


**World Food  
Programme**
**PROJECT BUDGET REVISION FOR APPROVAL BY THE REGIONAL DIRECTOR**

5) To:	Initials	In Date	Out Date	Reason for Delay
Abdou Dieng Regional Director, RBD				
4) Through:	Initials	In Date	Out Date	Reason for Delay
Natasha Nadazdin Programme Adviser, RBD				
3) Through:	Initials	In Date	Out Date	Reason for Delay
Jean-Pierre Leroy Logistic Officer, RBD				
2) Through:	Initials	In Date	Out Date	Reason for Delay
Lydie Kouame Resource Management Analyst, RBD				
1) From:	Initials	In Date	Out Date	Reason for Delay
Sory Ouane Country Office, Liberia				

**Liberia PRRO 200550  
BR No. 6**

<b>Total revised number of beneficiaries</b>	90 000
<b>Duration of entire project</b>	42 months, 1 July 2013 to December 2016
<b>Extension / Reduction period</b>	1 August 2016 to December 2016
<b>Gender marker code</b>	n.a.
<b>WFP food tonnage</b>	29 802

**Start date: ..... End date: ..... Extension/Reduction period: ..... New end date: .....**
**Cost (United States dollars)**

	<b>Current Budget</b>	<b>Increase (Decrease)</b>	<b>Revised Budget</b>
Food and Related Costs	26 403 187	676 997	27 080 184
Cash and Vouchers and Related Costs	0	730 870	730 870
Capacity Development & Augmentation	0	0	0
DSC	5 193 793	516 382	5 710 175
ISC	2 211 789	134 697	2 346 486
<b>Total cost to WFP</b>	<b>33 808 769</b>	<b>2 058 946</b>	<b>35 867 715</b>

**CHANGES TO:**
**Food Tool**
☒ MT

☒ Commodity Value

☒ External Transport

☒ LTSH

☒ ODOC

**C&V Tool**
☒ C&V Transfers

☒ C&V Related

**Costs**
☐ CD&A

☒ DSC

☒ Project  
duration

☐ Other

**Project Rates**
☐ LTSH (\$/MT)

☒ ODOC (\$/MT)

☒ C&V Related  
(%)

☒ DSC (%)

## NATURE OF THE INCREASE

1. *This budget revision extends Protracted Relief and Recovery Operation (PRRO) 200550 for five months from August to December 2016 and reduces general food distribution (GFD) beneficiaries from 16,000 to 15,559 in line with current UNHCR refugee population statistics. The revision introduces cash-based transfer (CBT) as a second GFD modality to be implemented complementarily with in-kind transfer on a 60/40 food/cash basis. The revision also budgets for a protection focal point in fulfillment of an action point stemming from the management response to the recent operational evaluation of the PRRO.*
2. *Specifically, the revision will:*
  - Increase food transfers by 721 mt valued at US\$ 449,146;
  - Increase external transport; landside transport, storage and handling (LTSH); and other direct operating costs (ODOC) by US\$ 227,851;
  - Introduce cash transfer valued at US\$ 536,786;
  - Include cash transfer related cost of US\$ 194,084; and
  - Increase direct support costs (DSC) by US\$ 516,382.

## JUSTIFICATION FOR THE REVISION

### *Summary of existing project activities*

3. *Post-electoral violence in Cote d'Ivoire in December 2010 forced thousands of people into bordering Liberia to seek refuge. Following the peak of the refugee influx in 2011, when over 200,000<sup>1</sup> refugees arrived in Liberia, spontaneous and UNHCR-facilitated voluntary repatriation initiatives have enabled tens of thousands of refugees to return to Cote d'Ivoire.*
4. *WFP first implemented an immediate response emergency operation (IR-EMOP 200227) followed by an emergency operation (EMOP 200225) to provide food assistance to refugees. In July 2013, WFP's intervention shifted to the current PRRO that provides monthly GFD rations to refugees in Government-designated camps.*
5. *As of February 2016, some 28,818 refugees from Cote d'Ivoire remained in Liberia, including 20,330 living in three refugee camps: 11,266 at PTP in Grand Gedeh, 5,592 at Bahn in Nimba, and 3,472 at Little Wlebo in Maryland.<sup>2</sup> In compliance with Government policy, food assistance is only provided to refugees living in camps.*
6. *UNHCR-assisted and spontaneous voluntary repatriation (volrep) caused the number of refugees to reduce, with under 15,600 remaining in camps as at June 2016.<sup>3</sup> UNHCR volrep activities were temporarily suspended after June in expectation of poor road conditions during July-September, the peak of the annual rainy season. Assisted volrep will likely resume from the start of the dry season in November/December 2016.*

<sup>1</sup> 2013 UNHCR Liberia Operations Plan.

