

# BUDGET INCREASE TO PROTRACTED RELIEF AND RECOVERY OPERATION: PHILIPPINES 200296

**Support to Returnees and other Conflict-Affected Households in Central Mindanao and National Capacity Development on Disaster Preparedness and Response**

**Start date:** 1 May 2012 **End date:** 30 April 2014 **Extension period:** 8 months **New end date:** 31 December 2014

<b>Cost (United States dollars)</b>			
	<b>Current Budget</b>	<b>Increase</b>	<b>Revised Budget</b>
Food and Related Costs	47,292,796	10,811,206	58,104,002
Cash and Vouchers and Related Costs	4,450,000	-	4,450,000
Capacity Development & Augmentation	7,355,433	3,473,401	10,828,834
DSC	11,508,395	2,740,485	14,248,880
ISC	4,942,464	1,191,756	6,134,220
<b>Total cost to WFP</b>	<b>75,549,088</b>	<b>18,216,848</b>	<b>93,765,936</b>

## NATURE OF THE INCREASE

1. This budget revision (BR) to protracted relief and recovery operation (PRRO) 200296 proposes an 8 month extension in time, from May to December 2014, with related additional resources, to allow WFP to continue its current food assistance activities in Central Mindanao. Capacity building activities, including Disaster Preparedness and Response (DPR), will continue to be implemented in targeted municipalities and provinces.
2. The BR will allow WFP to align its programme strategy for the region with ongoing government planning and the Mindanao peace process. The extension will also enable WFP to develop a comprehensive strategy to expand institutional strengthening on DPR in disaster-prone areas.
3. During the period of the BR, WFP will continue its current interventions in Central Mindanao, which include targeted nutrition activities, on-site school feeding and livelihood support through food assistance for assets<sup>1</sup>. While the overall beneficiary target for the PRRO remains at 1.48 million, during the period of this BR, WFP will specifically target 414,000 beneficiaries, for which additional food requirements amounting to 11,819 mt are required.
4. This BR re-aligns the project with Strategic Objectives 1 and 3 of WFP's new Strategic Plan and the WFP Strategic Results Framework (2014-2017).

<sup>1</sup> Food assistance relates to food, cash or voucher transfers.

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## **JUSTIFICATION FOR EXTENSION-IN-TIME AND BUDGET INCREASE**

### **Summary of Existing Project Activities**

5. PRRO 200296 focuses on promoting the recovery of food-insecure, conflict-affected communities in selected provinces of Central Mindanao (Maguindanao, Lanao del Sur, Lanao del Norte, Sultan Kudarat and North Cotabato). Following the devastation of Typhoon Bopha in December 2012, the operation was expanded to cover the disaster-stricken provinces of Eastern Mindanao (Davao Oriental, Compostela Valley, Agusan del Sur and Surigao del Sur).
6. Under this PRRO, support is also being provided to strengthen the institutional capacity of national and local-level actors to improve disaster preparedness and response (DPR) capacities in 30 highly disaster-prone municipalities across 8 provinces of the country.
7. PRRO 200296 has been targeting 1.4 million people in conflict-affected and typhoon-hit areas of Central and Eastern Mindanao with the aim of strengthening the resilience of these communities to future shocks, while also contributing to peace-building efforts. Assistance was originally planned over a two-year period and includes food-assistance-for-assets (FFA), on-site school feeding, and nutrition support to pregnant and lactating women (PLW) and children under 5 years of age.
8. Over the past few years, WFP assistance has enabled the integration of its beneficiaries under other Government and bilateral donor funded projects and services, thereby creating synergies and complementarities.

