

# Guidance Note (Transfer Value and Scale-up): Food Assistance Northeast Nigeria Eighth Edition Updated May 2024

# 1. Executive Summary

This guidance note takes effect starting the month of June 2024, including ongoing programs already funded

This guidance note **supersedes any other previously shared** and is applicable to all Local Government Areas (LGAs) in Borno, Adamawa and Yobe states.

During the **lean season** months starting June to the end of September 2024, the sector partners will **scale-up to their maximum capacity; number of food insecure people** to receive emergency food assistance. The Transfer Value during the **lean** season will be **11,432 naira per capita (per person) per month**.

During the lean season, partners will scale-up the number of food insecure people assisted focusing on the moderately and extremely most vulnerable categories. The Sector through the harmonization taskforce has prepared a <u>prioritization guidance</u> to support in prioritization of the most critical locations, vulnerable individuals and households during the lean season.

# 2. Background

With about fourteen years into the conflict in the Northeast states of Borno, Adamawa and Yobe (BAY) in Nigeria, over 2 million people have been forced to flee their homes due to persistent violence and remain internally displaced. There are nearly 1.5 million returnees who lack essential services and livelihoods, and 4.8 million people in host communities that have otherwise been affected by the conflict.

#### 3. Context

According to the 2024 March Cadre Harmonisé (CH) analysis, an estimated 4.8 million people are at risk of severe hunger during the 2024 lean season peak (June to August). This includes a projected 450,000 at the emergency level (CH Phase 4). Overall, this is a 10 per cent increase compared to the

2023 lean season, and the second consecutive year of increasing food-insecure people in the BAY states since 2022. This number of acutely food insecure people is equal to those reported at the peak of the conflict in 2016/2017. The number of food insecure people in the BAY states has consistently been above 4 million since 2020 for different reasons including the inflation and continued conflict among others.

According to the National Bureau of Statistics (February 2024), Nigeria's annual inflation rate soared to 33.2%, the highest since March 1996, from 31.7% in the previous month. The higher inflation is mainly driven by the sharp fall in local currency coupled with the removal of fuel subsidy. Food inflation, which accounts for the bulk of Nigeria's inflation basket, continued to climb, and hit 40% in March, the highest since August 2005, from 37.9% in the prior month.

For 2024, the food crisis has been exacerbated mainly by the rising food inflation, with the prices of key staples such as beans, maize, sorghum, and millet increasing by up to 300 to 400 per cent over the past 12 months. The significant increase in food commodity prices has made food access extremely difficult, especially among the most vulnerable people.

In the base markets of Maiduguri Metropolitan Council and Jere, according to the multi-partner monitoring, the cost of Rights-based Survival Minimum Expenditure Basket for food (SMEB) has increased since by 70% in March 2024 (15,988 naira per capita) as compared to March 2023 (9,405 naira per capita).

## 4. Rationale

The number of food insecure people has remained relatively high, resources for delivering food assistance have reduced amidst the increasing food inflation. This led to a decision to review the food assistance transfer value, to ensure that partners continue to provide food assistance in the <u>most efficient way possible</u> to the <u>most vulnerable</u>.

## 5. Purpose of the transfer

The purpose of the new transfer value is to <u>cover the gap for the minimum calorie</u> intake per person (2,100 Kilocalories), as calculated in the Rights-based Survival Minimum Expenditure Basket (SMEB).

# 6. Methodology for calculating the food assistance transfers

The food assistance transfer value to cover all Local Government Areas in Borno, Adamawa and Yobe states is derived from <u>cost of food basket calculator</u>, using prevailing multi partners' market rates as at March 2024.

Baseline locations of Maiduguri Metropolitan Council and Jere for Borno, Damaturu for Yobe, were set a threshold.

## <u>Transfer Value Methodology to be considered.</u>

Given the constantly increasing inflation (month-on-month) over the recent years, with the prices increasing especially during the lean season, it was recommended to include a 10% cover for projected inflation.

Following the recent trends over at least the past four years, the harmonization taskforce recommended that the transfer value should cover 65% of the inflation-adjusted cost of Rights-based SMEB at the latest Per Capita rate as of March (17,587 Naira per capita), bringing the actual transfer value to **11,432 Naira per capita**.

## 7. Transfer Values

What is the trend of transfer value? old transfer value?

#### Borno State.

- Magumeri: Cost of food basket was the highest then and the transfer value has been 5,394 per capita since June 2022.
- MMC and Jere: The transfer value is 3,500 naira, since February 2023. This had been reduced from 4,844 naira, which had last been updated in June 2022.
- Kaga, Konduga, Gubio: The updated per capita transfer value has been 4,844
   Naira since June 2022.
- Other deep-field LGAs: Transfer Value in those respective LGAs will be 4,495 Naira (70% of the cost of the food basket 6,421 Naira), since June 2021.

#### o <u>Yobe</u>

- In Yobe, the transfer value is 4,229 Naira, which is 70% of the cost of the food basket (6,041 Naira) since June 2021.
- o In March 2023, due to the increased cost of food, the transfer value was reviewed in preparation for the lean season. The transfer value was increased to **5,870 naira per capita** (per person).
- o In August 2023, due to the significant and continuous increase in food prices including during the harvest period, for the first time the transfer value was increased (during the harvest period) to **7,780 Naira per capita (per person) per month,** due to the inflation.

What will the new transfer values be starting June 2024, going forward?

