

BUDGET INCREASE TO THE PHILIPPINES PROTRACTED RELIEF AND RECOVERY OPERATION 200131

“Assistance to IDPs, Returnees and other Food-insecure Households in Conflict- affected Areas of Central Mindanao and Strengthening National Capacity on Natural Disaster Preparedness and Response”

	Cost (United States dollars)		
	Current budget	Increase	Revised budget
Food cost	16,816,337	6,045,467	22,861,804
External transport	2,095,983	965,487	3,061,470
LTSH	1,695,611	816,794	2,512,405
ODOC	880,000	2,396,545	3,276,545
DSC	4,070,000	430,000	4,500,000
ISC (7%)	1,789,055	745,800	2,534,855
Total cost to WFP	27,346,986	11,400,093	38,747,079

NATURE OF THE INCREASE

1. This budget revision to the Philippines protracted relief and recovery operation (PRRO 200131) “Assistance to IDPs, returnees and other food-insecure households in conflict-affected areas of Central Mindanao, and strengthening national capacity on natural disaster preparedness and response”, proposes to assist an additional 194,000 people in 2011.
2. More specifically, this budget revision will:
 - Provide an additional 11,756 mt of food, valued at US\$6,045,467; this includes an in-kind contribution of 10,500 mt of rice from the Government of the Philippines;
 - Provide additional associated costs of US\$4,608,826, consisting of external transport, landside transport, storage and handling (LTSH), other direct operational costs (ODOC) and direct support costs (DSC); and
 - Provide additional indirect support costs (ISC) of US\$745,800.
3. This budget revision proposes some adjustments to various PRRO activities including food for work (FFW), food for training (FFT), emergency school feeding (ESF), supplementary feeding and vulnerable group feeding (VGF) in order to reflect: i) the results of recent assessments particularly on the food security situation of residents in areas where internally displaced persons (IDPs) have been returning; ii) the increased number of returnees in target areas; iii) new government programmes such as the Programme for Resilient Communities in Conflict-Affected Areas (PAMANA)¹ and priorities such as disaster preparedness and response; and iv) opportunities with the

¹ PAMANA stands for *Payapa at Masaganang Pamayanan*. The programme aims to promote community resilience to conflict by reducing poverty and vulnerability in conflict areas; to improve governance; and strengthen capacities of communities to address issues of conflict and peace through activities that promote social cohesion.

JUSTIFICATION FOR BUDGET INCREASE

Summary of Existing Project Activities

4. The main goal of the PRRO is to support peace-building in Mindanao by addressing the relief needs of IDPs and the early recovery needs of returnees and other food-insecure households in conflict-affected provinces, where poverty, food security, nutrition and basic education indicators are far below the national average.
5. The PRRO started in July 2010 and is scheduled to end in December 2011. It follows a previous emergency operation (EMOP 104891) and focuses on WFP Strategic Objective 1 (save lives and protect livelihoods in emergencies) and Strategic Objective 3 (restore and rebuild lives and livelihoods in post-conflict, post-disaster or transition situations). The PRRO is implemented in 5 provinces (Lanao Del Sur, Lanao Del Norte, Maguindanao, Sultan Kudarat and North Cotabato) and currently targets 900,000 food-insecure IDPs, returnees and people affected by the high food prices and global economic crises.
6. In cooperation with the Government at central and local levels, non-governmental organizations (NGOs), United Nations partners and local communities, the PRRO aims to:
 - (i) assist the most vulnerable IDPs and returnees whose food and nutrition security situation has been adversely affected by the conflict;
 - (ii) reduce acute malnutrition amongst children 6-24 months and pregnant and lactating women, while also increasing the attendance of malnourished pregnant and lactating women at health centres through supplementary feeding;
 - (iii) increase and retain primary school enrolment and attendance in targeted remote conflict-affected areas;
 - (iv) restore infrastructure and livelihoods damaged and/or neglected due to the conflict;
 - (v) build the capacity of the Department of Social Welfare and Development (DSWD), National Nutrition Council and other departments at central and local levels to strengthen the national food security and nutrition surveillance system;
 - (vi) promote the establishment of a food and nutrition advocacy group; and
 - (vii) pilot innovative approaches and information systems.

