

Budget Revision No. 2 to Protracted Relief and Recovery Operation Sri Lanka 107560, “Food for Peace-Building and Recovery in Conflict-Affected Areas”.

	Cost (United States dollars)		
	Present budget	Increase	Revised budget
Food cost	94,294,414	18,851,927	113,146,341
External transport	13,150,692	4,411,349	17,562,041
LTSH	4,494,213	1,706,991	6,201,204
ODOC	1,660,950	242,467	1,903,417
DSC	12,481,769	1,510,820	13,992,589
ISC (7%)	8,825,743	1,870,649	10,696,392
Total cost to WFP	134,907,781	28,594,203	163,501,984

NATURE OF INCREASE

1. This budget revision is proposed to increase the protracted relief and recovery operation (PRRO) 107560 food basket by 40,662 mt in response to the additional food needs of internally displaced persons (IDPs) and IDP returnees. The PRRO covers the period 1 January 2009 to 31 December 2010. The total value of the budget increase, including associated costs, amounts to US\$28,594,203.

JUSTIFICATION FOR BUDGET INCREASE

2. Sri Lanka’s twenty-six year long conflict in the north, which ended in May 2009, has left a large number of people internally displaced, livelihoods and coping mechanisms eroded, and people entirely dependent on humanitarian assistance. More than half of the IDPs (of whom about 51 percent are female) have returned to their original homes or joined host families, with some 100,000 IDPs housed in temporary camps mainly in Vavuniya, Jaffna, Trincomalee, and Mannar districts.
3. Although the IDPs faced numerous challenges in over congested camps, with no freedom of movement or access to external socio-economic activities, the Government recently declared the camps open with relaxed freedom of movement. With livelihoods and traditional coping mechanisms eroded by multiple displacements over the course of the conflict, the IDPs in camps fully depend on humanitarian assistance to meet their basic needs, such as food, water, shelter.
4. The GoSL’s short and long-term resettlement plans have yet to be fully shared with the United Nations Country Team (UNCT). However, the Government has gradually resettled over 50 percent of the 300,000 IDPs.
5. While the resettlement process started in August 2009 for IDPs who originate from the East, Jaffna and parts of Mannar, resettlement of those displaced from Mullaitivu and Kilinochchi (where the war was most intense and infrastructure destruction most severe) is likely to be more protracted. This second caseload will have to undergo

additional security screening by the authorities before they return to their places of origin. Additionally, considerable de-mining work will also have to be undertaken ahead of their return.

6. The conflict not only resulted in displacing people but also impacted the food security of local communities, destroyed basic infrastructure, hindered social and economic activities, and caused significant loss of employment opportunities and productivity in all sectors.

Summary of existing project activities

7. Protracted Relief and Recovery Operation (PRRO) Sri Lanka 107560, which covers the period 2009–2010, aims to save lives and protect the livelihoods of vulnerable people affected by conflict in the north of the country. The beneficiaries of the PRRO fall into four categories; (i) IDPs or other conflict-affected people receiving food through a General Food Distribution (GFD) or a take-home ration; (ii) mother-and-child health and nutrition (MCHN) beneficiaries who receive supplementary food rations as part of a blanket feeding programme targeting under 5's and pregnant and lactating mothers; (iii) children in school meals programmes; and (iv) food for work (FFW)/food for training (FFT) beneficiaries who receive a take-home family ration.
8. A Budget Revision of the PRRO was approved in June 2009, with the following objectives: 1) to incorporate emergency food assistance for an additional 50,000 IDPs displaced after the end of the 26-year long war in the north; 2) to increase the daily kcal requirements from 1,900 to 2,100 for the displaced IDPs in camp settings; 3) to adjust the food basket of 133,000 beneficiaries, originally planned as a contingency, to provide a full food basket; 4) to provide supplementary food rations to an additional 20,000 children under 5 and pregnant women and lactating mothers under the MCHN activity; and 5) to programme 1,242 mt of canned fish in the food basket.