<sup>2</sup> UNHCR Liberia fact sheet ("Refugee Population Liberia"), February 2016.

<sup>3</sup> This is based on briefing shared by UNHCR Liberia leadership during meetings with WFP Liberia.

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

7. *The PRRO was the subject of an operational evaluation in the first half of 2016. (Fieldwork was conducted in March and the evaluation report released in June.) The evaluation report stated that the PRRO's coherence with WFP, UNHCR and Government policies was generally satisfactory, but that there was "lack of consideration of alternative food assistance modalities as per the WFP Cash and Voucher Policies."*
8. *The report quoted the 2012 UNHCR/WFP Joint Assessment Mission (JAM), a finding of which was that refugees reported exchanging or selling 20 percent of rations to obtain fresh vegetables, fish and condiments. Focus group discussions (FGDs) during the evaluation were largely consistent with these findings: 20 to 40 percent of food provided to refugees was reported sold, mainly to purchase fresh vegetables and fish or meat. The evaluation team concluded that this level of selling can be seen as an indicator that other intervention strategies, such as cash transfers, may be more appropriate for the PRRO.*
9. *Furthermore, the evaluation report cited the results of FGDs which indicated that two other organizations (one in 2014, another in 2015) have implemented cash transfer projects in the operational area of the PRRO.*
10. *The first recommendation of the evaluation is that, in consultation with UNHCR, the Liberia Refugee Repatriation and Resettlement Commission (LRRRC) and donor(s), WFP should commission an in-depth livelihood options assessment of refugees in both camp and host communities to determine appropriate approaches and interventions as a first step in phasing out the PRRO.*
11. *As a response, WFP, UNHCR and LRRRC undertook a joint food security and vulnerability assessment of the refugees in May 2016. The assessment report is being finalized. A preliminary finding of the joint assessment is that without food assistance provided by WFP, 91.4 percent of refugees in camps would be highly vulnerable to food insecurity (56.1 percent moderately vulnerable, 29.7 percent highly vulnerable and 5.6 percent extremely vulnerable). Another preliminary finding is that the Government has so far not allocated land for refugees for farming; only a few refugees are able to farm around the camps, and only at very limited scale, due to land access constraints.*
12. *Arising from these findings, an emerging recommendation from the joint assessment is that general food distribution is continued at either full or 75 percent rations. From the assessment, food insecurity among the beneficiaries was attributed to reduced ration over the last six (6) months and the situation was to be worsened by the fact that requested period of the BR coincides with the lean season in Liberia. It was also observed that livelihood activities had not taken off as would have been expected owing to limited opportunities for assets ownership.*



13. *Taking a cue from the evaluation report and drawing upon local expert opinion<sup>4</sup> and the experience of WFP Liberia in implementing a large-scale, country-wide cash-based transfer (CBT) programme during the Ebola emergency operation, the Country Office is opting to incorporate CBT as part of food assistance through general food distribution (GFD). The transfer value per person (at 60% of in-kind ration) is about \$0.19. An equivalent proportion of the CBT ration would be \$0.34. This means the CBT ration costs nearly 80% more than the in-Kind one. The higher costs can be explained in large part by transport costs embedded in the prices refugees will encounter in local markets for some goods such as imported rice. Such transport costs are not reflected in the transfer value calculated for the IK option. The refugees reside in locations that are at the opposite end of the country from the Freeport of Monrovia, the main entry port for imports into the country. On the other hand, for every dollar of in-kind transfer, WFP requires \$3.09 of support costs (excluding DSC), while \$2.77 is required (excluding DSC) for each dollar of CBT transfer. When we exclude a one-time startup cost for phone purchase (\$92,000+), the cost per dollar of CBT delivery is even lower. While the decision to apply CBT modality was not based on tabulation of the Omega value, evaluations and assessment recommend CBT modality as it meets the needs of beneficiaries more effectively. Various assessments have found and the recent PRRO evaluation confirmed that beneficiaries sell a sizable portion of the IK food they receive in order to buy more preferred food items. Very likely, they do not get equal cash value for the food sold. With CBT, beneficiaries avoid such losses and have the option of greater choice over their diet.*
14. *The Ebola EMOP CBT programme was evaluated as part of an evaluation of the overall Ebola response. The evaluation report is still under preparation and the Country Office is committed to implementing the final recommendations within the limits of its resources and capacity.*

