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**Executive Board  
Second Regular Session**

**Rome, 8–11 November 2010**

# PROJECTS FOR EXECUTIVE BOARD APPROVAL

Agenda item 9

*For approval*



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## BUDGET INCREASES TO DEVELOPMENT ACTIVITIES— LAO PEOPLE'S DEMOCRATIC REPUBLIC DEVELOPMENT PROJECT 100781

Cost (United States dollars)			
	Current budget	Increase	Revised budget
WFP Food cost	16,484,847	3,098,470	19,583,317
Total cost to WFP	32,179,558	6,186,614	38,366,172

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## NOTE TO THE EXECUTIVE BOARD

**This document is submitted to the Executive Board for approval**

The Secretariat invites members of the Board who may have questions of a technical nature with regard to this document to contact the WFP staff focal points indicated below, preferably well in advance of the Board's meeting.

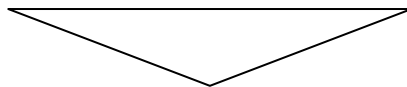
Regional Director, ODB\*: Mr K. Oshidari tel.: 066513-3063

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Should you have any questions regarding matters of dispatch of documentation for the Executive Board, please contact Ms I. Carpitella, Administrative Assistant, Conference Servicing Unit (tel.: 066513-2645).

\* Regional Bureau Bangkok (Asia)

## DRAFT DECISION\*



The Board approves the budget increase of US\$6.2 million for the Lao People's Democratic Republic Development Project 100781 (WFP/EB.2/2010/9-B/3) with a 12-month extension from 1 January to 31 December 2011.

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\* This is a draft decision. For the final decision adopted by the Board, please refer to the Decisions and Recommendations document issued at the end of the session.

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## NATURE OF THE INCREASE

1. A budget revision to Lao People's Democratic Republic development project (DEV) 100781 is proposed to:
  - extend the DEV for 12 months from 1 January to 31 December 2011 to align future development activities with the next United Nations Development Assistance Framework (UNDAF) cycle starting in 2012;
  - provide an additional 6,408 mt of food valued at US\$3.1 million to meet the needs of 614,000 beneficiaries;
  - provide the US\$3.1 million costs of external transport, landside transport, storage and handling, other direct operational costs, direct support costs and indirect support costs; and
  - continue to support the transition to a national school feeding programme.

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## JUSTIFICATION FOR EXTENSION AND BUDGET INCREASE

### Summary of Existing Project Activities

2. The Lao People's Democratic Republic is a least-developed country with poor human development indicators. Primary school enrolment is only 51 percent<sup>1</sup> for girls, particularly in ethnic minorities in remote areas: this is recognized as a major challenge. The 8<sup>th</sup> Congress of the Lao People's Revolutionary Party identified education as essential to socio-economic development. The Education Sector Development Framework (2009–2015) aims to improve access to education through activities such as school feeding.
3. The WFP school feeding programme started in 2002 under a DEV to address household food insecurity and low levels of education that limited development, especially among girls in rural areas in Oudomxai, Luangnamtha and Phongsali provinces in the north. A second phase starting in 2005 led to an expansion to Saravan, Sekong and Attapeu provinces in the south in 2009 where enrolment rates are among the lowest in the country.
4. In addition to DEV 100781, WFP's work includes protracted relief and recovery operation 105660 covering targeted food distributions in response to recurring natural disasters and food for work for community asset creation, and DEV 200129 for mother-and-child health and nutrition.

### Conclusions and Recommendations of the Re-Assessment

5. A 2007 comprehensive food security and vulnerability assessment estimated that two thirds of the rural population were food-insecure or at risk of food insecurity if one or more livelihood shocks occurred in a year. A November 2009 emergency food security assessment in the north confirmed the link between remoteness and lack of economic opportunities, poverty and poor school attendance.

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<sup>1</sup> Government of the Lao People's Democratic Republic/United Nations. 2008. *Millennium Development Goals Progress Report, Lao People's Democratic Republic*. Vientiane.

6. A mid-term evaluation of school feeding in 2008 reviewed issues related to government ownership and sustainability. The recommendations, which are being implemented, include preparation of a capacity development and transition strategy, establishment of a national implementation unit, enhancement of coordination mechanisms and application for the Education for All Fast-Track Initiative (EFA-FTI).
7. A WFP country portfolio evaluation in 2009 confirmed the relevance of school feeding, highlighting its alignment with the national education development framework, its emphasis on community participation and its enhanced monitoring and evaluation systems. A new five-year country strategy is being developed to address the recommendation that WFP establish a unifying goal for its activities.
8. At a stakeholder workshop in March 2010 held by the Ministry of Education, WFP and the World Bank to initiate the hand-over for school feeding, the main recommendation was that the Government assume leadership of school feeding as soon as possible.

