

BUDGET INCREASE TO PROTRACTED RELIEF AND RECOVERY OPERATION

Madagascar 200735 - Response to food security and nutrition needs of population affected by natural disasters and resilience building of food insecure communities of south-western, southern and south-eastern regions of Madagascar

Cost (United States dollars)			
	Current budget	Increase	Revised budget
Food and related costs	17,188,709	37,239,895	54,428,603
Cash-based transfers and related costs	5,152,812	31,284,518	36,437,330
Capacity development and augmentation	1,210,020	1,500,000	2,710,020
Direct support costs	4,581,569	6,701,294	11,282,863
Indirect support costs	1,969,318	5,370,799	7,340,117
Total cost to WFP	30,102,427	82,096,506	112,198,933

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The Board approves the proposed budget increase of USD 82.1 million for Madagascar protracted relief and recovery operation 200735 (WFP/EB.2/2016/XX).

NATURE OF THE INCREASE

1. El Niño-induced drought caused considerable crop losses in southern Madagascar during the first harvest of 2016, extending the region's lean season into the second quarter of the year and resulting in a significant rise in food insecurity and malnutrition.
2. This second budget revision to protracted relief and recovery operation (PRRO) 200735 will increase the total project by USD 82.1 million to USD 112.2 million and will make the following changes to the scale and strategy of the response in drought-affected areas for the period November 2016 to March 2017:
 - Scale-up relief operations to reach approximately 1.1 million people at the height of the 2016 / 2017 lean season, through General Food Distribution (GFD) and FFA (Food assistance For Assets);
 - Prioritize emergency asset creation from the start of the lean season for moderately food insecure populations and suspend long-term resilience building activities in these areas.
 - Extend the treatment of moderate acute malnutrition (MAM) to drought-affected areas and provide a household "protection ration" to families with moderately acute malnourished members in communities not receiving GFD and FFA; and
 - Expand the prevention of acute malnutrition in affected areas.
3. The scale and strategy for the other activities of the PRRO, including those in cyclone and flood prone areas, remain unchanged.

JUSTIFICATION FOR BUDGET INCREASE

Summary of existing project activities

4. Since January 2015, WFP has implemented PRRO 200735 through the following interventions:
 - GFD for populations affected by sudden-onset disasters such as floods or cyclones; followed by short-term FFA activities aimed at restoring critical assets to meet immediate food and nutrition needs of affected populations;¹
 - The introduction of treatment of MAM when Global Acute Malnutrition (GAM) rates exceed 10 percent;
 - Multi-year FFA activities² to build the resilience of vulnerable and food-insecure communities that are subject to recurrent shocks; and
 - Technical assistance to enhance the capacities of the Government, cooperating partners and communities to prepare for, monitor, detect and respond to emergencies.
5. PRRO 200735 is complemented by the Madagascar Country Programme 200733 which forms part of the overall response to El Niño in the country. The school feeding programme covers approximately half of the primary public schools in the districts targeted by the PRRO and could be expanded if the situation deteriorates further.
6. The operation is in line with WFP's 2015-2020 Gender Policy and the Southern Africa regional implementation strategy. It contributes to Strategic Objectives 1 and 3, the Zero Hunger Challenge and Sustainable Development Goals 2, 5 and 17.

Conclusion and recommendations of the re-assessment

7. Since the start of the 2015/2016 crop season, the regions of Anosy, Androy and Atsimo Andrefana in southern Madagascar have experienced significant deficits in rainfall associated with an unprecedented El Niño event. Many poor and vulnerable households have had to adopt negative coping strategies for extended periods, leading to critical asset depletion, eroding livelihoods and extended losses into the following crop-production period³.
8. According to the Integrated Phase Classification (IPC) projections for October 2016 to March 2017, approximately 333,343 people are classified as in phase four/crisis in three districts (Tsihombe, Beloha, Amboasary Sud) and 515,316 phase three/emergency in four districts (Betioky, Bekily, Ambovombe et Ampanihy). A further 528,498 are classified as phase two/stressed of which thirty two percent (which is 306,240 people) are estimated to also need support to avoid them sliding into phase three. These findings are aligned with the July 2016, Crop and Food Security Assessment Mission (CFSAM). Collectively, humanitarian actors aim to reach the 1.2 million of people in need⁴. It is estimated that 28 percent of food insecure

¹ WFP provides 15 days of GFD followed by 30 days of Emergency FFA activities in cyclone and flood prone areas. Households with no able-bodied members continue receiving GFD beyond the initial 15 days.

² FFA activities are designed and implemented using participatory approaches that enable women to identify their specific priorities and needs and are informed by the three-pronged approach.

