

## BUDGET REVISION 01

### Myanmar Emergency Operation (EMOP) 10749.0 Food Assistance to Cyclone-affected Populations in Myanmar

|                          | Cost (United States dollars) |                   |                    |
|--------------------------|------------------------------|-------------------|--------------------|
|                          | Present budget               | Increase          | Revised budget     |
| Food cost                | 41,921,099                   | 34,731,855        | 76,652,954         |
| External transport       | 6,446,825                    | 2,257,847         | 8,704,672          |
| LTSH                     | 5,249,200                    | 3,999,997         | 9,249,197          |
| ODOC                     | 4,353,777                    | 1,196,723         | 5,550,500          |
| DSC                      | 6,986,228                    | 609,624           | 7,595,852          |
| ISC (7%)                 | 4,546,999                    | 2,995,723         | 7,542,722          |
| <b>Total cost to WFP</b> | <b>69,504,128</b>            | <b>45,791,769</b> | <b>115,295,897</b> |

#### 1 Nature of increase

- 1.1 This budget revision is being processed in order to expand the emergency operation (EMOP) 10749.0 in line with the Myanmar Revised Appeal 2008 that was launched on 10 July 2008. The current EMOP, which was launched in May 2008 for the period up to 11 November 2008, aimed at assisting around 750,000 cyclone-affected people in Ayeyarwady and Yangon divisions.
- 1.2 Through this budget revision, the EMOP will be extended in time from November up to 15 April 2009, with additional recovery and supplementary feeding programme components.
- 1.3 The budget increase takes into account the findings of the Post-Nargis Joint Assessment (PONJA) conducted during June 2008, which emphasizes the need for relief and early recovery support beyond the forthcoming harvest in October/November 2008.

#### JUSTIFICATION FOR BUDGET INCREASE

##### Summary of existing project activities

- 1.4 Ten weeks after the devastating cyclone wreaked havoc on Myanmar, WFP had reached 684,000 people in the Ayeyarwady Delta, delivering more than 18,000 mt of food commodities – rice, beans, vegetable oil, salt, ready-to-eat meals, and high-energy biscuits. An additional 49,490 individuals in urban areas of the Yangon Division, where markets remain viable, benefited from the receipt of cash transfers prior to closure of the programme by the government authorities.
- 1.5 WFP's fleet of helicopters has been working at full capacity to allow previously unassisted villages in the Delta to receive the food and supplies they desperately need. WFP has also extended logistical support to personnel conducting crucial assessment



and survey activities in the most hard-to-reach areas, including members of the recently-concluded Post-Nargis Joint Assessment by the Tripartite Core Group<sup>1</sup>.

- 1.6 The main objectives of the current EMOP 10749.0 are in line with WFP's Strategic Objective One, "to save lives and protect livelihoods in emergencies." The objectives of the EMOP are to:
- ensure adequate food consumption among the targeted populations so that families benefit from recovery activities;
  - contribute to preventing a nutritional decline amongst targeted women and children;
  - restore the livelihoods of targeted beneficiaries to pre-cyclone levels.
- 1.7 The EMOP was initially approved in May for a period of 6 months until the harvest in October-November 2008, as it had been expected that adequate employment opportunities would be available in rural areas and that rice would be available on urban markets. The main programme response has been targeted relief assistance to 750,000 severely affected people in Ayeyarwadi and Yangon divisions. This includes daily rations of cereals, pulses, oil and salt, providing approximately 2,100 kilocalories (kcal) to the targeted beneficiaries, along with ready-to-eat meals (RTEM) for those who do not have access to cooking facilities. Ready-to-use food for children (RUFC) and high-energy biscuits (HEBs) are also being distributed to the most vulnerable population – children under-5 and pregnant women and lactating women. International and national non-governmental organizations (NGOs) are WFP's partners in the programme implementation. The scope to implement a small scale food-for-work (FFW) programme was also considered in the initial EMOP design.