### **Conclusion and Recommendations of the Re-Assessment**

9. In April 2013, WFP conducted a food security assessment in the five intervention provinces of Central Mindanao. The outcome of the assessment indicated that 46 percent of households had food consumption scores which were poor (20 percent) or borderline (26 percent). By analysing food consumption levels by household type, the following pattern was observed: internally displaced persons (IDPs) were the most affected (36 percent poor and 25 per cent borderline), followed by returnees (20 percent poor and 30 percent borderline) and the resettled (21 percent poor and 28 percent borderline). Those who had never been displaced were less affected in their level of food consumption (18 percent poor and 26 percent borderline).
10. About 86 per cent households borrowed money to purchase food (or purchase food on credit). As a result, 82 percent of households remain indebted, with 79 percent spending borrowed money on food; 7 percent on health care; 2 percent on agricultural inputs or livestock and; 2 percent on other expenses including education, loan repayments, non-food items (NFIs), household needs and start-up capital for livelihood activities.
11. Nutrition interventions have shown positive results in reducing global acute malnutrition (GAM) rates, particularly in North Cotabato and Lanao del Sur provinces. Notably, the reduction in GAM in North Cotabato from 9.2 to 5 percent was made possible under a targeted supplementary feeding programme (TSFP) through a community-based management of acute malnutrition (CMAM) approach, in partnership with the Department of Health and the non-governmental organization (NGO) Save the Children.

12. The April 2013 food security assessment corroborated the fact that persistent chronic vulnerability, coupled with periodic escalations in conflict and natural disaster-related displacements continue to pose serious challenges to the people of Central Mindanao in terms of attaining sustainable food security.
13. During this transition phase in the peace process, and while the Bangsamoro Transition Commission drafts its laws and development plan and finalises administrative and political structures,<sup>2</sup> food insecure populations will continue to face challenges if food assistance is disrupted during the period from May to December 2014. Based on the assessment conducted in 2013, those 414,000 people with poor food consumption scores should be prioritised for food assistance interventions.

### **Purpose of Extension and Budget Increase**

14. In 2013, WFP responded to several significant shocks: Typhoon Bopha, the Bohol earthquake, the Zamboanga conflict and Typhoon Haiyan. As a result, several planned activities relating to the core project to assist Central Mindanao could not be implemented in a timely manner and some activities also experienced pipeline breaks. This budget revision will enable WFP to address the continued food assistance needs of affected communities, in partnership with various Government line departments and NGOs.
15. The Bangsamoro Transition Commission has requested WFP to assist in the development of a Food and Nutrition Security Plan (FNSP), to be incorporated into the Bangsamoro Development Plan (BDP). The FNSP, which is expected to be drafted by July/August 2014, will outline needs, existing programme coverage and gaps, which in turn will allow WFP to align its future programme strategy for the region. In order to ensure this technical support to the Bangsamoro Transition Commission, WFP has recently recruited a senior national consultant.
16. This budget revision will address food assistance needs while a successor PRRO (2015-2017) is being designed. It is envisioned that all food and nutritionally insecure areas of the country will be included under the successor PRRO, particularly through disaster preparedness and response activities.
17. In March 2014, external evaluators concluded a field mission as part of the evaluation of PRRO 200296. Some initial observations, conclusions and recommendations for improving programme delivery in relation to nutrition, food security and livelihoods, school feeding and DPR will be incorporated into this BR, and others, which are more far reaching, will be taken into consideration during the formulation of the new PRRO.
18. This extension in time will allow WFP to undertake analysis and strategic planning with the aim of aligning the successor PRRO with the on-going peace process in Mindanao. Increased knowledge on political dynamics, trends in the peace process obtained during the transition period will ensure the establishment of appropriate contingency measures for the new operation. Following the signing of the Comprehensive Peace Agreement between the Government of

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<sup>2</sup> After years of conflict in Mindanao, the Framework Agreement on the Bangsamoro (FAB) was signed between the Government of the Philippines (GRP) in October 2012. The FAB outlined the political settlement between the Government of the Philippines and one of the largest Moro groups, the Moro Independent Liberation Front (MILF) and the process of transition from the Autonomous Region on Muslim Mindanao (ARMM) to a new Bangsamoro autonomous political entity (BE). Intense negotiations under the FAB paved way to a Comprehensive Peace Agreement on Bangsamoro (CAB), which was signed in March 2014, to be followed by the drafting of Bangsamoro Basic Law presently scheduled for ratification by the Congress before the end of 2014. If the law is passed, it will be subjected to a plebiscite that is envisaged to create the semi-autonomous Bangsamoro Entity in 2016 to be administered by a ministerial form of Government.

