

**BUDGET REVISION FOR THE APPROVAL OF REGIONAL DIRECTOR**

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

<b>PROJECT</b>	<b>Previous Budget</b>	<b>Revision</b>	<b>New Budget</b>
Food cost <sup>1</sup>	US\$ 15,582,696	US\$ 678,780	US\$ 16,261,476
External transport <sup>2</sup>	US\$ 1,424,643	US\$	US\$ 1,424,643
LTSH <sup>3</sup>	US\$ 4,434,233	US\$ 94,853	US\$ 4,529,086
ODOC <sup>4</sup>	US\$ 896,766	US\$ 48,012	US\$ 944,778
DSC <sup>5</sup>	US\$ 3,339,620	US\$ 94,856	US\$ 3,434,476
ISC (7%) <sup>6</sup>	US\$ 1,797,457	US\$ 64,155	US\$ 1,861,612
<b>Total WFP cost (US\$)</b>	<b>US\$ 27,475,415</b>	<b>US\$ 980,656</b>	<b>US\$ 28,456,071</b>

  

<b><u>TYPE OF REVISION</u></b>				
<input checked="" type="checkbox"/> Additional commodity	<input checked="" type="checkbox"/> Additional DSC	<input checked="" type="checkbox"/> Additional ODOC	<input checked="" type="checkbox"/> Additional LTSH	
<input type="checkbox"/> Additional external transport	<input checked="" type="checkbox"/> Extension or Reduction in time		<input type="checkbox"/> 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  
Liaison Officer, OD @

Chief, ODXP  
Regional Director  
RB Programme Advisor  
RB Programme Assistant  
RB Chrono

<sup>1</sup> Food cost can comprise both commodities and cash/voucher transfers.

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> Other Direct Operational Costs - ODOC include deliverable goods (non-food items), services and training to beneficiaries and/or to implementing partners.

<sup>5</sup> Direct Support Costs - DSC are those costs which are incurred directly in support of projects by a WFP Country Office.

<sup>6</sup> 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.

## **NATURE OF THE INCREASE**

1. A budget revision for Laos PRRO 10566.0 ‘Assistance to Food Insecure Households Affected by Multiple Livelihood Shocks’ is proposed to:
  - Extend in time the project from November 2010 to February 2011;
  - Provide an additional 1,303 MT of food commodities valued at US\$ 678,780; and
  - Undertake supplementary feeding and support to therapeutic feeding.

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

### **Summary of existing project activities**

2. The PRRO was originally designed to provide assistance to food insecure households through: 1) food relief in times of emergency; 2) creation of physical and human assets using food-for-work and food-for-training; and 3) nutritional support to people living with HIV/AIDS. The HIV/AIDS component was phased out in 2009.
3. As a result of a series of natural disasters in the last two years, greater emphasis has been placed on the relief component of the PRRO, which now comprises 95 percent of the resource requirements of the project. One of the most serious recent disasters was Typhoon Ketsana, which struck the southern part of the country on 30 September 2009. The PRRO was extended in time to October 2010, so that WFP could distribute rice to food insecure populations affected by the typhoon (and other disasters) through the harvest.

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

4. In June 2010, the Government of Lao PDR with support from UNICEF conducted a nutritional assessment in the Ketsana-affected provinces of Attapeu, Saravan, Savannakhet, and Sekong. It found ‘critical’ levels (18.9 percent) of Global Acute Malnutrition (GAM) in Attapeu and ‘serious’ GAM rates above 10 percent in the neighbouring provinces of Saravan and Savannakhet (12.1 percent and 11.9 percent, respectively). Sekong had a lower rate at 7.6 percent. A previous survey (though not directly comparable) had recorded GAM rates of 9.4 percent for the southern parts of the country<sup>7</sup>.
5. The assessment identified both inadequate food intake and disease as immediate causes of the high rates of acute malnutrition. Typhoon Ketsana led to extensive flooding and wind damage just before the harvest in 2009, leaving much of the population with insufficient food stocks until the next harvest in October 2010. The assessment showed that less than 10 percent of children in the affected provinces had a minimally acceptable diet. At the same time, the assessment found that morbidity rates had reached critical levels. In Attapeu, over 50 percent of the children reported being ill in the 15 days before the survey.
6. Although recognizing the life-saving contribution of WFP’s general food distributions, the assessment felt that the ration, which consists solely of rice, could be larger and have a better nutritional composition. Moreover, while emphasis had been placed on the prevention of acute malnutrition, there was almost no strategy for the treatment of moderate and severely malnourished children.

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<sup>7</sup> WFP’s Comprehensive Food Security and Vulnerability Analysis (CFSVA) from 2006 found GAM rates of 9.4 percent for the Mekong Corridor and 9.3 percent for the Central and Southern Highlands. However, some caution must be used in making direct comparisons for two reasons: 1) the CFSVA was conducted in October and November at the end of the lean season and start of the harvest while the UNICEF-supported study was carried out in June; and 2) the CFSVA aggregated large populations based on agro-ecological zones, while the UNICEF-supported study has province-specific data.

7. Given these findings, the assessment recommended an urgent joint response in Attapeu, Saravan and Savannakhet that would include strategies for: the identification of malnourished children; the treatment of the severe and moderate malnutrition; and, until the harvest in October 2010, the prevention of more cases by combining a more nutritionally balanced general food ration with improved access to soap, safe drinking water and immunizations<sup>8</sup>.