*Purpose of change in project duration and/or budget increase/decrease*

15. *Extension of the PRRO for five months to December 2016 will maintain food assistance for Cote d'Ivoire refugees who continue to stay in Government-designated camps. The extension period will terminate around the time of resumption of the assisted Voluntary Repatriation (volrep). This will help ensure food security and general protection for refugees until the next round of assisted volrep (for those who will opt to return home). It will also contribute to food security and protection for refugees who choose not to return home while Government and partners work out alternative durable solutions for them. Within the last quarter of 2016, the CO will work with UNHCR and LRRRC on what form WFP's support to the refugees will take in 2017. A new PRRO may be an option, as well as phase out.*
16. *This revision to the PRRO will see the introduction of cash-based transfer (CBT) in the form of cash (as opposed to voucher) transfers to beneficiaries. The cash transfers will be a complementary modality to the in-kind food transfers. Both modalities will be implemented as part of food assistance through GFD.*

<sup>4</sup> A local food security expert and market analyst (formerly with WFP but now with FEWSNET) has argued but a 60/40 in-kind/cash mix for refugee assistance based on knowledge of the food security and market conditions in the operational area. The National Social Protection Coordinator (based in the Ministry of Gender, Children and Social Protection), who is also the Lead for the national Technical Working Group on Cash Transfers, also argues in favor of a 60/40 in-kind/cash mix for the refugees.



17. *The cash transfers will represent 40 percent of the beneficiary ration, with in-kind transfers representing the remaining 60 percent. Using a similar metric as for Ebola survivors under the Ebola response EMOP, the daily ration per beneficiary has been determined as \$0.57 based on local diet, of which 40 percent is \$0.23. The daily ration per beneficiary for cash transfer is therefore set at \$0.23.*
18. *As with Ebola survivors, the cash transfers to refugees will be delivered in the form of E-money, using the mobile phone-based money transfer platform called MobileMoney that is run by a locally-based GSM company (LoneStar MTN<sup>5</sup>).*
19. *WFP will distribute a basic mobile phone and SIM card to each beneficiary household that reports not having a phone, in order to facilitate the monthly transfers. During “know your customer” (KYC) sessions with the beneficiaries, the service provider will provide training to the beneficiaries on the use of the platform. These initial trainings will be re-enforced through peer support trainings to be established among the refugees with support for the service providers and WFP. Gender Analysis will also be conducted to ensure equal accesses to opportunities to both men and women, boys and girls.*
20. *The 15,559 beneficiaries targeted during the period of this budget revision represent 4,628 households, 46 percent of which are headed by women. The phones for cash transfers will be registered in the names of these women and monthly payments will be made to them. For the other 54 percent of households that are male-headed, WFP will work with partners to identify the two-parent households among them and will advocate for the phones to be registered to the female parent in such households for the monthly payments to be made to them. These will be part of measures to ensure gender equality and women empowerment, in addition to the equal participation of women in leadership positions in refugee structures.*
21. *GFD in-kind rations will be distributed at 60 percent of the regular ration scale approved in BR5. The new ration scale is presented in Table 2.*

**TABLE 1: BENEFICIARIES BY ACTIVITY**

Activity [or Component]	Category of beneficiaries	Current			Increase / Decrease			Revised		
		Boys / Men	Girls / Women	Total	Boys / Men	Girls / Women	Total	Boys / Men	Girls / Women	Total
GFD	Refugees in camps	8 480	7 520	16 000	7 632	7 927	15 559	8 480	7 520	16 000
<b>TOTAL</b>		<b>8 480</b>	<b>7 520</b>	<b>16 000</b>	<b>7 632</b>	<b>7 927</b>	<b>15 559</b>	<b>8 480</b>	<b>7 520</b>	<b>16 000</b>

\*All 15,559 GFD beneficiaries will also benefit from cash transfer.

**TABLE 2: REVISED DAILY FOOD RATION/TRANSFER BY ACTIVITY (g/person/day)**

<sup>5</sup> The financial sector in Liberia is characterized with limited competition. The only commercial bank that has capacity to provide CBT services is EcoBank Liberia. Eco Bank charges US\$ 3 dollars for each transaction of single CBT done in counties where they have branches and US\$4 dollars in locations where they don't have branches. Equally, at the moment, there is only one Mobile Transfer company (Lone Star) in Liberia and would charge US\$2.78 per transaction and this cheaper than Eco bank by US\$ 0.2 for every transaction.