### **Conclusion and recommendations of the Post-Nargis Joint Assessment (PONJA)<sup>2</sup>**

- 1.8 The PONJA consisted of two main surveys, (1) Damage and Loss Assessment (DALA) and (2) Village Tract Assessment (VTA) and used a combination of survey tools – household questionnaire, key informant interviews, focus group discussions and observation checklists. The data collection was completed on 19 June 2008 and the analysis of the data on 29 June 2008. Additional analysis of qualitative information was completed in early July 2008. The final PONJA report was officially launched at the Association of South East Asian Nations (ASEAN) Foreign Ministers meeting on 21 July 2008 in Singapore, with a simultaneous launch in Yangon.
- 1.9 The adverse impact of the cyclone on household food security is significant. The results of the VTA revealed that about 42 percent of households lost all their food stocks. At the time of the survey, 34 percent reported no remaining food stocks on the day of the survey, and a further 45 percent reported stocks sufficient to last only 1 to 7 days. The impact of the cyclone on half of the population revealed very little or no food stocks of their own to depend on. With scarce employment opportunities and the next harvest

<sup>1</sup> A Yangon-based Tripartite Core Group (TCG) was established (as part of the ASEAN Humanitarian Task Force for the Victims of Cyclone Nargis) with members from the Government of Myanmar, ASEAN and United Nations as a working mechanism for coordinating, facilitating, and monitoring the flow of international assistance into the country. The TCG began its work immediately to ensure full information exchange, and support the PONJA, ensuring close coordination of relief and recovery efforts, and resolution of any problems. WFP is a participating member of the TCG on behalf of the United Nations.

<sup>2</sup> PONJA report was issued in July 2008. Food and Nutrition section results contributed by WFP and UNICEF are reproduced in the report.



only in November 2008, the assessment highlighted an urgent need to provide relief food until households can recover their livelihoods.

- 1.10 The results of the VTA indicate that while 67 percent of households are able to source their food from local markets, this percentage is not exclusive as about 38 percent of households obtain required food from humanitarian agencies (i.e., some households have used both sources to meet their food requirements). The percentage of households obtaining food from humanitarian sources is as high as 97 percent in the frontline township of Labutta, 74 percent in Dedaye and 62 percent in Bogale. This could imply that while local markets are becoming functional and some people have retained purchasing power, the level of purchasing power is very limited. This is reflected in the fact that, despite multiple sources of food, a majority have food stocks for less than one week.
- 1.11 The VTA results also indicate that food was the highest priority expenditure for affected households; some 89 percent placed it as the top priority, followed by health (32 percent), education (31 percent) and shelter (14 percent). Therefore, there is strong justification for sustained food assistance to those households that have very limited or no food stocks, with food assistance to be provided at least until the next harvest. People are able to obtain some food, despite low purchasing power, from the local markets, which still exhibit distortions in their functioning. It is expected that the prices of basic food commodities are likely to remain high until the next harvest as food inflows to the market will be low. Therefore, it would be prudent to retain a "mixed" provision of "food" to reduce pressure on markets on the supply side, and "cash" to increase peoples' purchasing power to stimulate demand.
- 1.12 In addition to the low availability of food stocks at the household level, the results of the VTA also showed that households consume less variety of various food items. In the post-cyclone period, the proportion consuming fish and eggs, the main sources of protein and fat, dropped from 80 percent to 54 percent, while vegetables and fruits, one of the main sources of vitamins and minerals, decreased by 9 percent, and consumption of edible oil reduced by 11 percent. Given these ground realities, vulnerable groups face increasing risks of acute malnutrition and micronutrient deficiencies, particularly among infants, young children and pregnant and lactating women.
- 1.13 Malnutrition continues to be a major threat to child survival during this post-cyclone period, which has severe consequences on their cognitive, social and motor skills, physical and emotional development. A recent United Nations Children's Fund (UNICEF) rapid assessment<sup>3</sup> indicated that the estimated proportion of moderate and severe acute malnutrition, as assessed by mid-upper arm circumference (MUAC) for children aged 6-59 months in the worst-affected areas of Ayeyarwady and Yangon, were 6.5 percent and 3.9 percent respectively. However the number of children in the 'at risk' category was 17.4 percent in Ayeyarwady and 14.7 percent in Yangon.
- 1.14 According to a recent Médecins sans frontières (MSF) survey,<sup>4</sup> it is estimated that up to 34 percent of under-5s were at risk of malnutrition in Pyapon. The VTA revealed that commercial infant formula consumption has decreased from 2 percent in the pre-cyclone period to 1 percent following the cyclone. The village women focal persons indicated that there had been interference in breastfeeding practices in the affected

<sup>3</sup> UNICEF rapid assessment was conducted from 17 to 23 May 2008.

