

REVISION

Cabo Verde Limited Emergency Operation (LEO), budget revision |01|

Gender and age marker code: [NA]

	Current	Change	Revised
Duration	1 Jun to 30 Nov 2022	<i>6-month extension</i>	1 Jun 2022 to 31 May 2023
Beneficiaries		<i>90 000</i>	<i>90 000</i>
Total cost (USD)	1 579 357	2 456 315	4 035 672
Transfer	1 467 242	2 297 448	3 764 690
Implementation	68 062	7 203	75 265
Direct Support Costs	44 053	0	44 053
Sub-total	1 579 357	2 304 651	3 884 008
Indirect Support Costs	0	151 664	151 664

1. RATIONALE

1. Since the approval of the LEO in June, the situation in Cabo Verde continues to deteriorate. The loss of household incomes due to COVID-19 has not reversed and food prices continue to soar. The global food crisis continues to deplete food reserves, further increase the price of basic foods (over 40 percent since April 2022) and disrupts the supply of production inputs such as livestock feed. With 80 percent of its food imported, Cabo Verde's food vulnerability will continue to increase. Approximately one-tenth 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).
2. In response to the continuing deterioration of the situation in Cabo Verde and the Government's subsequent decision to declare a state of emergency and appeal for support,¹ WFP has reassessed its support to the country. The original LEO has planned a one-time commodity purchase for school feeding, under SDG 17, which was an effective vehicle to provide a safety net to vulnerable population. However, Cabo Verde requires further assistance to safeguard this critical safety net. In response to that need, WFP will transition its support and expand the LEO to also cover, under SDG 2, direct assistance and capacity strengthening support to Cabo Verde's school feeding programme.
3. The expanded investment is crucial to support a sustainable system for national school canteens while safeguarding Cabo Verdeans' basic needs. Beyond direct implementation, the emergency funding will also be allocated through national programmes by providing technical and quality assurance assistance, ensuring the strengthening of national institutions to deliver high-quality school feeding programme. It should be noted that Cabo Verde completely took over the funding, implementation, and management of their national school feeding programme from WFP in 2010, making it the first nationally-owned school feeding programme in West Africa.² The government has a proven track record of a strong implementation of the programme and that capability was disrupted only due to the ongoing crisis. The LEO is intended to provide a support for what is expected to be a temporary disruption in government's capacity, which requires an adaptive

¹ 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.

² <https://www.wfp.org/operations/200283-capacity-development-and-support-national-school-feeding-programme-cape-verde>

approach. Further iteration of WFP's support will need to be based on the assessment of how the situation evolves.

4. The decision to provide additional, direct support to the school feeding programme is based on the assessment that the programme is a key and effective safety net for vulnerable populations, in particular within the context of a well-functioning education system such as in Cabo Verde. The programme will ensure that children receive a nutritious meal every day at school for the entire school year. Country capacity strengthening will be part and parcel of this support, with a focus on institutional effectiveness, systems strengthening, and policy improvement.
5. The expansion of the LEO under this BR is strongly aligned with WFP's response to the global food crisis, as laid out in the June 2022 update of "WFP Global Operational Response Plan 2022." There is acknowledgement that the global food crisis is also having an impact on countries where WFP no longer had operational presence. As such, it is imperative for WFP to look for ways to support said countries when the situation calls. That imperative is even stronger for a country like Cabo Verde, which had not required WFP's presence in the recent past but is now explicitly asking for assistance, signalling both a strong need as well as a potential humanitarian crisis if left unattended. As per the 2022 Response Plan, this BR is aligned with the response strategy of "supporting national social protection system." With the school feeding programme being a critical safety net for Cabo Verde's population during this time of crisis, the LEO aims to preserve the programme by both directly supporting its implementation and at the same time strengthening government systems to continue delivering.
6. Therefore, this BR01 will specifically:
 - extend the duration of the LEO by six months from 1st Dec 2022 through 31st May 2023, to allow a coverage of the full school year; subsequent iteration of WFP's support, or whether that support is still warranted, will be based on the assessment of the evolving situation in Cabo Verde
 - align to SDG2 to better reflect the contribution to improving access to children and their households to this critical safety net;
 - enable timely purchase of sufficient food commodities to support the national school feeding programme; and
 - maintain the SDG 17 pillar as a contingency during the period of the LEO to ensure that WFP can respond to any sudden service provision requests from the Government.

2. CHANGES

Strategic orientation

7. This BR adjusts the strategic orientation of the LEO to introduce a new CSP Outcome under corporate Strategic Outcome 2 *People are better able to meet their urgent food and nutrition needs.*

Strategic outcomes

8. The new CSP Outcome 2 is positioned under SDG2, target 2.1 (access to food) and encompasses one output and one new activity, formulated as follows:
 - CSP Outcome 2: "*Crisis-affected populations including school-aged children in targeted areas are able to meet their food and nutrition needs during and in the aftermath of crisis*"
 - Output 3: "*School-aged children benefit from an effective school feeding programme to meet their food and nutrition requirements, improve school enrolment, attendance, and retention.*"

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- Activity 3: “Provide food, technical assistance, capacity strengthening and policy support to national institutions and partners to manage and implement the national school feeding programme”

Targeting approach and beneficiary analysis:

9. Under SDG 2 activity 3 WFP will directly target approximately 90,000 schoolchildren across 788 schools (equivalent to nearly 20 percent of the population of Cabo Verde). The intervention will be channelled through the Government's existing mechanisms, to maintain programme delivery and ensure children's access to food despite the difficulties their families could be facing, thus contributing to mitigating the national shock response..