Conclusion and Recommendations of the Re-Assessment

7. In August 2008, over 700,000 people were displaced due to renewed fighting between the Government and elements of the Moro Liberation Islamic Front (MILF). Following the 'ceasefire' of July 2009, most of the IDPs began to return but the return process was prolonged notably in Maguindanao due to a complex interplay of political, social and security factors. Recent DSWD reports² indicate that the return

² DSWD situational reports starting September 2010 indicate that there were no more IDPs staying in evacuation centres.

process is now complete, despite the fact that some IDPs have moved to temporary resettlement and relocation areas.

8. While the return of IDPs signals an improved security context, the overall situation in Mindanao remains precarious. The duration of the mandate of the International Monitoring Team (IMT) has not yet been decided, and an agreeable facilitator for the peace process has not yet been selected, effectively preventing the work of IMT monitors. The current tense atmosphere and lack of progress in resuming negotiations may result in renewed armed skirmishes and disrupt ceasefire arrangements. The incidence of family feuds (locally known as *rido*), a major cause of displacement, has dramatically increased since the end of the hostilities in July 2009.
9. In addition to conflict, Central Mindanao remains highly vulnerable to natural disasters. Flooding and mudslides cause periodic displacements. As the region sits on the Pacific 'ring of fire', it is prone to earthquakes and potentially to tsunami also.
10. The United Nations Children's Fund (UNICEF) and Save the Children conducted a joint assessment early 2010 as a follow-up to the WFP March 2009 Emergency Nutritional and Food security Assessment. The results showed a slight decrease in global acute malnutrition (GAM) prevalence among children under 5 in Central Mindanao, reaching 8.4 percent compared to 9.6 percent in 2009.³ However, the GAM prevalence remained higher than the national average of 4.8 percent.⁴ According to the 2005 National Anthropometric survey,⁵ micronutrient deficiencies are widespread and on the rise, reaching levels of public health significance, particularly vitamin A deficiency and anaemia among infants, young children and pregnant women. The continuation of Community-based Management of Acute Malnutrition (CMAM) and supplementary feeding activities were recommended by the joint assessment.
11. The March 2009 EFSA indicated that an estimated 70 percent of IDPs and returnees consumed an inadequate diet consisting mainly of carbohydrates and providing insufficient protein, fat and micronutrients.⁶ Observations of household food baskets during post-distribution field monitoring visits showed that the food security of residents in locations where IDPs have returned was also precarious, due to constraints on farming activities linked to insecure land tenure, land disputes, and unpredictable climate conditions - including the El Niño phenomenon which affected the country in February-April 2010. Under the prevailing sharecropping or tenant farming arrangements, farmers give a disproportionately high percentage of their harvest to the landowner or the local miller/trader that financed their farm inputs.
12. While markets are generally well-integrated in the Philippines, the protracted conflict in Central Mindanao has negatively affected their functioning. People living in remote areas travel long distances to buy food and other essential items, in most cases at a much higher price than in central markets.
13. WFP and the World Bank have completed in December 2010 a joint comprehensive food security and livelihoods assessment in the conflict-affected provinces of Mindanao, covering residents, displaced people and returnees. The results are

³ The National Center Health Statistics (NCHS) Reference Standards were used to estimate GAM prevalence. The confidence interval at 95% was 6.3-10.4.

⁴ Food and Nutrition Research Institute, 2006.

⁵ Nutritional Status of Filipino Children and Selected Population Groups: 2005 Update.

⁶ WFP, Emergency Nutritional and Food Security Assessment, March 2009.

expected by March 2011 and will be used to further identify food-insecure households (particularly residents who are not currently included among WFP target beneficiaries) and serve as a baseline to monitor and evaluate interventions.

14. The new government administration has prioritized disaster risk reduction and response measures, and adopted the National Disaster Risk Reduction Management (NDRRM) Act in 2010. Consistent with this policy shift, in September 2010, the DSWD formally requested WFP for technical assistance to build its capacity in disaster preparedness and response.
15. The Government is also prioritising resilience-building among conflict-affected communities. Accordingly, the Office of the Presidential Adviser on the Peace Process (OPAPP), working together with DSWD, is finalizing preparations for the launch of a pilot programme under its PAMANA framework, main objective of which is to build resilience of returnees in the event of future displacements.
16. Opportunities for WFP to engage in micronutrient supplementation are offered by the Spanish Government Joint MDG Achievement Fund Thematic Window for Children, Food Security and Nutrition, which will operate in Zamboanga province. WFP has also entered in a partnership with the Asian Development Bank (ADB) under the Agrarian Reform Communities Project 2 (ARCP2), targeting small-holder farmers in 15 pre-selected municipalities who have been allocated farm lands as part of the government agrarian reform in the Autonomous Region of Muslim Mindanao (ARMM).