<sup>4</sup> MSF survey was carried out in mid-June 2008.



areas. These factors underline the needs of the affected households for immediate nutritional support for these vulnerable groups.

## PURPOSE OF EXTENSION AND BUDGET INCREASE

1.15 The main purpose of this budget revision is to incorporate an increase in the number of beneficiaries receiving targeted relief food assistance under EMOP 10749.0 from 750,000 to 924,000 beneficiaries for the period May-November 2008, and to extend assistance to 300,000 beneficiaries for targeted relief assistance and 125,400 for FFW for the period from November 2008 to April 2009, in line with the Myanmar Revised Appeal. Around 44,200 pregnant and lactating women and children under-5 in the households receiving relief rations, will also receive fortified blended food.

1.16 The following table illustrates the revised number of beneficiaries for each activity of the EMOP:

| <b>Table 1 – Beneficiaries by type of activity</b> |                             |                                    |
|--|-----------------------------|------------------------------------|
|  | <b>May to October 2008*</b> | <b>November 2008 to April 2009</b> |
| <b>Targeted relief assistance</b>                  | 924,000                     | 300,000                            |
| <b>Blanket supplementary feeding</b>               | 89,800                      | 44,200                             |
| <b>Food for work<sup>5</sup></b>                   |                             | 125,400                            |

\* the EMOP initial estimate in May was 750,000

1.17 Relief activities will continue to be implemented in collaboration with NGO partners in order to ensure that targeted people can meet their food consumption needs. It is expected that the number of people receiving relief rations will reduce in Yangon and the delta after the harvest in October 2008 from 924,000 to 300,000. In order to promote early recovery, WFP plans to undertake food-for-work activities (or cash for work where appropriate<sup>6</sup>) from November 2008, in order to rehabilitate individual and community assets. It is expected that around 125,400 beneficiaries, who are small farmers (owning less than 0.4 hectares of land holding), will be able to secure their livelihoods through this intervention and will not need relief food distributions from November 2008.

1.18 WFP will also implement a blanket supplementary feeding programme. The programme will target all pregnant and lactating women and children under-5 in households receiving general relief distributions and cover both relief and early

<sup>5</sup> Food will be used in combination with cash where appropriate, with selected partners.

<sup>6</sup> Cash for Work is possible in early recovery activities to be undertaken from November 2008 and WFP as the Lead for the Food Cluster will work with partners to explore implementation of cash-for-work programmes in line with WFP's directive for use of cash in programme responses.



recovery contexts for a period of nine months.<sup>7</sup> Discussions with the Nutrition Cluster have precluded duplication with nutrition rehabilitation programmes. UNICEF together with other partners will implement a therapeutic feeding programme for about 60,000 children who are severely malnourished, screened through MUAC.

- 1.19 The following table provides the daily rations per person and the nutritional value of the food commodities.

| <b>Table 2 – Rations and nutritional value</b> |  |               |            |             |                               |             |             |
|--|--|---------------|------------|-------------|-------------------------------|-------------|-------------|
| <b>Activity</b>                                | <b>Commodity (g/person/day unless otherwise indicated)</b> |               |            |             |                               |             |             |
|  | <b>Rice</b>  | <b>Pulses</b> | <b>Oil</b> | <b>Salt</b> | <b>Fortified Blended Food</b> | <b>RUFC</b> | <b>kcal</b> |
| Targeted relief assistance                     | 400  | 100           | 30         | 5           |                               |             | 2,040       |
| RUFC for children under-2                      |  |               |            |             |                               | 50          | 260         |
| Blanket supplementary feeding (under-5)        |  |               |            |             | 150                           |             | 570         |
| Food for work (family ration - g/family/day)   | 3,000  |               |            |             |                               |             |             |

