

PROJECT REVISION FOR THE APPROVAL OF:
➤ Deputy Executive Director, Operations Department

	<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, ODLT (change in LTSH and/or External Transport)
Director and Deputy CFO, RMB
Director, ODX
<u>APPROVAL</u>				
Deputy Executive Director, OD

PROJECT: “Emergency food assistance for drought-affected populations in the Gambia”

Start date: 01/01/ 2012 **End date:** 31/10/ 2012 **Extension/Reduction period:** 1 month **New end date:** 30/11/2012

	Previous Budget	Revision	New Budget
Commodity ¹	US\$6 910 868	US\$780 992	US\$7 691 860
External transport ²	US\$986 245	US\$ (325 030)	US\$661 215
LTSH ³	US\$871 541	US\$ (34 182)	US\$837 359
ODOC ⁴	US\$392 312	US\$65 487	US\$457 799
DSC ⁵	US\$912 471	US\$53 727	US\$966 198
ISC (7%) ⁶	US\$705 140	US\$37 870	US\$743 010
Total WFP cost (US\$)	US\$10 778 577	US\$578 864	US\$11 357 441

TYPE OF REVISION

Additional commodity
 Additional DSC
 Additional ODOC
 Additional LTSH
 Additional external transport
 Other
 Re-orientation
 Extension or Reduction in time

¹ Food cost can comprise both commodities and cash/voucher (C&V) 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 of 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 cooperating partners.

⁵ Direct support costs (DSC) are those costs which are incurred directly in support of projects by a WFP country office.

⁶ Indirect support costs (ISC) is a fixed rate resourced from all donor contributions, which is used to cover (non-project) corporate overhead costs, i.e. Programme Support and Administrative (budget).

NATURE OF THE INCREASE

1. This budget revision to emergency operation (EMOP) 200421 “Emergency food assistance for drought-affected populations in the Gambia” proposes to:
 - extend the EMOP duration by one month - until 30 November 2012 - to complete a five-month food assistance package to 206,000 vulnerable people in the 19 most-affected districts;
 - introduce a pilot cash transfer in two districts of Upper River Region for 20,000 beneficiaries who have previously been receiving in-kind food; and
 - Expand blanket supplementary feeding in 14 districts, reaching an additional 17,000 children 6-59 months.

3. This budget revision will increase WFP’s total costs by US\$579,000, comprising:
 - cash transfers valued at US\$385,200 under the food requirements;
 - a corresponding reduction in overall food tonnage of 517 mt resulting from the shift from in-kind food to cash transfers for 20,000 beneficiaries;
 - an increase in overall food value (food transfers and cash transfers) due to increases in commodity costs (rice and vegetable oil) that result in a net increase in food costs;
 - a decrease in external transport and land transport, storage and handling (LTSH); and
 - an increase of US\$157,000 in other direct operational costs (ODOC), direct support costs (DSC) and indirect support costs (ISC).

JUSTIFICATION FOR EXTENSION-IN-TIME AND BUDGET INCREASE

Summary of existing project activities

4. Following the severe drought which led to a substantial crop failure in most of the Gambia, the majority of households in the drought-affected regions depleted their food stocks by March 2012.⁷ Drought-affected populations have also suffered a significant loss of income from their main cash crop, groundnut. Reduced purchasing power coupled with increased food prices have exacerbated the overall food insecurity.

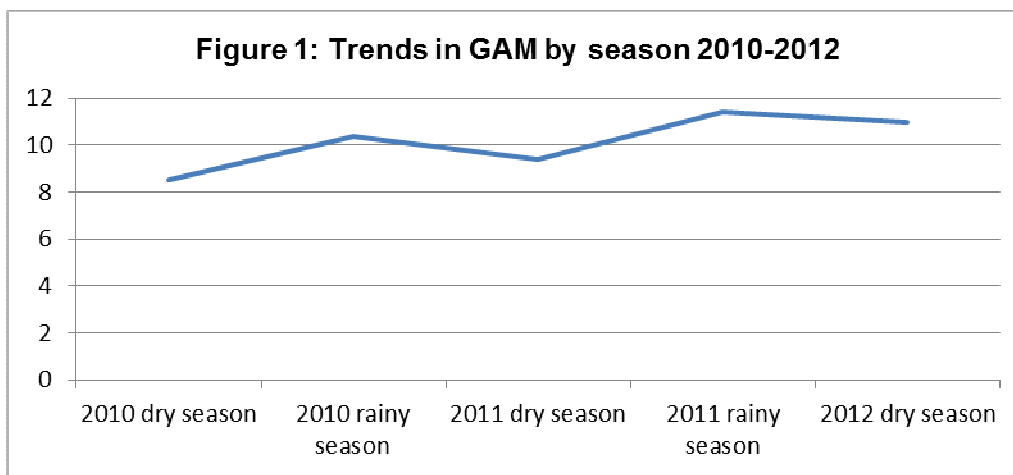
5. WFP launched a two-month immediate-response emergency operation in April 2012 to provide emergency food assistance to 62,500 people in the five most-affected districts. This subsequent EMOP 200421 for June-October 2012 has been enabling WFP to provide food assistance to 206,000 people in the 19 districts most-affected by the drought. As well as general food distributions, to prevent any further deterioration of the nutrition situation, WFP has also been assisting 17,000 children through blanket supplementary feeding in regions with a high prevalence of acute malnutrition.