Purpose of Budget Increase

17. The budget revision proposes to reach an additional 194,000 food-insecure and vulnerable people through FFW/FFT activities, supplementary feeding and emergency school feeding. The expansion of the supplementary feeding programme is part of a micronutrient powder (MNP) pilot project in Zamboanga region of Mindanao supported by the MDG Achievement Fund. WFP also intends, resources permitting, to invest in preparedness for disaster response as part of WFP Strategic Objective 2 (“prevent acute hunger and invest in disaster preparedness and mitigation measures”).

Food for work / food for training

18. An additional 156,000 beneficiaries will be targeted for FFW and 12,000 beneficiaries for FFT within the current PRRO areas. Although the additional FFW/FFT beneficiaries were not displaced, their livelihoods were affected by the 2008/2009 conflict. Besides responding to identified food security needs, the inclusion of these beneficiaries will ensure equity between residents, IDPs and returnees in targeted communities. A community-based selection process of participants will be employed using pre-set criteria which prioritise households with able-bodied members willing to work at the same time, have little or no income,⁷ little or no harvest,⁸ a high dependency ratio,⁹ and little or no land (less than 0.5 acres¹⁰).

⁷ Less than Peso 44-50 per day equivalent to about US\$1.

⁸ Covering less than two months of food consumption needs.

⁹ For example, family size of more than 6 members, presence of terminally ill, orphans and disabled members.

¹⁰ 0.5 acres is 0.2 hectares.

19. Around 50,000 of the additional FFW beneficiaries will be selected in partnership with the ADB in the provinces of Lanao Del Sur and Maguindanao under the ARCP2 project. WFP will provide food assistance through FFW/FFT, while the ADB will provide complementary inputs such as materials and equipment and technical supervision, and will also ensure private sector participation to enhance the capacity of smallholders. WFP is also exploring possibilities of a direct ADB contribution to WFP for some of the programme components which focus on the environment and sustainable livelihoods.
20. The FFW activities are implemented in four broad thematic areas: (i) support to agricultural production and post-harvest facilities; (ii) promotion of natural resource and environment management and mitigation; (iii) construction and improvement of farm to market roads; and (iv) construction of basic social services such as health posts, schools and water points. The average ration size per person per day will be increased from 5 to 6 kg in order to align with the national policy on local minimum wage rate for unskilled labour. The number of work days will depend on accomplished outputs based on work norms. For planning purposes, WFP estimated an average of 30 working days per FFW participant during the entire project duration.
21. The FFT activities cover several thematic areas such as peace building, farmer field schools, income-generating activities, watershed management and local level disaster preparedness and response. The ration size will be increased from 2.5 to 3 kg per person per day,¹¹ in line with government standards. The average duration of training is 20 days per participant.
22. Most FFW/FFT projects take place within communities, minimizing the burden on women in terms of distance and time. The participatory planning approaches employed also take into account child care needs of women.

Supplementary feeding

23. An additional 26,100 children 6-24 months will benefit from blanket supplementary feeding, as part of a joint programme with other United Nations agencies supported by the MDG Achievement Fund in Zamboanga province. Supplementation with micronutrients will also be introduced using micronutrient powder (MNP).

Emergency school feeding

24. An additional 10,000 pupils will be targeted under the ESF component in order to account for increased enrolment of both displaced and resident children in the 300 elementary schools already targeted under the PRRO. These are remote areas with a large concentration of returnees. The ESF activities also support child-friendly spaces and temporary learning centres established by UNICEF.

Vulnerable group feeding

25. The VGF activities were initially for 60,000 returnees. However, the activity may not be fully implemented in the remainder of the PRRO, in view of the results of a verification exercise conducted by WFP with its cooperating partner Community Family Services International in August 2010 in the provinces of Maguindanao, Lanao Del Norte and Lanao Del Sur. Results showed that most households identified by

¹¹ Daily training duration is usually 4 hours for FFT while work duration is 8 hours for FFW.

communities as vulnerable (headed by chronically ill or elderly individuals) would have access to either some form of community support or livelihood activities, and hence do not qualify for VGF assistance as per WFP criteria. The food originally earmarked for VGF activities may be used for other PRRO activities.