### Purpose of Extension and Budget Increase

9. WFP will align the school feeding programme with the national planning cycle and the UNDAF (2012–2016). This budget revision constitutes a bridging phase for January to December 2011; it will be followed by a new WFP country programme that includes school feeding.

<b>TABLE 1: BENEFICIARIES BY ACTIVITY TYPE<sup>2</sup></b>			
	<b>Beneficiaries*</b>		
<b>Activity</b>	<b>Current</b>	<b>Increase<sup>3</sup></b>	<b>Revised</b>
Take-home ration	557,000	50,000	607,000
Mid-morning snack	195,000	18,000	213,000
<b>TOTAL</b>	<b>564,000*</b>	<b>50,000*</b>	<b>614,000*</b>

\* The totals take into account overlap of beneficiaries receiving both mid-morning snacks and take-home rations.

10. The school feeding programme contributes to Strategic Objective 5. The Lao People's Democratic Republic is one of two pilot countries in Asia testing WFP's new approach to sustainable school feeding and transition. WFP and the Ministry of Education, in consultation with stakeholders in the Education Sector Working Group, are working to establish a national school feeding programme. Funding from the World Bank EFA-FTI, approved in May 2010, includes budgetary provisions for a nationally managed school feeding programme and government costs.
11. A partnership agreement was signed in April 2010 with the Ministry of Education, the World Bank and WFP to support the transition. WFP provides operational support and capacity development; the World Bank provides financial management and technical support. WFP will support policy formulation, training in procurement, logistics and monitoring and evaluation, and on-the-job training, workshops, study tours and

<sup>2</sup> Beneficiary numbers for take-home ration include primary schoolchildren and their families. Beneficiaries of mid-morning snacks are primary and pre-primary schoolchildren. Cooks and storekeepers receive incentives for their work and are counted as beneficiaries.

<sup>3</sup> Increase as a result of annual growth rate of enrolled students.

procurement guidelines. Most of these activities will be funded by the Government through confirmed contributions from EFA-FTI.

## REQUIREMENTS

12. An additional 6,408 mt of food valued at US\$3.1 million is required for the extension from 1 January to 31 December 2011. The budget revision takes into account a reduction in the size of the take-home ration, as agreed between WFP and the Ministry of Education.

<b>Component</b>	<b>Participant</b>	<b>Food</b>	<b>Quantity</b>	<b>Frequency of distribution</b>
Mid-morning snack	Primary school students and pre-primary school students	CSB* Sugar Oil	50 g 10 g 10 g	Each school day (166 days per school year)
Take-home ration	Primary schoolgirls	Rice	10 kg	i) First semester: once at enrolment in September ii) Second semester: once at end of the school year in May if the student takes final examination
		Salt	0.5 kg	i) First semester: once at enrolment in September ii) Second semester: once at end of the school year in May if the student takes final examination
	Primary schoolboys	Rice	10 kg	i) First semester: once at enrolment in September ii) Second semester: once at end of the school year in May if the student takes final examination
Take-home ration for boarders	Boarding students in dormitories	Rice	20 kg	i) First semester: once at enrolment in September ii) Second semester: once at end of the school year in May if the student takes final examination
Incentives	Store-keepers (1 per school)	Rice	30 kg	i) First semester: once after food delivery to school if store-keeper agrees to maintain records and manage store ii) Second semester: once at end of school year in May if store kept open regularly and records maintained
	Cooks (1 cook/50 students)	Rice	30 kg	i) First semester: once after food delivery to school if cooks agree to prepare meal every school day ii) Second semester: once at end of school year in May if meal prepared every school day

\* corn-soya blend

<b>TABLE 3: FOOD REQUIREMENTS BY ACTIVITY TYPE (mt)</b>			
<b>Activity</b>	<b>Current</b>	<b>Increase</b>	<b>Revised</b>
Take-home ration	19 736	3 824	23 560
Mid-morning snacks	10 102	2 584	12 686
<b>TOTAL</b>	<b>29 838</b>	<b>6 408</b>	<b>36 246</b>

## ANNEX I-A

<b>BREAKDOWN OF BUDGET INCREASE COSTS</b>			
<b>Food<sup>1</sup></b>	<b>Quantity (mt)</b>	<b>Value (US\$)</b>	<b>Value (US\$)</b>
Cereals	4 255	1 744 550	
Oil and fats	297	344 520	
Mixed and blended food	1 484	816 200	
Others	372	193 200	
<b>Total food</b>	<b>6 408</b>	<b>3 098 470</b>	<b>3 098 470</b>
External transport			260 937
Landside transport, storage and handling			1 045 209
Other direct operational costs			241 688
Direct support costs <sup>2</sup> (see Annex 1-B)			1 135 578
<b>Total WFP direct costs</b>			<b>5 781 882</b>
Indirect support costs (7.0 percent) <sup>3</sup>			404 732
<b>TOTAL WFP COSTS</b>			<b>6 186 614</b>

<sup>1</sup> This is a notional food basket for budgeting and approval. The contents may vary.