6. The EMOP is aligned with WFP Strategic Objective 1 (“Save lives and protect livelihoods in emergencies”) and will contribute to Millennium Development Goal 1 (“Eradicate extreme poverty and hunger”). The specific objectives of the EMOP are to:
 - improve food consumption of targeted households whose food security and nutrition have been adversely affected by the drought; and
 - stabilize global acute malnutrition (GAM) among children 6-59 months.

⁷ Government of the Gambia/WFP/FAO/UNICEF/UNDP, Multi-sectoral emergency needs assessment, March/May 2012.

Conclusion and recommendation of the re-assessment

7. The start of general food distributions (GFD) was delayed due to logistics constraints in purchasing and delivering commodities to affected communities. The food insecurity of the target populations⁸ justifies that the food assistance package be for the full five-months as assessed earlier in the year. This requires an extension beyond the current end-date of the project, i.e. beyond the end of October 2012. A pre-harvest assessment is being undertaken in October: to date, precipitation has been normal or above-normal in most regions, and seed and fertilizer inputs are available.
8. In the past two years, GAM prevalence peaked during the rainy season (June-September). The most recent national nutrition surveillance survey (March 2012) reports an upward trend in GAM prevalence since 2011, with 14 districts in five regions above the 10 percent “serious”⁹ threshold (see Figure 1).



Dry season: October-May.

Rainy season: June-September.

9. An assessment mission for cash and vouchers transfers in May 2012 found that cash transfers would be feasible and appropriate in the Gambia. Cash transfers were found to be an appropriate transfer modality for the following reasons:
 - Cash transfers are expected to be cost-efficient, with an alpha value of 0.96 in the targeted areas.¹⁰
 - Given the geography of the country (not more than 50 km wide) and its infrastructure, almost all of the population has relatively easy access to retail and wholesale markets, as well as to the traditional *Lumo* markets (weekly markets).¹¹
 - Market conditions are favourable. The flow of basic commodities is satisfactory and food is available all year round. Markets are well-integrated: wholesale and retail outlets have the ability to respond within days to increased demand, especially for rice, the staple food. Traders in the capital city (Banjul) have sufficient strategic stock for immediate market supply.
 - Banking services are available throughout the intervention areas.

⁸ International commodity market prices, especially for grain, have been rising in recent months. This upward trend has carried through to all domestic markets. The price of rice at wholesale market level has increased by 12 percent from the second quarter of 2011 to the same period in 2012. Source: Daa Nyeeno Food Security and Market Information Bulletin for the Gambia, July 2012.

⁹ Wasting (GAM) prevalence above 10 percent is “serious” and above 15 percent is “critical”. WHO 1995. Cutoff values for public health significance. www.who.int/nutgrowthb/en

¹⁰ The alpha value compares the overall cost for WFP and its donors to deliver food to beneficiaries with the local market value of the same commodities, which could be bought through a cash transfer.

¹¹ WFP, Urban Market Assessment in the Gambia: A Feasibility Study on Cash and Vouchers, September 2011.

- Beneficiaries and the Government (at both central and local levels) prefer cash to in-kind food distribution.¹²
- Cash is expected to promote beneficiary choice, improve dietary diversity, allow greater flexibility and stimulate the market.

Purpose of extension and budget increase

10. This budget revision proposes to:

- extend EMOP 200421 by one month, to continue to meet the food gap of 206,000 vulnerable people through GFD (including cash transfers) in 19 of the most affected districts until 30 November 2012;
- introduce a pilot cash transfer in two districts of Upper River Region for 20,000 of the beneficiaries targeted for GFD; and
- expand blanket supplementary feeding to cover an additional 14 districts in the Central River Region (north and south) and the Upper River Region, where the prevalence of GAM is above 10 percent.

Extension-in-time

11. Given that the start of GFDs was delayed, the EMOP will be extended-in-time by one month in order to allow WFP to complete the provision of the five-month food assistance package.