Philippines and the MILF on 27 March 2014, there is a concerted effort to ensure a smooth transition between the current administrative and political structure to a new autonomous Bangsamoro political entity by 2016.

19. During the period of this BR, WFP is developing with the Government a more comprehensive strategy to be implemented under the new PRRO to enhance institutional strengthening on DPR in all highly disaster prone areas, including regions affected by Typhoon Haiyan.

### **Implementation strategy, and expected outcomes**

20. No major change in project orientation or expected outcomes is envisaged under this BR. Nonetheless, close monitoring and analysis of the on-going peace process will take place to inform alignment of the future WFP programme.
21. The school feeding activity aims to ensure that children continue to receive support at least until the end of the scholastic year in March 2015. WFP is in the process of handing over activities to the National School Feeding Programme of the Department of Education and the Department of Social Welfare and Development, launched by the Government in 2014.
22. Over the period May-December 2014, additional FFA (livelihood support) projects will be implemented, targeting 414,000 of the most food insecure returnees<sup>3</sup>. These include: the construction and rehabilitation of farm-to-market roads; the construction of flood-control dikes; the establishment or rehabilitation of community assets such as health centres and food warehouses; soil conservation and water harvesting; vegetable gardening; and skills training. These activities have been identified through community-level consultations and are intended to link WFP beneficiaries to Government funded longer-term projects to ensure a smooth hand-over, while enhancing sustainability. Some of these longer-term projects will be implemented in partnership with the Asian Development Bank and the Government.
23. Nutrition support to children under 5 years of age will continue to focus on documenting the achievements of TSFP, while the blanket supplementary feeding programme (BSFP) will be phased out. It is envisaged that under the successor PRRO, the only nutrition intervention will be a TSFP.
24. Technical assistance to be provided by WFP in drafting the FNSP for the Bangsamoro entity will incorporate lessons learned from WFP's interventions. Efforts will be made to ensure that food assistance remains one of the priorities for the new administration and that some interventions are mainstreamed within government programmes.
25. The DPR capacity strengthening programme will continue to support three government agencies in assisting 30 municipalities in 8 provinces until December 2014, while a comprehensive DPR strategy is being developed by WFP and the Government. This strategy will be informed by an evaluation of WFP's DPR programme to take place during the period of this BR. The strategy's main focus will be on building resilient communities and ensuring enhanced national and local governance of disaster management, as during the Haiyan emergency response, some structural weaknesses in the national DPR system were identified. Furthermore, as WFP's DPR activities do not currently cover the eastern seaboard of Visayas that was ravaged by Typhoon Haiyan, efforts will be made to address some of these capacity gaps in Haiyan affected areas during this BR.

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<sup>3</sup> There are no more IDPs in these 5 provinces, as people have either returned (majority) or have resettled in other locations.

**TABLE 1: BENEFICIARIES BY ACTIVITY TYPE**

Activity	Beneficiaries								
	Current (May'12-April'14)			Extension (May'14-Dec'14)			Revised (May'12-Dec'14)		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
School feeding	117,300	112,700	230,000	51,000	49,000	100,000	117,300	112,700	230,000
Supplementary feeding – children									
Ø BSFP (6-23 months)	22,695	21,805	44,500	11,730	11,270	23,000	22,695	21,805	44,500
Ø TSFP (6-59 months)	7,140	6,860	14,000	3,570	3,430	7,000	7,140	6,860	14,000
Supplementary feeding – PLW	50,000		50,000	10,000		10,000	50,000		50,000
General food distributions*	204,000	196,000	400,000				204,000	196,000	400,000
MNP children 6-24 months	13,311	12,789	26,100				13,311	12,789	26,100
FFA (Food) Training	48,691	46,781	95,472	12,240	11,760	24,000	48,691	46,781	95,472
FFA (Food)	603,605	579,935	1,183,540	198,900	191,100	390,000	603,605	579,935	1,183,540
FFA (Cash/Vouchers)	280,500	269,500	550,000				280,500	269,500	550,000
<b>TOTAL</b>	<b>754,857</b>	<b>725,255</b>	<b>1,480,112</b>	<b>211,140</b>	<b>202,860</b>	<b>414,000</b>	<b>754,857</b>	<b>725,255</b>	<b>1,480,112</b>

Note: the 414,000 beneficiaries to be targeted during May-December 2014 are counted as current caseload and not additional beneficiaries and hence the revised total remains the same.

