficiency and cost effectiveness (April 2013).

6. Electronic vouchers will be the delivery mechanism for the C&V intervention. E-money vouchers will be transferred using mobile phones, enabling beneficiaries to purchase food commodities in participating shops. Vouchers will be distributed to selected beneficiaries through WFP's cooperating partner. Prospective cooperating partners include *Agence d'Aide à la Coopération Technique et au Développement* (ACTED) and OXFAM (Intermon); field level agreements are currently being negotiated.
7. The transfer value of the voucher was calculated taking into consideration the cost of a typical household food basket and the average market value of the WFP in-kind ration over the past two years in various markets. Products authorized for voucher transactions are aligned with the GFD food basket and ration, and will include cereals, pulses, oil, salt and sugar. The value of the voucher will be US\$ 40 per month per household (based on an average household size of five people).
8. Guéra and Batha, two regions where markets have been shown to be functional, are targeted for this pilot C&V intervention. Additional criteria will also be used to determine areas of intervention, including the capacity and experience of partners in cash-based programmes. Beneficiaries in Guéra and Batha will be targeted using the Household Economic Analysis (HEA) approach.
9. The pilot project will be implemented over five months from August through December 2013, and it is planned to scale up starting January 2014 to cover a wider geographic area and increased beneficiary caseload.

TABLE 1: BENEFICIARIES BY ACTIVITY TYPE				
		Beneficiaries		
Activity		Current	Increase	Revised
GFD to refugees		322,000	-	322,000
Seasonal targeted food assistance to food-insecure Chadian population	GFD	425,000	-	425,000
	Voucher transfers	-	11,000	11,000
Targeted Supplementary Feeding Programme (TSFP)		246,000	-	246,000
Blanket Feeding Programme (BF)		375,000	-	375,000
Volunteers at supplementary feeding centres (SFC)		6,250	-	6,250
Caregivers for malnourished children		2,000	-	2,000
Food assistance for assets (FFA)		325,000	-	325,000
<b>Total (without overlap)</b>		<b>1,031,000</b>	<b>11,000</b>	<b>1,042,000</b>

TABLE 2: PROPOSED MODIFICATION OF DAILY FOOD RATION/ TRANSFER BY ACTIVITY (g/person/day)				
Commodity Type/ Cash & voucher	Unconditional C&V	Activity 2	Activity 3	Activity 4
	Revised	Revised	Revised	Revised
Cash/voucher (US\$/pers/day)	0.27			

## FOOD REQUIREMENTS

10. *The budget revision will not change the food requirements, but will require US\$ 352,000 for C&V transfers.*

<b>TABLE 3: FOOD/CASH &amp; VOUCHER REQUIREMENTS BY ACTIVITY TYPE</b>				
<b>Activity</b>	<b>Commodity / Cash &amp; voucher</b>	<b>Food requirements (mt)/ Voucher transfers (US\$)</b>		
		<b>Current</b>	<b>Increase</b>	<b>Revised total</b>
Assistance to refugees	Commodity	124,087	-	124,087 mt
Seasonal targeted assistance to Chadian food-insecure population	Commodity	89,764	-	89,764 mt
	Voucher transfers	-	352,000	352,000 US\$
TSFP	Commodity	10,174	-	10,174 mt
BSFP	Commodity	18,847	-	18,847 mt
Volunteers at SFC	Commodity	1,500	-	1,500 mt
Carergivers for malnourished children	Commodity	70	-	70 mt
Prevention of chronic malnutrition	Commodity	304	-	304 mt
FFA	Commodity	40,577	-	40,577 mt
<b>Total</b>		<b>285,323 mt</b>	<b>352,000 US\$</b>	<b>285,323 mt 352,000 US\$</b>

## Hazard / Risk Assessment and Preparedness Planning

11. To mitigate risks associated with the implementation of C&V, WFP will work with financial partners registered with the Bank of Central African States and controlled by banking auditors, who demonstrate strict application of rules and regulations for tracking and monitoring financial transfers. WFP will evaluate the C&V programme in mid-2014. A detailed risk analysis matrix has been designed as a reference document.