Cash transfer pilot project

12. In Jimara and Tumana districts of the Upper River Region, 20,000 GFD beneficiaries will receive cash instead of food. The cash pilot project will target only 10 percent of the total beneficiaries under this EMOP but the lessons learned will inform and guide the use of cash as a tool for future operations in the Gambia. The selection of participating households will be undertaken by the National Disaster Management Agency in consultation with regional authorities, local government technical staff and communities. Women-headed households will be prioritized.

13. Taking into account market prices, each household member will receive 284 Dalasi (US\$9.36) per month. This is the monetary equivalent of the GFD ration (400 g/person/day of rice and 25 g/person/day of vegetable oil). Cash payments to beneficiaries will be carried out by WFP cooperating partner, Concern Universal, which is already operational in the Gambia and has experience in cash transfers. An operational plan will detail the transfer modalities and mechanisms. Concern Universal will be responsible for community sensitisation, timely implementation, monitoring and evaluation (M&E) and reporting. A microfinance institution will be selected to transfer cash to the targeted beneficiaries.

Blanket supplementary feeding

14. In the absence of a targeted supplementary feeding programme for the treatment of moderate acute malnutrition (MAM) in the Gambia, the blanket supplementary feeding intervention is extended beyond the usual target age group (children 6-23 months) to reach children 6-59 months. As WFP works towards the establishment of a longer-term intervention for the treatment of MAM, blanket supplementary feeding under this EMOP helps cover the nutrient needs for this vulnerable age group. The coverage will be expanded to cover 14 additional districts where GAM prevalence is above the “serious” threshold in the West Coast, Lower River and North Bank regions. Planning figures are based on population estimates in the 14 targeted districts and this will increase the number of targeted children by over 20,000, to reach 38,000 children 6-59 months.

¹² WFP, Cash & Vouchers Feasibility Study and Formulation Mission to Gambia country office. Mission Report: 3-17 May 2012.

Activity		Present	Increase (Decrease)	Revised
General food distribution	In-kind	206,000	(20,000)	186,000
	Cash	0	20,000	20,000
Blanket supplementary feeding - children 6-59 months*		17,000	21,380	38,380
Adjusted Total		206,000	-	206,000

*Children receiving blanket supplementary feeding also receive GFD and are therefore not double-counted.

Nutritional considerations and rations, value of cash transfers

15. The GFD ration size is adjusted slightly, from 400g rice and 30g vegetable oil to 400g rice and 25g vegetable oil.
16. The blanket supplementary feeding ration size will be adjusted from 250g of Super Cereal and 20g of vegetable oil to 200g of Super Cereal and 15g of vegetable oil. The nutrient value and energy (884 kcal) is adequate for a blanket ration as a preventive measure against acute malnutrition. As targeted children are part of the households benefiting from GFD, the blanket supplementary feeding ration does not need to take into account possible inter-household sharing.
17. Super Cereal is being used due to non-availability of the recommended product (Super Cereal plus) during the EMOP's timeframe. Nevertheless, WFP remains committed to the use of the appropriate nutritional food products in future programmes.

Commodity Type/ Cash	General food distribution		Blanket supplementary feeding
	in-kind	cash	
Rice	400g		
Super Cereal	0g		200g
Vegetable oil	25g		15g
Cash(US\$/person/day)		US\$0.32	
Total	425g	US\$0.32	215g
<i>Total kcal/day</i>	<i>1 661</i>		<i>884</i>
% kcal from protein	7		14
% kcal from fat	15		32

Performance monitoring

18. Performance monitoring will use WFP's comprehensive results-based management and monitoring and evaluation (M&E) system, summarized in the logical framework (see Annex II).

19. An M&E officer oversees WFP field monitors and a standby partner will support the cash pilot project. Field monitors will be present during distributions, with daily distributions reports compiled. Following up the baseline survey, post-distribution monitoring will include food utilization by beneficiaries and an endline survey will measure and track indicators. GAM will be monitored through the national nutrition surveillance using standardized monitoring and assessment of relief and transitions (SMART) methods.
20. WFP cooperating partners will be responsible for monitoring the cash transfer process and disbursements. The operational plan will detail the accountability and transparency controls and these will also include the presence of government representatives, WFP, the Credit Union and Concern Universal at the transfer sites. Post-distribution monitoring will be undertaken from the time the first disbursement of funds is made.

FOOD AND CASH REQUIREMENTS

21. Although blanket supplementary feeding is being expanded by this revision, additional food commodities will not be required because the ration has been reduced. Furthermore, the shift from in-kind food to cash transfers for 20,000 beneficiaries will result in a reduction of 517 mt in the overall food tonnage.

