

BUDGET INCREASE TO PROTRACTED RELIEF AND RECOVERY OPERATION PROJECT: 200452 Sri Lanka

Title of the project

Supporting Relief and Recovery in Former Conflict-Affected Area

Start date: 01/01/2013 End date: 31/12/2014 Extension period: 1 year New end date: 31/12/2015

Cost (United States dollars)			
	Current Budget	Increase	Revised Budget
Food and Related Costs	21,894,456	10,462,706	32,357,162
Cash and Vouchers and Related Costs	6,844,976	1,515,800	8,360,776
Capacity Development & Augmentation	265,000	-	265,000
DSC	6,070,808	2,315,785	8,386,593
ISC	2,455,267	1,000,600	3,455,867
Total cost to WFP	37,530,507	15,294,891	52,825,398

NATURE OF THE INCREASE

PRRO 200452 was approved for the period 01 January 2013 – 31 December 2014 and WFP Sri Lanka Country Office requests a one year transitional extension-in-time of this PRRO whilst preparing an updated Country Strategy and new operation to be presented for approval to the 2nd Regular Session of the Executive Board in November 2015.

1. The budget revision, in summary, proposes the following:

- Extension-in -time for one year (from January to December 2015)
- Discontinuation of the Vulnerable Group Feeding intervention.
- Increase of food tonnage (10,536 mt), non-food and all associated costs for the additional period.
- Re-inclusion of piloting cash transfer / intervention to school meals
- Reduction of project beneficiary figures from 459,000 to 254,000.

JUSTIFICATION FOR EXTENSION-IN-TIME AND BUDGET INCREASE

Summary of Existing Project Activities

2. WFP's ongoing PRRO 200452 focuses on targeting the humanitarian and early recovery needs of returnees/IDPs and vulnerable groups in the Northern Province, including support to early recovery activities in agriculture, school meals and nutrition.

The operation aims to assist the Government to:

- Improve food consumption in severely food insecure households
 - Reduce acute malnutrition among pregnant and lactating women, and children aged 6-59 months
 - Rebuild livelihoods in the most vulnerable communities by creating productive assets and providing training in agriculture and livelihood skills
 - Promote attendance and retention school children (girls and boys) at school, with emphasis on displaced and returnee households
 - Enhance national capacities to address acute malnutrition, food insecurity and disaster preparedness and response needs.
3. These interventions are assisted through in kind and cash/voucher mechanisms, whereby, the cash and voucher assistance was introduced in 2013 and is targeting female-headed households, widows and widowers and households with disabled persons, and food-insecure groups.

Conclusion and Recommendations of the Re-Assessment

4. At present, resettlement is in its final stages, however, pockets of the IDPs are still in temporary shelters or with relatives. The clearing of agricultural lands and access roads from overgrown jungle combined with the impact of recurring droughts and floods, remain a limiting factor for many resettling IDPs to re-establish their livelihoods.
5. Three consecutive years of natural disasters have undermined house-hold resilience. Rural communities and especially single headed households, mostly female-headed, often bear the brunt of weather-related shocks, and are extremely vulnerable not only in their exposure to potential loss of life, but also because they stand to lose their livelihoods, land, and may be subject to displacements. The BR is aimed to streamline gender-related issues in activities ensuring that women will play a leading role in food distribution and decision making committees. In nutrition, Food For Training (FFT) and partly Food For Work (FFW) interventions, the ration cards will bear the name of the female head of the family ensuring the access of food and assets for women. For FFW activities both men and women will be engaged in the effort of rehabilitating assets. In order to empower women affected by the recent climatic shocks, WFP will be assisted to rebuild the livelihood through training on marketable skills and income generating activities.
6. The above was clearly indicated by the result of the joint rapid drought assessment of the *Maha* season in April 2014. The populations in affected areas have built up unsustainable levels of debts, have insufficient access to water for drinking and irrigation purposes, limited quality seed supply and are also exposed to continuous decline in agricultural income. As a consequence, food insecurity has increased dramatically to triple the caseload of 2012. The recent drought has

affected more than 750,000 people (382,500 females which represents 51% and 367,500 males which represent 49%) of which around 190,000 (96,900 females – 51% and 93,100 males – 49%) were found severely food insecure and has been assisted through WFP’s initial drought response. These beneficiaries will require further assistance to build their resilience to climate shocks.