## FOOD REQUIREMENTS

**TABLE 2: FOOD/CASH AND VOUCHER REQUIREMENTS BY ACTIVITY**

Activity	Food requirements (mt) Cash/Voucher (US\$)		
	Current	Increase	Revised total
School feeding	8 936	2 340	11 276
Blanket supplementary feeding – child prevention	868	259	1 127
Supplementary feeding – child treatment	509	155	664
Supplementary feeding programme – pregnant & lactating women	5 279	880	6 159
General food distribution	6 647		6 647
FFA (food-mt) for training	3 182	100	3 282
FFA (food-mt) for physical assets	28 947	8 000	36 947
Contingency	1 700	85	1 785
Micronutrient powder distribution	4		4
FFA (Cash US\$)	4 000 000		4 000 000
<b>TOTAL</b>	<b>56 072</b>	<b>11 819</b>	<b>67 891</b>

Approved by:

Ertharin Cousin

<b>PROJECT COST BREAKDOWN</b>			
	<b>Quantity (mt)</b>	<b>Value (US\$)</b>	<b>Value (US\$)</b>
<i>Food Transfers</i>	-	-	
Cereals	10,850	6,010,900	
Pulses	340	357,000	
Oil and fats	130	158,600	
Mixed and blended food	499	1,607,255	
Others	-	-	
<b>Total Food Transfers</b>	<b>11,819</b>	<b>8,133,755</b>	
External Transport		1,646,196	
LTSH		713,335	
ODOC Food		317,920	
<b>Food and Related Costs <sup>4</sup></b>		<b>10,811,206</b>	
C&V Transfers		-	
C&V Related costs		-	
<b>Cash and Vouchers and Related Costs</b>		-	
<b>Capacity Development &amp; Augmentation</b>		<b>3,473,401</b>	
<i>Direct Operational Costs</i>			14,284,607
Direct support costs (see Annex I-B)			2,740,485
<b>Total Direct Project Costs</b>			<b>17,025,092</b>
Indirect support costs (7,0 percent) <sup>5</sup>			1,191,756
<b>TOTAL WFP COSTS</b>			<b>18,216,848</b>

<sup>4</sup> This is a notional food basket for budgeting and approval. The contents may vary.

<sup>5</sup> The indirect support cost rate may be amended by the Board during the project.

## ANNEX I-B

<b>DIRECT SUPPORT REQUIREMENTS (US\$)</b>	
<b>WFP Staff and Staff-Related</b>	
Professional staff *	931,960
General service staff **	762,960
Danger pay and local allowances	-
<b>Subtotal</b>	<b>1,694,920</b>
<b>Recurring and Other</b>	<b>477,903</b>
<b>Capital Equipment</b>	<b>170,000</b>
<b>Security</b>	<b>44,598</b>
<b>Travel and transportation</b>	<b>353,064</b>
<b>Assessments, Evaluations and Monitoring<sup>1</sup></b>	
<b>TOTAL DIRECT SUPPORT COSTS</b>	<b>2,740,485</b>

\* Costs to be included in this line are under the following cost elements: International Professional Staff (P1 to D2), Local Staff - National Officer, International Consultants, Local Consultants, UNV

\*\* Costs to be included in this line are under the following cost elements: International GS Staff, Local Staff - General Service, Local Staff - Temporary Assist. (SC, SSA, Other), Overtime

