

**Budget Revision to Protracted Relief and Recovery Operation (PRRO) – Sri Lanka
10756.0 “Food for Peace-Building and Recovery in Conflict Affected Areas”
Budget Revision No. 01**

	Cost (United States dollars)		
	Present budget	Increase	Revised budget
Food cost	81,782,753	12,511,661	94,294,414
External transport	13,150,692	-	13,150,692
LTSH	3,268,488	1,225,725	4,494,213
ODOC	660,950	1,000,000	1,660,950
DSC	11,250,591	1,231,178	12,481,769
ISC (7%)	7,707,943	1,117,780	8,825,743
Total cost to WFP	117,821,417	17,086,364	134,907,781

NATURE OF THE REVISION

- This budget revision to the protracted relief and recovery operation (PRRO) 10756.0 is being proposed in order to:
 - Provide an additional 26,122 mt of food valued at US\$12.5 million;
 - Increase the landside transport, storage and handling (LTSH) costs by US\$1.2 million;
 - Increase the level of direct support costs (DSC) by US\$1.2 million;
 - Increase the level of other direct operational costs (ODOC) by US\$1 million.
- The proposed budget increase, which amounts to a total of US\$17.1 million, will allow WFP to respond to the recent large-scale influx of internally displaced persons (IDPs) from the conflict area in the districts of Vavuniya, Jaffna, Trincomalee and Mannar.

JUSTIFICATION FOR THE BUDGET REVISION

Summary of existing project activities

- The Sri Lanka PRRO 10756.0 was approved in October 2008 for the period 2009-2010. The overall PRRO objective is to save lives and rebuild the livelihoods of IDPs and other conflict-affected people. Under this PRRO, WFP has been providing food assistance to hundreds of thousands of IDPs who fled their homes as a result of renewed conflict in the north. The specific needs of children and women have been addressed through food for education (FFE) and mother-and-child health and nutrition (MCHN) activities.
- Most of WFP’s food assistance is channelled through targeted relief food distributions. Recovery activities, such as food for work (FFW), food for training (FFT) and food for education (FFE) focus on restoring household livelihoods and food security. All activities are implemented through government counterparts and in collaboration with United Nations agencies and non governmental organizations

(NGOs). This ensures the sustainability of activities through integration with government policies and plans, and supports the exit strategy.

Conclusions and recommendations of the re-assessment

5. As a result of the escalation of the conflict, approximately 300,000 IDPs have fled the Vanni area since October 2008. They are now hosted in temporary transit centres and IDP settlements, primarily in the districts of Vavuniya, Jaffna, Trincomalee, and Mannar. On 19 May 2009, the Government of Sri Lanka declared the end of 26 years of civil conflict and requested the assistance of the United Nations and NGOs to address the new humanitarian requirements.
6. The IDPs in the transit centres and settlements are highly vulnerable. Their livelihoods and coping mechanisms have been eroded by multiple displacements and the loss of productive assets. The nutritional status of the elderly, pregnant/lactating women and young children has deteriorated. The IDPs are not allowed to move freely outside of the temporary transit centres due to the current security restrictions in place. As a result, they have become completely dependent on humanitarian assistance to meet their basic food needs.
7. The proposed budget revision falls under the 2009 Common Humanitarian Action Plan (CHAP). The overall CHAP requirements are currently being revised to reflect the increased humanitarian needs as part of the ongoing Mid-Year Review process.

Purpose of the budget revision

8. The purpose of this budget revision is to:
 - a. expand the targeted relief distributions to an additional 50,000 IDPs not covered under the current PRRO budget;
 - b. increase the daily food ration from 1,900 to 2,100 kcal per person under the targeted relief distributions;
 - c. provide supplementary food rations (through MCHN) to an additional 20,000 children under 5 and pregnant and lactating women among the displaced populations; and
 - d. add 1,242 mt of canned fish to the food basket in order to transfer an in-kind donation of canned fish from the previous operation.
9. In response to the recent influx of IDPs from the Vanni area, WFP plans to assist all IDPs who have been accommodated in temporary transit centres through targeted relief distributions for a period of 8 months.
10. Prior to the recent crisis, WFP was already supporting, under the PRRO, 117,000 IDPs in the districts of Kilinochchi and Mullaitivu. In addition, a contingency assistance plan for 133,000 IDPs was included under the original PRRO budget in anticipation of new population displacements. With the recent IDP influx, WFP has drawn from its contingency plan to assist 133,000 newly-arrived IDPs. However, the PRRO requirements must be further increased to meet the needs of an additional 50,000 IDPs.
11. The current ration under the targeted relief distributions was designed initially to provide 1,900 kcal per person per day, as IDPs were expected to be able to supplement their food basket with their own resources. However, given that the newly-arrived IDPs are restricted from leaving the temporary transit centres, they

have become completely reliant on humanitarian assistance to meet their basic needs. In order to prevent a deterioration of their nutritional status, WFP will increase its relief ration from 1,900 to 2,100 Kcal per person per day.