- 1.20 While a daily ration of 400 g of rice, 100 g of pulses, 30 g of oil and 5 g of salt will be provided under the targeted relief assistance, 4.5 kg of improved fortified blended food per person per month will be provided to households with pregnant and lactating women and children under-5. For food-for-work activities, 3 kg of rice will be provided per day of work and it is expected that around 45 days of work per person can be generated through the food-for-work activity from November 2008 to April 2009.
- 1.21 In the early stages of the EMOP, HEBs and RTEMs were provided to those severely-affected households that did not have any access to cooking facilities and/or were returning to their homes after closure of camps. These food commodities were completely distributed before the end of July 2008.
- 1.22 RUFC will be distributed to all children under-2 in the households receiving targeted relief assistance until the blanket supplementary feeding starts in September 2008. The country office will monitor the use of RUFC with its cooperating partners and will document the lessons learned and disseminate these to the food and nutrition cluster partners.
- 1.23 WFP will work with the private sector to ensure that culturally-acceptable fortified blended food is available and will establish protocols for local production. As rice is the preferred staple in Myanmar and corn is not widely accepted, the WFP will assist local

<sup>7</sup> No nutritional indicators will be measured at the outcome level due to the short duration of the programme. However, food consumption and diversity indicators will be collected, which will inform WFP about the nutritional status of the targeted groups.



producers to develop rice-based fortified blended food (for example, rice-soya bean, rice-mung bean, rice-chickpea mix).

- 1.24 The exit strategy is contingent upon household food security returning to a similar state to that which existed before cyclone Nargis. Assistance in various forms to a reduced number of beneficiaries will continue until the harvest of April-May 2009, given the likelihood that some of the most-affected households will not fully recover with the harvest of October-November 2008.

## FOOD REQUIREMENTS

- 1.25 The following tables reflect the total quantity of food needed to achieve programme objectives:

| Table 3 – Food requirements by type of activity |                        |               |                |
|---|------------------------|---------------|----------------|
| Activity  | Food requirements (mt) |               |                |
|   | Present                | Increase      | Revised        |
| Targeted relief assistance                      | 65,615                 | 33,190        | 98,805         |
| Blanket supplementary feeding                   |                        | 1,903         | 1,903          |
| Food for work                                   |                        | 3,386         | 3,386          |
| <b>Total</b>                                    | <b>65,615</b>          | <b>38,479</b> | <b>104,094</b> |

| Activity                   | Food commodities (mt) |               |              |              |           |           |            |              |                |
|----------------------------|-----------------------|---------------|--------------|--------------|-----------|-----------|------------|--------------|----------------|
|                            | Rice                  | Pulses        | Veg. Oil     | Iodized salt | RTE       | RUSF      | HEB        | FBF          | Total          |
| Targeted relief assistance | 73,719                | 18,430        | 5,529        | 921          | 14        | 45        | 148        |              | 98,805         |
| Supplementary feeding      |                       |               |              |              |           |           |            | 1,903        | 1,903          |
| Food for work              | 3,386                 |               |              |              |           |           |            |              | 3,386          |
| <b>Total</b>               | <b>77,105</b>         | <b>18,430</b> | <b>5,529</b> | <b>921</b>   | <b>14</b> | <b>45</b> | <b>148</b> | <b>1,903</b> | <b>104,094</b> |

## Modalities of food distribution

- 1.26 WFP has three sub-offices in the Delta region, in Bogale, Labutta and Pyapon from where operations are managed in close cooperation with partners and township authorities. WFP currently partners with United Nations agencies such as UNICEF, United Nations Development Programme (UNDP), Food and Agriculture Organization (FAO) and also with international and local NGOs. The distribution plans are shared with the township and central authorities to ensure appropriate coordination. These plans are also shared with national and international humanitarian development partners including the United Nations agencies and with the Myanmar Information Management Unit, a function that WFP supports both administratively as well as technically. Local

officials and NGOs select beneficiaries in the severely-affected divisions/townships and WFP staff closely monitors the process. Where partners are not able to cover distribution, WFP implements direct distributions.

- 1.27 WFP has disseminated key monitoring tools and targeting criteria to all its partners and is carrying out field-based training for all WFP and cooperating partner staff to ensure compliance with targeting and distribution and post-distribution monitoring. WFP is undertaking a market assessment in Yangon and Ayeyarwady divisions to better understand the market characteristics and functioning and its impact on the food security of the affected population. Furthermore, in close collaboration with its partners, WFP will conduct a food security assessment at the end of August 2008 to fine-tune targeting and the programme response.

