

# BANQUE AFRICAINE DE DEVELOPPEMENT



## **KENYA: PROPOSAL FOR AN EMERGENCY HUMANITARIAN ASSISTANCE TO POPULATION AFFECTED BY DROUGHT AND FAMINE\***

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## **LIST OF ACRONYMS AND ABBREVIATIONS**

<b>AfDB</b>	African Development Bank
<b>RDGE</b>	East Africa Regional Office
<b>IA</b>	Implementation Agency
<b>IGAD</b>	Inter-Governmental Authority for Development
<b>LOA</b>	Letter of Agreement
<b>MoU</b>	Memorandum of Understanding
<b>SPR</b>	Standard Project Reports
<b>SRF</b>	Special Relief Fund
<b>UN</b>	United Nations
<b>WFP</b>	World Food Programme

## PROJECT LOGICAL FRAMEWORK (PROJECT MATRIX)

<b>Country and Project Name: KENYA – Proposal for a grant of US\$ 1,000,000.00 as emergency assistance for drought and food crisis</b>						
<b>Purpose of the project: Contribute to the ongoing efforts of the Government and Development partners to provide emergency food relief to affected population.</b>						
RESULTS CHAIN		PERFORMANCE INDICATORS			MEANS OF VERIFICATION	RISK/MITIGATION MEASURES
		Indicator	Baseline - 2017	Target		
<b>IMPACT</b>	Alleviate Human suffering due to shortage of food and water reduced in the affected communities.	Nutrition status of the affected communities.	Poor	20,000 households have acceptable food consumption score	World Food Program (WFP) reports	
<b>OUTCOMES</b>	Minimum food and water requirements for the drought-affected populations are met in the drought-affected regions.	Number of drought- affected household assisted.	0	20,000 households reached with food and water	GOK Monitoring report.	<p><b>Risk:</b> Persistent conflict over water and pasture in the concerned area.</p> <p><b>Mitigation:</b> The Government has mobilized the Army alongside the police to help restore peace in the affected region.</p>
<b>OUTPUTS</b>	<p><b>Component 1:</b> Purchased foodstuff</p> <p><b>Component 2:</b> Water trucking</p>	<p>Quantities of foodstuff distributed.</p> <p>Trucks of water to households</p>	<p>0</p> <p>0</p>	<p>600 tons of maize ; 18 tons of vegetable oil and 60 tons of pulses.</p> <p>1,500 trucks of water</p>		<p><b>Risk:</b> Large numbers of drought affected people are not reached due to ongoing skirmishes over water.</p> <p><b>Mitigation:</b> Bank emergency support is part of a wider programme involving other international partners who are specialized in identifying and tracing affected populations.</p> <p><b>Risk:</b> Foodstuff and water not readily available locally.</p> <p><b>Mitigation:</b> WFP has a long experience in providing such assistance (purchase, shipment, customs clearance, transportation, and monitoring of distribution).</p>
<b>KEY ACTIVITIES</b>	<p><b>Component 1:</b> Purchase of maize, vegetable oil and pulses for 20,000 households</p> <p><b>Component 2:</b> 1,500 trucks of water</p> <p><b>Component 3:</b> WFP Administrative fee (5%)</p>				<p><b>Inputs:</b></p> <p>Component 1: US\$ 702,000</p> <p>Component 2: US\$ 248,000</p> <p>Component 3: US\$ 50,000</p>	

## **The Government of Kenya: Emergency Relief to Drought Affected Populations**

### **1. Overview of the Emergency Crisis**

1.1 The Government of Kenya has, on 10th February 2017, declared the current drought a national disaster as some pastoral zones are experiencing extreme dry spells since August 2016. High local cereal prices, increasing livestock mortality and conflict have exacerbated the impact of the drought. For example, the price of maize (the staple food) has increased tremendously over the last 12 months. Food prices are currently 10%-25% above their five-year averages and are expected to continue rising.

1.2 The number of people in need of humanitarian assistance has doubled to 2.7 million in February 2017, up from 1.3 million in August 2016. This is equivalent to 20% and 18% of population in pastoral and marginal areas, respectively. Some 357,285 children and pregnant and lactating mothers are acutely malnourished. Data collected by UNICEF from 10 affected counties indicates that close to 175,000 children are not attending early pre-primary and primary schools, primarily due to the drought's impact.

1.3 According to the National Drought Management Authority (NDMA), the drought has been worsening in most Kenyan counties, now affecting nearly half the country. Forage conditions are drier than usual because of lower than usual rainfall conditions and also the extended dry period between the short and long rains in 2016. A total of 12 counties in northern, eastern and coastal areas have severe vegetation deficit leading to migration of over 70% of livestock and livestock deaths. Milk production and consumption have dropped while prices of the same have risen tremendously. Distance to water for livestock have also increased, in some cases by more than 25 kms.

1.4 Rain-fed crop production has been severely affected in south-east and coastal areas. Maize, beans, green grams and other crop production in these areas will be below normal while the next major harvest in these areas is not expected until February 2018.