³ CFSAM, July 2016.

⁴ NGO's will support a total of 110,210 affected people. The Government Safety Net Programme will support 56,250 from November as articulated in the Government Response Plan to the drought.

households are female-headed, of which 48 percent of severe food insecure households, are female headed⁵.

9. This is the third consecutive year of crop failure in Madagascar. The main harvest in May and June 2016 largely failed in the southern districts, with up to 95 percent of the staple maize and cassava crops lost. Most household food stocks did not last more than one month after harvest, and the lean season started much earlier than usual. Reduced availability of maize and other foods has led to increases in food prices.
10. A “light market” assessment will provide a macroeconomic overview and analysis of food supply markets in the south, followed by an “in-depth” market assessment to build on the findings. Acknowledging the scale-up of cash based assistance and based on recent post distribution monitoring results, WFP will explore sensitization targeting men to encourage increased decision making around cash for women. Seasonal Livelihood Programming (SLP) exercises have been used to understand the effect of the drought on livelihood patterns and to inform locally relevant responses.
11. The deterioration in household food security has affected the nutrition status of children under five. Global acute malnutrition (GAM) rates reached an average of eight percent among this age group in February 2016. In several communes of Tsihombe, Bekily and Amboasary districts, GAM rates were higher than the critical threshold of 10 percent. Tsihombe district was the most severely affected, with a GAM rate of 14 percent. In a typical year, acute malnutrition decreases during the post-harvest period from April to October; however as a result of the El Niño induced drought, routine underweight monitoring data shows an abnormal nutrition trend. The underweight rate among children under 2 increased from 27 to 31 percent; Tsihombe and Bekily districts saw increases of between 5 and 10 percent in six months.
12. In response to the findings of the assessments, the Humanitarian Country Team has mobilized humanitarian actors to provide immediate food security, nutrition, health and water, sanitation and hygiene assistance in affected regions.

Purpose of budget increase

13. Acknowledging the significant deterioration in food and nutrition security in the drought-affected south, this budget revision will prioritize life-saving relief activities over longer-term resilience building previously planned. The relief component will be scaled-up from 82,500 to an estimated 1.1 million beneficiaries during the lean season from November to March in nine of the worst drought-affected districts. As the prospects of the next harvest season becomes clearer, WFP may conduct a subsequent budget revision to further adjust programme activities.
14. GFD will be provided to an estimated 1.1 million severely food insecure people. Emergency FFA⁶ using a low-tech-low risk will be provided to an estimated 130,000 moderately food insecure people during the lean season⁷. The response strategy has been developed taking into consideration the differentiation of needs and labour availability. In consultation with the Food Security and Nutrition Cluster, WFP’s relief assistance will target communes demonstrating the highest levels of severe food insecurity and malnutrition rates according to Middle-Upper Arm Circumstance data. Beneficiaries are selected using a participatory community-based approach

⁵ CFSAM, July 2016.

⁶ Depending on the prospects of the next harvest season, the nature of FFA activities may evolve from emergency to early recovery and/or resilience-building in 2017.

⁷ GFD and Emergency FFA will be implemented in different localities based on the food and nutrition insecurity situation. In preparation for the harvest, in February and March in some areas affected by moderate food insecurity, assistance will shift from GFD to Emergency FFA.

that involves sensitization and the establishment of community committees for targeting, complaints and reconciliation.

15. MAM treatment will target 95,600 children and in communities where MAM treatment is provided without GFD or FFA, the family of each child treated for MAM will receive a “protection” food ration equivalent to the GFD food basket to prevent intra-household sharing of ready-to-use supplementary foods. Given the increased rates of acute malnutrition measured during screening campaigns, WFP’s MAM treatment programme will be linked to UNICEF’s Severe Acute Malnutrition (SAM) programme. Children discharged from the SAM programme will be automatically enrolled into the WFP MAM treatment programme. WFP will also provide prevention of acute malnutrition to 70,000 children under two and 50,000 pregnant and lactating women, to complement GFD. Following conclusion of the lean season, efforts will be made to enroll children targeted under both treatment and prevention of acute malnutrition into a stunting prevention programme implemented under the Country Programme.
16. Efforts will be made to implement nutrition-support through relief activities in the same locations to increase synergies between food security and nutrition outcomes. Beneficiaries will receive information on nutrition, water, sanitation and hygiene, and infant and young-child feeding and directions to the nearest MAM treatment centres. Cooking demonstrations to teach beneficiaries, both women and men, how to prepare food items as a means to ensure that men are involved as key stakeholders in household nutrition and the attainment of gender equality goals will take place. WFP works in conjunction with its cooperating partners and affected communities to encourage equal participation of women and girls in decision making processes. A Gender Action Plan and Gender Context Analysis is currently under development.
17. WFP and FAO have agreed on a joint response plan to reduce food consumption gaps and rebuild livelihoods. FAO will focus on agricultural and livelihood support, including seeds, planting materials and tools, animal feed and deworming treatments for livestock. To the extent possible, WFP’s interventions will be aligned to the same households benefitting from FAO livelihood support.

