

**BUDGET REVISION FOR THE APPROVAL OF REGIONAL DIRECTOR**

	<u>Initials</u>	<u>In Date</u>	<u>Out Date</u>	<u>Reason For Delay</u>
<b><u>ORIGINATOR</u></b>				
Country Office or Regional Bureau on behalf of Country Office	.....	.....	.....	.....
<b><u>CLEARANCE</u></b>				
Project Budget & Programming Officer, RMBP	.....	.....	.....	.....
Chief, RMBP	.....	.....	.....	.....
Chief, ODLT (change in LTSH and/or External Transport)	.....	.....	.....	.....
<b><u>APPROVAL</u></b>				
<input checked="" type="checkbox"/> Regional Director	.....	.....	.....	.....

<b>PROJECT</b>			
<b>Start date:</b> 01.01.08	<b>End date:</b> 31.12.12	<b>Extension/Reduction period:</b> 6 months.	<b>New end date:</b> 30.06.13
	<b>Previous Budget</b>	<b>Revision</b>	<b>New Budget</b>
Food cost <sup>1</sup>	US\$ 7,863,391	US\$ 945,612	US\$ 8,809,003
External transport <sup>2</sup>	US\$ 1,025,187	US\$ -82,685	US\$ 942,502
LTSH <sup>3</sup>	US\$	US\$	US\$
ODOC <sup>4</sup>	US\$ 979,522	US\$ 62,090	US\$ 1,041,612
DSC <sup>5</sup>	US\$ 726,950	US\$ 251,904	US\$ 978,854
ISC (7%) <sup>6</sup>	US\$ 741,653	US\$ 82,385	US\$ 824,038
<b>Total WFP cost (US\$)</b>	<b>US\$11,336,703</b>	<b>US\$1,259,306</b>	<b>US\$12,596,009</b>

**TYPE OF REVISION**

- Additional commodity     
 Additional DSC     
 Additional ODOC     
 Additional LTSH  
 Additional external transport     
 Extension in time     
 Other

**DISTRIBUTION:**

DED, OD	Director, ODX	Chief, ODXP
Deputy COO & Director, ODE	Chief, RMBP	Regional Director
Chief, ODLT	Chief, ODXR	RB Programme Advisor
Country Director	Programme Officer, RMBP	RB Programme Assistant
OD Registry	Programming Assistant, RMBP	RB Chrono
Director, ERD and COO	Liaison Officer, OD @	

<sup>1</sup> Food cost can comprise both commodities and cash/voucher transfers.

<sup>2</sup> The first leg of transport for commodities: from the donor country to the recipient country port, or in cases of regional commodity purchases, from the place of purchase to the recipient country.

<sup>3</sup> Landside, Transport, Storage and Handling - LTSH comprises the actions required to (a) care for and (b) physically deliver the commodities from the completion of external transport through to final distribution.

<sup>4</sup> Other Direct Operational Costs - ODOC include deliverable goods (non-food items), services and training to beneficiaries and/or to implementing partners.

<sup>5</sup> Direct Support Costs - DSC are those costs which are incurred directly in support of projects by a WFP Country Office.

<sup>6</sup> Indirect Support Costs - ISC is a fixed rate resourced from all donor contributions, which is used to cover (non-project) corporate overhead costs, i.e. PSA.

## **NATURE OF THE INCREASE**

**WFP Sri Lanka is submitting a budget revision with the following objectives:**

- To purchase Supercereal plus to treat children with MAM below 5 years of age in targeted districts;
- To reduce the total food requirements by 314 mt;
- To reduce the number of targeted beneficiaries due to the shift in programmatic focus of MCHN programmes from prevention-oriented to treatment-focused;
- To increase the DSC and ODOC requirements to accommodate additional staff and provide additional technical support to the Government of Sri Lanka (GoSL); and
- To extend in time of the project duration of DEV Project 106070 by 6 months, from 1 January 2013 to 30 June 2013.

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

### **Summary of existing project activities**

1. Sri Lanka has been implementing its Development Project 106070 since September 2008. Initially implemented in six districts with the highest levels of acute malnutrition, an additional three districts were added at the end of 2010 when WFP PRRO operations were phased out from this area. The main activities of the project are to:
  - Provide supplementary food to children under 2 years of age to reduce under-nutrition;
  - Targeted supplementary feeding of children 24 months to 59 months to reduce MAM prevalence;
  - Provide supplementary food to pregnant mothers to reduce low birth weight;
  - Provide supplementary food to lactating mothers during the first 6 months after delivery to encourage Exclusive Breast Feeding (EBF); and
  - Increase production of *Triposha* and assist local farmers to produce good quality Soya

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

2. Acute malnutrition remains a significant Public Health issue in Sri Lanka. Historically, moderate acute malnutrition (MAM) ranges from 17-22 percent in the areas targeted for support under this Development Project. The most recent nutritional assessment, the National Nutrition and Food Security Survey (2010), reported GAM levels exceeding 25 percent in these same districts.
3. WFP has been assisting the GoSL in the production of *Triposha*—a blended and nutrient-rich supplementary food provided to malnourished children and pregnant and lactating mothers. As part of this process, WFP has used the current Development Project to purchase soya—a key ingredient in *Triposha*—to ensure adequate production levels to meet cover the nutrition needs in targeted districts. Moreover, the WFP CO has been successful in its policy advocacy efforts with the Ministry of Health (MoH) to ensure that *Triposha* production and distribution meets international standards in terms of ration scales as well as food-safety criteria.
4. In January 2012, the GoSL instituted a ban on maize and soya imports in order to encourage local production and supply of these commodities. This move has had a significant impact on WFP efforts to reduce undernutrition through its Development Project. Specifically, the import ban means that production capacity of *Triposha* will not be sufficient to meet the required needs for the MAM prevention programme.

