

Kyrgyzstan, EMOP 200161
B/R No.:01

BUDGET REVISION FOR THE APPROVAL OF REGIONAL DIRECTOR

	<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>				
Project Budget & Programming Officer, RMBP
Chief, RMBP
Chief, ODLT (change in LTSH and/or External Transport)
<u>APPROVAL</u>				
<input checked="" type="checkbox"/> Regional Director

PROJECT	Previous Budget US\$	Revision US\$	New Budget US\$
Food cost	11,787,533	1,322,302	13,109,835
External transport	1,367,975	(1,023,208)	344,767
LTSH	4,299,353	93,642	4,392,996
ODOC	740,811	73,253	814,064
DSC	3,383,189	(114,884)	3,268,305
ISC (7%)	1,510,520	24,577	1,535,098
Total WFP cost (US\$)	23,089,380	375,682	23,465,063

TYPE OF REVISION

- | | | | |
|--|--|---|--|
| <input checked="" type="checkbox"/> Additional commodity | <input checked="" type="checkbox"/> Additional DSC | <input checked="" type="checkbox"/> Additional ODOC | <input type="checkbox"/> Additional LTSH |
| <input type="checkbox"/> Additional external transport | <input checked="" type="checkbox"/> Extension or Reduction in time | <input checked="" type="checkbox"/> Other | |

NATURE OF THE INCREASE

1. The budget revision (BR) envisages extension in time by six months until the end of June 2011;
2. 2010 requirements are adjusted to the reduced needs informed by the recent food security assessments; and retroactive changes to the 2010 plan as agreed before hand with HQ.
3. A small net increase in the requirements for the first six months of the year 2011 has been added to the budget together with the associated costs for these additional commodities.

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

Summary of existing project activities

4. WFP opened an office in Kyrgyzstan in December 2008 in response to the global increase in food prices, starting EMOP 108040 which assists 350,000 vulnerable people each year with food assistance during the winter months and Food for Work activities to upgrade agricultural and community infrastructure.
5. Following the violent revolution in April 2010, which led to departure of the previous President, Kurmanbek Bakiyev, inter-ethnic violence broke out in Osh and Jalalabad in June 2010. Some 900 people were killed¹ and up to 100,000 people, mainly women, children and elderly, fled to neighbouring Uzbekistan. Many houses were looted and destroyed. With support from the Government of Uzbekistan, almost all refugees returned to Kyrgyzstan before the referendum on 27 June 2010. However some 75,000 people still remain internally displaced and live in temporary shelters or with host families.
6. WFP started assistance to households affected by the inter-ethnic violence within a few days of the outbreak through IR EMOP 200158, followed by blanket General Food Distributions in the affected areas under EMOP 200161. The overall objective of the operation is to save lives and protect livelihoods in emergencies (SO1).
7. Similar assistance continued under EMOP 200161 with WFP implementing blanket food distributions which covered 532,000 persons during the first cycle and 332,000 persons during the second cycle, distributing a total of 4,300 MT of food commodities. A third cycle, targeted to cover some 240,000 of the most vulnerable beneficiaries, started in late October.
8. Such targeted food distributions under EMOP 200161 are currently planned until the end of 2010. The July/August 2010 nationwide EFSA and rapid assessment in Osh and Jalalabad (July 2010) suggested revisions for EMOPs 200161 (for southern Kyrgyzstan) and 108040 (covering vulnerable groups throughout the country) and extensions the in time for both projects. This will allow a continuation of food assistance during the coming winter and pre-harvest period until June 2011. The extension in time of both projects will allow sufficient time for WFP to coordinate future interventions with the Government of Kyrgyzstan in 2011, as well as prepare for the transition to PRRO 200036.
9. Given the fragile political situation, WFP has identified a number of factors that which could destabilize the situation and impact WFP operations. These include: slow formation of the new Government following the October 2010 elections; unresolved confrontation between the Provisional Government and the local authorities in Osh; opposition to the deployment of the OSCE Police Advisory Group; resistance to the planned re-housing of families affected by the violence in new high-rise buildings; and the presence of large numbers of weapons and ammunition. In conjunction with its local partners, the Country Office (CO) is developing various alternatives as part of a contingency plan to ensure the continuation of programme activities, should some of these risks materialise. WFP already has a pandemic preparedness and response plan and is reviewing its Logistics Capacity Assessment. WFP also participates in the inter-agency contingency planning process led by OCHA.

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

¹ Non-Government sources estimate that some 1000 people died during the June events.