Approved by:

 Josette Sheeran

Executive Director, WFP

Date: 21/08/08

 Jacques Diouf

Director-General, FAO

 Date: 27.8.08



## ANNEX I A

| BUDGET INCREASE COST BREAKDOWN                                     |                  |                               |                    |
|--|------------------|-------------------------------|--------------------|
|  | Quantity<br>(mt) | Average<br>Cost<br>per<br>Ton | Value<br>(dollars) |
| <b>WFP COSTS</b>   |                  |                               |                    |
| <b>A. Direct operational costs</b>                                 |                  |                               |                    |
| Commodity  |                  |                               |                    |
| Rice   | 28,504           | 666                           | 25,884,864         |
| Blended Food   | 1,497            | 738                           | 631,270            |
| Salt   | 314              | 98                            | -31,141            |
| Vegetable Oil  | 1,884            | 1578                          | 2,892,762          |
| Pulses   | 6,280            | 810                           | 5,354,100          |
| -  |                  |                               |                    |
| -  |                  |                               |                    |
| -  |                  |                               |                    |
| <b>Total commodities</b>   | <b>38,479</b>    |                               | <b>34,731,855</b>  |
| <b>External transport</b>  |                  |                               | <b>2,257,847</b>   |
| <b>Landside transport</b>  |                  |                               | <b>3,028,379</b>   |
| <b>Subtotal for ITSH</b>   |                  |                               | <b>971,618</b>     |
| <b>Total LTSH</b>  |                  |                               | <b>3,999,997</b>   |
| <b>Other direct operational costs</b>                              |                  |                               | <b>1,196,723</b>   |
| <b>Total direct operational costs</b>                              |                  |                               | <b>42,186,422</b>  |
| <b>B. Direct support costs (see Annex II for details)</b>          |                  |                               |                    |
| <b>Total direct support costs</b>                                  |                  |                               | <b>609,624</b>     |
| <b>C. Indirect support costs (7 percent of total direct costs)</b> |                  |                               | <b>2,995,723</b>   |
| <b>TOTAL WFP COSTS</b>   |                  |                               | <b>45,791,769</b>  |



| <b>DIRECT SUPPORT REQUIREMENTS (US\$)</b>        |                  |
|--|------------------|
| <b>Staff</b>                                     |                  |
| International professional staff                 | 378,353          |
| National professional officers                   | 50,330           |
| National general service staff                   | -154,896         |
| Temporary assistance                             | 850,000          |
| Overtime   | 40,000           |
| International Consultants                        | -51,848          |
| National Consultants                             | -4,000           |
| Staff duty travel                                | 216,668          |
| Staff training and development                   | 50,000           |
| <b>Subtotal</b>                                  | <b>1,374,607</b> |
| <b>Office expenses and other recurrent costs</b> |                  |
| Rental of facility                               | 96,000           |
| Utilities (general)                              | 13,497           |
| Office supplies                                  | -329,720         |
| Communication and IT services                    | 156,800          |
| Insurance  | -                |
| Equipment repair and maintenance                 | 7,501            |
| Vehicle maintenance and running cost             | -88,000          |
| Other office expenses                            | 46,000           |
| United Nations Organizations Services            | -123,000         |
| <b>Subtotal</b>                                  | <b>-534,522</b>  |
| <b>Equipment and other fixed costs</b>           |                  |
| Furniture tools and equipment                    | -9,178           |
| Vehicles   | -94,544          |
| TC/IT equipment                                  | -126,739         |
| <b>Subtotal</b>                                  | <b>-230,461</b>  |
| <b>TOTAL DIRECT SUPPORT COSTS</b>                | <b>609,624</b>   |



