

PROJECT REVISION FOR THE APPROVAL OF:
➤ Deputy Executive Director and COO - Operations Department

	<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>				
Regional Director,
Project Budget and Programming Officer, RMBP
Chief, RMBP
Chief, ODLT (change in LTSH and/or External Transport)
Director and Deputy CFO, RMB
Director, ODX
<u>APPROVAL</u>				
Deputy Executive Director and COO - OD

PROJECT	Previous Budget	Revision	New Budget
Food cost ¹	US\$ 16,261,477	US\$ 2,820,822	US\$ 19,082,299
External transport ²	US\$ 1,424,643	US\$ 366,165	US\$ 1,790,808
LTSH ³	US\$ 4,529,086	US\$ 593,697	US\$ 5,122,783
ODOC ⁴	US\$ 944,778	US\$ 37,450	US\$ 982,228
DSC ⁵	US\$ 3,434,475	US\$ 442,426	US\$ 3,876,901
ISC (7%) ⁶	US\$ 1,861,612	US\$ 298,239	US\$ 2,159,851
Total WFP cost (US\$)	US\$ 28,456,071	US\$ 4,558,799	US\$ 33,014,870
<u>TYPE OF REVISION</u>			
<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 checked="" type="checkbox"/> Additional external transport	<input type="checkbox"/> Other	<input type="checkbox"/> Re-orientation	<input checked="" type="checkbox"/> Extension in time

DISTRIBUTION:

Chief, ODLT	DED & COO	Regional Director
Country Director	Chief, ODXP & RMBP & ODXR	RB Programme Advisor
OD Registry	Programme Officer, RMBP	RB Programme Assistant
ERD	Programming Assistant, RMBP	RB Chrono
	RMB	Liaison Officer, OD Bangkok

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

² 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.

³ 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.

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

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

⁶ 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 to the Lao People's Democratic Republic (PDR) protracted relief and recovery operation (PRRO) 105660 'Assistance to Food Insecure Households Affected by Multiple Livelihood Shocks' is proposed to provide short-term and targeted assistance to 133,000 food-insecure people affected by the late-2009 Tropical Storm Ketsana, the 2010 drought and subsequent localized flash floods.
2. More specifically, the budget revision will:
 - extend-in-time the PRRO until November 2011;
 - provide an additional 5,070 mt of food valued at US\$2.8 million;
 - extend and strengthen nutrition interventions, including support for pregnant and lactating women and young children during the critical 1,000 day period from conception to two years of age;
 - increase the associated costs by US\$1.4 million, consisting of external transport, land transport, storage and handling (LTSH), other direct operational costs (ODOC) and direct support costs (DSC); and
 - increase the indirect support costs (ISC) by US\$298,000.

JUSTIFICATION FOR EXTENSION-IN-TIME AND BUDGET INCREASE

Summary of existing project activities

3. The PRRO was originally designed to provide assistance to food-insecure households through: i) relief distributions to shock-affected communities; ii) creation of physical and human assets through food for work (FFW) and food for training (FFT); and iii) nutritional support to people living with HIV and AIDS.
4. While the HIV and AIDS component was phased out in 2009,⁷ greater emphasis has been placed on the relief component of the PRRO and particularly on strengthened interventions to address acute malnutrition following a series of natural disasters in the last two years. Relief interventions now comprise 90 percent of the PRRO requirements. One of the most serious recent disasters was Typhoon Ketsana, which struck the southern part of the country in September 2009. Under this PRRO, WFP distributed rice to food-insecure populations affected by the typhoon (and other disasters) through to the harvest period in 2010.
5. In June 2010, the United Nations Children's Fund (UNICEF) supported the Government to conduct a nutritional assessment,⁸ which found critical levels (above 15 percent) of global acute malnutrition (GAM) in the Typhoon Ketsana-affected provinces. In response to the assessment, the Government and partners undertook urgent nutrition interventions, including the dispatch of therapeutic feeding kits to severely affected areas and training of health staff and volunteer community workers responsible for the screening of malnourished children and pregnant/lactating women. UNICEF agreed to accelerate the distribution of micronutrient powder for children aged 6-23 months. The World Health Organization (WHO) scaled up its training on the treatment of acute malnutrition at hospitals. WFP extended-in-time the PRRO to provide targeted supplementary feeding to malnourished children 6-59 months and protection rations for their families through to the end of February 2011.

Conclusion and recommendation of the re-assessment

⁷ The HIV and AIDS component was phased out for a number of reasons: (i) the small number of food-insecure people reached by the programme; (ii) the increased capacity at the national level to address the problem; and (iii) uncertainty over the cost-effectiveness of the activities.