1.5 The UN Office for the Coordination of Humanitarian Affairs (OCHA), on 17th February 2017 put out a Call for Action for Horn of African countries including Kenya, Ethiopia, Somalia and Uganda. OCHA notes that 12.8 m people in Ethiopia, Uganda, Kenya and Somalia are severely food insecure and are in need of humanitarian assistance, with total assistance needs estimated at USD 1.9 billion.

### **2. Justification for Emergency Assistance and Food Requirements**

2.1 The Government of Kenya identified three phases for drought response. The first phase (Nov. 2016 to Jan. 2017) had a budgetary requirement of USD 54m, which was fully financed by the Government. The second (Feb. to April 2017) and third (May to July 2017) phases have a total deficit of USD 113m. Some of the interventions recommended by the government include: (i) scaling up food and cash transfers; (ii) accelerate livestock off take (destocking); (iii) expanded access to health and nutrition; (iv) provision of food for fees and school feeding to help students continue with their education; (v) ensure access to clean water including repair of broken points and trucking where necessary; (vi) support post-harvest storage and timely supply of farm inputs for the next planting season; and (vii) intensify peace building and conflict management.

2.2 The Government has on 27<sup>th</sup> February sent a request to the Bank Group indicating that there is a financing gap of Ksh 4.455 billion to finance the response to drought. The Bank Group is therefore asked to respond to the appeal.

2.3 In terms of assistance to refugees, the U.N. World Food Program (WFP) provides food assistance to refugees in Kenya as a combination of cash transfers and food distributions. From December 2016, insufficient funds have compelled WFP to take drastic measures consisting in cutting rations by half for the 430,000 refugees in Dadaab and Kakuma refugee camps. Only 30% of the entire transfer by WFP allows refugee households to meet important food needs e. g. access to fresh vegetables, dairy and animal products to ensure a diversified nutritional diet. In the February 2017 update, WFP notes the urgent need of USD 18.6 m to ensure refugee food assistance in the form of cash and in-kind food transfers from March to August 2017. It is critical to receive contributions for cash transfers as resources will be exhausted by May 2017.

### 3. The Bank's Contribution to the Emergency Humanitarian Relief Assistance

3.1 The objective of the proposed Bank emergency humanitarian relief assistance is to contribute to the Government of Kenya and UN's efforts in providing urgent food aid distributions and deliveries of water purification supplies, medicines and shelter materials to the drought affected populations. The emergency relief assistance operation will be funded through a grant from the Bank's Special Relief Fund (SRF). The total grant amount will be limited to the approved country ceiling of US\$1,000,000 (one million United States Dollars). The grant funds will be used to purchase food items as well as associated costs of transportation and distribution of food rations to the beneficiaries and for administrative charges. All these food items will be purchased locally by WFP.

3.2 Relief food assistance will be channeled through targeted food distribution to households affected by the drought mainly widows, orphans, female and elderly-headed households without visible means of survival. Due to the imminent shortfalls only local purchases will be made. Local purchase has the added benefit of supporting the national agricultural economy. The estimated cost of the operation is presented in the table 1 below.

**Table 1 – Activities and Budget over a six-month implementation period**

COMPONENT	ACTIVITY	QUANTITY (per household)*	UNIT COST (US\$ per kg)	AMOUNT USD**
<b>1:</b> Provision of food for 1 month	Purchase of maize, vegetable oil and pulses for 20,000 households	Purchase of food including transportation and distribution: <ul style="list-style-type: none"> <li>• 30 kg of maize</li> <li>• 0.9 kg of vegetable oil</li> <li>• 3.0 kg of pulses</li> </ul>	<ul style="list-style-type: none"> <li>• 0.90</li> <li>• 3.00</li> <li>• 1.8</li> </ul>	<b>702 000</b> <ul style="list-style-type: none"> <li>• Maize : 540,000</li> <li>• Veg. oil : 54,000</li> <li>• Pulses : 108,000</li> </ul>
<b>2:</b> Provision of water.	1,500 Trucks of water	• 0.25 trucks for one month.	• 165.4 per truck.	<b>248 000</b>
<b>3:</b> WFP Administrative fee (5%)				<b>50,000</b>
<b>Total</b>				<b>1 000 000</b>

\*For emergency assistance, the WFP usually adopt a standard ration based on average household size in a particular context.

#### 4. **Organization and Management**

4.1 **Institutional Arrangements**: According to the Bank's Emergency Policy Guidelines, (ADB/BD/WP/98/41/Rev.2) - (ADF/BD/WP/98/41/Rev.2) (the "Guidelines") and Procedures for Humanitarian Relief Assistance (ADB/BD/WP/2003/34/Rev.1) - ADF/BD/WP/2003/34/Rev.1 (the "Procedures"), the implementation of the emergency humanitarian relief assistance will be entrusted to WFP. It already has a well-established network in the country for food relief assistance. The Government of Kenya has indicated that WFP has been their lead agency in terms of international resource mobilization towards emergency operations and it has entrusted the operation of the emergency food assistance to WFP. The total duration of the emergency assistance will not exceed six (6) months. Funds that will not be disbursed within this period will be cancelled.

