

COUNTRY STRATEGIC PLAN REVISION

Issuance date: 21 July 2022

REVISION

Sri Lanka country strategic plan, revision 4

Gender and age marker code: 2A

	Current	Change	Revised
Duration	1 January 2018 - 31 December 2022	None	1 January 2018 - 31 December 2022
Beneficiaries	717,333	1,975,179	2,692,512
Total cost (USD)	53,968,147	63,370,724	117,338,871
Transfer	42,968,802	52,410,274	95,379,076
Implementation	2,479,576	5,175,611	7,655,187
Direct Support Costs	5,225,938	2,430,997	7,656,935
Sub-total	50,674,316	60,016,882	110,691,198
Indirect Support Costs	3,293,831	3,353,842	6,647,673

Sri Lanka country strategic plan, revision 4

1. RATIONALE

1. Sri Lanka's food security is rapidly deteriorating, triggered by an economic crisis, reduced agricultural production, decreased foreign reserves, currency depreciation and rising inflation. Low-income households face increasing threats to their food security and the Government is largely unable to intervene. National food systems are severely disrupted, particularly due to the lack of fertilizer and fuel. The budget of the National School Meals Programme is now inadequate given inflation, and the Thripocha supplementation programme for moderate acute malnutrition (MAM) treatment has been halted.
2. A rapid food security assessment by WFP and the Department of National Planning found higher food insecurity for landless labourers (many working on commercial estate plantations) and poor urban households, including returnees.¹
3. Preliminary estimates point to a 50 percent reduction in the recently concluded *Maha* harvest, and even bigger losses in the upcoming *Yala* season due to insufficient seeds, fertilizer and fuel.¹ Shortages of animal feed have escalated the costs of dairy, eggs and meat. Imported items such as lentils, wheat flour, milk powder and fruits are scarce.
4. The high cost of nutritious foods, breakdown of supply chains and disruptions in government nutritional programmes have worsened the nutrition situation. This is likely to exacerbate the high level of acute malnutrition.²

¹ WFP and the Department of National Planning. 2022. Rapid Qualitative Food Security Assessment.

² The Crop and Food Security Assessment (CFSAM) currently being conducted by WFP in partnership with FAO will provide more data on agricultural production and food insecurity.

5. The Government of Sri Lanka has requested international assistance. The United Nations launched a Humanitarian Needs and Priorities response plan in June 2022.
6. To respond, WFP requires a budget revision for the period 1 July 2022 to 31 December 2022. This revision will accommodate increased humanitarian needs and add the food modality under Activity 1, transfer the in-kind assistance component of Activity 2 under Strategic Outcome 1 and add a service provision Activity under Strategic Outcome 1.

2. CHANGES

Strategic orientation

7. This budget revision does not change the strategic orientation of the CSP 2018-2022.
8. There have been three revisions of this CSP:
 - Revision 01 adjusted the ISC rate from 7 to 6.5 percent.
 - Revision 02 was a technical revision.
 - Revision 03, approved by the Regional Director in August 2021, increased the budget by USD 451,506 to respond to increasing needs caused by the COVID-19 pandemic, the fertilizer import ban and the Government's financial crisis.

Strategic outcomes

9. Under Strategic Outcome 1, the following activities and outputs will be added:
 - Activity 9: Provide nutrition-sensitive emergency food assistance to school-aged children.
 - Output 9.1: Crisis affected school-aged children benefit from the national school meal programme to meet their basic food and nutrition needs.
 - Activity 10: Provide on-demand services, including commodity procurement, for government and humanitarian actors to facilitate emergency response and continual production of complementary nutritious foods.
 - Output 10.1: Government and humanitarian actors are supported with emergency response services, including procurement of commodities for the production of complementary nutritious foods to prevent and treat malnutrition.
10. *Targeting approach and beneficiary analysis.* Under Activity 1, assistance will be provided to 1,418,978 of the most vulnerable people in districts with a high prevalence of food insecurity. This will initially include Nuwara Eliya, Badulla, Vavuniya, Mannar, Mullaitivu, Kurunegala, Monaragala, Matale, Batticaloa and Jaffna. Poor urban households in Colombo and Gampaha districts will also be targeted. Targeting will be informed by the results of the April 2022 Joint Rapid Food Security Assessment, the 2019 Household Income and Expenditure Survey, the 2022 CFSAM and other needs assessments, market assessments and consultations with affected populations.
11. Under Activity 9, WFP will provide emergency school meals to 1,000,000 children of the total 1,085,000 children aged 5-10 years in rural and isolated schools currently supported through the Government's programme. Partner programming will cover the remaining schools.

