

## Crisis response revision of Sri Lanka country strategic plan (2023–2027) and corresponding budget increase

	Current	Change	Revised
<b>Duration</b>	<b>1 January 2023– 31 December 2027</b>	<b>No change</b>	<b>1 January 2023– 31 December 2027</b>
<b>Beneficiaries</b>	<b>2 752 765</b>	<b>700 000</b>	<b>3 452 765</b>
<i>(USD)</i>			
<b>Total cost</b>	<b>74 871 830</b>	<b>30 002 389</b>	<b>104 874 219</b>
Transfers	60 320 619	26 727 081	87 047 700
Implementation	4 463 709	1 129 620	5 593 329
Adjusted direct support costs	5 517 860	314 556	5 832 416
<b>Subtotal</b>	<b>70 302 188</b>	<b>28 171 257</b>	<b>98 473 445</b>
Indirect support costs (6.5 percent)	4 569 642	1 831 132	6 400 774

Gender and age marker code\*: 4

\* <http://gender.manuals.wfp.org/en/gender-toolkit/gender-in-programming/gender-and-age-marker/>.

### Rationale

1. This budget revision aims to accommodate increased needs under country strategic plan (CSP) outcome 1 and integrate technical budgetary adjustments under CSP outcome 2.
2. In early 2022, Sri Lanka was confronted with an unprecedented multi-dimensional economic crisis, which led to worsened food security and nutrition in the country. In line with the June 2022 humanitarian needs and priorities plan, WFP provided life-saving assistance to food-insecure people and support to the Government of Sri Lanka with food procurement for *Thripasha*, a national programme to address malnutrition, and for the national school meals programme (NSMP), through June 2023. Continued response to the economic crisis is required.
3. Findings of the 2023 crop and food security assessment mission (CFSAM)<sup>1</sup> indicate that 3.9 million people in Sri Lanka (17 percent of the population) are acutely food insecure as of April 2023. While this represents an improvement compared to 2022, the seasonal effect is yet to be determined. Access to food remains constrained and below pre-crisis levels, and the proportion of households engaging in severe coping strategies have increased significantly, compromising their future productivity and resilience. The forecasted aggregate cereal production for 2023 shows a significant reduction compared to the average yield for the past five years. Despite the positive trend in macroeconomic indicators, food inflation rate remains above 20 percent. The forecast gross domestic product growth rate for 2023 is negative and prices of fuel, energy, fertilizer and animal feed continue to be a threat for food production. Food insecurity will remain a concern over the next few months

<sup>1</sup> Food and Agriculture Organization and WFP. 2023. *Special Report: FAO/WFP Crop and Food Security Assessment Mission (CFSAM) to the Democratic Socialist Republic of Sri Lanka*.

until the recent positive economic trend is translated into household capacity to meet essential needs.

4. Internal analysis of CFSAM expenditure data indicate that the gap to meet food needs of food-insecure households decreased to 35 percent of the food basket in 2023, compared to 53 percent in 2022. While this represents a marginal improvement, needs remain substantial.
5. Data collected by WFP as part of regular monitoring found that households with five or more members display higher prevalence of food insecurity. Moreover, the results of monthly post-distribution monitoring exercises indicate that the average size of households assisted by WFP is five.
6. According to the 2022 National Nutrition and Micronutrient Survey by the Government's Medical Research Institute, moderate acute malnutrition (MAM) among children under 5 has increased to 17.1<sup>2</sup> in 2022, compared to the 11.9 percent in 2021.<sup>3</sup> This result aligns with data from the annual anthropometric census conducted by the Family Health Bureau of the Ministry of Health, which found an upward trend in MAM prevalence in children under 5 in 2022, compared to 2021.<sup>4</sup> The National Nutrition and Micronutrient Survey findings also illustrated high prevalence of undernutrition among pregnant women, with over 14 percent in the first trimester of their pregnancy being underweight.
7. The Government of Sri Lanka is still facing fiscal space challenges. This situation, which is expected to continue throughout 2023, is affecting the procurement of maize and soya, essential ingredients to produce supplementary nutritious food used in national malnutrition prevention programmes. Therefore, the Government decided to interrupt assistance to growth-faltered children under 5, while increasing support for the treatment of MAM and assistance to pregnant and breastfeeding women, leading to an overall reduction of beneficiaries.
8. Despite fiscal constraints, the Government intends to expand the NSMP to reach more students, and – considering the reduction in household consumption of protein-rich foods – increase the monthly ration of rice and lentils provided under the programme (from 12 days to 20 days for rice, and from 8 to 20 days for lentils).
9. The humanitarian and development community has developed a transitional plan for 2023<sup>5</sup> to help the Government respond to urgent needs while gradually shifting to early recovery and enhancing resilience. The food security and livelihoods sector, co-led by WFP and the Food and Agriculture Organization of the United Nations (FAO), identified three priorities: i) provision of life-saving, targeted food assistance; ii) sustained provision of early recovery livelihood support; and iii) promotion of resilient income-generating livelihood activities.
10. To adjust its response to newly identified needs, WFP plans to:
  - continue unconditional assistance in districts affected by severe and moderate food insecurity;
  - provide complementary social behaviour change communication (SBCC) in districts affected by moderate food insecurity;

