

BUDGET REVISION 1 TO EMERGENCY OPERATION -MALI 200389

Assistance to drought-affected populations in Mali

Start date: 15 February 2012. End date : 31 December 2012

	Cost (US\$ Dollars)		
	Current Budget	Increase	Revised Budget
Food and cash cost	25 991 080	7 784 277	33 775 357
External transport	2 496 614	985 710	3 482 324
LTSH	9 505 050	2 850 495	12 355 545
ODOC	2 584 284	750 387	3 334 671
DSC	3 971 054	976 827	4 947 881
ISC (7%)	3 118 366	934 339	4 052 705
Total cost for WFP	47 666 448	14 282 035	61 948 483

NATURE OF THE INCREASE

1. This budget revision to Mali emergency operation (EMOP) 200389 will allow WFP to reach an additional 243,000 vulnerable people as part of its response to the drought affecting the Sahel Region. Ongoing interventions to be expanded are the targeted and blanket supplementary feeding (TSF/BSF), targeted food distributions (TFD), and food-for-assets (FFA) activities. Programmatic changes to be introduced are the initiation of a cash-for-assets (CFA) activity and adjustments to the food rations and cash transfer value.
2. Specifically, the budget increase will:
 - provide an additional 9,440 mt of food valued at US\$6.4 million;
 - increase the cash transfer requirements by US\$1.4 million;
 - increase associated costs by US\$5.6 million, consisting of external transport, landside transport, storage and handling (LTSH), other direct operational costs (ODOC) and direct support costs (DSC); and
 - increase indirect support costs (ISC) by US\$0.9 million.

JUSTIFICATION FOR BUDGET INCREASE

Summary of existing project activities

3. Following production deficits during the 2011/2012 agricultural season, 159 communes in six regions of Mali (Gao, Kayes, Koulikoro, Mopti, Ségou and Timbuktu) were declared vulnerable according to the first estimates of Mali's Early Warning System (*Système d'Alerte Précoce* or SAP) in October 2011. In response, the Government of Mali, under the leadership of the Commissariat for Food Security (*Commissariat à la Sécurité Alimentaire* - CSA) developed an emergency response plan that includes: unconditional cereal distributions; subsidized sales of cereals; support to pastoral,

fishing, nutrition, and education activities; food for work activities; and replenishment of the national food security stock. The total cost of this plan was estimated at 103 billion francs (XOF),¹ equivalent to US\$210 million. To support this response plan, WFP launched an emergency operation (EMOP 200389), which began in February 2012 to provide food and nutrition assistance to 769,000 beneficiaries. The EMOP consists of four main interventions, aligned with WFP Strategic Objective 1 – “Save lives and protect livelihoods in emergencies”:

- Prevention and treatment of moderate acute malnutrition among children 6-59 months and pregnant and lactating women;
 - Targeted food distributions, including food assistance through cash transfers;
 - Asset-creation activities (FFA and CFA); and
 - Emergency school feeding.
4. Distributions for the treatment of children 6-59 months and malnourished pregnant and lactating women (PLW) have begun in all targeted areas. TFD began at the end of April, FFA activities began in May. WFP has signed partnerships with the following international and national non-governmental organizations (NGOs) as cooperating partners based on their capacity and ongoing interventions in the affected areas: Action Against Hunger (*Action Contre la Faim - ACF*), CARE International, World Vision, German Agro Action (*Agro Action Allemande*), Africare, Adventist Development and Relief Agency (ADRA), Oxfam, and locally-based partners. Operational constraints have caused certain activities to begin later than originally planned. Due to disruptions in the delivery supply chain, WFP experienced food pipeline breaks in Plumpy'supTM and Supercereal, thereby postponing the start of TSF and BSF activities until May. Food assistance through cash transfers, originally planned for April, will start in June due to delays in beneficiary registration.
 5. In June, WFP launched a regional EMOP 200438 to provide assistance to the hundreds of thousands of people who have fled northern Mali following the outbreak of violence there and sought refuge with host communities within Mali or in neighbouring countries (Burkina Faso, Mauritania and Niger). As part of the regional EMOP, WFP plans to assist 300,000 internally displaced persons (IDPs) in Mali through a combination of unconditional targeted food and cash distributions, blanket supplementary feeding for children 6-23 months, and treatment of moderate acute malnutrition for children 6-59 months and PLW. This EMOP (200389) complements the regional EMOP's activities within Mali through assistance to drought-affected communities that are hosting IDPs.