Conclusions and recommendations of the re-assessment

9. A recent joint nutrition assessment of September 2009 in the camps (Vavuniya and Jaffna) by the national Medical Research Institute (MRI) and UNICEF observed significant improvements in the nutritional status of IDPs, with a 33 percent reduction of acute undernutrition or wasting among children under 5 (down to 23 percent), compared to the results of the earlier assessment of May 2009; improvements were also recorded in the nutritional status of pregnant/lactating women.
10. Emergency Food Security Assessments (EFSA) have been conducted in the eastern provinces of Trincomalee, Batticaloa and Ampara and in the north in Jaffna. The main findings confirm improvements in the food security situation in both districts. Access to farmlands cover on average, between 70–90 percent in all the districts except the north, against a backdrop of security restrictions. The fishing ban has also been lifted and with increased freedom of movement, livelihoods are gradually recovering and people are returning to their normal livelihoods. Segments of the population, however, such as those below the poverty line and those returning, remain vulnerable to food insecurity and will continue to depend on food assistance until their livelihoods recover.

11. In the 2008/2009 Maha season, paddy was cultivated in over 74,890 ha in the Northern Province. The harvests were, however, disturbed in northern districts due to the prevailing drought and continued conflict. Thus, planting of both the Yala and Maha seasons were missed over the past two years. A realistic estimate is that even after their return, people will be unable to produce enough food until January/February 2011.

Purpose of the budget revision

12. The original PRRO envisaged a significant scaling down of IDP beneficiaries during 2009 and 2010. However, the changed situation resulting from large displacement of IDPs, following the end of the 26-year long war, required a further reassessment of the beneficiary caseload for 2010. It is now estimated that a total of 379,000¹ currently assisted IDPs will need to be assisted in the first half of 2010, with numbers reducing to an average of 47,414 in the second half of 2010. This is because a large number of IDPs are expected to remain in the camps during the first half of 2010. This scenario has been extensively discussed with the Government and donors.
13. In view of the massive resettlement process, the Government will assist 60,000 IDPs who were displaced prior to 2006 to return to their homes during 2010. The United Nations in Sri Lanka will support the resettlement of these additional IDPs to support them to restore and rebuild their livelihoods; WFP food assistance for these 60,000 IDPs is included in this budget revision.
14. Support for the return and resettlement of the IDPs will be further consolidated through this budget revision by the provision of food to returnees over a six month period. Over the course of this six month assistance to returnees, WFP will review and assess the condition of the beneficiaries to determine if additional support, such as FFW or FFT, is required to support early recovery. Additional FFW and FFT activities (for 30,000 IDPs), as well as ongoing MCHN and school meals activities are planned in 2010 in returnee areas.
15. Food assistance will continue to be provided in collaboration with the Ministry of Nation Building and Estate Infrastructure Development and the Ministry of Resettlement and Disaster Relief Services and District Secretariats. As has been practiced in the IDP camps, WFP will continue to encourage the establishment of food relief committees from among the beneficiaries to ensure ownership and participation, particularly of women.
16. The Ministry of Health Care and Nutrition, in coordination with UNICEF and WFP will continue nutritional interventions, targeting children under 5, pregnant women and lactating mothers. To facilitate the implementation of blanket supplementary feeding, WFP has signed field level agreements (FLAs) with MSF/Holland, World Vision and Save the Children.
17. The Table 1 below shows the original PRRO caseload and the additional beneficiaries covered under this budget revision, while Table 2 shows the change in the caseload in 2010.

¹ Out of the 483,000 beneficiaries receiving assistance in 2009, 104,000 beneficiaries no longer required food assistance after a food needs assessment in Easter and Jaffna, leaving 379,000 beneficiaries.