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<sup>2</sup> Medical Research Institute, United Nations Children's Fund and WFP. 2023. [National Nutrition and Micronutrient Survey in Sri Lanka: 2022](#).

<sup>3</sup> Medical Research Institute, World Health Organization and United Nations Children's Fund. 2022. *Assessment of the gaps in energy and nutrient consumption at household level in Sri Lanka 2021* (not available online).

<sup>4</sup> Ministry of Health Family Health Bureau. 2023. [Nutrition Month 2022: Summary Report](#).

<sup>5</sup> United Nations Sri Lanka. 2023. *Sri Lanka Multi-Dimensional Crisis: Humanitarian Needs & Priorities* (not available online).



- adjust the standard household size and align the transfer value and food ration with the gap analysis based on CFSAM 2023<sup>6</sup> expenditure, thus ensuring the adequacy of entitlements; and
- extend support for the implementation of *Thripasha* and of the NSMP, aligning with government requirements.

11. This revision covers 2023 only.

## Changes

### Strategic orientation

12. This budget revision does not change the strategic orientation of CSP (2023–2027).

13. This is the first budget revision under this CSP.

### Strategic outcomes

14. Under CSP outcome 1, WFP will:

- provide unconditional food assistance for a period of three months to 290,000 beneficiaries in the districts of Nuwara Eliya and Vavuniya, which are highly affected by food insecurity;
- provide unconditional food assistance to 410,000 beneficiaries for a period of two months in the districts of Jaffna, Mullaitivu, Batticaloa, Mannar and Kilinochchi, which have shown a deterioration of food security, accompanied by complementary SBCC on nutrition, cash management and gender equality;
- provide food procurement support for the implementation of *Thripasha* for three additional months, while reducing the number of beneficiaries based on the new target beneficiary numbers provided by the Ministry of Health; and
- provide support for the implementation of the NSMP for two additional months, while increasing the number of days of assistance, in line with government plans.

### Targeting approach and beneficiary analysis

15. In the period June–December 2023, WFP will scale down from supporting 17 districts to 7 districts that still require emergency food assistance. Geographic targeting will be guided by CFSAM findings and Family Health Bureau data on stunting prevalence,<sup>7</sup> whereas beneficiary selection criteria will be developed by running a profiling analysis of the sampled group found to be food insecure.<sup>8</sup> Data collected to inform community-based targeting in 2022 will be used to inform 2023 targeting in Nuwara Eliya and Vavuniya. New exercises will be carried out in areas that were previously not assisted by WFP, using government lists to inform vulnerability-based demographic categorical targeting.

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<sup>6</sup> The gap refers to the difference between the cost of minimum food basket and the average food expenditure of food insecure households.

<sup>7</sup> Ministry of Health Family Health Bureau. 2023. *Nutrition Month 2022: Summary Report*.

<sup>8</sup> The following population groups showed the highest level of acute food insecurity: estate sector workers, and households deriving their main incomes from social protection schemes and disability benefits. Households relying on unskilled wage labour and fishing communities also had high levels of food insecurity. In addition, female-headed households and households with low education attainment exhibited higher food insecurity rates compared to the rest of the population. These population groups correspond to those identified as most at-risk of food insecurity in 2022.



### ***Transfer modalities***

16. WFP plans for 60 percent of beneficiaries under CSP outcome 1 to receive cash-based transfers, 10 percent vouchers and 30 percent in-kind. In-kind transfers will be used in districts highly affected by inflation and where market accessibility remains challenging. WFP will carry out market functionality assessments and protection analysis to inform modality selection and ensure flexibility and mitigation measures are applied where necessary. The capacity strengthening modality will be added to activity 1 to reflect the SBCC component, while accommodating efforts to strengthen analytical capacity as part of the emergency response.