Conclusions and recommendations of recent assessments

6. A rapid food security assessment conducted by WFP in December 2011 reports a significant increase in the price of coarse grains compared with 2010, ranging from increases of 120 percent in Diéma to 79 percent in Kayes, 30 percent in Nioro and 30 percent in Nara. This increase in grain prices is corroborated by the November 2011 joint market assessment by WFP and the Permanent Interstate Committee for Drought Control in the Sahel (*Comité permanent inter-états de lutte contre la sécheresse dans le Sahel - CILSS*) which reports increases in millet prices of 49 percent in Gao, 29 percent in Ségou, and 17 percent in Mopti compared with the same period in 2010. Higher millet prices are apparent from longer-term trends: compared to the four-year average,

¹ XOF is the international symbol for the "*Communauté financière d'Afrique*" (African Financial Community) franc, the unit of currency in many countries in West Africa.

millet prices have increased by 116 percent in Ségou, 98 percent in Sikasso, 85 percent in Kayes, and 68 percent in Gao.²

7. An evaluation by Mali's Early Warning System (February 2012) identified 36 additional food-insecure and vulnerable communes primarily located in the Koulikoro, Ségou and Sikasso regions, with an additional 700,000 drought-affected affected individuals. The evaluation reported that the increase in prices of basic food has far surpassed the stagnant incomes of households in these vulnerable regions. This is particularly the case for smallholder farmers and agro-pastoralists who were made more vulnerable by the poor harvest and are resorting to negative coping mechanisms, such as eating seeds, selling livestock, and taking on excessive debt to cover basic food and household expenses. The evaluation recommended that assistance be provided to these 36 communes in addition to the 159 identified in October 2011, bringing the total number of communes to be assisted to 195.³ Not all of the drought-affected population requires food assistance: a range of interventions is needed to respond to their needs.
8. A survey on nutrition and mortality by WFP in Kayes in late-2011 indicated that the prevalence of wasting (global acute malnutrition - GAM) remains high in the region, reaching 15 percent in Yelimané, 12 percent in Bafoulabé and 11 percent in Diéma. These results obtained in the immediate post-harvest period are similar to what is usually recorded at the peak of the lean season,⁴ indicating a high risk of further deterioration of the nutrition situation throughout this lean season.
9. A feasibility study of WFP's cash transfer activities in Mali (February 2012), together with an internal market analysis, recommended a two-phase cash transfer intervention in response to the Sahel drought. Market monitoring from the first phase of distribution will inform the second phase, for which targeting and transfer value may be adjusted as necessary. The feasibility study recommended interventions in the Kayes, Koulikoro and Mopti regions. The market analysis calculated an alpha value between 0.7-0.9 for Koulikoro, demonstrating a favourable environment for cash transfers, while the alpha value is less favourable in Kayes at 1.2.
10. The results of a household food security survey⁵ (EFSA) by WFP and the national Food Security Commissary (*Comissariat à la Sécurité Alimentaire* - CSA) in the regions of Gao, Kayes, Koulikoro, Mopti and Segou revealed 7 percent of households with "extremely vulnerable" food consumption scores, and an additional 12 percent with "moderately vulnerable" food consumption scores.

² FAO Global Information and Early Warning System. Average derived from millet prices in April 2008, 2009, 2010, and 2011.

³ SAP final evaluation, "*Evaluation définitive de la campagne agricole 2011/2012*" (Annex 3), February 2012.