5. In February 2012, after discussion with WFP and UNICEF, the National Maternal and Child Nutrition Subcommittee (MCNS) agreed to use Supercereal plus instead of *Triposha* to **treat** MAM cases for a treatment cycle of 90 days. Activities related to the prevention of MAM would continue to use *Triposha* as per GoSL policy. In turn, the MoH has asked WFP to support this process by shifting attention from prevention to treatment activities and to procure Supercereal plus until such time as *Triposha* production capacity can meet the existing and future demand or until other supplementary products are made available in sufficient quantities.
6. The shift from prevention to treatment will mean a reduction in the overall beneficiary caseload from 132,000 (PLW and children under five years) to 82,000 MAM children. The change in the ration size will also mean a reduction of 1,790mt (maize and soya) to 1,476mt (Super cereal plus).
7. WFP will continue to use the districts health facility data to monitor the levels of MAM for the different facilities using the different products. In addition, jointly with the GOSL the guidelines for the treatment of MAM will be revised and materials to support screening and treatment of MAM by the health staff will be developed with the support of WFP.
8. Due to the closure of sub-offices in the East, WFP will require the recruitment of four additional staff under this project: two programme assistants and two food-aid monitors. These staff will provide oversight and adequate functions for the treatment programme in this region and represent an increase in the DSC costs associated with the Development Project.
9. This activity will also require additional ODOC funding for one national and one international consultant for a 2 month period in addition to the recruitment of four enumerators for a period of one month for data collection and data entry associated with monitoring activities.
10. In June 2013 a MOH, WFP and UNICEF evaluation will be conducted in the Development districts to determine the effectiveness of Supercereal plus and/or *Thriposha* in treating and preventing MAM. It is envisaged that evidence of using the right product in right quantity will support the transition to longer-term development programming by providing valuable experience in the treatment of MAM.
11. Based on the findings from the evaluation, WFP will provide recommendations to the MoH with regards to the improvement of *Triposha* or use of other supplementary foods so as to comply with the international standards for Fortified-Blended Foods and enhance local production of these foods.
12. Given the change in commodity, the shift in focus of the MCHN programme and the need to collect sufficient information to determine the effectiveness of Supercereal plus for treatment activities and *Triposha* for prevention efforts, implementation schedules will also need changing. It is expected that an additional six months is required to implement the different changes to the programme and enable WFP to be in a better position to assess the effectiveness of its interventions.

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

The purpose of this extension in time is to update the objectives, commodity requirements and implementation schedule for the existing CMAM programme under the Development Project, this budget revision seeks to:

- Extend in time, the duration of the current Development Project by six months: from 1 January 2013 – 30 June 2013;

- Reduce the maize and soya requirements approved for the Project and replace these quantities with Supercereal plus; and
- Increase the DSC and ODOC requirements by US\$251,904 and US\$62,090, respectively.

<b>TABLE 1. BENEFICIARIES BY ACTIVITY TYPE</b>			
	<b>Beneficiaries</b>		
<b>Activity</b>	<b>Present</b>	<b>Change</b>	<b>Revised</b>
MCHN supplementary feeding for 2012	132,000	-106,000	26,000
MCHN supplementary feeding from Jan – June 2013	0	56,000	56,000
<b>Total</b>	<b>132,000</b>	<b>-50,000</b>	<b>82,000</b>

\* Specify in a footnote the number of beneficiaries who will receive cash and vouchers (if applicable).

## FOOD REQUIREMENTS

1. Outline the additional and total food quantity needed for achieving revised operation/programme/project

Due to the change in commodity and the target group the total MT required is reduced from 1,790 MT (maize and Soya) to 1,476 MT (Supercereal plus) during this project period.

<b>TABLE 2. FOOD REQUIREMENTS BY ACTIVITY TYPE</b>			
	<b>Food requirement (mt)</b>		
<b>Activity</b>	<b>Present</b>	<b>Change</b>	<b>Revised</b>
MCHN supplementary feeding for 2012	5,369 (Maize and Soya)	-1,790 (Maize and Soya)	3,579
MCHN supplementary feeding for 2012	0	210 (Supercereal Plus)	210
MCHN supplementary feeding from Jan – June 2013	0	1,266 (Supercereal Plus)	1,266
<b>Total</b>	<b>5,369</b>	<b>-314</b>	<b>5,055 (Supercereal Plus)</b>

2. Describe changes in modalities of food distribution to beneficiaries (if applicable).

In line with the request of the GOSL for WFP to import Supercereal plus as the in country capacity to a full scale prevention programme by the GOSL has reduced, due to the ban on imports of Cereals and Soya, the modality of the food distribution under this project will be changed from a blanket MCHN preventive approach to a targeted treatment programme limited to malnourished children only .

All children under 5 visiting the public health care centers for follow-up will be screened for malnutrition and if malnourished will be admitted to the programme for a maximum period of stay of 90 days. Any child recovered within that period will be discharged as per standard procedures. Children not recovered within 90 days will be discharged, but referred for follow-up to the pediatric clinics for specialized treatment. The distribution will continue to be on monthly basis through the public health care centers, the distributions costs will be covered by the GOSL-MOH.