7. About one fifth of the households in the affected area use severe negative coping strategies such as; selling meagre available assets and livelihood sources, consuming on less preferred and less expensive foods; relying on relatives or borrowing food; limiting meal portion size; restricting food consumption among adults in order for smaller children to eat; reducing number of meals eaten in a day, and pawning or selling jewelry to purchase food. The recent proportion of households with an inadequate diet is estimated to have tripled compared to the level of 2012 from 6 percent to 18 percent increase in 2014 especially in the Northern Province. Over half of the surveyed households are spending more than 65 percent of their income on food. In addition around 15 percent of the loans are being used to purchase food. This highlights the fact that meeting basic food needs is still a priority for one sixth of the population.
8. The same food insecurity was again confirmed during the recent United Nations/Government Joint Needs Assessment for IDPs and returnees held in May 2014¹. It indicated no significant improvement in the food consumption score. The female headed households reported to have a Food Consumption Score (FCS) of 69 was reported as lower compared to the FCS of male headed households (75). Eighty-eight percent of HH are borrowing on credit; 11% to 28% has limited food intake by adults, while another 13 to 23% limit the intake of the whole family and over 60% of the HHs have a monthly income of less than 10,000 Rs (≈\$77) with an average HH size of 4, this is below the US\$ 1 per person per day.
9. Malnutrition is still a concern in some parts of the country (Northern and Uva Provinces) and the Government, including the President, has requested WFP, FAO and UNICEF, and the Government related institutions to collectively implement a nationwide accelerated nutrition initiative to reduce malnutrition in the country. Global acute malnutrition is, on average, 19.6 percent nationally (19% among girls and 20.1% among boys). However, in some areas, specifically Killinochchi and Mulattivu, these rates are over 30 percent² (29% among girls and 31% among boys). Given the recent natural disasters, it is likely that these levels will continue to be high. In such areas, it is essential that WFP respond on an urgent basis with blanket feeding programmes.
10. It is therefore important to extend the project during this transition period, whilst preparing a new country programme so as to ensure WFP addresses the residual needs of these resettling communities affected by conflict and natural disasters.

Purpose of Extension and Budget Increase

11. WFP Sri Lanka is undergoing a transition in line with WFPs Fit for purpose and the drastically changed needs in the country. Country Office will be formulating a Country Programme and in this transition period, the operation will be extended in time for 12 months and scaled down to cater for only the essential components identified as key activities based on funding forecasts and identified needs of the population targeted.
12. As the resettlement of IDPs has reduced significantly with ad hoc return of a handful of IDPs in dispersed locations, the increased risks of double registration might occur as IDPs move from one location to another in order to secure double rations, and based on cost efficiency and

¹ Joint Needs Assessment, April 2014

² National Nutrition and Micronutrient Survey, 2012.

effectiveness of the programme, this intervention will be discontinued and the caseload will, where possible, be prioritized under the resilience building component (FFA/pilot cash for asset) under this budget revision. This activity will target the households who are severely vulnerable and have the lowest level of resilience to natural disasters. Priorities are given to the recent returnees and IDPs who are also been affected by shocks so as to develop livelihood assets and to increase their access to cultivable lands. WFP jointly with existing cooperating partners will implement FFA activities with a more focus to build the resilience among the recent returnees/IDPs and resettled food insecure communities. FFA activities include rehabilitation of irrigation structures, access roads, home gardening etc. FFT activities (marketable skills trainings such as carpentry, palmyra handicraft production and marketing etc.) will be implemented with the revised ration for much reduced caseload (500 women participants) considering the availability of in kind contribution of the government.

13. In previous years, WFP was pursuing MAM prevention (6-23 months) and MAM treatment (6-59 months). However, due to the critical levels of GAM prevalence (19.6 % - 30%) as a result of both seasonal factors and natural disasters, WFP will provide blanket feeding for all children 6-59 months and pregnant and lactating women (PLW) with Supercereal Plus (150 g/day/child) and Supercereal (200 g/day/PLW), respectively, as a preventative measure. This intervention is necessary to improve the nutritional status of children aged 06- 59 months and PLWs.
14. Through BR 904, WFP had initially removed the planned cash transfers valued at US\$ 390,800 for the school meals intervention due to reluctance of Government to accept the WFP-suggested cost per school meal to meet the energy and nutritional requirements. The government's current rate of LKR 24 per meal/child per day (approx. USD 0.18) provides, on average, 415 kcal per meal/child/day only. To meet the WFP standard energy requirement (524 Kcal), WFP agreed to top up with an additional in-kind ration of 30g (111kcal) canned fish. Due to this addition, the government has since agreed to go ahead with the school meals programme and the pilot cash for school meals was initiated in November 2014.
15. The WFP cash pilot model has been implemented to test the feasibility of cash introduction in the WFP area of operation and learn lessons for future replications. Based on knowledge gained, WFP will work with the Government on a best mechanism of cash transfer to schools through line ministry in compliance with government procedures. WFP's School Meals Programme will continuously assist the Government on the gradual takeover of SMP once the SMP national policy is formulated.
16. Under BR 904, the beneficiary caseload and area of operation had been increased/expanded in response to the drought. This PRRO BR seeks to maintain the area of operation as per its original plan of the Northern Province and reducing the targeted beneficiaries from 459,000 to 254,000.
17. The CO has taken extensive resource mobilization efforts locally and internationally. So far, resources required for this budget revision for school meals have been partially secured through the multi-year contribution from Canada for 2015 and 2016 valued at US\$ 2.7 million. In addition, WFP has submitted two funding proposal requests; one for technical support on Nutrition to the SDGF (Spanish Fund) valued at US\$ 750,000 for two years and one for resilience building to KOICA valued at US\$ 4.7 million. While the KOICA proposal is still in an initial stage, the likelihood of securing the funding from the SDG-F is high, both proposals received high support from the Spanish embassy in India and the KOICA delegation in Sri Lanka respectively. Additionally, a private donation of US\$ 190,000 from Japan has just been confirmed.

