BUDGET REVISION 2 TO THE PHILIPPINES PROTRACTED RELIEF AND RECOVERY OPERATION 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

	Cost (United States dollars)		
	Current budget	**Increase**	**Revised budget**
Food (& Cash) cost	30 555 015	9 502 076	40 057 091
External transport	2 399 699	926 104	3 325 803
LTSH	2 458 725	925 226	3 383 951
ODOC	5 156 489	5 134 895	10 291 384
DSC	9 086 216	2 024 369	11 110 585
ISC (7.0 percent)	3 475 930	1 295 887	4 771 817
Total cost to WFP	**53 132 074**	**19 808 557**[1]	**72 940 631**

NATURE OF THE INCREASE

1. This revision to the Philippines protracted relief and recovery operation (PRRO) 200926, "Support to Returnees and Other Conflict-Affected Households in Central Mindanao and National Capacity Development on Disaster Preparedness and Response", is to respond to Typhoon Bopha, proposing to:
   - provide emergency food assistance to meet the needs of populations affected by the typhoon;
   - increase the geographic coverage of the PRRO to include people who have been affected by the typhoon;
   - use emergency cash and voucher transfers appropriate to the context of affected communities;
   - replenish the contingency food stock of rice and high-energy biscuits; and
   - expand the WFP-supported disaster preparedness and response capacity-building for the national Government and local governments in highly disaster-prone areas.

2. Typhoon Bopha (locally named "Pablo") made landfall on 4 December 2012 in Davao Oriental (Mindanao) and traversed Mindanao, Visayas and Palawan, leaving severe damage and destruction in its wake – particularly in Eastern Mindanao. It was the strongest storm to hit

[1] The overall amount planned under the WFP-supported DPR initiative is US$4.5 million. Of this amount, other direct operational costs (ODOC) account for US$3.6 million; direct support costs (DSC) for US$600,000; and indirect support costs (ISC) for US$300,000.

Mindanao since 1912 and the most powerful typhoon to strike the Philippines in 2012: 6.2 million people[2] in seven regions have been affected by Typhoon Bopha. The provinces of Davao Oriental, Compostela Valley, Agusan Del Sur, Surigao Del Sur and Lanao Del Sur are reported as being the most affected.

3. In response, WFP is planning to provide an additional 15,331 mt of food commodities and US$2 million for cash and voucher transfers to meet the most urgent needs until June 2013. The cash and voucher component is relatively modest given the limited capacities of traders and damage to market infrastructure.

4. The specific changes for the budget are to:
   - provide additional commodities at a cost of US$7.5 million;
   - increase cash and voucher-based programmes of an additional US$2 million;
   - provide for additional external transport costs of US$0.9 million;
   - increase landside transport, shipping and handling (LTSH) by US$0.9 million and other direct operational costs (ODOC) by US$5.1 million; and
   - increase direct support costs (DSC) by US$2 million and indirect support costs (ISC) by US$1.3 million.

JUSTIFICATION FOR BUDGET INCREASE

Summary of Existing Project Activities

5. Central Mindanao has been exposed to a four-decade long conflict, which has greatly undermined peoples' lives and livelihoods. WFP has undertaken periodic food security assessments that indicate the need for continued support to targeted populations who are exposed to greater risk of conflict and natural disasters in this area. Based on this background, WFP's main operational focus under the current PRRO continues to be in Central Mindanao, while maintaining flexibility to respond to any significant natural disasters anywhere in the country.

6. PRRO 200296, which started in May 2012, aims to consolidate the livelihood recovery of food-insecure, conflict-affected communities in five selected provinces of Central Mindanao (Maguindanao, Lanao del Sur, Lanao del Norte, Sultan Kudarat and North Cotabato), strengthening resilience to other shocks and thus contributing to peace-building. Targeted support is also being provided to develop the capacity of national and local-level actors to improve disaster preparedness and response (DPR).

7. The current operation has been aiming to support 1.1 million people in conflict-affected areas of Central Mindanao over a two-year period through cash-for-assets (CFA) and food-for-assets (FFA) schemes, emergency cash or voucher transfers, on-site school feeding, and nutrition support to pregnant and lactating women and children under 5.

8. The PRRO also has a dedicated DPR component focusing on capacity-building in selected highly disaster-prone provinces and cities to enhance resilience of the communities and disaster response capacities of the local governments.

[2] Source: Office for the Coordination of Humanitarian Affairs (OCHA), Situation Report No. 12 (as of 31 December 2012).