BENEFICIARIES BY ACTIVITY										
Activity	Category of beneficiaries	Current			Increase / Decrease			Revised		
		Boys / Men	Girls / Women	Total	Boys / Men	Girls / Women	Total	Boys / Men	Girls / Women	Total
RESPONSE FOR CYCLONE/FLOOD PRONE AREAS										
GFD and FFA (in-kind)	All	37,000	38,000	75,000	0	0	0	37,000	38,000	75,000
GFD and FFA (cash)	All	3,500	4,000	7,500	0	0	0	3,500	4,000	7,500
FFA - Early Recovery (in-kind)	All	39,000	40,000	79,000	0	0	0	39,000	40,000	79,000
FFA - Early Recovery (cash)	All	9,000	9,500	18,500	0	0	0	9,000	9,500	18,500
MAM Treatment	Children 6-59 months	9,096	5,904	15,000	0	0	0	9,096	5,904	15,000
	PLW	0	6,000	6,000	0	0	0	0	6,000	6,000
	HH Protection	0	0	0	0	0	0	0	0	0
Prevention of acute malnutrition	Children 6-23 months	0	0	0	0	0	0	0	0	0
	PLW	0	0	0	0	0	0	0	0	0
Resilience building ¹										
FFA (in-kind)	All	20,814	21,376	42,190	0	0	0	20,814	21,376	42,190
FFA (cash)	All	12,087	12,413	24,500	0	0	0	12,087	12,413	24,500
RESPONSE FOR DROUGHT-AFFECTED AREAS										
GFD (in-kind)	All	0	0	0	310,203	318,587	628,790	310,203	318,587	628,790
GFD (cash)	All	0	0	0	177,333	202,667	380,000	177,333	202,667	380,000
Emergency FFA (in-kind)	All	0	0	0	63,684	65,316	129,000 ²	63,684	65,316	129,000
Emergency FFA (cash)	All	0	0	0	63,243	66,757	130,000	63,243	66,757	130,000
MAM Treatment	Children 6-59 months	0	0	0	57,972	37,628	95,600	57,972	37,628	95,600
	PLW	0	0	0	0	0	0	0	0	0
	HH Protection	0	0	0	235,813	242,187	478,000	235,813	242,187	478,000
Prevention of acute malnutrition	Children 6-23 months	9,096	5,904	15,000	42,448	27,552	70,000	51,544	33,456	85,000
	PLW	0	8,000	8,000	0	50,000	50,000	0	58,000	58,000
Resilience building ³										
FFA (in-kind)	All	62,436	64,124	126,560	0	0	0	62,436	64,124	126,560
FFA (cash)	All	15,663	16,087	31,750	0	0	0	15,663	16,087	31,750
Total Gross Beneficiaries		217,692	231,308	449,000	950,696	1,010,694	1,961,390	1,168,388	1,242,002	2,410,390
Total Adjusted Beneficiaries (excluding overlap)		217,692	231,308	449,000	539,389	567,401	1,106,790	757,081	798,709	1,555,790

¹ Multi-year resilience activities will continue at the current scale in flood and cyclone affected areas.

² GFD and Emergency FFA will be implemented in different localities based on the food and nutrition insecurity situation. In preparation for the harvest, in February and March in some areas affected by moderate food insecurity, assistance will shift from GFD to Emergency FFA.

³ Multi-year resilience activities for drought affected populations will be suspended for the duration of the lean season, given the prioritization of relief activities.

18. Cash will distributed using mobile money given WFP’s existing contract and positive experiences and will be prioritized where markets are functioning, based on available Government data and through mobile vulnerability analysis and mapping. The Omega value analysis of four districts¹ all yielded results of less than one demonstrating it is more cost-effective to than in-kind in these areas. WFP has a contract with a mobile money service provider and has had positive experiences with this delivery mechanism. The results of the market assessments will inform the any changes to CBT target areas and planned beneficiaries.
19. No changes to the in-kind food rations have been introduced in this budget revision. The type of cereals may vary according to the in-kind contributions received, but the composition and nutritional value of the rations will remain unchanged.
20. Distribution sites will take place in safe area closed to the assisted communities to ensure beneficiary safety. Post-distribution assessments and monitoring tools have been designed to ensure gender sensitivity.