18. Furthermore, WFP is expecting approx. 2,970mt of mixed commodities valued US\$ 1.5million to be carried forward to 2015 due to late arrivals of some shipments. (2,150 mt of Rice, 410 mt of pulses, 200 mt of vegetable oil and 210 mt of CSB++).
19. The Government will be responsible and will take the title of the commodities at the entry port (for international purchases) and the subsequent storage, handling and distribution of all commodities to the targeted beneficiaries. Similarly, the Government has established project monitoring teams at the district level and will bear all costs involved for the year 2015. Hence, the Government has allocated US\$ 10 million for these activities. In addition to this, the Government has committed to donate 10,000 mt of rice to WFP Sri Lanka. Out of this pledge, Government has committed two grants in total of 5,757mt. Of this tonnage, WFP has already received 3,500mt. CO is expecting the balance quantity during the harvest season (October 2014–January 2015).

TABLE 1: BENEFICIARIES BY ACTIVITY

Activity [or Component]	Category of beneficiaries	Current			Increase / Decrease			Revised		
		Boys / Men	Girls / Women	Total	Boys / Men	Girls / Women	Total	Boys / Men	Girls / Women	Total
GFA – in-kind	IDPs and returnees	4,800	5,200	10,000	-	-	-	4,800	5,200	10,000
GFA - Voucher	IDPs and returnees	7,200	7,800	15,000	-	-	-	7,200	7,800	15,000
GFA – in-kind	Severely food insecure drought affected	83,712	90,688	174,400	-	-	-	83,712	90,688	174,400
GFA - Voucher		7,152	7,748	14,900	-	-	-	7,152	7,748	14,900
Asset Creation (Low tech) In-kind		40,536	43,914	84,450	-	-	-	40,536	43,914	84,450
Asset Creation (Low tech) In-kind	Food insecure in the north focusing on resettling communities graduated from GFA	6,000	6,500	12,500	-	-	-	6,000	6,500	12,500
Asset Creation (Low tech) – Voucher		6,000	6,500	12,500	-	-	-	6,000	6,500	12,500
Asset Creation – in kind		6,000	6,500	12,500	6,960	7,540	14,500	6,960	7,540	14,500
Asset Creation – Voucher		6,000	6,500	12,500	3,600	3,900	7,500	6,000	6,500	12,500
FFT – in kind		2,400	2,600	5,000	200	300	500	2,400	2,600	5,000
FFT- Voucher		2,400	2,600	5,000	-	-	-	2,400	2,600	5,000
BSFP MAM Prevention	Children 6-23 months	16,800	18,200	35,000	-	-	-	16,800	18,200	35,000
BSFP MAM Prevention 6-59 months	Malnourished Children 6-59 months	-	-	-	33,600	36,400	70,000	33,600	36,400	70,000
BSFP MAM Prevention – PLW	Malnourished PLWs	-	13,000	13,000	-	13,000	13,000	-	13,000	13,000
Treatment of MAM, Children 6-59 months	Malnourished Children 6-59 months	9,600	10,400	20,000	-	-	-	9,600	10,400	20,000
School feeding	Primary school-age children in	76,800	83,200	160,000*	76,800	83,200	160,000	76,800	83,200	160,000*
Total		275,400	311,350	586,750	121,160	144,340	265,500	309,960	348,790	658,750
Adjusted		220,320	238,980	459,000	114,975	139,275	254,000	227,520	246,480	474,000

Total										
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* Out of the above total school children, 88,490 will be catered under the cash pilot scheme and the remaining from in-kind intervention