#### Lean Season

During the lean season period starting June and ending September 2024, the sector partners will scaleup the number of food insecure people to receive emergency food assistance, given that this is the period of highest food scarcity as compared to the harvest period when food is relatively more available and accessible.

The Transfer Value during this lean season period will be **11,432 Naira per capita (per person) per month**. This implies <u>65% of the rights-based SMEB</u>.<sup>1</sup>

<sup>&</sup>lt;sup>1</sup> In humanitarian contexts, "essential needs" have been understood as referring to access to full rights as set out by international humanitarian law and the Humanitarian Sphere Standards. The term "rights-based MEB" is derived from this understanding. Please see for more information: <a href="https://docs.wfp.org/api/documents/WFP-0000074198/download/">https://docs.wfp.org/api/documents/WFP-0000074198/download/</a>

Summary of percentages of Kilocalories covered by the assistance for the 2024 lean season.

|             |  | Value in Naira<br>(Per Capita Per<br>Month) | % Kilocalories |
|-------------|--|---|----------------|
| Season      | Inflation-Adjusted<br>Rights-based SMEB<br>(March, 2024) | 17,587                                      | 100%           |
| Lean Season | Transfer Value   | 11,432                                      | 65%            |

b) How much will be transferred (In kind and Cash Voucher Assistance) per HH with varying household sizes?

The household per capita transfer value calculator will be maintained with the summary below.

## I. Households of 1-3 members

Transfer Value to be calculated based on a Cap (Ceiling) of HH 3 as the Per Capita Transfer Value for HH sizes 1,2 & 3.

## II. Households of 4-8 members

Transfer Value to be calculated based on actual number of Households members.

## III. Households of 8+

Transfer Value to be calculated based on a maximum of household size 8 members.

In addition to the household food transfer value, a 2,000 Naira will be provided per household for cooking fuel.

Summary table of transfer values per household size during the lean season period starting June, ending September 2024.

| Household Sizes      |             |        |        |        |        |        |        |        |        |         |  |
|----------------------|-------------|--------|--------|--------|--------|--------|--------|--------|--------|---------|--|
|                      |             |        |        |        |        |        |        |        |        |         |  |
| For 2024 Lean Season |             | 1      | 2      | 3      | 4      | 5      | 6      | 7      | 8      | Above 8 |  |
| Food                 |             |        |        |        |        |        |        |        |        |         |  |
| Transfer             |             |        |        |        |        |        |        |        |        |         |  |
| Value                |             |        |        |        |        |        |        |        |        |         |  |
| (NGN)                | 11,432.00   | 34,296 | 34,296 | 34,296 | 45,728 | 57,160 | 68,592 | 80,024 | 91,456 | 91,456  |  |
| Cooking              |             |        |        |        |        |        |        |        |        |         |  |
| Fuel                 | 2000 Naira  |        |        |        |        |        |        |        |        |         |  |
| (NGN)                | per HH      | 2,000  | 2,000  | 2,000  | 2,000  | 2,000  | 2,000  | 2,000  | 2,000  | 2,000   |  |
| Total                |             |        |        |        |        |        |        |        |        |         |  |
| Transfer             |             |        |        |        |        |        |        |        |        |         |  |
| per HH               |             |        |        |        |        |        |        |        |        |         |  |
| (NGN)                | Food + Fuel | 36,296 | 36,296 | 36,296 | 47,728 | 59,160 | 70,592 | 82,024 | 93,456 | 93,456  |  |

# When does the guidance note take effect?

This guidance note takes effect starting the June 2024, including on ongoing programs already funded.

**Note:** The current guidance has taken into consideration the resource constraints amidst increasing needs and increasing inflation. Other key compromises include:

- The transfer value is 65% of the rights-based SMEB
- The generalization of the transfer value across all the Local Government Areas (LGAs) averagely for consistency including for the urban, peri-urban, and deep-field areas.
- Keeping energy at 2,000 naira per household since 2020. The actual market rates indicate simple averages around 2,600 naira per HH with medians from 1,700 to 3,000 Naira as at February 2023 monitoring. With the current inflation on all forms of fuel in 2024, it is expected that cooking fuel prices have also increased.

The guidance note also recommends that government and non-government partners consider:

- Scaling up livelihoods support wherever possible with the right targeting, especially in areas where there is relative increase in opportunities such as land access and increased demand for production, livelihoods, and income generation by the affected population.
- Taking protection and nutrition concerns of the most vulnerable including during the harvest and post-harvest into consideration

#### 6. References

Cash Working Group

Catholic Relief Services Monthly Market Price Monitoring (March, 2024)

Food Assistance Taskforce Meetings (March, 2024)

FSS Harmonization Taskforce meetings (March, 2024)

Mercy Corps Monthly Market Food Price Monitoring (March, 2024)

Nigeria national Bureau of Statistics (March, 2024)

Save The Children Monthly Market Food Price Monitoring (March, 2024)

WFP Yobe and Borno Market Monitoring (March, 2024)

Food Security Sector Food Assistance Taskforce Members: Mercy Corps, Catholic Relief Services, Action Against Hunger, ZOA, Save The Children, Norwegian Refugee Council, Danish Refugee Council, World Food Programme, International Medical Corps, INTERSOS, ACTED, JDPC, GREENCODE, SWNI, CCDRN, CARE, Christian Aid, Cash Working Group, Cash Working Group