

Countryⁱ & Project No.: DEV-LACO-100781

B/R No.: 908

@ 18 May 2010

BUDGET REVISION FOR THE APPROVAL OF REGIONAL DIRECTOR

	<u>Initials</u>	<u>In Date</u>	<u>Out Date</u>	<u>Reason For Delay</u>
<u>ORIGINATOR</u>				
Country Office or Regional Bureau on behalf of Country Office
<u>CLEARANCE</u>				
Programme Officer, RMBP
Chief, RMBP
Chief, RMBB
Chief, ODLT (change in LTSH and/or External Transport)
<u>APPROVAL</u>				
<input checked="" type="checkbox"/> Regional Director

PROJECT DEV-LACO-100781 "School Feeding"			
	Previous Budget	Revision	New Budget
Food cost ⁱⁱ	US\$ 14,942,005.66	US\$1,542,841.78	US\$ 16,484,847.44
External transport ⁱⁱⁱ	US\$ 2,759,949.00	US\$ 92,212.00	US\$ 2,852,161.00
LTSH ^{iv}	US\$ 4,036,779.00	US\$ 486,720.24	US\$ 4,523,499.24
ODOC ^v	US\$ 1,747,227.00	US\$ 227,288.00	US\$ 1,974,515.00
DSC ^{vi}	US\$ 3,543,235.50	US\$ 696,095.00	US\$ 4,239,330.50
ISC (7%) ^{vii}	US\$ 1,892,043.73	US\$ 213,160.99	US\$ 2,105,204.72
Total WFP cost (US\$)	US\$ 28,921,239.89	US\$3,258,318.01	US\$ 32,179,557.90

TYPE OF REVISION

- Additional commodity
 Additional DSC
 Additional ODOC
 Additional LTSH
 Additional external transport
 Extension or Reduction in time
 Other

DISTRIBUTION:

DED & COO, OD
Deputy COO & Director, ODE
Chief, ODLT
Country Director
OD Registry
Director, ERD

Director, ODX
Chief, RMBP
Chief, ODXR
Programme Officer, RMBP
Programming Assistant, RMBP
Chief, RMBB

Chief, ODXP
Regional Director
RB Programme Advisor
RB Programme Assistant
RB Chrono
Liaison Officer, OD @

NATURE OF THE INCREASE

Additional Commodities:

Additional commodities (2,984mt) are needed to cover the operation until December 2010. Although the food basket composition and the ration size have been adjusted downwards, additional commodities are required due to the additional months proposed and an increase in the number of children during the period of the extension.

Reduction in the number of commodities and ration size: The Ministry of Education (MOE) will receive US\$7 million directly from the Fast Track Initiative, managed by the World Bank for 2011 and 2012 to fund the school meals program in the Lao PDR. The political commitment by the MOE to take over the program is high and the MOE established a new program implementation unit for school meals this year. The WB/WFP partnership will facilitate the handover process. MOE has made it clear that it still requires WFP's assistance and support during the transition period. Over time its expected that WFP support will shift from operational support to technical support.

In order to facilitate the transition, it was agreed with the MOE to reduce the number of food commodities and ration sizes to a level more commensurate to what MOE will provide with the resources they have available. In addition, MOE would like to reduce the unit cost per student to allow further expansion of coverage in the future. In addition, commodities that can be procured in Lao PDR will be utilized. As a result, canned fish is being removed from the take-home ration. In addition the quantity of rice is reduced both from the take-home ration for regular students and from the incentive ration for cooks and storekeepers. Only children who live in the dormitories will receive the extra take-home ration.

Inclusion of Pre-primary School Students: Pre-primary school children will receive mid-morning snacks from September 2010. This is consistent with the ESDF (Education Sector Development Framework) i.e. the sector policy.

Extension in time: From 1 June 2010 to 31 December 2010.

Additional DSC and ODOC: To support the transition towards a National School Meals Programme in the Lao PDR. This approach is in line with the EB-approved school feeding policy of 2009 regarding sustainable school meals programs. There will be additional cost to support capacity development for the Lao Ministry of Education (MOE). Extensive technical assistance will be expected to assist the MOE in implementing the Program. The Program has been selected as a pilot country for WB/WFP partnership to facilitate the hand-over process and proper staffing is needed to run the partnership successfully.

