

LIMITED EMERGENCY OPERATION (LEO) IN CABO VERDE

Limited Emergency Operation (XS01)	
Number of beneficiaries	89 715 (indirect beneficiaries)
Duration (starting date - end date)	6 months (1 June 2022 – 1 December 2022)
Cost to WFP	USD 1,579,357

EXECUTIVE SUMMARY

Cabo Verde is experiencing a complex and acute crisis characterized by five consecutive years of drought, the colossal impact of COVID 19 on the economy of the country due to its structural dependence on tourism sector and remittances, soaring food prices, and now disruptions in the country's supply chain linked to the conflict in Ukraine. These multiple crises have strained the economy and have severely affected agricultural production capacity, livelihoods, and household food and nutrition security. Approximately 10 percent of the population is projected to be food insecure during this lean season according to the results of the March 2022 Cadre Harmonise (a fourfold increase from the historical average). The latest data (from 2019) suggest 21 percent acute malnutrition in children under 5 in Porto Novo, Santa Antão Island, one of the municipalities most vulnerable to food and nutrition insecurity. Rainfall deficits have caused an alarming decline in agricultural production – 92 percent cereal production drop from the 2021 harvest.

WFP received two consecutive letters from the Ministry of Agriculture and Environment (on March 15th) and the Ministry of Foreign Affairs, Cooperation and Regional Integration (on May 6th) requesting urgent WFP support to fill the commodity gaps threatening the functioning of the national school feeding programme which is a critical safety net for the vulnerable population of Cabo Verde. RBD swiftly responded through a joint Government-FAO-WFP mission in April 2022 to review the food security situation, better understand the needs and find the most appropriate way to support the country through this difficult time.

Through this proposed LEO WFP will respond swiftly to the Government request for assistance in procuring supplies for the National School Feeding programme to ease pressure on the limited national food stocks and supply in the country. WFP will also ensure permanent presence in Cabo Verde to build strong partnerships with the national government and strengthen linkages with development partners (incl. International Financial Institutions), as well as the private sector. Supporting the government in adapting national capacities to developing crises is essential to achieving successful long-term sustainable development.

WFP will operate in Cabo Verde through one Strategic Outcome (aligned with corporate Strategic Outcome 5): *Government, national actors, and partners have access to reliable services including logistic services supporting the national school feeding programme throughout the crisis.* WFP will contribute to this Strategic Outcome through the following Outputs:

1. *Crisis affected populations including school-aged children benefit from efficient logistics services in order to timely receive humanitarian assistance* (aligned with standard Output 5.2).

2. *Crisis affected populations benefit from strengthened partnerships between national and international development actors and effective evidence-based programmes and policies to improve their food security and nutrition status (aligned with standard output 5.2).*

1. HUMANITARIAN SITUATION

1.1. EMERGENCY CONTEXT

1. Cabo Verde is facing sharp worsening in socio-economic and human development outcomes, especially in relation to food and nutrition security, due to the compounding effects of climate change, decline in economic growth due to the Covid-19 pandemic, and the disruption of food supply chains caused by the current conflict in Ukraine.
2. Due to its heavy dependence on tourism, a sector accounting for 61.2 percent of its GDP and providing 67.5% of employment, Cabo Verde's economic structure has been deeply affected by the Covid-19 pandemic. The country experienced a 78% drop in tourism revenues and an economic contraction of 14.8 percent of GDP.
3. Considering that one direct job in the tourism sector generates at least 10 indirect jobs in the service sector, the loss of jobs could affect 1 in 4 people in the country according to the assessment of the Cabo Verde Ministry of Agriculture. To cope with the economic consequences of Covid-19, the Government has been implementing a response plan, which led to a budget deficit of 10 percent of GDP and a sharp increase in debt to GDP ratio estimated at 155%.
4. The series of droughts of the last 5 years have negatively impacted water availability and agricultural production. With a 34 percent rainfall deficit in the last season, the country recorded the highest drop in cereal production in the region in 2021, with a 93 percent decline compared to the five-year average.
5. The National School Feeding Programme was initiated in Cabo Verde in 1979 with WFP's support to increase school enrolment, combat food insecurity and cover the nutritional needs of students. As Cabo Verde transitioned to a middle-income country, the programme became fully run by the government in 2010, becoming the first nationally owned school feeding programme in West Africa.
6. The programme supports national efforts to reduce food and nutritional insecurity. It covers 788 schools and assists 89,715 pre-school, primary and secondary students who represent 16% of the total population. It has largely contributed to the high enrolment rate in primary schools which reaches 96% while providing social protection to the most vulnerable families.
7. Between July 2011 and June 2015, and through a United Nations Joint Programme (UNJP) led by FAO, WFP provided technical assistance to further strengthen the sustainability of the programme by shifting from basic school feeding to a more comprehensive approach including school gardens, locally purchased fresh produce, and nutrition education. As one of the results of this initiative, school feeding was enshrined into national law in 2015 with essential dispositions aimed at ensuring food safety and nutrition for children.
8. However, the programme has been heavily affected by the recent domestic and international context, as challenges in food procurement due to price inflation threaten the availability, quality, and diversity of the canteens' food basket. This has prompted the Government of Cabo Verde to request WFP's support to urgently procure supplies to continue this critical programme for the remaining months of the school year and during the holidays as well.