Table 1: Beneficiaries by type of intervention for the PRRO

Activity	PRESENT (Original phase plus Budget Revision No1)	INCREASE² (Budget Revision No.2)	REVISED
Targeted relief			
IDPs	300,000.00	60,000.00	360,000
Other conflict affected	183,000.00		183,000
Sub-Total	483,000.00³	60,000.00⁴	543,000
MCHN			
Preg/Lact	77,455.00		77,455
Children	167,545.00		167,545
Sub-Total	245,000.00		245,000
FFE			
School children	344,000.00		344,000
Sub-Total	344,000.00		344,000
FFW	155,500.00	26,000.00	181,500
FFT	17,500.00	4,000.00	21,500
Sub-Total	173,000.00	30,000.00	203,000
TOTAL	1,245,000.00	90,000.00	1,335,000

FOOD REQUIREMENTS

18. Table 2 below show the total food requirements to cover the increase in the number of beneficiaries and food in 2010 on the basis of the ration scales in Table 3.

Table 2: Food requirements by activity type

Activity	Food distribution (mt)		
	Present	Increase	Revised
GFD	108,622	33,398	142,020
MCHN	19,125	1,126	20,251
FFE	16,450	-	16,450
FFW/FFT	17,500	6,138	23,638
TOTAL	161,697	40,662	202,359

² Only planned new beneficiaries for 2010 are included in this column.

³ 483,000 beneficiaries received assistance as planned in 2009; however, only 283,000 beneficiaries were included in the original PRRO to receive food assistance in 2010.

⁴ These 60,000 beneficiaries are new pre-2006 IDPs who will be added to the caseload for 2010.

Table 3: Daily food rations

Commodities (g)	Reduced Ration (1,900 kcal)	Full Ration (2,100 kcal)⁵	Supplementary Feeding	FFW/FFT Family Ration
Rice	200	250	0	1,250
Wheat Flour	200	200	0	1,250
Pulses	60	60	0	300
Oil	20	25	15	0
Sugar	20	20	10	150
Iodized Salt	0	5	0	0
CSB	0	0	100	0

APPROVAL

19. This budget revision will require an additional 40,660 mt of food commodities with a food value of US\$18.3 million, and a total cost of US\$28.59 million, including associated costs.

Josette Sheeran
Executive Director

Date

⁵ Original PRRO provides 1,900 kcals for camp beneficiaries.

BUDGET INCREASE COST BREAKDOWN			
	Quantity (mt)	Average Cost per Ton	Value (dollars)
WFP COSTS			
A. Direct operational costs			
Commodity ⁶			
Rice	17,313	408	7,062,319
Wheat Flour	14,712	450	6,620,400
Pulses	4,258	459	1,952,889
Oil	1,606	1,118	1,795,315
CSB	900	455	409,500
Sugar	1,613	615	992,004
Salt	260	75	19,500
Total commodities	40,662		18, 851,927
External transport			4,411,349
Total LTSH			1,706,991
Other direct operational costs			
Total direct operational costs			242,467
B. Direct support costs (see Annex II for details)			
Total direct support costs			1,510,820
C. Indirect support costs (7 percent of total direct costs)			1,870,649
TOTAL WFP COSTS			28,594,203

⁶ 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.

ANNEX IB

DIRECT SUPPORT REQUIREMENTS (US\$)	
(Incremental Budget)	
Staff	
International professional staff	559,740.00
National professional officers	-
National general service staff	237,000.00
Temporary assistance	60,000.00
Overtime	-
Hazard Pay & Hardship allowance	30,780.00
International & local consultants	241,500.00
United Nations volunteers	13,700.00
Staff duty travel	63,100.00
Subtotal	1,205,820.00
Office expenses and other recurrent costs	
Rental of facility	-
Utilities (general)	-
Office supplies	-
Communication and IT services	-
Office set-up and repairs	100,000.00
Vehicle maintenance and running cost	-
Subtotal	100,000.00
Equipment and other fixed costs	
Vehicles leasing	153,000.00
Local Security Costs planning	10,000.00
TC/IT equipment	42,000.00
Subtotal	205,000.00
TOTAL DIRECT SUPPORT COSTS	1,510,820

