


PROJECT BUDGET REVISION FOR APPROVAL BY THE CHIEF OF STAFF

5) To:	Division	Room	Approval and Date
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4) Through:	Division	Room	Signature and Date
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1) From:	Regional Bureau	Signature and Date	
Mr. Muhannad Hadi Regional Director, RBC	RBC		

Algeria Project No. 200301
Assistance to Refugees from Western Sahara
BR No. 7

Total revised number of Rations	124,960
Duration of entire project	51 months (from 01-Jan-13 to 31-Mar-17)
Extension period	3 months (from 01-Jan-17 to 31-Mar-17)
Gender marker code	2A
WFP food tonnage	117,560

Start date: 01 January 2013 **End date:** 31 December 2016 **Extension:** 03 Months
New end date: 31 March 2017

Cost (United States dollars)

	Current Budget	Increase	Revised Budget
Food and Related Costs	USD 79,162,533	USD 3,029,560	USD 82,192,093
Cash and Vouchers and Related Costs	USD -	USD 407,110	USD 407,110
Capacity Development & Augmentation	USD 531,800	USD -	USD 531,800
DSC	USD 8,341,327	USD 445,095	USD 8,786,422
ISC	USD 6,162,496	USD 271,724	USD 6,434,220
Total cost to WFP	USD 94,198,156	USD 4,153,489	USD 98,351,645

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 (%)



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NATURE OF THE INCREASE

1. *The main objective of this Budget Revision (BR07) is to extend the PRRO for three months, from 1 January to 31 March 2017, and adjust the budget accordingly. The strategies and primary activities, as envisaged in the original PRRO and subsequent BRs remain unchanged.*
2. *The revision also integrates a recent contribution of Euro 450,000 to pilot the Cash-Based Transfer (CBT) modality by 31 March 2017.*
3. *The extension-in-time will require an additional 6,667 mt of food with a total increase of USD 2,548,079.*
4. *The increase in DSC is due to the need to recruit two staff, namely a Finance Assistant and a Programme Assistant, to support the implementation of the CBT pilot.*

JUSTIFICATION FOR THE REVISION

Summary of existing project activities

5. *Algeria has been hosting refugees from Western Sahara since 1975. These refugees live in camps located in the harsh, isolated desert environment of south-western Algeria, where opportunities for self-reliance are limited, forcing them to rely on international humanitarian assistance. WFP has been providing basic food support to the most vulnerable refugees since 1986. Algeria, the host country, also supports the Sahrawi population, mostly in the education and health sectors.*
6. *The specific objectives of this PRRO are in line with the 2014-2017 Strategic Plan and Strategic Results Framework. The specific objectives of this PRRO are to:*
 - i) *Improve the food consumption of the most vulnerable refugees living in the camps and reduce acute malnutrition and anaemia in children 6-59 months and in pregnant and lactating women (PLW) through General Food Assistance (GFA) and nutrition support (SO 1 - "Save lives and protect livelihoods in emergencies"); and*
 - ii) *Maintain the enrolment and retention of refugee girls and boys targeted through school meals (SO 2 - "Restore food security and nutrition or rebuild livelihoods in fragile setting and following emergencies").*
7. *WFP provides basic food commodities to the refugees through GFA with a planned dry food ration composed of nine commodities with a caloric value of 2,166 kcal/ration/day. The monthly GFA is implemented in coordination with UNHCR and the Algerian Red Crescent (ARC). Spanish Red Cross and OXFAM provide complementary fresh fruits, vegetables, canned fish and yeast.*



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8. *WFP provides mid-morning snacks to primary school students and kindergarten children in the form of dried skimmed milk received in-kind. Distribution of high energy biscuits is also planned. The aim of the school meals activity is to maintain attendance and retention rates of school children. This activity is implemented through the NGO Comitato Internazionale Sviluppo dei Popoli (CISP), which is providing extensive sensitization campaigns on milk preparation, WASH and hygiene issues. Furthermore, CISP provides hygiene materials to all the schools to ensure the cleaning of kitchen and utensils and conducts laboratory analysis of the prepared milk three to four times a year in a random sample of schools.*
9. *WFP nutrition activities for children 6-59 months and PLW address anaemia, stunting and the treatment of moderate acute malnutrition (MAM). WFP procures and supplies Nutributter™ and Micronutrient Powders (MNPs) for the prevention of anaemia and stunting, and Plumpy Sup® for the treatment of moderate acute malnutrition (MAM) in children 6-59 months. In addition, Supercereal (CSB+), vegetable oil and sugar are provided to PLW for the treatment of MAM. WFP and UNHCR, in coordination with ARC, are responsible for the implementation of these activities.*
10. *Women are actively involved in the management of the camps and have a strong participation and essential decision-making roles in various aspects of the society and family life. The majority of heads of households, both married and single, are women. Women continue to play a key role in the food distribution process and are responsible for receiving food as the food entitlement holders of the households.*