⁴ A July 2011 Standardized Monitoring and Assessment of Relief and Transitions (SMART) survey indicated a prevalence of wasting among children aged 6-59 months of 11 percent at national level, slightly above the World Health Organization's (WHO) "serious" threshold of 10 percent. The wasting prevalence exceeded "critical" threshold of 15 percent in Timbuktu (15.4 percent), and above 10 percent in Gao (14.1 percent), Kayes (12.6 percent) and Koulikoro (12.4 percent).

⁵ "*Enquête de sécurité alimentaire des ménages*". WFP and CSA, April 2012. Data collected in December 2011.

Purpose of the budget increase

11. This budget revision will allow WFP to provide assistance to an additional 243,000 drought-affected people, located mainly in the additional 36 vulnerable communes identified by the February 2012 SAP evaluation. These additional communes are primarily located in the, Koulikoro, Ségou and Sikasso regions. Most of the activities already included in the EMOP will be scaled up, specifically the targeted food distributions, targeted and blanket supplementary feeding and food-for-assets activities. A new cash-for-assets activity will be introduced. Other programmatic adjustments will be made to the timing of some activities, the food rations, and transfer values to respond to the evolving situation.
12. This budget revision will continue to complement the regional EMOP 200438 for internally displaced persons (IDPs) in Mali (see paragraph 5). While no major change in orientation is introduced through this budget revision,⁶ WFP's response strategy will continue to be reviewed regularly in view of evolving needs in the fluid political and security environment.

Targeted food distributions (TFD):

13. As part of the response for the additional drought-affected persons identified by the February 2012 SAP assessment, WFP will provide targeted food distributions to 35,000 persons in the Koulikoro, Ségou and Sikasso regions, thereby covering the needs of the population identified as "extremely vulnerable" by the April 2012 EFSA. Assistance will be targeted to households headed by women, households who have lost income and assets, households with elderly and/or disabled people, and households with a malnourished child 6-59 months old⁷ (acknowledging undernutrition of children as an indicator of household vulnerability).

Cash transfers:

14. Given the security situation in northern Mali, the number of beneficiaries expected to benefit from cash transfers will be reduced from 60,000 to 45,000 beneficiaries, because planned cash transfers for 15,000 persons in the Mopti region are no longer feasible. Also, the start of the cash transfer activity was postponed to June due to operational constraints. The implementation of cash transfers will be in two phases, under which different transfer values will be applied, ranging from US\$0.48 to US\$0.29 per person per day, to reflect food prices on local markets. During Phase I (June-August), beneficiary households will receive US\$74 per month in Kayes and US\$61 per month in Koulikoro. During Phase II (September-October), the transfer value will be adjusted in order to align with changes in prices, maintaining a consistent caloric intake. Transfer values for each phase have been determined based on market forecasts in the intervention zone. Cash transfers, which will support vulnerable households while they engage in their normal livelihood activities, will be made through the use of SIM⁸ cards in mobile phones. If the security situation and market

⁶ The logical framework is not changed from the original EMOP 200389 document: http://one.wfp.org/operations/current_operations/project_docs/200389.pdf.

⁷ Malnourished children will be identified through screening on the basis of their mid-upper arm circumference (MUAC).

⁸ Subscriber identity module (SIM) is an integrated circuit used to identify and authenticate subscribers on mobile telephony devices.

conditions in Kayes and Koulikoro become less favourable for cash transfers, WFP may switch to in-kind food distributions. Decisions will be informed by the results of an ongoing market assessment, with results expected to be available in July. There will be no overlap between food assistance through cash transfers and TFD.