Disaster preparedness and response

26. Depending on availability of funding, WFP will engage in disaster preparedness in response to the Government's request for capacity development assistance. Significant gaps in the national and local governments' disaster preparedness and response capacities were revealed when typhoons Ketsana and Parma struck and affected much of the northern Philippines (Luzon) in September/October 2009. WFP will work with DSWD, the lead agency for disaster response.
27. Approval of the national budget for the fiscal year 2011 is awaited to confirm the budget for DSWD and the number of people who will participate in community-driven labour-intensive activities. Planned priority areas are northern Luzon, which suffered significant losses by typhoon Ketsana and Parma, and three provinces of the ARMM (Lanao Del Sur A, Lanao Del Sur B, and Sulu). In these areas, WFP will only provide technical assistance, building from its experience during the EMOP, while the Government will implement the work activities.
28. WFP technical support will include: targeting and vulnerability analysis and mapping (VAM) related to food security; development of monitoring and evaluation (M&E) tools; skills training on livelihood and disaster preparedness at household and community levels; design of community-driven labour-intensive activities focusing on emergency preparedness and disaster mitigation; and prepositioning of essential logistics equipment for search and rescue and relief operations. WFP will train DSWD staff on VAM, M&E and logistics, and provide technical guidance on DSWD's disaster preparedness plans and modules. An estimated US\$2 million is required to undertake these activities, which will be resourced and implemented independently from the Mindanao PRRO activities.

TABLE 1. BENEFICIARIES BY ACTIVITY TYPE				
Activity	Duration (months)	Current	Increase	Revised
Emergency school feeding	16	70,000	10,000	80,000
Supplementary feeding - Children under 2	18	30,000	26,100	56,100
Supplementary feeding - Pregnant and lactating women	18	10,000	0	10,000
Food for training	18	564,000	12,000	576,000
Food for work ¹²	18	276,000	156,000	432,000
VGF- evacuation centre	6	60,000	0	60,000
VGF- returnee	16	30,000	0	30,000
Returnee package	6	60,000	0	60,000
Adjusted total¹³		900,000	194,100	1,094,100

TABLE 2. BENEFICIARIES BY GENDER			
Activity	Total	Male	Female
Emergency school feeding	80,000	39,200	40,800
Supplementary feeding - Children under 2	56,100	27,489	28,611
Supplementary feeding - Pregnant and lactating women	10,000		10,000
Food for training	576,000	282,240	293,760
Food for work	432,000	211,680	220,320
VGF- evacuation centre	60,000	29,400	30,600
VGF- returnee	30,000	14,700	15,300
Returnee package	60,000	29,400	30,600
Total	1,094,100	536,109	557,991

29. Besides the increased FFW and FFT ration sizes, there will be no changes to the modalities of food distribution.

¹² The average family size for FFW/FFT rations is 6 members.

¹³ The total number of beneficiaries has been adjusted downwards to avoid double-counting beneficiaries assisted through more than one activity.

FOOD REQUIREMENTS

30. Table 3 shows the additional and total food quantity needed for the revised operation.

TABLE 3. FOOD REQUIREMENTS BY ACTIVITY TYPE (mt)			
Activity	Current	Increase	Revised
Emergency school feeding	2989	869	3,858
Supplementary feeding children	810	259	1,069
Supplementary feeding pregnant/lactating women	1,980	96	2,076
FFW/FFT	4,700	4,600	9,300
FFW	7,980	5,932	13,912
VGF-evacuation	2,560	0	2,560
VGF-returnee	3,631	0	3,631
Returnee package	1,440	0	1,440
Total	26,090	11,756	37,846

31. The additional cereal requirements are likely to be covered by a potential in-kind contribution of 10,500 mt of rice from the Government, representing the first-ever significant in-kind contribution to WFP operations in the Philippines.¹⁴ If confirmed, the contribution would be used primarily for FFW activities.