Conclusion and recommendation of the re-assessment

11. *In March 2016, a Joint Assessment Mission (JAM) with UNHCR confirmed that the refugees remain largely dependent on food assistance and that WFP remains the main source of food in the camps (for 78 percent of the food items included in the food basket and 52 percent of the food consumed overall).*
12. *According to the 2016 JAM, there are disparities in the food security situation among refugees: 25 percent of the refugee households (HHs) are food secure, they have an acceptable food consumption and spend only one-third of their budget on food purchases. At the same time, the nutrition situation of the most vulnerable is at risk of deterioration. At a time of uninterrupted GFA, the food consumption score (FCS) is overall acceptable for example in the first quarter of 2016 FCS was at 86 percent. The second quarter's Post Distribution Monitoring (PDM) report indicated an increase of the FCS due to additional food commodities provided during Ramadan, including fresh food resulting in a FCS of 96 percent.*
13. *The 2016 JAM also confirms the findings of earlier assessments, including the 2013 JAM, regarding refugees' reliance on humanitarian assistance and the limited opportunities for income generating activities, due to the adverse agro-ecological conditions and the remote location of the camps. The possibility for vegetable gardening is limited, with water quality and access being a major*



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challenge. Half of the households own livestock but they often have only two to three animals. Traditional livestock breeding lacks the necessary resources to provide adequate fodder to the animals.

14. The 2012 nutrition survey¹ results indicated that there was a slight improvement in the overall nutrition situation of women and children, although the levels of both acute and chronic malnutrition are still within the medium public health significance, according to WHO thresholds (2006). Global acute malnutrition amongst children 6-59 months is at 7.6 percent, while chronic malnutrition stands at 25.2 percent. The most significant and encouraging results come from the levels of anaemia in children 6-59 months that dropped from 52.8 percent (2010) to 28.4 percent (2012). The main causes of malnutrition and anaemia among children are the aggravating factors such as WASH (water, sanitation and hygiene) and infant and young child feeding (IYCF) practices. WFP with other sector stakeholders are continuing to address the WASH and IYCF issues by conducting regular sensitization and advocacy campaigns sessions targeting men, women, youth and school children. The anaemia levels in women of childbearing age were reported to have improved from 48.9 percent (2010) to 36.4 percent (2012) but are still worrying. The funding situation since late 2014 is expected to have had a negative impact on the above malnutrition rates and anaemia prevalence. The 2016 nutrition survey results will be available in a couple of months.

15. Following on the recommendations of the 2013 JAM, WFP Algeria conducted a multi-sectorial assessment² on the feasibility of introducing the CBT modality, by analyzing the local markets, supply chain, IT infrastructure, assessing the possible impact on the privacy of the refugees, as well as the capacity of the local retailers and financial institutions. The CBT feasibility assessment provided sufficient evidence that CBT modalities can be effectively introduced in the camps and would likely provide an overall positive impact on the lives of Sahrawi refugees. The assessment recommends the introduction of a hybrid modality (CBT and In-kind), which proves more effective considering a range of factors³. Findings further indicated that a gradual shift to market-based solutions would be the ideal approach due to the current limited capacity of the camp retail markets and the need for sensitizing the refugee population and camp authorities to the new modality for food assistance. Findings and recommendations from the assessment were shared with the Algerian and Sahrawi authorities and the donor community.

¹ The 2016 nutrition survey is ongoing and results are expected in early 2017.

² Intersectorial Assessment - Sahrawi Refugee Camps in Algeria. October 2015 RBC, 2016

³ Factors include commodity cost and full cost comparison, timeliness, NVS/Omega, FCS, beneficiary preference, protection, gender, community dynamics, political context and impact on the local market.

