

Crisis response revision of Nigeria country strategic plan (2019–2022) and corresponding budget increase

	Current	Change	Revised
Duration	January 2019– December 2022	No change	No change
Beneficiaries	892 600	302 677	1 195 277
	<i>(USD)</i>		
Total cost	587 524 542	183 497 004	771 021 546
Transfers	455 924 089	161 813 317	617 737 406
Implementation	65 015 853	7 945 401	72 961 254
Adjusted direct support costs	30 726 294	2 538 938	33 265 232
Subtotal	551 666 236	172 297 656	723 963 893
Indirect support costs (6.5 percent)	35 858 305	11 199 348	47 057 653

Gender and age marker*: 4

* <http://gender.manuals.wfp.org/en/gender-toolkit/gender-in-programming/gender-and-age-marker/>.

Rationale

1. The Nigeria country strategic plan (CSP), which was approved in early 2019, assumed an operational environment of increasing security and stability in North East Nigeria leading to: i) unfettered access to land; ii) the return of internally displaced people to their homes; iii) an increased level of food security; and 4) more Government-led durable solutions. As such, the CSP was built around the gradual scaling-down of crisis response interventions under strategic outcome 1, starting with a reduction of beneficiaries in October 2019 and completely phasing out by 2021, supported by a gradual scale-up of resilience building interventions under strategic outcome 2.
2. Nine months after operationalizing the CSP, the armed insurgencies in North East Nigeria continue without abatement and indeed have intensified, resulting in increased access challenges, recurring displacements, increased food insecurity, and limited opportunities to introduce durable solutions. The June 2019 Cadre Harmonisé (CH) indicates that 2.97 million people in Borno (1.75 million), Adamawa (0.95 million) and Yobe (0.27million) are food insecure (CH Phase 3 to 5). This reflects a 74 percent increase from the October 2018 CH which reported 1.70 million food insecure people. Further, the May 2019 emergency food security assessment (EFSA) found that the deterioration of food insecurity is driven by conflict-induced displacement, limited access to farming and reduced income-generating livelihood opportunities, and high food prices.
3. These conditions have made it necessary for WFP to revisit its approach under the CSP where strategic outcome 1 original beneficiary caseload decreased from 550,000 to 350,000 in October 2019. Instead in October 2019 the proposed budget revision 1 strategic outcome 1 beneficiary caseload will be 721,000. Therefore, the proposed budget revision 1 provides for an increase of strategic outcome 1 beneficiary caseload from 550,000 to 721.000 for a total CSP caseload of approximately 1,195,277. This reflects the highest number planned caseload without overlap during the CSP as recorded in the country office tool for



managing effectively (COMET)¹ (strategic outcome 1: 920,870 plus 9,407 stand-alone malnutrition prevention activity-moderate acute malnutrition in Activity 2, strategic outcome 2: 200,000, and strategic outcome 3: 65,000). We note that beneficiary analysis table 1 reflects the maximum planned beneficiary caseload under the approved CSP at any time without overlap is 892,600 and under this proposed budget revision 1 the maximum beneficiary caseload without overlap is 1,195,277. The difference therefore, between the maximum beneficiary caseload in the approved CSP vs. this budget revision 1 is 302,677. Contingency included, the change in strategic outcome 1 is 270,870. This increase will be sustained through the lean season in 2020, by which time a concurrent 50,000 increase in strategic outcome 2 beneficiaries will yield the highest number of beneficiaries without overlaps (1,195,277).

4. In the light of ongoing instability and a fluid operational context, budget revision 1 also proposes to increase the CSP contingency caseload from 100,000 to 200,000 beneficiaries. This will further enhance WFP Nigeria's operational agility enabling it to respond swiftly to the frequently changing situation in North East Nigeria and elsewhere.² As in the original CSP document, the contingency is embedded in the strategic outcome 1 beneficiary caseload.
5. Despite the current spike in humanitarian needs, the approved CSP's approach of gradually reducing strategic outcome 1 beneficiary caseloads and the related scale-down of crisis response interventions, while simultaneously enhancing livelihoods support to affected populations under strategic outcome 2, is still valid and will be maintained with this budget revision 1. As such, at this point in time, the crisis response beneficiary caseloads under strategic outcome 1 for 2020 to 2021 are anticipated to decrease by the same proportions as stated in the original CSP. To ensure that these assumptions remain relevant, WFP will continuously monitor the operational context to inform further adjustments to WFP beneficiary caseloads if and when required.