32. Overall, the revised PRRO will assist approximately 1.1 million conflict-affected and other food-insecure persons up to December 2011. WFP will scale-down the activities when the government programmes with similar components are scaled up. The Government's potential rice offer to WFP is a positive step towards an eventual hand-over. The handover strategy will be prepared in accordance with the United Nations Development Assistance Framework (UNDAF) being drafted for the period 2012-2018. The investment in disaster preparedness and response is also part of WFP's hand-over strategy.

APPROVAL

Approved by:

Josette Sheeran
Executive Director
United Nations World Food Programme

Date

¹⁴ This contribution is part of a larger contribution of 20,383 mt of rice announced by DSWD in October 2010, after consultation with the newly elected administration and is based on assessed needs.

BUDGET INCREASE COST BREAKDOWN			
Food ¹⁵	Quantity (mt)	Value (US\$)	Value (US\$)
Rice	10,823.80	4,978,961	
Beans	208.60	254,827	
Vegetable Oil	76.40	100,849	
CSB	500.00	279,997	
Fish	53.00	189,897	
Dates	0.74	444	
MNP	7.00	161,893	
Sugar	86.85	78,599	
Total food	11,756.39	6,045,467	
Cash transfers		0	0
Voucher transfers		0	0
Subtotal food and transfers			6,045,467
External transport			965,487
Landside transport, storage and handling			816,794
Other direct operational costs			2,396,545
Direct support costs ¹⁶ (see Annex I-B details)			430,000
Total direct project costs			10,654,293
Indirect support costs (7%) ¹⁷			745,800
TOTAL WFP COSTS			11,400,093

¹⁵ This is a notional food basket for budgeting and approval. The contents may vary.

¹⁶ Indicative figure for information purposes. The direct support costs allotment is reviewed annually.

¹⁷ The indirect support cost rate may be amended by the Board during the project.

DIRECT SUPPORT REQUIREMENTS (US\$)	
Staff and staff-related costs	
International professional staff	-126,390
International general service staff	0
Local staff - national officers	37,333
Local staff - general service	16,333
Local staff - temporary assistance	30,917
Local staff – overtime	3,000
Hazard pay and hardship allowance	61,234
International consultants	-30,000
Local consultants	1,820
United Nations Volunteers	-15,000
Commercial consultancy services	0
Staff duty travel	155,553
Subtotal	134,800
Recurring expenses	
Rental of facility	0
Utilities general	25,000
Office supplies and other consumables	22,000
Communications and IT services	64,000
Equipment repair and maintenance	9,000
Vehicle running cost and maintenance	71,000
Office set-up and repairs	-13,000
UN organization services	0
Subtotal	178,000
Equipment and capital costs	
Vehicle leasing	61,200
TC/IT equipment	50,000
Local security costs	6,000
Subtotal	117,200
TOTAL DIRECT SUPPORT COSTS	430,000

ANNEX II: SUMMARY LOGICAL FRAMEWORK - Philippines PRRO 200131

Results-Chain (Logic Model)	Performance Indicators	Risks, Assumptions
STRATEGIC OBJECTIVE 1: To save lives and protect livelihoods in emergencies		
Outcome 1.1 Reduced acute malnutrition in children 6-23 months in targeted conflict-affected populations.	Prevalence of acute malnutrition among children 6-23 months (weight-for-height). Prevalence of anaemia among children 6-23 months.	No major outbreak of diseases or no new major disasters
Outcome 1.2 Improved food consumption over assistance period for targeted emergency-affected households.	At least 90% beneficiaries achieve household Food Consumption Score of 28 and above.	Sufficient funding to ensure at least minimal WFP operations.
Output 1.1 and 1.2 Food and non-food items distributed in sufficient quantity and quality to targeted women, men, girls and boys under secure conditions.	Number of women, men, girls and boys receiving food and non-food items, by category and as percentage of planned figures (total 60,000 VGF and returnees, including 60,000 returnee packages and 30,000 returnees receiving VGF). Tonnage of food distributed, by type, as % of planned distribution.	Resources and inputs are available when required. Security conditions allow staff and commodity movement as required.
STRATEGIC OBJECTIVE 2: Prevent acute hunger and invest in disaster preparedness and mitigation measures		
Outcome 2.1 Improved government capacity in contingency planning, vulnerability assessment, analysis and mapping through WFP’s technical support.	Number of rapid food and logistics needs assessments led by the national/regional DSWD. Number of regional DSWD units utilizing the newly developed Warehouse Management System.	Assumption: Availability of sufficient funding for WFP; strong Government interest and commitment to disaster mitigation and response (for example provision of food allocation of FFW/FFT activities).
Outcome 2.2 Improved government capacity in designing and implementing disaster mitigation FFW/FFT activities.	Number of disaster mitigation community projects designed and implemented. Number of community-driven disaster risk reduction activities supported by DSWD that applied new skills acquired from WFP-DSWD collaboration.	