Supporting the Government's efforts to maintain programme delivery is essential to ensure children's access to food despite the difficulties their families could be facing, and to contribute to mitigating the shocks faced by Cabo Verde. The National School Feeding Programme, previously cited as a success story to be replicated in the region, needs to be sustained with both local and international engagement for the greater good of the children of Cabo Verde.

9. Strong and sustained national capacities are moreover critical to reduce vulnerability to potential shocks, address the root causes of hunger over the long-term and build resilience at community and system levels. WFP will continue collaborating with the Government and national partners in the areas of capacity strengthening and advocacy, ensuring continuous stakeholder engagement along the supply chain, increasing emergency preparedness and response capacities within the country, and supporting the development of sustainable food systems. WFP aims at both responding to the immediate support request from the Government, and support authorities in their path towards SDG2 and SDG17.

1.2 FOOD SECURITY AND NUTRITION NEEDS

10. The successive rainfall deficits, respectively -49 percent in 2019 and -34 percent in 2021, have caused significant drops in agricultural production. In 2021, 93% of cereal production and 34 percent of tuber production have been lost.
11. The country is highly dependent on imports as more than 80 percent of the food products consumed in the archipelago are imported, mainly from the European Union. This dependence is a structural fragility of the country. As a result, the supply chain disruption caused by the Covid-19 pandemic has had a significant impact on the country's supply capacities. The lead time to receive food procured on international market has increased from 2-3 months to 8 months on average, which increases the pressure on national reserves.
12. The conflict in Ukraine is worsening the situation. As food fertilizer prices have been rising exponentially, with a 40 percent increase from last year, the country risks a shortage of basic commodities. The increase in prices mostly derives from the following factors: (i) drastic reduction in the validity periods of prices and pro-forma invoices (ii) delay in the responses of usual suppliers to importers' demands (iii) increase in transport prices (iv) situations of non-compliance with contracts supply in terms of quantity and prices agreed (v) conditioning of product exports by exporting countries (vi) large, grouped purchases (even by states and regions), leaving less national margin for small companies.
13. To cope, vulnerable families in some rural areas have been reducing the number of meals and food portions, going from 3 meals a day to 2, and even 1 meal per day. Around 43,000 people, i.e. 10% of the total population, are projected to be food insecure for this lean season (ph3+ - June to August 2022) according to the results of the Harmonized Framework of March 2022. The number of food-insecure people has quadrupled compared to the historical average of the country.
14. The livestock sector suffers greatly from the lack of water and food. In pastoral areas, breeders carry out massive destocking to avoid a significant loss of livestock. In Porto Novo, out of an average of 10 goats owned by a household, 8 have been sold in the last 3 months. Consequently, the production of milk and cheese has fallen sharply, reducing household incomes and access to milk for children. Local delegates from the Ministry of Agriculture in

Santa Antão pointed out that the total herd on the island had dropped by around 60 percent since the onset of consecutive droughts. The average time for water supply for breeders had fallen from 25 days at the end of 2021 to 2 months in April 2022, negatively affecting the production capacities of breeders.

15. Loss of crops is observed throughout the territory of the archipelago and is the largest recorded in the entire ECOWAS region. In addition to the drop in agricultural production, the fodder deficit is significant. Of the 35,000 tons of fodder needs, only 2.6 percent are covered. These repeated droughts accentuate the water deficit in a country that has no water from surface water sources. Lack of water is a structural challenge to agricultural and livestock production in Cabo Verde. Also, there is an increase in the severity of food and nutritional insecurity for populations in Phase 3 (43,000) and Phase 2 population (approximately 138,000 people – 25% population) may move to Phase 3. About 32 percent of the population of Cabo Verde is at substantial risk of deterioration of their food security conditions if no intervention occurs with urgent and holistic measures.
16. The current challenges may also affect the level of the food reserves for the country and risk further price increases due to likely speculative behaviors by retailers and merchants. The decline in the tourism sector has significantly impacted the government's spending structure, which in turn further reduces its capacity to pursue its social protection activities. In such context, it is urgent to support initiatives such as the National School Feeding Programme to assist vulnerable families at a higher risk of food insecurity and to prevent a setback in achievements in school attendance and enrolment rates.