Activity	Commodity / Cash	Current	Increase/ decrease	Revised
General food distribution	Food	12,481 mt	-517 mt	11,965 mt
	Cash	0	US\$385,200	US\$385,200
Blanket supplementary feeding	Food	688 mt	0	688 mt
Total	Food	13,169 mt	-517 mt	12,653 mt
	Cash	-	US\$385,200	US\$385,200

22. Because of delays in international shipments, WFP reviewed its procurement plan and is purchasing food locally in order to avert pipeline breaks. Given that local food prices were higher than originally anticipated, the total food costs are adjusted upwards through this budget revision. However, the increased food costs have been partly offset by reductions in external transport costs and LTSH costs. The food and cash requirements are detailed in Table 3, with the costing shown in Annex I-A.

RISK MANAGEMENT

23. The main risks (contextual, programmatic and institutional) identified during the design of the EMOP are still valid. For the cash pilot intervention, the main risks are inflation, market functionality and misuse of cash. To mitigate these risks, WFP will continue to collaborate with national partners to monitor food security through market information and other early warning systems, and monitor the cash expenditures of the beneficiaries.
24. The risk of market disruption and/or inflation is minimal in view of the small size of the pilot intervention. Furthermore, as the food supply chain is fluid it can quickly respond to any increased demand in markets in the Gambia.

ANNEX I-A

PROJECT COST BREAKDOWN – MODIFICATION TO BUDGET PLAN			
Food	Quantity (mt)	Value (US\$)	Value (US\$)
Cereals	(480.0)	*298 282	
Oil and fats	(36.5)	*97 510	
Mixed and blended food	0	0	
Total food	(516.5)	395 792	
Cash transfers		385 200	
Voucher transfers		0	
Subtotal food and cash transfers			780 992
External transport			(325 031)
Landside transport, storage and handling			(34 182)
Other direct operational costs			65 487
Direct support costs (see Annex I-B)			53 727
Total WFP direct costs			540 993
Indirect support costs (7 percent)			37 870
TOTAL WFP COSTS			578 864

* Though the cereal and vegetable oil tonnage has been reduced due to the substitution of food by cash transfers for some of the beneficiaries, the increased use of local purchases (for timely deliveries) has increased overall food costs. This increase has been partly offset by reductions in external transport and LTSH costs.