4.2 **Agreement**: A Tripartite Letter of Agreement (LoA) will be signed between the Government of Kenya, The Bank and WFP that will define the modalities for the implementation of the emergency food relief assistance operation and responsibilities and obligations of each party. The administrative fee paid to WFP shall not exceed 5% of the total amount of the grant.

4.3 **Disbursement**: The grant resources will be disbursed in one tranche upon signature of the LoA. The funds will be disbursed into an account to be provided by WFP.

4.4 **Procurement**: Article 3.8 of the *Revised Policy Guidelines and Procedures for Emergency Relief Assistance* requires the use of Bank's Procurement Policy in the implementation of the programme. In accordance with the *Procurement Policy for Bank Group Funded Operations, October 2015* Section 5.3 (e) and Section 6.5, the WFP, as implementing agency, will be responsible for the acquisition and distribution of food and water where available, locally or within the region, following its own Procurement Policy and Rules as well as the Rules and Regulations related to prohibited practices and sanctions. The process should guarantee competitive procedures for the procurement. The Bank, through a provision in the Protocol of Agreement, may exercise a post review of the procurement process.

4.5 **Duration**: The SRF Guidelines and Procedures stipulate that emergency humanitarian relief assistance is typically a short-term operation, not exceeding six.

4.6 **Reporting and Auditing**: WFP will prepare interim unaudited financial reports (IFRs) within 30 days of the end of the period reported on, on a six-monthly basis. Where the program is implemented for a period not exceeding six months, the IFR will be submitted within 30 days of completion of project implementation. In addition, as implementation of this program is projected to not exceed six months, one set of final financial statements, certified by a senior official of the WFP, on the use of the project funds will be produced and submitted to the Bank no later than six months after completion and financial closing of the project. On an *ad hoc* basis, upon request from the Bank or the beneficiary government, other information may be provided.

The WFP will also be required to provide a copy of its audited financial statements covering the period of the program, and the report of its external auditors on said financial statements within thirty (30) days of delivery of the same to its governing body.

5. **Compliance with Bank Policies**

This request is compliant with the provisions of the SRF Guidelines and Procedures.

6. **Conclusions and Recommendations**

Conclusions:

6.1 The proposed Bank emergency humanitarian relief assistance is to contribute to the alleviation of the suffering of the drought affected populations in Kenya. This will target vulnerable individuals and households with the primary objective of saving lives and preserving livelihoods, and will be distributed through WFP. The emergency relief assistance operation will be funded through a grant from the Bank's Special Relief Fund (SRF).

Recommendations:

6.2 In accordance with the Guidelines and Procedures and General Regulation of the Special Relief Fund (SRF), it is recommended that the Bank assists the affected populations in Kenya with a grant to the Republic of Kenya not exceeding One Million United States dollars (US\$1,000,000).

**Disbursement conditions**

The grant will be disbursed upon submission of: (i) a signed Tripartite Letter of Agreement between the Government, WFP and the Bank; (ii) Execution of the Memorandum of Understanding between the Government and WFP; and (iii) WFP's bank account where grant proceeds will be transferred.

ANNEX 1

Request of the Government

*Lawal & Maina  
FYA  
Mwendu  
3/2/17*



**REPUBLIC OF KENYA  
THE NATIONAL TREASURY**

Telegraphic Address: 22921  
FINANCE - NAIROBI  
Fax No.: 310833  
Telephone: 2252299  
When replying please quote  
REF: MOP/ERD 237/12402(107)

THE NATIONAL TREASURY  
P.O. Box 30007-00100  
NAIROBI

27<sup>th</sup> February, 2017

**Mr. Gabriel Negatu**  
Director General, EARC  
African Development Bank  
Khushee Tower, Longonot Road  
P.O. Box 4861-00200

**NAIROBI**

Dear

*Mr. Negatu*



**RE: REQUEST FOR SUPPORT TO DROUGHT RESPONSE ACTIVITIES IN KENYA**

As you are aware, the country has been experiencing severe drought since mid last year, 2016. In view of this, the Drought Inter-Agency Coordination Committee has developed a drought response plans, the first phase of the budget covering the period November, 2016 to January, 2017, received a total allocation of KShs 5.4 Billion from The National Treasury.

The second work plan budget, covering the period February to April, 2017 is approximately KShs. 13.8 Billion. Out of this budget, the affected County Governments are only able to raise KShs. 1.945 Billion, while The National Treasury has raised KShs. 7.400 Billion, leaving a financing gap of KShs. 4.455 Billion.

In view of the above, the purpose of this letter therefore, is to request the African Development Bank for support to the Drought Response Activities in the Country and we hereby forward a Concept Note for the Bank's consideration.

Yours

*Sincerely*

*[Handwritten signature]*

**Dr. Kamau Thugge, CBS  
PRINCIPAL SECRETARY/THE NATIONAL TREASURY**

Encls.