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12. *Transfer modalities.* WFP will assist through the food modality as well as cash-based transfers (CBT). Assistance to urban populations will be provided for a period of five months to address the expected deterioration of the food security situation. WFP will provide a 3-month ration to rural and estate households to address their food needs during the lean season from September.³ Emergency in-kind food assistance will be provided to food-insecure households where markets are not functioning or where basic commodities are unaffordable or unavailable.
 13. The transfer value of CBT will cover the estimated food security gap, defined by the Cash Working Group. Where feasible, government systems, including social assistance programmes, will be utilized in a shock-responsive social protection approach to provide vertical top-ups (in the form of cash), horizontal expansion (by extending support to social assistance waiting lists) and alignment (top-up support for safety net beneficiaries, delivered by WFP mechanisms). Shock-responsive cash assistance will complement support from international financial institutions to the Government.
 14. Under Activity 9, WFP will provide in-kind commodities to school caterers, to complement food purchased from local retail outlets directly by caterers with the funds provided by the Government.
 15. The Government has requested emergency support for the Thriposha programme and is working to secure a line of credit from India for a supply of maize and soya beans for approximately two months. Under Activity 10, WFP will procure maize and soya beans through the service delivery modality to support the production of complementary nutritious food (CNF) for an additional three months. WFP will deliver the raw materials to the Government's Thriposha factory, which will manage the production and processing. The Ministry of Health and its partners will distribute the CNF to 744,550 children with MAM and growth faltering, and 332,460 pregnant and lactating women (PLW). Due to the nature of the service provision modality, these recipients of Thriposha are not recorded as WFP beneficiaries.
 16. *Partnerships.* WFP will engage government entities, national disaster management agencies acting on a preparedness and response capacity, financial service providers, development partners, United Nations agencies and civil society organizations. WFP will facilitate coordination, monitoring and reporting, while cooperating partners will be responsible for the delivery of the activities.
 17. *Country office capacity.* The country office will draw on international surge to scale-up operational capacity for timely implementation.
 18. *Supply chain.* With few in-country contingency stocks, WFP will deploy a flexible sourcing strategy including regional and international procurement, plus the Global Commodity Management Facility. The Government will facilitate logistics from the port of Sri Lanka onwards. Recognizing potential financial constraints, WFP will consider covering primary and secondary transportation costs for emergency response commodities.

³ Lean period from October through January.

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19. *Monitoring and evaluation.* Monitoring will be carried out by cooperating partners and field monitors in locations where WFP has existing operations, and via third-party monitoring. Process monitoring and beneficiary contact monitoring will be critical to ensure programme quality, particularly in locations where WFP has not previously operated.
20. WFP will ensure community feedback mechanisms are accessible to all beneficiaries. Gender analysis will inform all programming. Given the reported increase in domestic violence resulting from food insecurity and economic pressures on households, WFP will ensure that communities and partners are sensitized on the prevention of sexual exploitation and abuse and other protection safeguards. Beneficiary data protection safeguards will be put in place.
21. *Proposed transition/handover strategy.* The school feeding and Triposha interventions are national programmes. In addition to emergency support, WFP will provide technical assistance to support programme sustainability.
22. *Risk management.*
- *Strategic Risks.* There is a risk that the scale and severity of food insecurity will exceed WFP and the Government's capacity to respond. WFP will draw on corporate capacity and funding mechanisms to scale up operations and advocate for the Government and development partners to address the root causes of the crisis.
 - *Operational Risks.* Government targeting may feature inclusion or exclusion errors, impacting WFP's ability to reach the most vulnerable individuals or households. WFP will review government targeting and seek to influence retargeting where needed.
 - *Financial Risks.* There is a risk that the CBT transfer value will not be sufficient to achieve the desired outcomes in light of inflation. The appropriateness and adequacy of CBT will be regularly monitored and programmes adjusted as needed, taking into account the availability of alternative sources of assistance.