TABLE 2: FOOD RATION/TRANSFER BY ACTIVITY (g/person/day)					
	FFA *	FFT	Nutrition (PLWs) *	Nutrition (Children 06 – 59 months)	SMP *
Rice	600	600			75
Pulses	100	100			35
Vegetable oil	30	30			15
Supercereal Plus(CSB++)				150	
Supercerel (CSB+)			200		
Cash/voucher (US\$/person/day)	0.83				
TOTAL	730	730	200	150	125
Total kcal/day	2 788	2 788	760	564	514
% Kcal from protein	10.1	10.1	14	16.3	13
% Kcal from fat	11	11	6	19	32
Number of feeding days per year or per month (as applicable)	360	360	360	360	202

* No change from the original PRRO

FOOD REQUIREMENTS

TABLE 3: FOOD/CASH AND VOUCHER REQUIREMENTS BY ACTIVITY				
Activity [or Component]	Commodity/ Cash & voucher	Food requirements (mt) Cash/Voucher (US\$)		
		Current	Increase / Decrease	Revised total
GFA	Commodity	8,296	0	8,296
GFA	Cash and vouchers	4,212,423	0	4,212,423
FFA/ FFT	Commodity	5,418	1,314	6,732
FFA	Cash and vouchers	1,522,553	1,125,000	2,647,553
Nutrition	Commodity	6,164	4,716	10,880
SMP	Commodity	8,555	4,506	13,061
SMP	Cash and vouchers	0	390,800*	390,800
In kind (MT)		28,433	10,536	38,969
In cash and vouchers (US\$)		5,734,976	1,515,800	7,250,776

* Cash transfer for school meals for 2014.

RISK MANAGEMENT

Contextual risks

Sri Lanka is prone to natural disasters. WFP is part of the group that monitors and plans for contingencies under the United Nations Office for the Coordination of Humanitarian Affairs. WFP will develop partnerships in contingency planning with national disaster-management authorities and local emergency-response partners.

Programmatic risks

Lack of timely resources could cause pipeline breaks and reduced or incomplete rations, which could increase hardship and malnutrition for beneficiary households. The nutrition activities will depend on complementary services; FFA and FFT will depend on technical expertise. Risks associated with cash for school meals will be mitigated by well in advance transfer of funds to the Treasury and line Ministries so as to avoid any delay of funds availability for the intended intervention.

Institutional risks

Recent Government imposed restrictions on foreigners movement to the Northern Province might affect the smooth monitoring of the operation. This will be mitigated through securing appropriate clearance of all international staff from the Ministry of Defense.

Security risks

The project area of Northern Sri Lanka is presently at Security level 2 – low with no significant security risks affecting the implementation of the intended interventions, staff and property. Appropriate measures are in place in case of unwarranted security incidents as the field offices are also MOSS compliant.

Approved by:

Ertharin Cousin
Executive Director, WFP

Date

Drafted by: Sri Lanka Country Office
Cleared by: [name] Country Office on [date]
Reviewed by: [name] Regional Bureau
Cleared by: [name] Regional Bureau on [date]
Reviewed by: [name] Regional Bureau Support (OMO)

ANNEX I-A

PROJECT COST BREAKDOWN			
	Quantity (mt)	Value (US\$)	Value (US\$)
<i>Food Transfers</i>			
Cereals	3,600	1,746,000	
Pulses	1,356	644,100	
Oil and fats	558	517,824	
Mixed and blended food (CSB++)	3,780	4,762,811	
Mixed and blended food (CSB+)	936	383,760	
Others (Cfish)	306	1,728,879	
Total Food Transfers	10,536	9,783,374	
External Transport		89,107	
LTSH		150,680	
ODOC Food		439,545	
Food and Related Costs		10,462,706	
C&V Transfers		1,515,800	
C&V Related costs		-	
Cash and Vouchers and Related Costs		1,515,800	
Capacity Development & Augmentation		-	
<i>Direct Operational Costs</i>			11,978,506
Direct support costs (see Annex I-B)			2,315,785
Total Direct Project Costs			14,294,291
Indirect support costs (7,0 percent)			1,000,600
TOTAL WFP COSTS			15,294,891

ANNEX I-B

DIRECT SUPPORT REQUIREMENTS (US\$)	
WFP Staff and Staff-Related	
Professional staff	867,580
General service staff	304,213
Danger pay and local allowances	-
Subtotal	1,171,793
Recurring and Other	474,090
Capital Equipment	61,000
Security	148,102
Travel and transportation	400,800
Assessments, Evaluations and Monitoring	60,000
TOTAL DIRECT SUPPORT COSTS	2,315,785

MAP