10. According to the EFSA conducted in July 2010, 83 percent of non-hosted IDP households, mostly living on the site of their destroyed houses either in tents or in less damaged parts of buildings, were food insecure, with 63 percent severely food insecure. Among the hosted IDPs, an estimated 43 percent were food insecure with 24 percent severely food insecure. About 20 percent of host families and 23 percent of indirectly affected local residents were also food insecure. The rapid EFSA revealed a high level of food insecurity, affecting approximately 353,000 persons.
11. Affected households, particularly the non-hosted IDPs, were heavily dependent on humanitarian assistance for their food consumption but their diets lacked diversity and were likely to be deficient in kilocalories and micronutrients.
12. To compensate for the loss of livelihood options, food insecure households were engaging in negative and potentially harmful coping strategies, including spending whole days without eating, reducing the number of daily meals and / or portion size, restricting adults' consumption to protect children's intake, decreasing health expenditure and getting indebted for food. Around 30 percent of IDPs and 36 percent of host families had borrowed money since the June events, with over 90 percent of these loans used to purchase food.
13. Food insecurity among IDPs had reached alarming levels in early July 2010 and is likely to deteriorate further as pre-crisis livelihoods will not be restored before the winter. Although the security situation has improved in the south, the EFSA indicates a likely further deterioration of the food security situation over the coming months and especially during winter time for the following reasons:
 - Safe access to land, pastures and markets, which is essential to enable the resumption of agricultural and livestock raising activities in rural areas, and income-generation through trade in rural and urban areas is far from guaranteed. In urban areas, those whose shops, businesses or restaurants have been destroyed or looting will require material and financial support to resume their pre-violence activities.
 - The poor harvest this year and generally higher regional and global food prices affecting the poor (IDPs, host and residents alike) in both rural and urban areas.
 - Many of currently food secure host family households are using their resources to assist the IDPs. This will result in lower stocks for the winter and less income generated from the sale of their agricultural production.
 - A number of host families and residents have sold domestic assets and small animals since the violence in June 2010, limiting their resources and decreasing their resilience to future shocks.
 - General economic slowdown affecting the country in general, and the affected areas in particular. The borders with Uzbekistan (a traditional market for many Kyrgyz farmers and traders) remain closed.
14. The nationwide EFSA conducted in August 2010 suggests that the poverty and social impacts of the events will not be fully reversed by the reconstruction of infrastructure or the payment of compensation for lost livelihoods. The Government is taking measures to replace lost official documents in order to facilitate access to assistance, provide cash compensation for affected families and rebuild houses.
15. The EFSA indicated the livelihood characteristics of the severely food insecure households, which were used when designing the targeting criteria. WFP, through its Cooperating Partners, conducted targeting exercises in the areas of Osh and Jalalabad provinces (including the cities of Osh and Jalalabad) affected by the hostilities.
16. The EFSA estimated some 353,000 persons as severely food insecure and in need of food assistance. Based on these results WFP planned to cover some 287,000 persons taking into consideration the geographical areas covered by ICRC food assistance. As a result of

the targeting undertaken during September-October the expected number of beneficiaries for targeted distributions will be 240,000 persons in the conflict-affected areas.

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

17. The extension in time of the current operation is required to ensure continued food assistance for those segments of the affected population whose food security deteriorated dramatically as a result of the June 2010 conflict and who remain in need of external support. At the same time, WFP will use this extension in time to bridge the period to the new PRRO that is planned to start in July 2010.
18. From October 2010, in agreement with the Government of Kyrgyzstan, WFP is engaging in a strategy to help targeted households better meet their food requirements.
 - WFP has been providing food to 560,000 conflict affected beneficiaries during the first three months of the operation (table 1). As identified through the targeting process approximately 240,000 people (40,000 households) including IDPs and residents will continue receiving in-kind food assistance from October 2010 – March 2011.
 - It is expected that the number of beneficiaries will decrease further in 2011 as a result of further targeting with the availability of better employment opportunities in the spring, provided no additional shocks impede the recovery process. Accordingly, from April to June 2011, WFP plans 200,000 beneficiaries (estimated 33,300 households).
 - There are no changes in the food basket size and composition envisaged through this budget revision.
 - During this extension, WFP will work closely with the Government and partners to finalise the preparation of a new PRRO with a planned start date 1 July 2011. The new project will include considerably a smaller-scale relief component targeting the most vulnerable caseloads from both current EMOPs (200161 and EMOP 108040), with the main project emphasis on recovery oriented activities for targeted beneficiaries currently assisted through both emergency operations.

TABLE 1. BENEFICIARIES BY ACTIVITY TYPE				
Activity	Overall			In 2011
	Present	Increase	Revised	
General Food Distribution (GFD)	560,000	-	560,000	240,000
Total	560,000	-	560,000	240,000

19. WFP will continue monitoring the situation as well as planning a follow-up to the EFSA in Osh and Jalalabad (December 2010-January 2011). Based on these findings WFP will adjust the targeting criteria and approach to reflect the changes in the food security situation.

FOOD REQUIREMENTS

20. Although the budget revision envisages extension in time by six additional months, commodity requirement is increased slightly due to adjusting requirements during the first calendar year of the operation (Table 2). Details of revised food requirements per

calendar year are given in the Commodity Plan Explanation section of the budget revision matrix.

21. Despite this slight increase in MT requirement, commodity budget is increased by over US\$1.3 million due to considerable increase in food prices both in the regional and international markets compared to the prices planned in the original project budget.

TABLE 2. FOOD REQUIREMENTS BY ACTIVITY TYPE

Activity	Food Requirement (mt)		
	Present	Increase	Revised
General Food Distribution (GFD)	28,284	734	29,018
Total	28,284	734	29,018

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