	GFD
	Revised
Rice	210
Pulses	39
Vegetable Oil	21
Super Cereals (CSB+)	36
Iodized Salt	3
Cash/voucher (US\$/person/day)	\$0.23
<b>TOTAL</b>	<b>309</b>
<b>Total kcal/day</b>	<b>1<sup>6</sup> 218</b>
% kcal from protein	9.8
% kcal from fat	18.8
Number of feeding days per month	30

## FOOD REQUIREMENTS

22. An additional 721 mt of food commodities is required for the five-month period of this budget revision, increasing total PRRO food quantity to 29,802 mt. In addition, \$536,786 is required for monthly cash transfer to beneficiaries for five months.

TABLE 3: FOOD/CASH AND VOUCHER REQUIREMENTS BY ACTIVITY				
Activity	Commodity / Cash & voucher	Food requirements (mt) Cash/Voucher (US\$)		
		Current	Increase / Decrease	Revised total
GFD (refugees)	Cash	0	536 786	536 786
GFD (refugees)	Food	22 225	721	22 946
FFA	Food	5 520	0	5 520
School feeding (refugees)	Food	647	0	647
MAM treatment (children aged 6–59 months)	Food	66	0	66
Stunting prevention (children aged 6–23 months)	Food	115	0	115
Stunting prevention (PLW)	Food	508	0	508
<b>TOTAL (Cash)</b>		<b>0</b>	<b>536 786</b>	<b>536 786</b>
<b>TOTAL (Food)</b>		<b>29 080</b>	<b>721</b>	<b>29 802</b>

Drafted by: [name] Country Office  
 Cleared by: [Wurie ALGHASSIM] Country Office  
 Reviewed by: [PSU] Regional Bureau

<sup>6</sup> A combined total for both In-kind and Cash-Based Transfer is estimated at 2100 Kcal per day for each individual with assumption that \$0.23 allocated per individual is used for food.



**World Food  
Programme**

*Cleared by:* [Natasha Nadazdin] Regional Bureau


**ANNEX I-A**

<b>PROJECT COST BREAKDOWN</b>			
	<b>Quantity (mt)</b>	<b>Value (US\$)</b>	<b>Value (US\$)</b>
<i>Food Transfers</i>			
Cereals	490	274 451	
Pulses	91	77 367	
Oil and fats	49	51 755	
Mixed and blended food	84	38 817	
Others	7	1 750	
Cost revision	0	5 005	
<b>Total Food Transfers</b>	<b>721</b>	<b>449,146</b>	
External Transport		8 499	
LTSH		207 425	
ODOC Food		11 927	
<b>Food and Related Costs <sup>7</sup></b>		<b>676 997</b>	
C&V Transfers		536 786	
C&V Related costs		194 084	
<b>Cash and Vouchers and Related Costs</b>		<b>730 870</b>	
<b>Capacity Development &amp; Augmentation</b>		<b>0</b>	
<i>Direct Operational Costs</i>			1 407 866
Direct support costs (see Annex I-B)			516 382
<b>Total Direct Project Costs</b>			<b>1 924 249</b>
Indirect support costs (7.0 percent) <sup>8</sup>			134 697
<b>TOTAL WFP COSTS</b>			<b>2 058 946</b>

<sup>7</sup> This is a notional food basket for budgeting and approval. The contents may vary.

<sup>8</sup> The indirect support cost rate may be amended by the Board during the project.



**ANNEX I-B**

<b>DIRECT SUPPORT REQUIREMENTS (US\$)</b>	
<b>WFP Staff and Staff-Related</b>	
Professional staff <sup>*</sup>	67 279
General service staff <sup>**</sup>	47 069
Danger pay and local allowances	0
<b>Subtotal</b>	<b>114 348</b>
<b>Recurring and Other</b>	<b>375 414</b>
Capital Equipment	0
Security	0
Travel and transportation	26 620
Assessments, Evaluations and Monitoring <sup>9</sup>	0
<b>TOTAL DIRECT SUPPORT COSTS</b>	<b>516 382</b>

\* Costs to be included in this line are under the following cost elements: International Professional Staff (P1 to D2), Local Staff - National Officer, International Consultants, Local Consultants, UNV

\*\* Costs to be included in this line are under the following cost elements: International GS Staff, Local Staff - General Service, Local Staff - Temporary Assist. (SC, SSA, Other), Overtime

<sup>9</sup> Reflects estimated costs when these activities are performed by third parties. If WFP Country Office staff perform these activities, the costs are included in Staff and Staff Related and Travel and Transportation.