Purpose of change in project duration

- 16. Through the extension in time, WFP will ensure continuity of much needed assistance to vulnerable Sahrawi refugees, while permitting the Country Office to initiate the preparation of the Interim Country Strategic Plan (ICSP) that will come into effect in January 2018.⁴ The primary activities and number of rations will remain unchanged during the extension period.**
- 17. The additional time of three months is necessary to further explain the recent WFP decision to align its GFA planning figure to that of UNHCR, namely from 125,000 to 90,000 rations.⁵ Efforts by the Country Office to inform and sensitize the population about this change include a high-level mission from Headquarters and RBC planned in January 2017 to inform Algerian and refugee authorities on the change in the GFA numbers.**
- 18. The budget revision will also allow more time for the Country Office to continue ongoing discussions with the host government and the refugee authorities on complementary activities that contribute to resilience to diversify current activities (GFA, nutrition, MAM and school meals) in 2017 including several new activities such as hydroponic fodder production targeting women and youth. Once the Algerian Government's priorities for the Sustainable Development Goals (SDG) are announced, WFP will identify linkages that will be incorporated into the Country Strategic Plan. Discussions between the Algerian Government and the United Nations Country Team are ongoing.**
- 19. With resources available, WFP plans to implement a two-month pilot of the Cash-Based Transfer (CBT) modality, during January and February 2017, for the entire population of Laayoun camp, namely 35,036 individuals (7,007 households).⁶ WFP will issue a SCOPE card with value of USD 0.17 (equivalent to the amount of pulses received in the GFA) per day per person or USD 5 per month per person in Laayoun camp that will enable household heads to collect food from camp shops. This allows CBT households to diversify their food basket through the purchase of nutritious commodities such as meat, eggs and other items that are not provided through GFA. The CBT recipients will continue benefitting from GFA through a reduced ration that is complemented by the CBT. The list of head of households (including information regarding gender) will be provided by the local authority. WFP will reimburse the retailers based on the transaction reports generated from SCOPE and in accordance with the terms of the contractual arrangements agreed with the retailers. WFP will conduct regular PDM which will be adapted to CBT modality in the camp and will follow up and redeem vouchers from the retailers.**

⁴ Due to the urgent need to extend the current PRRO, the CO opted for 2 consecutive BRs for 2017. An eight Budget Revision (BR 08) will be prepared to extend the current PRRO by another 9 months until December 2017 and the coming into effect of the ICSP.

⁵ The change will be included in next BR.

⁶ Laayoun camp was selected for this geographic targeting since it is the closest to the town of Tindouf, which will facilitate commodity supply during the pilot.



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20. Efforts to introduce CBT into the operation began in late 2015. A training was organized with assistance of the regional bureau and inter-sectorial assessments were conducted. The design of the CBT pilot project is extracted from several implementation scenarios, based on these assessments' recommendations.

21. Discussions with the refugee authorities regarding the introduction of CBT modality, including the implementation of the pilot, are still ongoing due to the fact that the refugee authorities are concerned about the capacity of the local markets, the commitment of the retailers to deliver, and the change that might compromise the security and stability in the camps. Further, the host Government fears that the change of the modality from GFA to CBT might lead to assistance disruption of the local market. Implementation depends on the acceptance by the refugee authorities. Efforts are ongoing to present to the authorities the CBT value and advantages, including through a planned visit to a WFP programme that uses CBT. Further, to ensure that the CBT modality is understood and all concerns addressed, a WFP CBT expert will join the Algeria office on temporary assignment to conduct communication and training sessions and explain the CBT modality experiences from different countries. The sessions will target the refugee authorities, community leaders, youth, women's associations and partners.

22. As shown in Table 1 below, apart from the addition of the pilot CBT, the overall PRRO strategy will remain unchanged.