Prevention and treatment of moderate acute malnutrition:

15. Nutrition activities include targeted supplementary feeding (TSF) for the treatment of moderate acute malnutrition among children 6-59 months and malnourished PLWs, and blanket supplementary feeding (BSF) to prevent acute malnutrition among children 6-23 months old and PLW. TSF will be implemented throughout the duration of the operation (February-December 2012), while BSF will be implemented during the six months of the lean season (April-September 2012).
16. Under the EMOP, nutrition activities were originally planned in 159 communes identified as vulnerable by the SAP evaluation, located in six regions (Gao, Timbuktu, Ségou, Mopti, Kayes and Koulikoro), where wasting prevalence exceeds 10 percent, or where wasting prevalence is below 10 percent and food insecurity is considered an aggravating factor.
17. This budget revision will scale-up nutrition activities in line with WFP's Regional Response Framework. Consequently, the coverage in the ongoing regions will increase from 60 to 80 percent for TSF and from 40 to 70 percent for BSF. In addition, BSF and TSF activities will be expanded to the 36 additional communes identified as "vulnerable" by the February 2012 SAP evaluation. Under this budget revision, nutrition activities will be implemented in all 195 communes identified as vulnerable by the SAP in seven regions (Gao, Timbuktu, Sikasso, Ségou, Mopti, Kayes and Koulikoro), security access permitting. In aggregate, this will be 153,000 additional beneficiaries for the nutrition activities.
18. To support the scale-up of nutrition interventions, WFP will emphasize increased outreach and rely on cooperating partners and community health workers' screening and referral capacity, as well as the existing government health centres. However, with the roll-out of the BSF as a preventive measure, the number of malnutrition cases is expected to decrease over time. All children 6-59 months and PLWs will be screened for acute malnutrition during the registration phase for the BSF and those present will be screened at each subsequent distribution. Malnourished children and PLWs will be referred to health centres for appropriate nutrition rehabilitation. A Standardized Monitoring and Assessment of Relief and Transitions (SMART) rapid nutrition assessment, scheduled for July 2012, will inform refinement of beneficiary targeting.

Food-for-assets (FFA) and cash-for-assets (CFA) activities:

19. To encourage livelihood diversification and enhance self-reliance, WFP will support asset-creation activities in areas where the labour force is sufficient, and in consultation with community leaders to foster sustainability. During the agricultural season, FFA/CFA activities will be planned to complement local cropping activities. Skills training workshops conducted by partner organizations will focus on income generation, increased food production, and minimization of post-harvest losses, in parallel with "light" asset-creation activities such as agro-forestry, vegetative fencing, and warehouse construction. Given the diversity of livelihood zones in Mali, a nuanced

approach will be adopted during the planting season: in pastoralist areas, activities such as forage development and creation of water sources will continue, taking into account differences in the seasonal calendar among the different areas of intervention. WFP plans to target an additional 70,000 beneficiaries, corresponding to the population identified as “moderately vulnerable” by the April 2012 EFSA.

20. A cash-for-assets (CFA) activity will be introduced for August-December, when markets are expected to be functional. Out of the additional 70,000 people benefiting from FFA activities during the lean season, 20,000 people will shift to cash transfers from August. Beneficiaries are located in three areas of the Sikasso region,⁹ identified as “moderately vulnerable” by the SAP evaluation¹⁰ and have previously been identified by Save the Children as living in zones where livelihood opportunities are very limited. The amount of cash to be distributed (US\$0.62 per person per day) is based on the prices of commodities for the FFA ration in local markets. Lessons learned will be drawn from the cash transfer pilot in Kayes and Koulikoro regions, which will inform a decision on distribution modalities; if transfer via mobile phones proves to be a viable solution, it will also be used for the CFA activity.

TABLE 1: BENEFICIARIES BY ACTIVITY TYPE			
Activities	Current	Increase/ Decrease	Revised
Targeted food distributions	150 000	35 000	185 000
Food assistance through cash transfers	60 000	-15 000	45 000
Prevention of acute malnutrition – children 6-23 months	72 500	85 000	157 500
Prevention of acute malnutrition – pregnant and lactating women	33 000	38 750	71 750
Treatment of moderate acute malnutrition – children 6-59 months	52 500	23 570	76 070
Treatment of moderate acute malnutrition–pregnant and lactating women	11 000	6 150	17 150
Food for assets	300 000	70 000	370 000
Cash for assets	0	20 000	20 000
School feeding	150 000	0	150 000
Adjusted Total*	769 000	243 470	1 012 470

*The total number of beneficiaries has been adjusted to avoid double-counting those benefiting from more than one activity.