Beneficiary analysis

TABLE 1: DIRECT BENEFICIARIES BY STRATEGIC OUTCOME, ACTIVITY & MODALITY							
Strategic Outcome	Activity	Period	Women (18+ years)	Men (18+ years)	Girls (0-18 years)	Boys (0-18 years)	Total
1	1	Current	74,000	70,000	28,000	28,000	200,000
		Increase/decrease	465,209	398,263	170,658	184,848	1,218,978
		Revised	539,209	468,263	198,658	212,848	1,418,978
	9	Revised			495,000	505,000	1,000,000
2	2 (In-kind, CBT)	Current			236,846	241,630	478,476
		Increase/decrease			78,966	80,560	159,526
		Revised			157,880	161,070	318,950
2	2 (CS)	Current	85	5			90
		Increase/decrease					
		Revised	85	5			90
4	6 (CBT)	Current	14,677	12,419	5,268	5,268	37,632
		Increase/decrease					
		Revised	14,677	12,419	5,268	5,268	37,632
	6 (CS)	Current	568	567			1,135
		Increase/decrease					
		Revised	568	567			1,135
TOTAL (without overlap)		Current	89,330	82,991	270,114	274,898	717,333
		Increase/decrease	460,745	394,398	549,136	570,900	1,975,179
		Revised	550,075	477,389	819,250	845,798	2,692,512

Note that this figure does not include the pregnant and lactating mothers or children reached through provision of commodities to the Government's Thripasha programme.

Transfers

TABLE 2: FOOD RATION (g/person/day) or CASH-BASED TRANSFER VALUE (USD/person/day) BY STRATEGIC OUTCOME AND ACTIVITY							
Strategic outcome	1					4	
Activity	1				9	6	
Beneficiary type	ALL	ALL	ALL	ALL	School children	ALL	ALL
Modality (indicate food or CBT)	Food	CBT	CBT	Food	Food	CBT	CBT
Cereals -rice	200			200	75		
Pulses	75			75			
Oil	20			20			
Salt							
Sugar							
Supercereal							
Supercereal Plus							
micronutrient powder							
total kcal/day (to be completed for food and cash modalities)	1,154			1,154	270		
% kcal from protein	11.3			11.3	7.3		
Cash-based transfers (USD/person/day; use average as needed)		0.35	0.35			2.57	1.39
Number of feeding days per year	180	180	90	90	36	60	49

TABLE 3: TOTAL FOOD/CASH-BASED TRANSFER REQUIREMENTS AND VALUE

Food type/ cash-based transfer	Current Budget		Increase		Revised Budget	
	Total (mt)	Total (USD)	Total (mt)	Total (USD)	Total (mt)	Total (USD)
Cereals	4,618	2,455,004	17,015	8,360,780	21,633	10,815,784
Pulses	1,622	1,585,402	5,324	7,037,201	6,946	8,622,604
Oil and Fats	567	499,277	1,610	3,245,469	2,177	3,744,746
Mixed and blended foods	0	0	0	0	0	0
Other	603	2,548,057	0	0	603	2,548,057
TOTAL (food)	7,410	7,087,740	23,948	18,643,450	31,359	25,731,190
Cash-Based Transfers (USD)		19,517,201		18,141,624		37,658,825
TOTAL (food and CBT value - USD)	7,410	26,604,941	23,948	36,785,074	31,359	63,390,015

3. COST BREAKDOWN

23. The increase in Strategic Outcome 1 is driven by the emergency response. The decrease in Strategic Outcome 2 is due to the school feeding programme being shifted to Strategic Outcome 1. Increases in the required support services contribute to the increase in direct support costs.

COST BREAKDOWN OF THE REVISION ONLY (USD)					
	Strategic Result 1/ SDG Target 2.1	Strategic Result 1/ SDG Target 2.1	Strategic Result 2/ SDG Target 2.2	Strategic Result 3/ SDG Target 2.3	TOTAL
Strategic outcome	1	2	3	4	
Focus Area	Crisis Response	Root Causes	Root Causes	Resilience Building	
Transfer	54,329,41	-1,919,567	0	0	52,410,274
Implementation	5,175,611	0	0	0	5,175,611
Direct support costs					2,430,997
Subtotal					60,016,882
Indirect support costs					3,353,842
TOTAL					63,370,724

OVERALL CSP COST BREAKDOWN, FOLLOWING THE REVISION (USD)					
	Strategic Result 1/ SDG Target 2.1	Strategic Result 1/ SDG Target 2.1	Strategic Result 2/ SDG Target 2.2	Strategic Result 3/ SDG Target 2.3	TOTAL
Strategic outcome	1	2	3	4	
Focus Area	Crisis Response	Root Causes	Root Causes	Resilience Building	
Transfer	66,484,307	10,984,327	2,872,302	15,038,141	95,379,076
Implementation	5,473,556	863,178	358,777	959,677	7,655,187
Direct support costs	4,352,492	1,336,800	335,493	1,632,150	7,656,935
Subtotal	76,310,354	13,184,305	3,566,572	17,629,967	110,691,198
Indirect support costs	4,412,918	856,980	231,827	1,145,948	6,647,673
TOTAL	80,723,272	14,041,285	3,798,399	18,775,915	117,338,871