9. WFP established an in-country contingency stock to respond to natural disasters, consisting of 1,500 mt of rice and 200 mt of high-energy biscuits, as an integral part of the operation, which proved to be highly effective in enabling the country office to immediately support the Government's food relief efforts in Typhoon Bopha-affected areas. The immediate joint response in partnership with the Government in the hardest-hit areas served 250,000 beneficiaries when it was most critically needed.

10. A revision to the PRRO in June 2012 included (i) additional beneficiaries requiring continued assistance after Tropical Storm Washi (which struck in December 2011) in northern Mindanao; and (ii) additional activities under a DPR capacity-building initiative for selected disaster-prone urban areas.

Conclusion and Recommendations of the Re-Assessment

11. As of 31 December, the death toll from Typhoon Bopha stood at 1,067 people, with another 834 people missing;[3] 1.2 million people are living in evacuation centres or with relatives and friends. Property, infrastructure, and livelihood assets - such as bridges, houses, roads, power lines, crops and livestock - were destroyed by strong winds, flash floods, landslides and overflowing rivers; 217,000 houses have been totally or partially damaged.

12. While WFP has no primary data for the Typhoon Bopha-affected provinces, in late-November, just before the onset of this disaster, WFP and the Food and Agriculture Organization of the United Nations (FAO) jointly undertook a food security analysis for the entire Mindanao group of islands in partnership with the national and local governments. This analysis used the integrated food security phase classification approach. The analysis clearly highlights the pre-crisis vulnerability of the Typhoon Bopha-affected provinces, including extremely high levels of poverty and undernutrition, fragile environments, and exposure to insurgencies.

13. Between 5-7 December 2012, the National Disaster Risk Reduction Management Council and the Philippines Humanitarian Country Team completed a joint rapid needs assessment in three regions initially identified as critically affected by Typhoon Bopha: Davao (Region XI – Davao Oriental and Compostela Valley), Northern Mindanao (Region X – Misamis Oriental and Bukidnon) and Caraga (Region XIII – Surogao del Sur and Agusan del Sur). The assessment highlighted the dire need for food, water, shelter, medicines, non-food items (such as generators), and protection support. Access constraints and communication difficulties – due to fallen power lines, damaged or destroyed roads and bridges, storm debris, landslides, disrupted flights and telecommunications failures - have made it difficult to capture a complete picture of the typhoon's impact and to initiate the relief response in some areas. The United Nations Disaster Assessment Coordination Centre is compiling a full joint assessment report.

14. With losses of agricultural assets estimated at over US$400 million, of which 92 percent are high-value commercial crops including coconuts, vegetables, coffee, rubber, cocoa and bananas, the effects on agricultural livelihoods and food security are substantial. Fisherfolk from the coastal communities lost their boats and other fishing equipment. People currently unable to return home may remain displaced for weeks or months and will be prone to food insecurity, disease and increased risk of malnutrition, particularly children aged 6-59 months. With houses, household assets and livelihood assets often completely destroyed, it is likely that many households will take years to fully recover. In the interim, these families will need to adopt alternative livelihood strategies.

[3] National Disaster Risk Reduction Management Council, Government of Philippines, Sitrep. 25 December 2012.

15. Information related to post-disaster food and nutrition security is still incomplete, with new reports on a daily basis. However, WFP is planning a comprehensive food security, nutrition, markets and livelihoods assessment scheduled in January 2013 together with the Government, United Nations and non-governmental organization (NGO) partners. This assessment will provide a clearer picture of the impact of the typhoon and will assist WFP in developing a more comprehensive response plan beyond the initial emergency phase.

16. The Government, through the Department of Social Welfare and Development (DSWD), officially requested WFP to provide food and logistics support to complement government-led relief and recovery efforts on 7 December. In accepting the offer of international support, the Government indicated that food and non-food item support were among the highest humanitarian priorities. The Government and the Humanitarian Country Team launched the "Bopha Action Plan for Response and Recovery" on 10 December as part of the Philippines Humanitarian Action Plan 2013, requesting US$65 million to reach 481,000 of the most affected people. This budget revision to the PRRO is part of the Bopha Action Plan.

17. The Government is assisting the entire affected population through food and non-food assistance, with WFP specifically requested by the Government to focus on the hardest-hit provinces of Davao Oriental and Compostela Valley, and selected affected municipalities in Surigao del Sur, Agusan del Sur and Lanao del Sur provinces. WFP's relief and early recovery support is to target 80,000 worst-affected households (400,000 beneficiaries) in those communities, while the Government would continue to provide support to other affected communities. Priority is given to those who are living in evacuation centres or in makeshift tents and those being hosted by other families. At present, relief distribution targeting is done jointly with government partners.