Changes

Beneficiary analysis

TABLE 1: DIRECT BENEFICIARIES BY STRATEGIC OUTCOME, ACTIVITY AND MODALITY							
Strategic outcome	Activity and modality	Period	Women (18+ years)	Men (18+ years)	Girls (0-18 years)	Boys (0-18 years)	Total
1	Activity 1 (food)	Current	128 162	55 958	87 367	89 533	361 020
		Increase/decrease	38 751	16 920	26 416	27 071	109 158
		Revised	166 913	72 878	113 783	116 604	470 178
	Activity 1 (CBT)	Current	102 588	44 792	69 933	71 667	288 980
		Increase/decrease	57 408	25 065	39 134	40 105	161 712

¹ Highest CSP caseload per year reflected in COMET: 2019 (1.146 million), 2020 (1.195 million), 2021 (0.726 million) and 2022 (0.250 million).

² Specifically related to the North West (Sokoto, Zamfara and Katsina states) where a rapid Emergency Food Security and Nutrition Assessment (EFSNA) was undertaken in September 2019. The resulting recommendations call for immediate humanitarian interventions for 3 to 9 months comprised of direct implementation and/or capacity strengthening support to the Government.

TABLE 1: DIRECT BENEFICIARIES BY STRATEGIC OUTCOME, ACTIVITY AND MODALITY							
Strategic outcome	Activity and modality	Period	Women (18+ years)	Men (18+ years)	Girls (0-18 years)	Boys (0-18 years)	Total
		Revised	159 996	69 857	109 067	111 772	450 692
	Total	Current	230 750	100 750	157 300	161 200	650 000
		Increase/decrease	96 159	41 985	65 551	67 176	270 870
		Revised	326 909	142 735	222 851	228 376	920 870
	Activity 2 (food)	Current	78 000		70 002	69 598	217 600
		Increase/decrease	100 812		24 511	24 575	149 898
		Revised	178 812		94 513	94 173	367 498
2	Activity 3 (food)	Current	18 390	8 029	12 536	12 847	51 802
		Increase/decrease	-640	-279	-436	-447	-1 802
		Revised	17 750	7 750	12 100	12 400	50 000
	Activity 3 (CBT)	Current	70 360	30 721	47 964	49 153	198 198
		Increase/decrease	640	279	436	447	1 802
		Revised	71 000	31 000	48 400	49 600	200 000
	Total	Current	88 750	38 750	60 500	62 000	250 000
		Increase/decrease	n/a	n/a	n/a	n/a	n/a
		Revised	88 750	38 750	60 500	62 000	250 000
3	Activity 4 (food)	Current			13 150	11 850	25 000
		Increase/decrease			n/a	n/a	n/a
		Revised			13 150	11 850	25 000

Strategic outcome	Activity and modality	Period	Women (18+ years)	Men (18+ years)	Girls (0-18 years)	Boys (0-18 years)	Total
	Activity 4 (CBT)	Current	80 000				80 000
		Increase/decrease	n/a				n/a
		Revised	80 000				80 000
	Total	Current	80 000		13 150	11 850	105 000
		Increase/decrease	n/a		n/a	n/a	n/a
		Revised	80 000		13 150	11 850	105 000
Total (without overlap)	Current	348 114	100 864	221 365	222 257	892 600	
	Increase/decrease	142 451	31 136	63 032	66 057	302 677	
	Revised	490 565	132 000	284 397	288 314	1 195 277	

Note: While Table 1 reflects strategic outcome 2 and strategic outcome 3 beneficiary caseloads with minor reallocation of strategic outcome 2 beneficiaries between transfer modalities, the main rationale for this budget revision is the increase in the strategic outcome 1 beneficiary caseload.

Transfers

6. This budget revision 1 proposes no change in the food and/or CBT rations.

	Current budget		Increase		Revised budget	
	Total (mt)	Total (USD)	Total (mt)	Total (USD)	Total (mt)	Total (USD)
Cereals	88 862	36 542 532	46 094	13 919 551	134 956	50 462 083
Pulses	25 389	21 623 060	13 170	8 944 749	38 559	30 567 809
Oil and fats	10 101	9 217 505	5 693	4 799 339	15 794	14 016 845
Mixed and blended foods	43 868	37 222 677	26 303	22 299 979	70 171	59 522 656
Other	1 269	464 835	658	225 647	1 928	690 482
Total (food)	169 489	105 070 609	91 919	50 189 266	261 408	155 259 875
Cash-based transfers (USD)		160 001 882		63 430 089		223 431 971
Total (food and CBT value)		265 072 491		113 619 355		378 691 846

Cost breakdown

7. Associated cost adjustments are informed by the June 2019 Cadre Harmonisé vulnerability projections resulting in an increase in WFP Nigeria's beneficiary caseload. These adjustments also consider lessons learned from the first months of CSP implementation and aim to align the below cost categories to actual and anticipated expenditure trends from October 2019



through December 2022. As such, budget revision 1 anticipates the following changes in strategic outcome costs:

- i) Strategic outcome 1: Crisis response activities 1 and 2 increase by approximately 50 percent, bringing the strategic outcome 1 budget under budget revision 1 to USD 472,520,903, inclusive of direct and indirect support costs as reflected in table 4. This increase is directly linked to the June 2019 Cadre Harmonisé and related increase in the crisis response beneficiary caseload and therefore, the associated costs.
- ii) Strategic outcome 2: Resilience building activity 3 increases by approximately 9 percent, bringing the strategic outcome 2 budget under budget revision 1 to USD 166,381,177, inclusive of direct and indirect support costs as reflected in table 4. While this budget revision does not anticipate a change in the beneficiary caseload for strategic outcome 2, it makes a provision for increasing associated costs aligned with actual expenditure trends, for example higher costs for field-level agreements that exceeded the approved CSP budget for 2019. Allocation of shared costs across the CSP budget were skewed towards the crisis response strategic outcome 1 pillar. Therefore, additional provisions were made under budget revision 1 for strategic outcome 2 transfer costs to align with actual expenditure rates and increase the allocation of shared implementation costs to Activity 3 aligned with cost behaviour.
- iii) Strategic outcome 3: Resilience building activity 4 decreases by approximately 1 percent in terms of transfer and implementation costs. As such, the strategic outcome 3 budget under budget revision 1 is USD 41,829,902, inclusive of direct and indirect support costs as reflected in table 4. While this budget revision does not anticipate a change in the beneficiary caseload for strategic outcome 3, it makes a provision to decrease associated costs to reflect exchange rates and adjustments in staff and implementation costs to align with actual expenditure trends.
- iv) Strategic outcome 4: Root causes activity 5 decreases by 7 percent in terms of transfer and implementation costs. As such, the strategic outcome 4 budget under budget revision 1 is USD 8,709,191 as reflected in table 4. The decrease in associated costs reflects provisions made for exchange rate gains and adjustments in staff costs to align with actual expenditure trends.
- v) Strategic outcome 5: Root causes activity 6 increases by 20 percent in terms of transfer costs only. As such, the strategic outcome 5 budget under budget revision 1 is USD 1,131,867, inclusive of direct and indirect support costs as reflected in table 4. The increase in associated costs reflects provisions for increasing anticipated transfer value/costs. Informed by a revised workplan, WFP Nigeria anticipates an expenditure level higher than the transfer value provisions under the original CSP budget for strategic outcome 5. Therefore, this budget revision 1 aligns the needs-based costs with anticipated expenditure rates.
- vi) Strategic outcome 6: Crisis response activities 7 and 9 increase by 17 percent, bringing the strategic outcome 6 budget under budget revision 1 to USD 80,448,506, inclusive of direct and indirect support costs as reflected in table 4. The increase is linked to necessary adjustments in implementation costs not envisioned in the approved CSP but anticipated based on recent expenditure trends.



TABLE 3: COST BREAKDOWN OF THE REVISION ONLY (USD)

	Strategic Result 1 SDG Target 2.1	Strategic Result 3 SDG Target 2.3	Strategic Result 2 SDG Target 2.2	Strategic Result 5 SDG Target 17.9	Strategic Result 6 SDG Target 17.14	Strategic Result 8 SDG Target 17.16	Total
Strategic outcome	1	2	3	4	5	6	
Focus area	Crisis response	Resilience building	Resilience building	Root causes	Root causes	Crisis response	
Transfer	139 675 988	11 396 774	(2 163)	(496 920)	187 498	11 052 139	161 813 317
Implementation	5 354 252	2 609 420	(25 905)	-	-	7 634	7 945 401
Adjusted direct support costs							2 538 938
Subtotal							172 297 656
Indirect support costs (6.5 percent)							11 199 348
Total							183 497 004

TABLE 4: OVERALL CSP COST BREAKDOWN AFTER REVISION (USD)

	Strategic Result 1 SDG Target 2.1	Strategic Result 3 SDG Target 2.3	Strategic Result 2 SDG Target 2.2	Strategic Result 5 SDG Target 17.9	Strategic Result 6 SDG Target 17.14	Strategic Result 8 SDG Target 17.16	Total
Strategic outcome	1	2	3	4	5	6	
Focus area	Crisis response	Resilience building	Resilience building	Root causes	Root causes	Crisis response	
Transfer	383 983 595	122 034 875	31 996 363	6 554 375	1 003 011	72 165 187	617 737 406
Implementation	40 924 384	25 169 017	5 512 490	1 188 572	-	166 791	72 961 254
Direct support costs	18 773 619	9 022 565	1 768 050	434 698	59 774	3 206 529	33 265 232
Subtotal	443 681 599	156 226 457	39 276 903	8 177 644	1 062 786	75 538 503	723 963 893
Indirect support costs (6.5 percent)	28 839 304	10 154 720	2 552 999	531 547	69 081	4 910 003	47 057 653
Total	472 520 903	166 381 177	41 829 902	8 709 191	1 131 867	80 448 506	771 021 546

Acronyms

CBT	cash-based transfer
CH	Cadre Harmonisé
COMET	country office tool for managing effectively
CSP	country strategic plan
EFSA	emergency food security assessment