⁹ Notwithstanding Sikasso region’s good agricultural potential, a large proportion of the population is considered poor, making a living through daily labour, with household food production remaining low. Given that low incomes are a driving factor behind food insecurity in Sikasso, and there are well-stocked and functioning markets, Sikasso region is considered a favourable environment for cash transfers.

¹⁰ Report on SAP final evaluation, published in February 2012 “*Evaluation definitive de la campagne agricole 2011/2012.*”

Nutritional consideration and rations, value of cash transfers

21. This budget revision also proposes a modification in product type and related requirements in the activity for the prevention of acute malnutrition for children aged 6-23 months. This is because of limited production capacity worldwide and inadequate availability of the most appropriate products (eg. Supercereal Plus and Plumpy'doz™).¹¹ Thus, Plumpy'sup™ will be provided as an alternative (Table 2).

Commodity type or Cash	Food assistance through cash transfers	Cash for assets	Prevention of acute malnutrition BSF Children 6-23 months
Plumpy'sup™ (g/person/day)			46
Cash transfers (US\$/person/day)	0.48	0.62	
Total kcal/day			250
Feeding days per year	90	113	180

Activity	Phase I – Prevention		Phase II – Strengthening of prevention and rehabilitation						Phase III - Consolidation		
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Targeted food distributions			195 communes – 185 000 beneficiaries								
Food assistance through cash transfers			17 communes – 45 000 beneficiaries								
Prevention of acute malnutrition (BSF)			229 250 children 6-23 months and PLW								
Treatment of moderate acute malnutrition (TSF)	93 220 children 6-59 months and PLW										
Food for assets			370 000 beneficiaries								
Cash for assets			4 000 participants 20 000 beneficiaries								
School feeding			150 000 school children								

¹¹ The ration for PLW for both BSF and TSF will remain the same (250g Supercereal with sugar and 20g oil); the ration for children 6-59 months for TSF will also remain the same (92g Plumpy'sup™).

Risk Assessment

22. *Contextual risks:* Ongoing political instability and overall insecurity in Mali pose the greatest risk to WFP’s ability to implement activities as planned. A further deterioration of the political situation in the capital could weaken the Government’s support of this EMOP. Should the situation further deteriorate and the populations hosting IDPs increase, a subsequent budget revision would adjust this EMOP to respond to the host population’s needs.
23. *Programmatic risks:* Instability and conflict may render parts of the country inaccessible for the delivery or distribution of food, or for the successful implementation of activities as planned. WFP is closely coordinating its efforts with its partners in the humanitarian community to negotiate access to unstable or remote areas and will continuously monitor the situation.
24. *Institutional risks:* A resources shortfall or delays would cause pipeline breaks and disrupt ongoing activities. WFP will make use of the advance finance facility when necessary. Insecurity in Mali includes the risk of attacks by armed groups and the kidnapping of humanitarian and government workers. WFP liaises with the United Nations Department of Safety and Security (UNDSS) and local authorities to ensure the safety of its staff and property.

REQUIREMENTS

25. WFP’s revised food and cash requirements of this EMOP are shown below in Table 4. Food requirements in tonnage terms increase by 24 percent. The increase in tonnage will not substantially affect the logistics capacity of WFP in Mali; however, in some locations, additional warehouses will be rented and different supply modalities may be required, such as cross-border transport or air transport of vital humanitarian cargo (for example, for Plumpy’supTM). Requirements for cash transfers increase by 54 percent.