FOOD REQUIREMENTS

TABLE 2: FOOD RATION/TRANSFER BY ACTIVITY FOR THIS REVISION²

	GFD (in-kind)	Emergency FFA (in-kind)	GFD (cash)	Emergency FFA (cash)	MAM treatment	MAM treatment	BSFP Children	BSFP PLW
					Children under 5	HH Protection ration	Food	Food
Cereals (g/person/day)	400	400				400		
Pulses (g/person/day)	60	60				60		
Vegetable Oil (g/person/day)	35					35		
Super Cereal (g/person/day)								200
Plumpy Sup (g/person/day)					100			
Plumpy Doz (g/person/day)							46	
Cash/voucher (US\$/person/day)			0.4 ³	0.26 ⁴				-
TOTAL	495	460			100	495	460	
Total kcal/day	1954	1645			543	1954	1645	
% kcal from protein	10.4	12.3				10.4		
% kcal from fat	22.9	22.9				22.9	8.1	
Number of feeding days per year (2016)	90		90	60	90	90	90	90
Number of feeding days per year (2017)	90	40	90	60	120	120	90	90

¹ Omega value for Bekily: 0.61, Ambvomombe, 0.64, Tsihombe: 0.65 and Beloha: 0.64.

² The food requirements outlined in table 2 are related to this budget revision only and therefore relate to the relief response in the drought-affected South.

³ The transfer value is based on the preference, balanced and nutritious food basket available on the local market.

⁴ Cash transfer value for Emergency FFA is equivalent to the minimum wage and is harmonized with other actors by the National Disaster Management Authority. The daily amount of US\$0.26 is slightly higher than the value of a FFA food ration. This difference will mitigate a light inflation due to seasonal food price volatility or inflationary trends.

TABLE 3: FOOD/CASH AND VOUCHER REQUIREMENTS BY ACTIVITY				
Activity	Commodity / Cash & voucher	Food requirements (mt) Cash/Voucher (USD)		
		Current	Increase / Decrease	Revised total
Emergency response	Food	2,867	42,606	45,473
	Cash & voucher	360,000	24,264,000	24,624,000
MAM Treatment	Food	223	17,273	17,496
Acute Malnutrition Prevention	Food	222	2,380	2,602
Resilience building	Food	25,539	(7,219)	18,320
	Cash & voucher	3,334,500	-	3,334,500
TOTAL	Food	28,851	55,039	83,890
	Cash & voucher	3,694,500	24,264,000	27,958,500

Risk assessment and preparedness planning

21. In anticipation of this budget revision, surge capacity for human resources with profiles and skills matched to the response are currently under deployment which includes increased logistics capacities in the South. On-going efforts to raise resources including appeals, press releases, donor meetings and an advance financing request will be made.

ANNEX I-A

PROJECT COST BREAKDOWN			
	Quantity (mt)	Value (USD)	Value (USD)
<i>Food transfers</i>	-	-	
Cereals	41 713	13 418 609	
Pulses	6 257	3 411 569	
Oil and fats	4 019	3 655 182	
Mixed and blended food	3 050	4 278 033	
Others	-	-	
Total food transfers	55 039	24 763 392	
External transport		3 908 697	
Landside transport, storage and handling		6 302 323	
Other direct operational costs – food		2 265 474	
Food and related costs⁵		37 239 895	37 239 895
Cash-based transfers		24 264 000	
Cash-based transfer-related costs		7 020 518	
Cash-based transfers and related costs		31 284 518	31 284 518
Capacity development and augmentation		1 500 000	1 500 000
<i>Direct operational costs</i>			70 024 413
Direct support costs (see Annex I-B)			6 701 294
Total direct project costs			76 725 707
Indirect support costs (7 percent) ⁶			5 370 799
TOTAL WFP COSTS			82 096 506

⁵ This is a notional food basket for budgeting and approval. The contents may vary.

⁶ The indirect support cost rate may be amended by the Board during the project.