### Summary of Log Frame Myanmar: EMOP 10479.0 (Budget Revision)

| Results-Chain (Logic Model)   |  | Performance Indicators  | Risks, Assumptions   |
|---|--|---|--|
| <b>Result Area 2 – Reduce Hunger in its various forms in targeted areas (SO1 – Save lives and protect livelihoods in emergencies).</b>                                  |  |   |  |
| <b>Outcome 1.1</b><br>To meet the immediate food needs of the targeted people severely affected by cyclone Nargis over the assistance period.                           |  | <ul style="list-style-type: none"> <li>➤ Number of beneficiaries consuming at least 2 meals per day.</li> <li>➤ % of beneficiaries who report diversity in food groups (other than food aid received).</li> </ul> | <p>Assumption: Donors contributions are received on time in adequate amounts/quantities.</p> <p>Risk1: Inaccessibility of the target areas to assess the needs of affected people.</p> <p>Risk2: National/local food procurement permissions may be delayed or rescinded.</p> <p>Risk3: Food commodity importation permits can be delayed or withdrawn, leading to acute pipeline break.</p> |
| <b>Outcome 1.2<sup>1</sup></b><br>Contribute to preventing a nutritional decline amongst targeted women and children  |  |   |  |
| <b>Result Area 3 – Protect and strengthen livelihoods (SO1)</b>   |  |   |  |
| <b>Outcome 2</b><br>Restore livelihoods of targeted beneficiaries to pre-crisis levels.   |  | <ul style="list-style-type: none"> <li>➤ Percentage of targeted beneficiaries who have re-established their livelihoods post crisis.</li> </ul>   |  |
| <b>Output 2.1</b><br>Targeted beneficiaries have access to livelihood assets.   |  | <ul style="list-style-type: none"> <li>➤ Number and type of assets rehabilitated/ repaired.</li> </ul>  |  |
| <b>Common Outputs for Outcomes 1 and 2</b><br>Timely distribution of food and items in sufficient quantity and quality to the targeted beneficiaries (924,000 planned). |  | <ul style="list-style-type: none"> <li>➤ Actual beneficiaries receiving food assistance disaggregated by sex and category as a percentage of planned beneficiaries.</li> </ul>                                    |  |
|   |  | <ul style="list-style-type: none"> <li>➤ Actual MT of food distributed by commodity type as a percentage of planned MT distribution.</li> </ul>   |  |

<sup>1</sup> No nutritional indicators will be measured at the outcome level due to the short duration of the programme. However, food consumption and diversity indicators will be collected, which will inform WFP about the nutritional status of the targeted groups.





## OFFICE MEMORANDUM

TO: Ms. Josette Sheeran  
Executive Director, WFP

DATE 27 August 2008

FROM: H. Lejeune  
Directeur de Cabinet

SUBJECT: Budget Revision Myanmar EMOP 10749.0 "Food Assistance to Cyclone-Affected Populations in Myanmar"

Please refer to the above mentioned Emergency Operation Budget Revision submission dated 22 August 2008.

The submission is consistent with the PONJA (Post Nargis Joint Assessment) finding in the Ayeyarwady and Yangon Divisions from 10 to 19 June 2008: the adverse impact of the cyclone on household food security has been very significant with many families having lost their food stocks. About 42 percent of households lost all their food stocks, 34 percent had no remaining food stocks on the day of the survey, and a further 45 percent had stocks sufficient to last only 1 to 7 days. With scarce employment opportunities and the next harvest to take place only in November, the assessment emphasized an urgent need to provide relief food until households can recover their livelihoods.

In view of this, the proposed WFP food assistance of 104 094 tonnes to 924 000 beneficiaries up to the end of October 2008 and to 300 000 beneficiaries from November 2008 to April 2009 in the most affected areas is well justified. Through Food-for-Work, this EMOP will continue to help restore local livelihood systems and strengthen the emergency response capacity of rural communities. However, the proposed provisions for food distribution need to be carefully monitored to avoid any negative effects on local production and market systems.

In Mr. Butler's absence, I am pleased to inform you that the Director-General has approved the Budget Revision and I have signed it on his behalf.

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adf

UN 83/7 – Myanmar  
ODG/08/167

cc: Director-General  
ODG Registry (1\*+1)  
Butler, DDG  
Lejeune, Directeur de Cabinet, ODG\*  
Ghanem, ESD\*  
Thomas, OCD  
Bauer, TCE  
FAOR-Myanmar

Sarris, ESTD\*  
Parsons, KCID  
Josserand/Balbi, ESTG\*  
Fang, ESTG  
Gunjal, ESTG  
ESTG File  
Chrono, ESTG\*  
EST Registry