TABLE 1: RATIONS BY ACTIVITY

Activity	Category	Current			No. to be assisted during BR period			Revised No during project period (highest planned no to be assisted)		
		Boys / Men	Girls / Women	Total	Boys / Men	Girls / Women	Total	Boys / Men	Girls / Women	Total
General Food Assistance	Refugees	49,154	75,806	124,960	49,154	75,806	124,960	49,154	75,806	124,960
Pilot CBT	Refugees				14,014	21,022	35,036	14,014	21,022	35,036
School meals	Primary School Refugee children	16,129	16,371	32,500	16,129	16,371	32,500	16,129	16,371	32,500
	Pre-primary School Refugee children	3,972	4,028	8,000	3,972	4,028	8,000	3,972	4,028	8,000
Nutrition activities	Children 6-59 months	6,600	6,600	13,200	6,600	6,600	13,200	6,600	6,600	13,200
Prevention	PLW	-	6,360	6,360	-	6,360	6,360	-	6,360	6,360
Nutrition activities	Children 6-59 months	900	900	1,800	900	900	1,800	900	900	1,800



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Treatment	PLW	-	1,000	1,000	-	1,000	1,000	-	1,000	1,000
Special rations for PLW	PLW		8,000		-	-	-	-	8,000	8,000
TOTAL*		49,154	75,806	124,960	49,154	75,806	124,960	49,154	75,806	124,960

Notes: 1) The row of total number of beneficiaries (rations) excludes the overlaps. In-kind caseload does not reduce because CBT complements in-kind ration.

Table 2 below describes the rations that will be distributed by type of activity during the PRRO extension.

TABLE 2: DAILY FOOD RATION BY ACTIVITY (g/person/day)							
	CBT Pilot	General Food Assistance	School Feeding	Supplementary Feeding			
				Prevention		Treatment	
				Children	PLW	Children	PLW
Cereals		400					
Pulses		67					
Vegetable Oil		31					20
Sugar		33					15
Super Cereal		33					100
Dried Skimmed milk			80				
HEB			50				
Plumpy Sup®						92 ^[1]	
Nutributter™				20			
Micro-Nutrient Powders					1		
Cash/voucher (USD/person/day)	0.17						
TOTAL	0.17	564	130	20	1	92	135
Total kcal/day		2166	468	108	94	500	989
% kcal from protein		12	8				
% kcal from fat		16	12				
Number of feeding days per year or per month		90	54	45	90	90	90

^[1] WFP has agreed to continue the practice introduced by UNHCR of providing 92 g (per child per day) of Plumpy Sup®, for children weighing less than 7 kg, with children weighing more receiving additional sachets as per the protocol. An average of 129 g per child per day has been used for calculation purposes. WFP will address this with UNHCR and Sahrawi authorities to comply with global protocols.


FOOD REQUIREMENTS

23. The additional and total food quantities and CBT needed for the remaining period of this project are detailed in Table 3 below.

TABLE 3: FOOD/CASH AND VOUCHER REQUIREMENTS BY ACTIVITY				
Activity	Commodity ⁷ / Cash & voucher	Food requirements (<i>mt</i>) Cash/Voucher (<i>USD</i>)		
		Current	Increase	Revised total
FOOD TOOL	Commodity	110,894	6,667	117,560
CBT	Cash & voucher	-	350,360	350,360

⁷ Please only present overall food requirement. Do not split by commodity.

ANNEX I-A

PROJECT COST BREAKDOWN			
	Quantity (mt)	Value (USD)	Value (USD)
<i>Food Transfers</i>			
Cereals	4,499	796,245	
Pulses	754	305,925	
Oil and fats	350	347,636	
Mixed and blended food	516	348,342	
Others	548	749,930	
Total Food Transfers	6,667	2,548,079	
External Transport		102,569	
LTSH		358,377	
ODOC Food		20,535	
Food and Related Costs ⁸			3,029,560
C&V Transfers		350,360	
C&V Related costs		56,750	
Cash and Vouchers and Related Costs			407,110
Capacity Development & Augmentation			-
<i>Direct Operational Costs</i>			3,436,670
Direct support costs (see Annex I-B)			445,095
Total Direct Project Costs			3,881,765
Indirect support costs (7.0 percent) ⁹			271,724
TOTAL WFP COSTS			4,153,489

⁸ This is a notional food basket for budgeting and approval. The contents may vary.

⁹ The indirect support cost rate may be amended by the Board during the project.

ANNEX I-B

DIRECT SUPPORT REQUIREMENTS (USD)	
WFP Staff and Staff-Related	
Professional staff *	299,945
General service staff **	89,500
Danger pay and local allowances	-
Subtotal	389,445
Recurring and Other	8,000
Capital Equipment	2,000
Security	16,000
Travel and transportation	29,650
Assessments, Evaluations and Monitoring¹⁰	-
TOTAL DIRECT SUPPORT COSTS	445,095

* 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

¹⁰ 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.