<sup>2</sup> Indicative figure for information purposes. The direct support costs allotment is reviewed annually.

<sup>3</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>Staff and staff-related costs</b>	
International professional staff	370 639
National officers	17 239
Local general service staff	69 300
Local temporary assistance	133 600
United Nations volunteers	135 000
Staff duty travel	107 000
<b>Subtotal</b>	<b>832 778</b>
<b>Recurring expenses</b>	
Rental of facility	28 000
Utilities	18 100
Office supplies and other consumables	27 000
Communications services	31 000
Equipment repair and maintenance	13 500
Vehicle running costs and maintenance	59 000
Office set-up and repairs	8 000
<b>Subtotal</b>	<b>184 600</b>
<b>Equipment and capital costs</b>	
Vehicle leasing	71 400
Telecommunications equipment	13 500
Local security costs	33 300
<b>Subtotal</b>	<b>118 200</b>
<b>TOTAL DIRECT SUPPORT COSTS</b>	<b>1 135 578</b>

<b>ANNEX II: LOGICAL FRAMEWORK</b>			
<b>Results</b>	<b>Performance indicators</b>	<b>Risks, assumptions</b>	<b>Resources required</b>
<p><b>UNDAF (2007–2011) outcome</b></p> <p>By 2011, increased and more equitable access to and utilization of quality and prioritized social services; increased and equitable access to quality basic education</p> <p>By 2011, increased capacities in public and private institutions to fulfil their duties and more people participating in governance and advocacy for the promotion of human rights, in conformity with the Millennium Declaration; increased efficiency, effectiveness, transparency and accountability of public administration at the central and local levels</p>	<p>Primary school net enrolment rate and actual enrolment data; grade drop-out rates; primary school completion rates; average primary school repetition rates; repetition and dropout rates for grade 1; all disaggregated by sex and ethnic group</p> <p>National civil service training curriculum developed and implemented nationwide; functional analysis of government departments, including job descriptions completed, resulting in enhanced pairing of staff skills with job requirement</p>	<p>2005 census and its projection make it possible to obtain these indicators</p>	<p>US\$59.6 million (2007–2011)</p> <p>US\$10 million (2007–2011)</p>
<b>COMPONENT 1: SCHOOL FEEDING</b>			
<b>Strategic Objective 4: Reduce chronic hunger and undernutrition</b>			US\$5.9 million (2011)
<p><b>Outcome 1</b></p> <p>Increased access to education and human capital development in assisted schools</p>	<ul style="list-style-type: none"> <li>➤ Enrolment: average annual rate of change in number of girls and boys enrolled; 3% met</li> <li>➤ Gender ratio: ratio of girls to boys enrolled = 90%</li> <li>➤ Pass rate for girls and boys = 75%</li> <li>➤ Dropout and retention rates: average annual decrease in number of girls and boys dropping out; 2% met</li> </ul>	<p>Coordination with development partners in place</p> <p>Education remains a national policy priority in the Lao People's Democratic Republic</p>	
<p><b>Output 1</b></p> <p>Food and non-food items distributed in sufficient quantity and quality to targeted beneficiaries under secure conditions</p> <p>School feeding coverage aligned with programme of work</p>	<ul style="list-style-type: none"> <li>➤ Number of women, men, girls and boys receiving food and non-food items, by category and as % of planned</li> <li>➤ Tonnage of food distributed, by type, as % of planned</li> <li>➤ Quantity of non-food items distributed, by type, as % of planned</li> <li>➤ Number of schools assisted by WFP</li> </ul>	<p>Adequate staff capacity</p> <p>Sufficient resources available on time</p> <p>Timely food distribution</p>	