⁸ National Institute of Public Health and Department of Statistics, Lao PDR, 2010, *Nutritional Assessment in 2008-2009 Flood and Typhoon Ketsana Affected Provinces of Lao PDR*.

6. During the 2010 agricultural season, WFP, non-governmental organizations (NGOs) and government counterparts raised concerns about the possible impact of dry spells and floods on the harvest, especially in parts of the south, where populations are still recovering from Typhoon Ketsana and have high rates of acute malnutrition. In November 2010, at the request of the Government, the Food and Agriculture Organization of the United Nations (FAO) and WFP carried out a crop and food security assessment mission (CFSAM) throughout the country.⁹
7. Using a combination of quantitative and qualitative methods, the assessment found that food production was generally adequate in the northern provinces. However, as a result of incomplete recovery following Typhoon Ketsana in late-2009 and the 2010 drought and floods, over 70 percent of the population in nine districts in the south and central parts of the country had less than three months of food from their own production and limited income or assets to purchase additional commodities on the market. Food insecurity has been exacerbated by rising food prices: the CFSAM reported that rice prices peaked at an unusually high level in August and September 2010, reflecting fears of low production both nationally and regionally, and remained higher-than-expected after the harvest. The high prices raise concerns about access to food for the poorest households. The provinces most affected by these shocks include: Khammaune, Attapeu, Saravan, Sekong, and Savannakhet. The assessment recommended targeted food assistance for around 112,000 people during the lean season until the new harvest in November 2011.
8. Data from nutritional screening undertaken through the supplementary feeding programme suggested that GAM rates remain high in some of the affected areas. The government/UNICEF survey conducted in June 2010 found 'critical' levels (above 15 percent) of GAM in Attapeu (18.9 percent) 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. Screening data from December 2010 and January 2011 in Attapeu suggested continued high GAM levels in all districts.

Purpose of extension and budget increase

9. Based on the findings of the food security assessments and in recognition of the nutritional challenges facing the communities, this budget revision will extend the PRRO through to the end of November 2011 to ensure that WFP can meet the needs of the affected populations. WFP's response will include: i) targeted food distributions to vulnerable populations to prevent them from becoming malnourished; ii) targeted supplementary feeding to treat moderate acute malnutrition among children aged 6-59 months and prevent malnutrition among pregnant and lactating women; iii) support to caretakers of children admitted in therapeutic feeding centres for the duration of the treatment; and iv) provision of a 'protection' ration for the families of malnourished children.
10. General food rations will be provided for a three-month period to around 112,000 people in the nine most food-insecure districts to help the population bridge the critical gap to the next harvest in November 2011. Within these districts, WFP will target the whole population in villages where 70 percent of the households were estimated to be food-insecure at the time of the assessment, since food insecurity is expected to worsen during the lean season.
11. WFP will also continue to work with the Ministry of Health, WHO and UNICEF to implement a pioneering strategy for the integrated management of acute malnutrition. Under this strategy, health teams screen children for moderate and severe acute malnutrition using the mid-upper arm circumference (MUAC) at the village level in the affected parts of Attapeu, Saravan and Savannakhet provinces. They also identify pregnant and lactating women, since this group is particularly vulnerable to malnutrition. The teams refer the malnourished children and pregnant and lactating women to rural health centres, where they receive more thorough assessment and

⁹ WFP/FAO, LAO PDR - Crop and Food Security Assessment, March 2011.

treatment. Cases of acute malnutrition with complications are referred to hospitals at the district or provincial levels.

12. Under this integrated programme for management of acute malnutrition, WFP will continue to provide supplementary food to around 3,600 moderately malnourished children aged 6-59 months. The children will be given a ration of rice-soya blend plus (RSB+) and vegetable oil for 3 months. They will be regularly monitored at the health centre. To prevent acute malnutrition, about 13,500 pregnant and lactating women will also benefit from supplementary feeding. This support is crucial during the first 1,000 days from pregnancy to 23 months; over half the children in rural areas have not been growing to their full physical or mental potential. The Lao People's Democratic Republic is home to one of just two pilots in the world for the REACH¹⁰ partnership between the Government, United Nations agencies, NGOs, the private sector and civil society to combat child malnutrition.
13. A 'protection' ration of rice will be offered to the families of severely and moderately malnourished children for a 3-month period. This ration, reaching 16,000 people, will help ensure that the nutritious food intended for the children is not consumed by other household members.¹¹
14. Recognizing the challenges of implementing this new programme in Laos, WFP will support the training of government health officials and will work with NGOs to augment government capacity to manage acute malnutrition, including conducting nutritional screening, providing treatment through the health centres, and distributing the food rations. The aim is to bring the GAM rates below 10 percent.