Transfer Modalities

10. WFP is facilitating 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.
11. WFP is using 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.

Partnerships

12. WFP is working with UN agencies and beyond to provide adequate support to the country. WFP is involved in the UNSDCF (2023-2027) processes through close collaboration with the UNCT. A Letter of Understanding between the Government of Cabo Verde and WFPP is expected to be signed shortly.
13. 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.

Supply Chain

14. The global food crisis, compounded by the aftermath of the COVID-19 pandemic, is limiting food-related logistics services, disrupting food supply chains, and increasing prices (especially of cereals) with a direct impact on food and nutritional security of populations, especially the most vulnerable layers.
15. Given the specificity of the food basket and current market dynamics, all the commodities will be purchased internationally on Asian, Turkish, American and European markets. As a result, shipping and food costs are subject to change, for example, due to increases in fuel price. This BR is calculated based on the current rate.
16. WFP will hand over the commodities to the government partner agency (FICASE) at the port of entry in Cape Verde. The Government will handle the in-country logistics and its related costs. For the purpose of this BR, the food transfer costs (FTC) will be limited to superintendence and RBD supply chain monitoring operations costs.

Country office capacity

17. WFP does not have an operational presence in Cabo Verde; however, WFP will hire a senior national staff to be based in the country. The senior national staff will proactively scan the country's humanitarian and development landscape to support to the government in finding longer terms solutions to dealing with the crisis, and to support the strengthening of the government capacity through close collaboration with other actors, including IFIs, particularly in the areas of food security and nutrition analysis, emergency response, social protection, rural transformation, sustainable infrastructure and human capital development. The senior national staff will be funded from RB PSA.

Monitoring & Evaluation:

18. The Government shall facilitate, as required, the safe and unimpeded access for the assessment, implementation, and monitoring of the Activities, as per upcoming Letter of Understanding arrangements.
19. The Government will give full cooperation to enable WFP to monitor the Activities, to ascertain their effects, and to carry out evaluations and other missions to assess the results and impact of the Activities and the LEO. This cooperation shall include, without limitation to the generality of the forgoing, providing WFP with such demographic, statistical and other information as may be possible, and engaging with WFP personnel and evaluators, to assist in the monitoring and evaluation of the Activities and the ascertaining of their long-term effects.

Risk management

20. 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.
21. Financial Risks: WFP will closely monitor currency and exchange rate fluctuations, setting up alternate arrangements with vendors to limit its exposure as required.
22. 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.

Beneficiary analysis

Strategic outcome	Activity	Period	Women	Men	Girls	Boys	Total
					(0-18 years)	(0-18 years)	
2	3 (Food)	Current	N/A	N/A	-	-	-
		Revision	N/A	N/A	43 200	46 800	90 000
		Revised	N/A	N/A	43 200	46 800	90 000

Transfers

Strategic outcome	Strategic Outcome 2
Activity	Activity 3
Beneficiary type	School feeding
Modality (indicate food or CBT)	Food/CBTs
Cereals	52.51
Pulses	13.80
Oil	3.08
Sugar	1.04
UHT Milk	3.12
total kcal/day (to be completed for food and cash modalities)	268
% Kcal from protein	11%
Number of feeding days per year	264

Food type / cash-based transfer	Current Budget		Increase		Revised Budget	
	Total (mt)	Total (USD)	Total (mt)	Total (USD)	Total (mt)	Total (USD)
Cereals	0	0	1 248	1 048 139	1 248	1 048 139
Pulses	0	0	328	308 695	328	308 695
Oil and Fats	0	0	73	193 198	73	193 198
Mixed and blended foods	0	0	0	0	0	0
Other	0	0	99	217 821	99	217 821
TOTAL (food)	0	0	1 748	1 767 854	1 748	1 767 854
Cash-Based Transfers (USD)		0		0		0
TOTAL (food and CBT value – USD)	0	0	1 748	1 767 854	1 748	1 767 854

3. COST BREAKDOWN

COST BREAKDOWN OF THE REVISION ONLY (USD)			
	Strategic Result 8 / SDG Target 17.16	Strategic Result 1 / SDG Target 2.1	TOTAL
Strategic outcome	01	02	
Focus Area	Crisis Response	Crisis Response	
Transfer	0	2 297 448	2 297 448
Implementation	0	7 203	7 203
Direct support costs			0
Subtotal			2 304 651
Indirect support costs			151 664
TOTAL			2 456 315

4. Over All COST BREAKDOWN

OVERALL CSP COST BREAKDOWN, FOLLOWING THE REVISION (USD)			
	Strategic Result 8 / SDG Target 17.16	Strategic Result 1 / SDG Target 2.1	TOTAL
Strategic outcome	01	02	
Focus Area	Crisis Response	Crisis Response	
Transfer	1 467 242	2 297 448	3 764 690
Implementation	68 062	7 203	75 265
Direct support costs	15 419	28 635	44 053
Subtotal	1 550 723	2 333 286	3 884 008
Indirect support costs	100 797	151 664	151 664
TOTAL	1 651 520	2 484 949	4 035 672