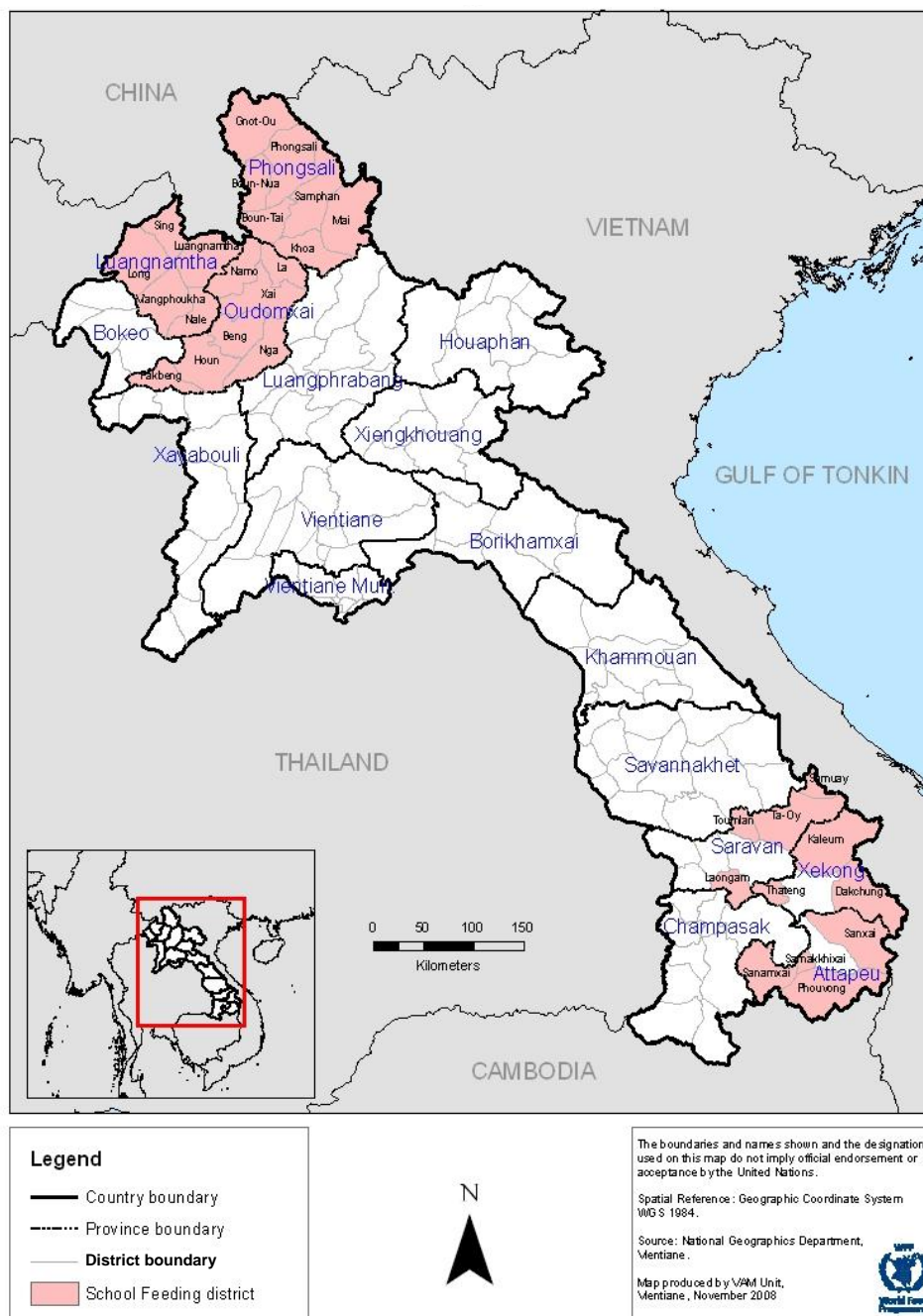
## ANNEX II: LOGICAL FRAMEWORK

Results	Performance indicators	Risks, assumptions	Resources required
<b>Strategic Objective 5: Strengthen the capacities of countries to reduce hunger, including through hand-over strategies and local purchase</b>			US\$300,000 = 25% of other direct operational costs and direct support costs in 2011
<b>Outcome 2</b> Increased marketing opportunities at the national level with cost-effective WFP local purchases Progress made towards nationally owned hunger solutions	<ul style="list-style-type: none"> <li>➤ Food purchased locally, as % of food distributed in-country Target: 40%</li> <li>➤ Hand-over strategy developed and implemented Target: 1</li> <li>➤ Number of WFP-assisted schools handed over to the government programme Target: 10</li> </ul>	Political will for the transition of national programme remains in the Lao People's Democratic Republic Availability of funding	
<b>Output 2</b> Food purchased locally  Agreed hand-over strategies in place  Capacity and awareness developed through WFP-organized actions/training	<ul style="list-style-type: none"> <li>➤ Tonnage of food purchased locally, by type and country classification</li> <li>➤ Food purchased locally, as % of total food purchased</li> <li>➤ Number of hand-over strategies agreed between WFP and national governments</li> <li>➤ Number of national plans of action that include budget allocation for hunger and/or food and nutrition security strategies</li> <li>➤ Number of people trained in school feeding, by gender and category: WFP, national government staff</li> </ul>	Adequate staff capacity Sufficient resources available on time Availability of proper local suppliers	



### ANNEX III

## School Feeding Districts in the Lao People's Democratic Republic, 2010



The designations employed and the presentation of material in this publication do not imply the expression of any opinion whatsoever on the part of the World Food Programme (WFP) concerning the legal status of any country, territory, city or area or of its frontiers or boundaries.