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

8. Working closely together, the Ministry of Health, local government, UNICEF, WHO, and WFP have developed a strategy for the integrated management of acute malnutrition. Under this strategy, which is pioneering in the Laos context, health teams will screen children for moderate and severe acute malnutrition using MUAC at the village level in the affected parts of Attapeu, Saravan and Savannakhet. They will also identify pregnant and lactating women, since this group is particularly vulnerable to malnutrition. The teams will refer the malnourished children and pregnant and lactating women to rural health centres where they will receive more thorough assessment and treatment as required. Cases of acute malnutrition with complications will be referred to the district- or provincial-level hospitals.
9. WFP will support this overall strategy in several critical ways<sup>9</sup>. First, it will provide supplementary feeding to treat 6,800 moderately malnourished children under five years of age. The children will be given a one-month ration of rice-soya blend plus (RSB+) and oil, but will return to the health centre to have their progress monitored and to receive an additional ration during each of the subsequent two months. Second, 2,300 pregnant and lactating mothers will receive a similar ration to the children, but in this case, the emphasis will be on preventing acute malnutrition in a group that is at high risk.
10. Third, WFP will provide a ration of rice to 2,860 caretakers of children who are enrolled in the therapeutic feeding programme. This ration will enable the caretakers to remain with the children while they complete the full one-month treatment at the health centre. Fourth, a protection ration of rice will be offered to the members of any households with children suffering from moderate or severe acute malnutrition. This ration, reaching 36,000 people, will help ensure that the food intended for the children is not consumed by other household members.
11. Finally, recognizing the challenges of setting up this new programme in Laos, WFP will support the training of government health officials and will work with NGOs to augment government capacity to carry out the village screenings, treat the moderately malnourished at health centres, and provide ration entitlements to caretakers and households.
12. Given the urgency of the situation, the government and UN partners have accelerated the preparations and trainings<sup>10</sup> so that the programme can begin in the most severely affected province, Attapeu, in October and then be rolled out to the other two provinces, Saravan and Savannakhet, in November. The aim is to bring the GAM rates below 10 percent.

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<sup>8</sup> This budget extension does not include a general food distribution because it will be largely implemented after the harvest. However, UNICEF is exploring the distribution of micronutrient powder and soap to complement the general rations that will be given out through October 2010.

<sup>9</sup> Although WFP already has a mother child health and nutrition (MCHN) program in the north of the country, this budget revision proposes a distinct intervention focused on the treatment of moderate acute malnutrition in southern provinces.

<sup>10</sup> WHO, UNICEF, WFP and the Government have already developed agreed protocols and guidelines for the management of acute malnutrition.

TABLE 1. BENEFICIARIES BY ACTIVITY TYPE			
	Beneficiaries		
Activity	Present	Increase	Revised
Supplementary Feeding (U5)	0	6,800	6,800
Supplementary Feeding (PLW)	0	2,300	2,300
Caretaker Ration	0	2,860	2,860
Protection Ration	0	36,000	36,000
<b>Total</b>	<b>0</b>	<b>47,960</b>	<b>47,960</b>

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

## FOOD REQUIREMENTS

TABLE 2. FOOD REQUIREMENTS BY ACTIVITY TYPE

	Food distribution (mt)		
Activity	Present	Increase	Revised
Supplementary Feeding (U5)	0	135	135
Supplementary Feeding (PLW)	0	45	45
Caretaker Ration	0	43	43
Protection Ration	0	1,080	1,080
<b>Total</b>	<b>0</b>	<b>1,303</b>	<b>1,303</b>

TABLE 3. FOOD RATIONS BY ACTIVITY TYPE

Activity	Commodity	Daily Ration (g)	Days
Supplementary Feeding (U5 and PLW)	Rice Soy Blend (RSB+)	200	90
	Oil	20	90
Caretaker Ration	Rice	500	30
Protection Ration	Rice	333.3	90

*Note:* The supplementary feeding ration will provide 1000 Kcal, 32 g protein, 32 g fat and a range of micronutrients per day. The caretaker ration will provide 1800 Kcal, 35 g protein, 2.5 g of fat and minimal micronutrients per day. The protection ration will provide 1200 Kcal, 23 g protein, 1.7 g of fat and minimal micronutrients per day.

- Currently, under the general food distribution, WFP and partners deliver the rations to final distribution points in villages. For the intervention during this extension in time, the rations will be delivered to and distributed from approximately 100 rural health centres in the three provinces.

## Summary of Log Frame Lao PDR: PRRO No. 105660 B/R No. 911

Results-Chain (Logic Model)	Performance Indicators	Risks, Assumptions
<b>STRATEGIC OBJECTIVE # 1: Save Lives and Protect Livelihoods in Emergencies</b>		
<b>Outcome 1</b> Reduced or stabilized acute malnutrition in children under 5 in targeted, emergency-affected populations	<ul style="list-style-type: none"> <li>- Prevalence of acute malnutrition among children under 5 (weight-for-height as %) <i>Target: 10 percent or below</i></li> <li>- Mortality rate at supplementary feeding centres <i>Target: less than 2 percent</i></li> <li>- Recovery rate at supplementary feeding centres <i>Target: more than 75 percent</i></li> <li>- Default rate at supplementary feeding centres <i>Target: less than 15 percent</i></li> </ul>	<ul style="list-style-type: none"> <li>- No major outbreak of disease epidemic</li> <li>- No additional shock to emergency-affected populations</li> </ul>
<b>Output 1</b> Food items distributed in sufficient quantity and quality to targeted women, men, girls and boys under secure conditions	<ul style="list-style-type: none"> <li>- Number of women, men, girls and boys receiving food items, by category and as % of planned figures <i>Target: more than 90 percent</i></li> <li>- Tonnage of food distributed, by type, as % of planned distribution <i>Target: more than 90 percent</i></li> <li>- Quantity of fortified foods, complementary foods and special nutritional products distributed, by type, as % of planned distribution <i>Target: more than 90 percent</i></li> </ul>	<ul style="list-style-type: none"> <li>- No significant food pipeline breaks</li> </ul>