Activity	Current	Increase/ decrease	Revised
Targeted food distribution (mt)	17 901	4 914	22 815
Food assistance through cash transfers (US\$)	2 570 360	0	2 570 360
Prevention of acute malnutrition – children 6-23 months (mt)	2 610	-1 306	1304
Prevention of acute malnutrition – pregnant and lactating women (mt)	1 604	1 883	3 487
Treatment of moderate acute malnutrition – children 6-59 months (mt)	290	130	420
Treatment of moderate acute malnutrition – pregnant and lactating women (mt)	802	448	1 250
Food for assets (mt)	14 445	3 371	17 816
Cash for assets (US\$)	0	1 400 000	1 400 000
School feeding (mt)	1 800	0	1 800
Total food transfer requirements (mt)	39 452	9 440	48 892
Total cash transfer requirements (US\$)	2 570 360	1 400 000	3 970 360



RECOMMENDATION

This proposed budget revision for an additional commitment of food, cash transfers and associated costs, resulting in the revised budget for Mali EMOP 200389, is recommended for joint approval by the Executive Director and the Director-General, FAO.



APPROVAL

Ertharin Cousin
Executive Director
United Nations World Food Programme

José Graziano da Silva
Director-General
Food and Agriculture Organization
of the United Nations

Date:

Date:.....

BUDGET INCREASE COST BREAKDOWN			
Food¹²	Quantity (mt)	Value (US\$)	Value (US\$)
Cereals	6 300	2 015 917	
Pulses	1 344	739 200	
Oil and fats	740	869 159	
Mixed and blended food	983	2 751 768	
Others	73	8,232	
Total food	9,440	6 384 277	
Cash transfers		1 400 000	
Subtotal food and transfers			7 784 277
External transport			985 710
Landside transport, storage and handling			2 850 495
Other direct operational costs			750 387
Direct support costs (see Annex I-B)			976 827
Total WFP direct costs			13 347 696
Indirect support costs (7.0 percent) ¹³			934 339
TOTAL WFP COSTS			14 282 035

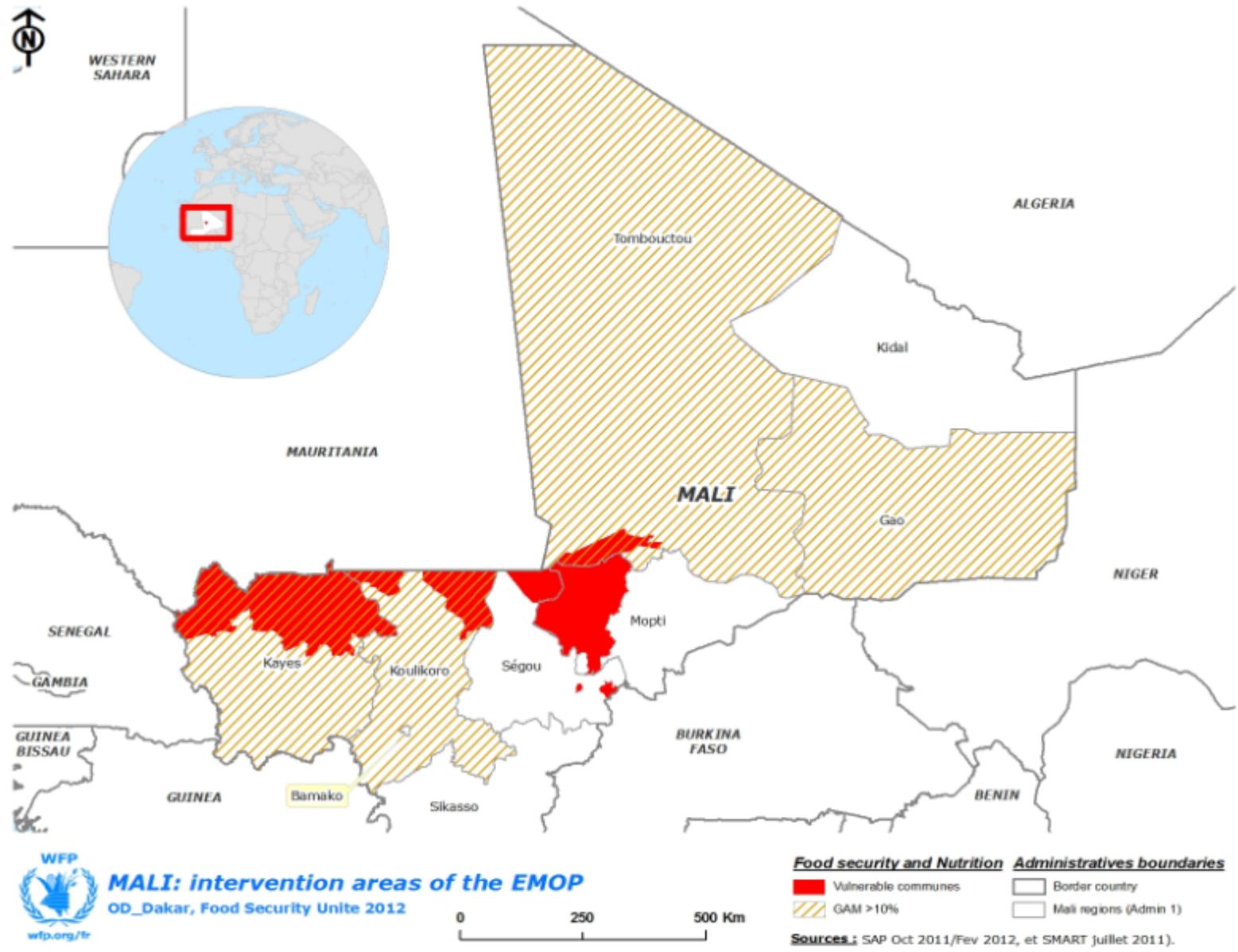
¹² This is a national food basket for budgeting and approval. The contents may vary.