18. The markets in the worst hit areas of Compostela Valley and Davao Oriental will not be fully functional for some time, making any cash or voucher-based interventions in those areas unfeasible. However, some other affected areas do have functional markets, particularly in Surigao del Sur and Agusan del Sur, where CFA could be immediately initiated.

Purpose of Extension and Budget Increase

19. The Philippines is one of the most disaster-prone countries in the world, and hence the current PRRO was designed to be flexible enough to respond to emergencies in any part of the country; it includes a contingency food stock for immediate response. Thus WFP will revise the PRRO to include new geographic areas and beneficiaries and to address immediate emergency food needs. This enables WFP to use existing PRRO stocks and mechanisms for cash interventions, facilitating a more timely response to the ongoing crisis. This same approach has been adopted in the revision to the United Nations Humanitarian Action Plan for the Philippines.

20. Based on the above background and rationale, the main purpose and objectives of this budget revision are to:
    - provide life-saving and early recovery food assistance to meet the needs of populations most affected by Typhoon Bopha, while other PRRO activities in Central Mindanao and the DPR component continue uninterrupted;
    - increase the geographic coverage of the PRRO to include people who have been affected by the typhoon;
    - provide targeted feeding to school-age children in affected areas through an emergency school feeding activity;
    - assist with supplementary food for treatment and prevention of malnutrition targeting children aged 6-59 months;

- prevent deterioration of nutritional status of pregnant and lactating women in the affected areas, as recommended by the Nutrition Cluster;
- use a combination of food and cash or voucher transfers to affected communities;
- replenish the contingency food stock of rice and high-energy biscuits; and
- expand and extend the DPR initiative.

21. As immediate response options, WFP will pursue the following strategies for Typhoon Bopha relief and recovery response in the provinces of Davao Oriental, Compostela Valley, Agusan del Sur, Surigao del Sur and Lanao del Sur[4]:
    - general food rations of rice will be provided for two months to 400,000 beneficiaries, with high-energy biscuits for the first month to all beneficiaries;
    - blanket supplementary feeding to 21,500 children for prevention of acute malnutrition for three months;
    - targeted feeding for 7,000 children aged 6-59 months for three months to treat moderate acute malnutrition (MAM);
    - supplementary rations (rice, mung beans) for 40,000 pregnant and lactating women for six months in line with the recommendation of the Nutrition Cluster;
    - CFA/FFA activities to restore livelihoods and damaged infrastructure targeting 50,000 households/participants; and
    - targeted feeding for 80,000 schoolchildren through hot meals (rice, beans and vegetable oil) in targeted elementary schools.

22. The Nutrition Cluster advised that blanket feeding is an appropriate "emergency response" measure, and it is also important to focus on the treatment of MAM. The cluster has requested that WFP engage in these nutrition activities in typhoon-affected areas where the United Nations Children's Fund (UNICEF) and other nutrition partners are addressing severe acute malnutrition. The school meals activity is "emergency school feeding" with the objective of restoring normalcy and offering another platform to meet immediate food needs of vulnerable households. WFP support for the targeted nutrition activity and the emergency school feeding activity is not expected to extend beyond the duration of this budget revision.

23. Beyond the immediate emergency phase, in the context of broader government response plans for livelihood recovery, WFP will work with government partners to assess the possibilities to implement FFA and CFA activities in areas affected by Typhoon Bopha. For households and individuals who would not be able to participate in asset-creation activities due to vulnerability or inability to work, transfers that are not conditional on work could be considered.

24. As eastern Mindanao has not been previously assisted by WFP, the country office will further assess and monitor the market recovery to make an informed decision on the choice between cash and vouchers for immediate emergency response. Some information will derive from an in-depth food security and nutrition assessment planned for January 2013. Considering the scale and variability of the disaster and the different impacts in each area, flexibility is required. Vouchers are currently the preferred option, mainly to: i) allow for more options as the nature of the response evolves; ii) build on the successful experience of using vouchers during the Typhoon Washi response in early-2012; and iii) enable WFP to monitor trader supplies, commodity prices, beneficiary expenditures and improved food consumption.

25. Delivery mechanisms being reviewed for immediate implementation include cash-in-hand/envelopes via an NGO partner, cash accounts through remittance service providers where accessible, and paper vouchers. The use of pre-paid cards appears problematic due to the lack of withdrawal facilities.

[4] Lanao del Sur already has on-going nutrition, school feeding and asset-creation activities in this PRRO.