12. Due to observed high malnutrition rates among the vulnerable IDPs, an estimated additional 20,000 children under 5 and pregnant/lactating women will also receive a supplementary MCHN ration, composed of corn-soya blend (CSB), oil and sugar.

13. Table 1 summarizes the current PRRO beneficiary caseload and the planned increase for each activity.

Table 1. Beneficiaries by activity type

Beneficiary Category by Programme Component	Total Beneficiaries		
	Present	Increase	Revised
Targeted Relief Distributions	433,000	50,000	483,000
≈ IDPs	250,000*	50,000	300,000
≈ Other conflict/ economically affected people	183,000	--	183,000
MCHN	225,000	20,000**	245,000
≈ Pregnant and Lactating Women	72,000	5,455	77,455
≈ Children 6-59 months	153,000	14,545	167,545
FFE	344,000	--	344,000
FFW and FFT	173,000	--	173,000
Total	1,175,000	70,000	1,245,000

* The current caseload of 250,000 IDPs includes a contingency for additional displacement, which has enabled the country office to assist 133,000 out of the recent IDP influx.

** This additional caseload, combined with an existing caseload of 25,000 beneficiaries from Kilinochchi and Mullaitivu will receive MCHN services in the camps.

FOOD REQUIREMENTS

14. WFP will increase its relief ration to 2,100 kcal per person per day by adding 50 grams of rice and 5 grams of oil to the original ration. In addition, beneficiaries will receive 5 grams of salt fortified with iodine, which will also improve the palatability of the food ration. Composition of the new ration for targeted relief distributions will be as follows:

Table 2: Targeted Relief Food Ration (per person per day)

Commodity	Current (g)	Revised (g)
Rice	200	250
Wheat Flour	200	200
Pulses	60	60
Oil	20	25
Sugar	20	20
Iodized Salt	0	5

15. Through this budget revision, the total PRRO food requirements will increase from 135,575 mt to 161,697 mt. Table 3 provides the detailed increase in food requirements for each activity:

Table 3: Food requirements by activity type

Activity	Food requirements (mt)		
	Present	Increase	Revised
Targeted Relief Distributions	83,100	25,522	108,622
MCHN	18,525	600	19,125
FFE	16,450	0	16,450
FFW/FFT	17,500	0	17,500
TOTAL	135,575	26,122	161,697

16. WFP's activities will continue to be implemented in close coordination with the Government, and in particular with the Ministry of Nation Building and Estate Infrastructure Development, the Ministry of Resettlement and Disaster Relief Services and District Secretariats. WFP will also continue to work in partnership with other United Nations partners and NGOs. Cluster meetings are held weekly and specific Humanitarian Operation Group meetings are coordinated by the Office for the Coordination of Humanitarian Affairs (OCHA). WFP encourages women's participation in the food management and distribution at the feeding sites, and where possible, ration cards will be issued in women's names.

RECOMMENDATION

17. The proposed additional commitment of food and associated costs, resulting in the revised budget for Sri Lanka PRRO 10756.0 is recommended to the Executive Director for approval.

APPROVAL

Josette Sheeran
Executive Director, WFP

Date

BUDGET INCREASE COST BREAKDOWN			
	Quantity (mt)	Average Cost per Ton	Value (dollars)
WFP COSTS			
A. Direct operational costs			
Commodity ¹			
Rice	11,584	325	3,764,800
W/Flour	8,784	536	4,716,166
Pulses	2,435	363	883,923
Sugar	927	482	447,469
Oil	1,310	955	1,251,429
CSB	480	446	214,094
Salt	360	83	29,880
Canned Fish	242	4,974	1,203,900
Total commodities	26,122		12,511,661
External transport			-
Landside transport			-
- Subtotal for ITSH			-
Total LTSH			1,225,725
Other direct operational costs			1,000,000
Total direct operational costs			14,737,386
B. Direct support costs (see Annex II for details)			
Total direct support costs			1,231,178
C. Indirect support costs (7 percent of total direct costs)			
			1,117,799
TOTAL WFP COSTS			17,086,364

¹ This is a notional food basket used for budgeting and approval purposes. The precise mix and actual quantities of commodities to be supplied to the project, as in all WFP-assisted projects, may vary over time depending on the availability of commodities to WFP and domestically within the recipient country.

DIRECT SUPPORT REQUIREMENTS (US\$)	
(Incremental Budget)	
Staff	
International professional staff	609,420
National professional officers	-
National general service staff	31,797
Temporary assistance	-
Overtime	-
Incentives	42,600
International consultants	256,000
United Nations volunteers	-
Staff duty travel	3,361
Staff training and development	-
Subtotal	943,178
Office expenses and other recurrent costs	
Rental of facility	-
Utilities (general)	-
Office supplies	-
Communication and IT services	48,000
Insurance	-
Equipment repair and maintenance	-
Vehicle maintenance and running cost	-
Other office expenses	-
United Nations Organizations Services	-
Subtotal	48,000
Equipment and other fixed costs	
Furniture tools and equipment	-
Vehicles	-
TC/IT equipment	240,000
Subtotal	240,000
TOTAL DIRECT SUPPORT COSTS	1,231,178