¹³ The indirect support cost rate may be amended by the Board during the project.

ANNEX I-B

DIRECT SUPPORT REQUIREMENTS (US\$)	
Staff and staff-related costs	
International professional staff	105 390
Local staff - temporary assistance	117 692
Local staff – overtime	3 000
International consultants	75 000
Staff duty travel	388 215
Subtotal	689 297
Recurring expenses	
Rental of facility	9 000
Utilities	1 500
Office supplies and other consumables	45 000
Communications services	120 000
Equipment repair and maintenance	4 800
Vehicle running costs and maintenance	5 000
Office set-up and repairs	3 500
United Nations organization services	2880
Subtotal	191 680
Equipment and capital costs	
Vehicle leasing	17 850
Communications equipment	40 500
Local security costs	37 500
Subtotal	95 850
TOTAL DIRECT SUPPORT COSTS	976 827

ANNEX III: MAP



Acronyms Used in Document

ACF	<i>Action Contre la Faim</i> (Action Against Hunger)
ADRA	Adventist Development and Relief Agency
BSF	blanket supplementary feeding
CFA	cash for assets
CILSS	<i>Comité permanent inter-états de lutte contre la sécheresse dans le Sahel</i> (Permanent Interstate Committee for Drought Control in the Sahel)
CSA	<i>Commissariat à la Sécurité Alimentaire</i> (Commissariat for Food Security)
DSC	direct support costs
EFSA	Emergency Food Security Assessment
EMOP	emergency operation
FAO	Food and Agriculture Organization of the United Nations
FFA	food for assets
GAM	global acute malnutrition
IDP	internally displaced person
ISC	indirect support costs
LTSH	landside, transport, storage and handling
NGO	non-governmental organization
ODOC	other direct operational costs
SAP	<i>Système d'Alerte Précoce</i> (Early Warning System)
SMART	Standardized Monitoring and Assessment of Relief and Transitions
TFD	targeted food distribution
TSF	targeted supplementary feeding
UNDSS	United Nations Department of Safety and Security
WFP	United Nations World Food Programme