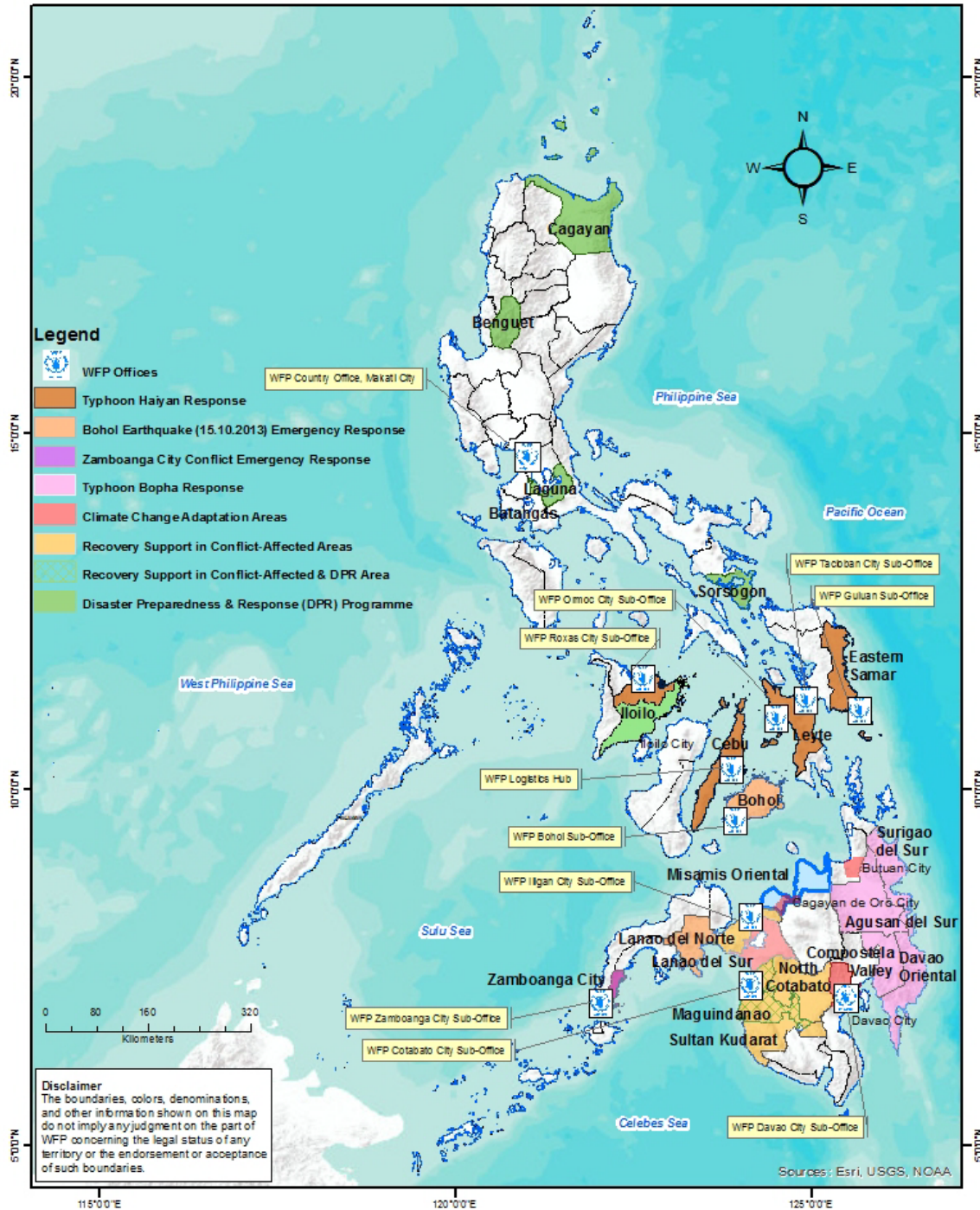
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<sup>1</sup> Reflects estimated costs when these activities are performed by third parties. If WFP Country Office staff perform these activities, the costs are included in Staff and Staff Related and Travel and Transportation.

MAP



**WFP Operation Areas in the Philippines  
(PRRO 200296)  
May 2012 to December 2014**





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## **ACRONYMS USED IN THE DOCUMENT**

ARMM	Autonomous Region in Muslim Mindanao
BDP	Bangsamoro Development Plan
BSFP	blanket supplementary feeding programme
FFA	food-for-assets
FNSP	Food and Nutrition Security Plan
GAM	global acute malnutrition
IDP	internally displaced person
MILF	Moro Islamic Liberation Front
MDG	Millennium Development Goal
NFI	non-food item
NGO	non-governmental organization
PLW	pregnant and lactating women
PRRO	protracted relief and recovery operation
TSFP	targeted supplementary feeding programme