ANNEX I-B

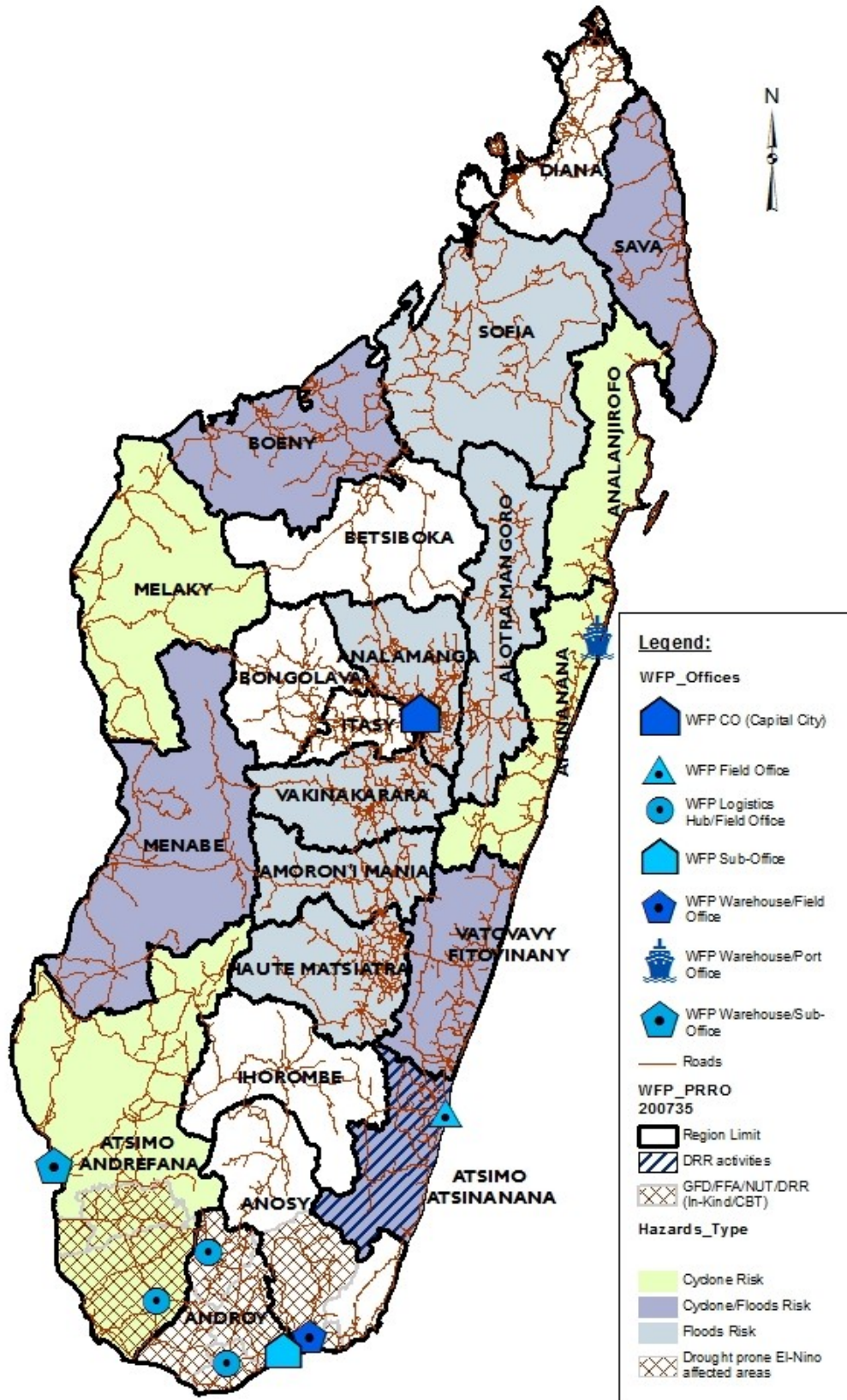
DIRECT SUPPORT REQUIREMENTS (USD)	
WFP staff and staff-related	
Professional staff	1 015 621
General service staff	619 391
Danger pay and local allowances	72 000
Subtotal	1 707 012
Recurring and other	1 267 696
Capital equipment	1 719 053
Security	271 063
Travel and transportation	1 395 470
Assessments, evaluations and monitoring	341 000
TOTAL DIRECT SUPPORT COSTS	6 701 294

MAP

Madagascar PRRO 200735 Intervention Areas 2016/2017
&
Madagascar Hazards Mapping 2016/2017

ACRONYMS
USED
IN
THE
DOCUMENT

- CBT
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- CFSAM
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- assets
- GAM
- global
- acute



malnutrition

GFD	general food distribution
HCT	Humanitarian Country Team
IPC	Integrated Food Security Phase Classification
MAM	moderate acute malnutrition
NGO	non-governmental organization
PLW	pregnant and lactating women
PRRO	protracted relief and recovery operations
SAM	Severe Acute Malnutrition
UNICEF	United Nations Children's Fund