TABLE 1. BENEFICIARIES BY ACTIVITY TYPE

Activity	Nov 2010- Feb 2011	Mar - Nov 2011	Nov 2010- Nov 2011
Supplementary feeding – Children 6-59 months	6,800	3,581	10,381
Supplementary feeding – Pregnant and lactating women	2,300	13,474	15,774
Caretaker ration	2,860	300	3,160
Protection ration	36,000	16,000	52,000
General food distribution	0	111,918	111,918
Adjusted total*	41,160	133,392	174,552

* The total number of beneficiaries has been adjusted to avoid double-counting of beneficiaries assisted through more than one activity.

¹⁰ "REACH" is the partnership to end child hunger.

¹¹ In some districts and villages in Attapeu, Saravan and Savannakhet provinces, approximately 8,300 family members in households with malnourished children receiving protection rations will also benefit from general food distributions. This recognizes that households with a malnourished child are among the most vulnerable and the three-month general food ration only covers part of the households' food needs until the harvest in November (in many of these villages, the households' food stocks were exhausted by May).

FOOD REQUIREMENTS

15. Food rations have been designed in accordance with the local food habits and WFP guidelines.

TABLE 2. FOOD RATIONS BY ACTIVITY TYPE								
Activity	Rice	Vegetable oil	RSB+	Total	Kcal value	No. of feeding days	% Kcal from protein	% Kcal from fat
Supplementary feeding		20	200	220	1,000	90	15.37	30.74
Caretaker ration	500			500	1,800	14	7.78	1.25
Protection ration	250			250	900	90	7.78	1.25
General food distribution	400	33		433	1,732	90	6.47	18.19

16. The total food requirements will increase by 5,070 mt as follows:

TABLE 3. FOOD REQUIREMENTS BY ACTIVITY TYPE (mt)			
Activity	Present	Increase	Revised
Supplementary feeding – Children 6-59 months	135	79	214
Supplementary feeding – Pregnant & lactating women	45	268	313
Caretaker ration	43	2	45
Protection ration	1,080	360	1,440
General food distribution	27,190	4,361	31,551
FFW	9,838		9,838
HIV support	60	-	60
Total	38,391	5,070	43,461

Summary of Log Frame Lao PDR: PRRO 105660 budget revision No. 12

Results-Chain (Logic Model)	Performance Indicators	Risks, Assumptions
STRATEGIC OBJECTIVE 1: Save Lives and Protect Livelihoods in Emergencies		
Outcome 1 Reduced acute malnutrition in children under 5 in targeted, emergency-affected populations	<ul style="list-style-type: none"> - Prevalence of acute malnutrition among children under 5 (weight-for-height as %) <i>Target:</i> 10 percent or below - Mortality rate at supplementary feeding centres <i>Target:</i> less than 2 percent - Recovery rate at supplementary feeding centres <i>Target:</i> more than 75 percent - Default rate at supplementary feeding centres <i>Target:</i> less than 15 percent 	<ul style="list-style-type: none"> - No major outbreak of disease epidemic - No additional shock to emergency-affected populations

<p>Output 1 Food items distributed in sufficient quantity and quality to targeted women, men, girls and boys under secure conditions</p>	<ul style="list-style-type: none"> - Number of women, men, girls and boys receiving food items, by category and as % of planned figures <i>Target: more than 90 percent</i> - Tonnage of food distributed, by type, as % of planned distribution <i>Target: more than 90 percent</i> - Quantity of fortified foods, complementary foods and special nutritional products distributed, by type, as % of planned distribution <i>Target: more than 90 percent</i> - 	<ul style="list-style-type: none"> - No significant food pipeline breaks
<p>Outcome 2 Improved food consumption over assistance period for targeted households</p>	<ul style="list-style-type: none"> - Household food consumption score <i>Target: greater than 21</i> 	<ul style="list-style-type: none"> - No additional shock to emergency-affected populations
<p>Output 2 Food items distributed in sufficient quantity and quality to targeted women, men, girls and boys under secure conditions</p>	<ul style="list-style-type: none"> - Number of women, men, girls and boys receiving food items, by category and as % of planned figures <i>Target: more than 90 percent</i> - Tonnage of food distributed, by type, as % of planned distribution <i>Target: more than 90 percent</i> 	<ul style="list-style-type: none"> - No significant food pipeline breaks