1.3 HUMANITARIAN NEEDS, PLANS, AND COORDINATION MECHANISMS

17. The Government through the Ministry of Agriculture and Environment and Ministry of Foreign Affairs, Cooperation and Regional Integration specifically requested WFP in March and May 2022 to assist its fundraising strategy and leverage its expertise to purchase and deliver the commodities necessary to temporarily support the National School Feeding Programme.

2 WFP EMERGENCY RESPONSE

2.1 DIRECTION, FOCUS AND INTENDED IMPACTS

18. This LEO will ensure the purchase and delivery of commodities necessary to maintain without disruptions the National School Feeding Programme that will benefit 89 715 children across 788 schools (equivalent to approximately 16 percent of the population of Cabo Verde). This LEO also will enable advocacy for strengthened partnerships between national and international development actors to support the Government of Cabo Verde investments in food security and nutrition.
19. To address the Government request, WFP Regional Bureau for Western Africa and FAO sent in April 2022 a technical mission to assess the current situation and identify opportunities for potential short, medium, and long-term assistance. In addition to the short-term support in food procurement, discussions may continue with the Government to support medium to long-term solutions to ensure quality supply by strengthening local food value chains and linkages between school canteens and smallholder farmers.

20. This LEO is for 6 months to ensure the coordinated delivery of a needs-based food security response, to this end, WFP proposes a single overarching strategic outcome, aligned with corporate Strategic Outcome 5: it will focus on providing services to national actors and partners in support of the National School Feeding Programme.

2.2. STRATEGIC OUTCOME, FOCUS AREAS, EXPECTED OUTPUT AND KEY ACTIVITY

Strategic Outcome 1:

21. "Government, national actors and partners have access to reliable services including logistic services supporting the national school feeding programme throughout the crisis" (aligned with corporate Strategic Outcome 5: Humanitarian and development actors are more efficient and effective).

22. Focus Area

Crisis response.

Expected outputs

23. The LEO will aim to reach the following two outputs:
 - "Crisis- affected populations including school-aged children benefit from efficient logistics services in order to timely receive humanitarian assistance".
 - "Crisis affected populations benefit from strengthened partnerships between national and international development actors and effective evidence-based programmes and policies to improve their food security and nutrition status".

Key activities

24. WFP will implement two activities:
 - ⇒ Activity 1: "Provide common logistic services to the Government and partners to facilitate effective field operations".
 - WFP will purchase and deliver the required food supplies to support the nutritional needs of 89 715 children (indirect beneficiaries) through the national school canteen programme and during the school vacation period (mid-June to September 2022). This will include logistic services to be provided to the Government, national actors and partners to facilitate the purchase and transport of food commodities to be channeled through the National School Feeding Programme and related mechanisms.
 - ⇒ Activity 2: "Provide advisory services including expertise in programme, monitoring, advocacy and evidence generation in food security and nutrition while strengthening resource mobilization efforts and partnerships with the Government, IFIs, the private sector and other development actors."
25. To support the effective implementation of the Limited Emergency Operation, a Senior National Technical Advisor will be hired, helping position WFP strategically as a key development partner and co-leading the engagement with the national Government, International Financial Institutions and other in-country development actors to maximize the impact of WFP's programme within its Changing Lives agenda. The Advisor will facilitate WFP's contribution to the design of key policies and programmes in-country and for the national government and WFP's support interventions contributing to the country's development agenda.

2.3. TRANSITION AND EXIT STRATEGIES

26. During the initial phase of the operation, in close coordination with partners, WFP will review and monitor the needs and gaps and subsequently evaluate the need to extend, revise, or close the LEO after the initial 6 months.
27. Once more robust food security and nutrition data is available, and depending on how the situation evolves, WFP will participate with the Government of Cabo Verde and UN sister agencies in the review of longer-term multi-sector needs.

3 IMPLEMENTATION ARRANGEMENTS

28. WFP will immediately launch the procurement and supply of food commodities to assist 89 715 children across 788 schools (indirect beneficiaries). WFP will facilitate the purchase and transport of in-kind food commodities, given the shortages in food supply and concerns about the availability of food in the region. WFP will hire a Senior National Technical Advisor to support the implementation of LEO activities.
29. WFP will use its already existing food procurement platforms to source the food required for school meals in a cost-effective manner, ensuring that the quality meets the national standards. Additional Covid-19 related safeguards will be put in place to protect the integrity of the food and supply chain.
30. The LEO framework doesn't involve the provision of direct food distributions, therefore WFP's intervention in Cabo Verde will not include specific food rations nor CBT transfer value, but food costs only.
31. Partnerships: Adequate coordination among stakeholders is essential to ensure effective and rapid response with the appropriate modality to meet the needs of the most vulnerable and avoid duplication.
32. Based on the information provided by FICASE, the needs analysis carried out by the mission indicates USD 1.6 million to cover the needs of the school feeding programme for eight months.
33. The needs expressed by the Government are presented in table 1 below.