JUSTIFICATION FOR EXTENSION-IN-TIME AND/OR BUDGET INCREASE

Summary of existing project activities

The programme assists children from the most food insecure communities in the six provinces of Lao PDR. Expected outcomes include increased enrolment, reduced gender gap, improved learning capacity and higher school attendance. The project also aims to strengthen the capacity of MOE by providing training, workshop and office equipment and by gradually transferring ownership of school feeding activities to MOE. The program uses two modalities: a) fortified corn-soya blend snack that is prepared at the school with food procured centrally; and b) a take-home ration of rice and salt.

Children who walk more than one hour to school or who live in the dormitories receive extra take-home ration.

School feeding is included in the ESDF as a means to enhance enrollment and attendance, and is also included in the current draft of the National Social and Economic Development Plan (NSED) for 2011 – 2015, expected to be presented to parliament in June 2010.

Conclusion and recommendation of the re-assessment (if applicable)

A mission from OMXD to Laos in 2009 recommended including pre-primary school children in the programme from September 2010. The mission also stressed the importance of cost containment and recommended removing canned fish from the ration. The support to informal boarders and to cooks and storekeepers was also reviewed. The mission also highlighted the importance of capacity development of MOE for sustainable school feeding. The changes in this BR will strengthen national ownership and improve cost-efficiency.

Purpose of extension and/or budget increase (applicable for all projects)

A comprehensive country program is envisaged in 2012 to align the programs to the UNDAF cycle (2012 - 2016). This budget revision serves to bridge the program until the end of 2010 in order to give the country office sufficient time to prepare the next budget revision until the end of 2011, which goes to the Executive Board in November 2010, as gross food requirements for 2011 will exceed USD 3 million.

TABLE 1. BENEFICIARIES BY ACTIVITY TYPE			
	Beneficiaries		
Activity	Present	Increase	Revised
Provision of mid-morning snack and take-home ration	435,300	128,234	563,534
Total	435,300	128,234	563,534

- Specify in a footnote the number of beneficiaries who will receive cash and vouchers (if applicable).

The number of beneficiaries is increased due to the inclusion of pre-primary school students and additional primary school students.

FOOD REQUIREMENTS

1. The proposed addition of 2,984mt of commodities will increase the total project requirements to 29,838mt as indicated in the table below.

TABLE 2. FOOD REQUIREMENTS BY ACTIVITY TYPE

	Food distribution (mt)		
Activity	Present	Increase	Revised
Provision of take-home ration and mid-morning snacks	26,854mt	2,984mt	29,838mt
Total	26,854mt	2,984mt	29,838mt

2. Cost containment and wider opportunity for local procurement are critical to the sustainable school meals programs. Economical programs are easier for the Government to take over and maintain.

Following the ration review mission by OMXD and consultations with MOE, the following changes are recommended: no more canned fish; scale up of local procurement; reduced quantity of rice for take-home rations; incentives for cooks and storekeepers; and only children who live in the dormitories to receive extra take-home rations. These changes are to make the program simple and easier for MOE to manage.

Pre-primary school children will receive mid-morning snacks from September 2010 to enhance early child development, address hunger and to ensure enrolment in primary grade. Options for local procurement of fortified foods for the mid-morning snack are being explored under the P4P initiative in Laos, but it is too early to determine feasible modalities, hence international procurement of CSB is still envisaged and included in the budget.

School year in Lao PDR consists of two semesters; one from February to May and another from September to December.

ⁱ If a regional project, please specify the countries concerned

ⁱⁱ Food cost can comprise both commodities and cash/voucher transfers.

ⁱⁱⁱ The first leg of transport for commodities: from the donor country to the recipient country port, or in cases of regional commodity purchases, from the place of purchase to the recipient country.

^{iv} Landside, Transport, Storage and Handling - LTSH comprises the actions required to (a) care for and (b) physically deliver the commodities from the completion of external transport through to final distribution.

^v Other Direct Operational Costs - ODOC include deliverable goods (non-food items), services and training to beneficiaries and/or to implementing partners.

^{vi} Direct Support Costs - DSC are those costs which are incurred directly in support of projects by a WFP Country Office.

^{vii} Indirect Support Costs - ISC is a fixed rate resourced from all donor contributions, which is used to cover (non-project) corporate overhead costs, i.e. PSA.