	At least 50 percent achieved in Disaster Preparedness Index.	Smooth working relationships among key government agencies at the national, regional and local level.
Output 2.1 Improved capacity of the Government to lead contingency planning to disasters, such as pre-positioning of relief commodities; improved government-generated critical information and baseline data for risk reduction and vulnerability targeting; Improved monitoring and evaluation system.	Number of training manuals developed. Number of female and male government staff at various levels trained (topic-wise). Number of contingency plans developed by the DSWD units at various levels. Number of GIS-generated maps for contingency planning.	No politicisation particularly at the local levels.
Output 2.2 Government-led disaster mitigation, labour-intensive FFW/FFT projects are implemented.	Number of disaster mitigation-focused FFW/FFT activities approved by DSWD based on new guidelines and process established.	
STRATEGIC OBJECTIVE 3: Restore and rebuild lives and livelihoods in post-conflict, post-disaster or transitional situations		
Outcome 3.1: Adequate food consumption over assistance period for targeted returnees/IDP's participating in FFW/FFT.	At least 90% beneficiaries achieve a household Food Consumption Score of 35 and above.	No resumption of wide scale conflict. Sufficient funding to ensure at least minimal WFP operations. Conflict situation allows partners to fully operate and provide training courses effectively.
Outcome 3.2: Targeted communities have increased access to assets in fragile, transition situations.	At least 50% increase in Community Assets Score.	
Outcome 3.3: Targeted communities have enhanced skills for greater resilience to shocks.	Proportion of FFT participants applying acquired skills for improving livelihoods.	
Outcome 3.4: Enrolment of girls and boys, including IDPs and returnees, in assisted schools stabilised.	Retention rate: Average annual rate of retention of girls and boys in WFP-assisted schools at 90% and above.	Other complementary services are provided by the partner agencies.

<p>Output 3.1:</p> <p>Food and non-food items distributed in sufficient quantity and quality to targeted women and men, boys and girls under secure conditions.</p>	<p>Number of women and men, boys and girls receiving food and non-food items, by category and as percentage of planned figures.</p> <p>Tonnage of food distributed, by type, as % of planned distribution.</p>	<p>Resources and inputs are available when required.</p> <p>Security conditions allow staff and commodity movement as required.</p> <p>Local populations are still inclined to return to pre-conflict livelihoods and usual coping mechanisms.</p>
<p>Output 3.2:</p> <p>Developed, built or restored livelihood assets by targeted communities and individuals.</p>	<p>Number of community assets created or restored by targeted communities and individuals.</p> <p>Number of women and men trained in livelihood-support thematic areas.</p>	<p>Cooperating Partners and Local Government Units are willing to commit complementary resources.</p>

ANNEX III - LIST OF ACRONYMS USED IN THE DOCUMENT

ADB	Asian Development Bank
ARMM	Autonomous Region in Muslim Mindanao
CFSI	Community Family Services International
CMAM	Community-based Management of Acute Malnutrition
DSWD	Department of Social Welfare and Development
EFSA	emergency food security assessment
EMOP	emergency operation
FFW	food for work
FFT	food for training
IMT	International Monitoring Team
GAM	global acute malnutrition
OPAPP	Office of the President on the Peace Process
PRRO	protracted relief and recovery operation
MILF	Moro Islamic Liberation Front
NDRRM	National Disaster Risk Reduction Management
NGO	non-governmental organization
PAMANA	Payapa at Masaganang Pamayanan (Programme for Resilient Communities in Conflict-Affected Areas)
VGf	Vulnerable Group Feeding
WFP	World Food Programme
UNDAF	United Nations Development Assistance Framework
UNICEF	United Nations Children's Fund

ANNEX IV – MAP OF PHILIPPINES

SHOWING THE PROPOSED PRRO INTERVENTION AREAS (IN RED)