Table 1. FCR Calculations: Including the most updated Food Price, new External Transport rate, DSC and ISC

Food Type	Qty (KG)	Qty (Mt)	Food Price ¹ (10% Increase)	Food Cost	Shipping Cost ²	Management Cost	Total Cost	Food Origin	Lead time from the Origin ³
Rice 5% Broken	669,806.0	669.8	847.00	567,325.68	171,470.34	56,419.29	795,215.31	India/Thailand	60 Days
Oil - Sunflower	48,865.0	48.9	2,640.00	129,003.60	14,073.12	10,937.65	154,014.37	Turkey	30 Days
Pasta (Spaghetti)	79,608.0	79.6	979.00	77,936.23	21,653.38	7,616.65	107,206.25	Turkey	30 Days
Beans - Pinto	97,059.0	97.1	1,265.00	122,779.64	24,070.63	11,223.85	158,074.12	Argentina	60 Days

¹ The Food Price will subject to be changed as the price inflation is increasing.

² Shipping cost subject to be changed due to the increase fuel price, the calculation is taken based on the current rate.

³ The Lead time from the food origin is subject to be changed.

Lentils - YSP	121,587.0	121.6	682.00	82,922.33	25,290.10	8,271.94	116,484.37	Turkey	30 Days
Maize - Yellow	82,358.0	82.4	648.23	53,386.93	17,130.46	5,393.93	75,911.32	South Africa	30 Days
UHT Milk	49,415.0	49.4	2,755.50	136,163.03	11,859.60	11,312.98	159,335.61	Turkey	30 Days
Sugar	16,472.0	16.5	547.25	9,014.30	3,162.62	938.87	13,115.80	Turkey	30 Days
Total	1,165,170.0	1,165.2		1,178,531.74	288,710.25	112,115.16	1,579,357.16		

34. The key principles: This LEO will be implemented in line with WFP's policy on humanitarian principles, namely the respect for humanity, neutrality, impartiality and operational independence – and the guarantee that populations in need have access to food. WFP will fully coordinate its activities with the Government of Cabo Verde.

4 PERFORMANCE MANAGEMENT AND EVALUATION

4.1 MONITORING AND EVALUATION

35. WFP's monitoring and reporting systems will be set up to cover key emergency activities and harmonized where possible with the monitoring and evaluation activities of other international organizations, in coordination with the Government of Cabo Verde. Implementation will be undertaken in coordination with the Government of Cabo Verde, and it will be kept informed timely about project implementation.

4.2 RISK MANAGEMENT

36. Operational Risks: The volatility of food and fuel prices, and the potential for an evolving context, will be mitigated through the early and strategic positioning of supplies to ensure efficient action. It is essential that WFP's response is designed and implemented in a way that does no harm and is conscious of the dynamics of the area and is developed in coordination with the Government of Cabo Verde.
37. Financial Risks: WFP will closely monitor currency and exchange rate fluctuations, setting up alternate arrangements with vendors to limit its exposure as required.
38. Fiduciary risks: The risks related to fraud and corruption, including the risk of food assistance being diverted to local markets or used for unintended purposes will be mitigated through the application of WFP risk management procedures, (compliance with operating security standards of the United Nations common security system) and cooperation with authorities at national and local levels
39. WFP will take every precaution to prevent sexual exploitation and abuse, and other wrongdoings in accordance with established policies and operational measures.
40. The extremely narrow existing donor base pose challenges to timely and adequate resource mobilization. Donor outreach is ongoing under the leadership of the Resident Coordinator with other key UN agencies, as well as bilaterally.

5 RESOURCES FOR RESULTS

INDICATIVE COST BREAKDOWN ALONG STRATEGIC OUTCOME (USD)		
	Strategic Result 8 / SDG Target 17.16	Total
	Strategic Outcome 1	
Focus Area	Crisis Response	
Transfer	1 467 242	1 467 242
Implementation	68 062	68 062
Direct support costs	44 053	44 053
Subtotal	1 579 357	1 579 357
Indirect support costs	0	0
TOTAL	1 579 357	1 579 357

41. Preliminary funding needs stand at approximately USD 1.6 million to support the food and nutritional needs of approximately 90,000 children through the school canteen and during the school vacation period (mid-June to September 2022), provide advisory services and strengthen partnerships for an effective coordination among national and international development actors.