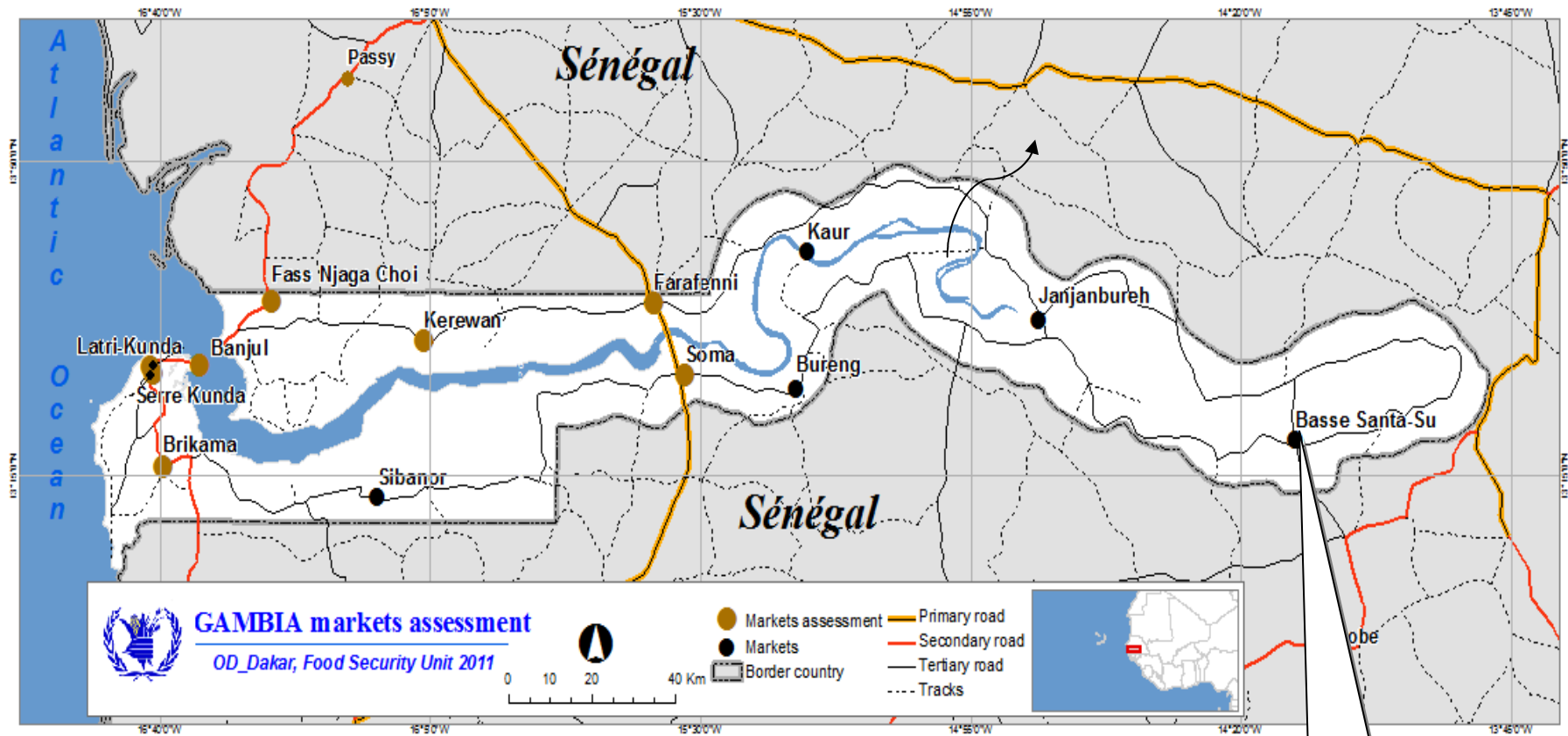
ANNEX I-B

ADDITIONAL DIRECT SUPPORT REQUIREMENTS (US\$)	
Staff and staff-related costs	
International professional staff	26 634
Local staff - temporary assistance	6 208
Staff duty travel	20 885
Subtotal	53 727
Recurring expenses	
Subtotal	0
Equipment and capital costs	
Subtotal	0
TOTAL DIRECT SUPPORT COSTS	53 727

ANNEX II: LOGICAL FRAMEWORK

Results	Performance indicators	Assumptions
Strategic Objective 1: Save lives and protect livelihoods in Emergencies		
Outcome 1 Reduced or stabilized acute malnutrition in children under 5 in targeted emergency-affected population	<ul style="list-style-type: none"> ➤ Prevalence of acute malnutrition among children under 5 (weight-for-height as %) Baseline GAM rates: 17.7% in North Bank; 12.7% in Central River North; 13.7 % in Central River South; and 10.5% in Upper River Region Target <10% 	<ul style="list-style-type: none"> ➤ No weather-related shock (drought or floods) nor further deterioration of food insecurity among vulnerable households due to limited food availability and high food prices
Output 1.1 Food distributed in sufficient quantity and quality to targeted under 5 girls and boys under secure conditions	<ul style="list-style-type: none"> ➤ Quantity of fortified foods, complementary food and special nutrition products distributed, by type, as % of actual distribution 	
Outcome 2 Improved food consumption over assistance period for target households	<ul style="list-style-type: none"> ➤ Household food consumption score (baseline: FCS => 42; which is considered an "acceptable" FCS) 	<ul style="list-style-type: none"> ➤ No weather-related shock (drought or floods) nor further deterioration of food insecurity among vulnerable households due to limited food availability and high food prices
Output 2.1 Food or cash distributed in sufficient quantity and quality to targeted women, men, girls and boys under secure conditions	<ul style="list-style-type: none"> ➤ Number of women, men, girls and boys receiving food or cash by category and as % of planned figures ➤ Amount of cash or tonnage of food distributed, by type, as % of planned distribution ➤ Quantity of fortified foods, complementary food and special nutrition products distributed, by type, as % of actual distribution ➤ Beneficiaries using cash to access food as a % of total planned ➤ Beneficiaries using cash towards livelihood recovery as a % of total planned 	<ul style="list-style-type: none"> ➤ Funding available to resource full food requirements or cash transfer ➤ Operational capacities (especially human resources requirement) scaled-up for smooth implementation ➤ Market availability for basic food commodity

ANNEX III – MAP OF THE GAMBIA AND LOCATION OF CASH PILOT



Basse is the regional capital of the Upper River Region. The districts of Tumana and Jimara lie directly west and east of Basse

LIST OF ACRONYMS USED IN THE DOCUMENT

DSC	direct support costs
EMOP	emergency operation
GAM	global acute malnutrition
GFD	general food distribution
ISC	indirect support costs
LTSH	landside transport, storage and handling
M&E	monitoring and evaluation
MAM	moderate acute malnutrition
ODOC	other direct operational costs
WFP	United Nations World Food Programme