### ***Monitoring and evaluation***

17. Monitoring will be conducted through a combination of third-party monitors, cooperating partners and WFP field monitors. Various monitoring methods will be employed, including beneficiary contact monitoring, retail monitoring, food basket monitoring and post-distribution monitoring. WFP will actively listen to community feedback, respond to inquiries and complaints and adjust programming as needed.

### ***Protection***

18. Regular gender and protection analysis, coupled with community feedback, will inform programming in order to reduce the risks of involuntarily doing harm while contributing to gender equality and socioeconomic inclusion. Disability inclusion will be mainstreamed across all activities.

### ***Partnerships***

19. WFP will engage with government entities, financial service providers, cooperating partners, retailers, United Nations agencies, non-governmental organizations and civil society organizations. WFP will particularly coordinate with FAO and the International Fund for Agricultural Development to enable synergies and avoid duplication.

### ***Country office capacity***

20. The country office has enhanced its operational capacity with international surge support and increased national capacity over the past months. No additional support is foreseen.

### ***Supply chain and procurement***

21. The procurement of food commodities will continue to be sourced through a local and international procurement strategy, with local procurement being increased. Due to the financial stress the Government is facing, WFP will maintain the capacity to provide financial support to the Government for supply chain costs associated with the delivery of food commodities, on a case-by-case basis.

### ***Transition and handover***

22. WFP will continue to work with the Government to strengthen the sustainability of the national *Thriposha* programme and NSMP, while investing in early recovery activities aimed to reduce the need for assistance.



## Risk management

### Operational risks

23. The targeting process for identifying beneficiaries may lead to inclusion or exclusion errors. To mitigate these risks, WFP will closely work with the Government, cooperating partners and the community to define and agree on the approach and criteria for community-based targeting. Moreover, cooperating partners will be responsible for verifying beneficiary selection to minimize errors. Post-distribution monitoring and community feedback mechanisms will contribute to identify and address concerns.

### Financial risk

24. The transfer value of cash-based assistance may not be sufficient due to inflationary pressures and transition from currency depreciation to recent appreciation. The adequacy of the transfer value for cash-based assistance will be monitored closely to ensure it remains appropriate and effective, and programmatic adjustments will be made, if necessary.

### Beneficiary analysis

TABLE 1: DIRECT BENEFICIARIES BY COUNTRY STRATEGIC PLAN OUTCOME, ACTIVITY AND MODALITY							
CSP outcome	Activity and modality	Period	Women (18+ years)	Men (18+ years)	Girls (0-18 years)	Boys (0-18 years)	Total
1	1 Cash-based transfers	Current	56 050	48 675	20 650	22 125	<b>147 500</b>
		Increase/ (decrease)	186 200	161 700	68 600	73 500	<b>490 000</b>
		Revised	242 250	210375	89 250	95 625	<b>637 500</b>
	1 In kind	Current	395 200	69 300	908 500	874 000	<b>2 247 000</b>
		Increase/ (decrease)	36 934	6 477	84 907	81 682	<b>210 000</b>
		Revised	432 135	75 777	993 406	955 682	<b>2 457 000</b>
2	2 Cash-based transfers	Current			20 400	19 600	<b>40 000</b>
		Increase/ (decrease)					
		Revised			20 400	19 600	<b>40 000</b>
	2 Food	Current			51 000	49 000	<b>100 000</b>
		Increase/ (decrease)					
		Revised			51 000	49 000	<b>100 000</b>
	2 Capacity strengthening	Current	2 550	450	88 107	86 362	<b>177 469</b>
		Increase/ (decrease)					
		Revised	2 550	450	88 107	86 362	<b>177 469</b>



**TABLE 1: DIRECT BENEFICIARIES BY COUNTRY STRATEGIC PLAN OUTCOME, ACTIVITY AND MODALITY**

<b>CSP outcome</b>	<b>Activity and modality</b>	<b>Period</b>	<b>Women (18+ years)</b>	<b>Men (18+ years)</b>	<b>Girls (0-18 years)</b>	<b>Boys (0-18 years)</b>	<b>Total</b>
3	3 Cash-based transfers	Current	13 373	11 623	4 732	5 070	<b>34 796</b>
		Increase/ (decrease)					
		Revised	13 373	11 623	4 732	5 070	<b>34 796</b>
	3 Capacity strengthening	Current	3 120	2 880			<b>6 000</b>
		Increase/ (decrease)					
		Revised	3 120	2 880			<b>6 000</b>
<b>Total (without overlap)</b>		<b>Current</b>	<b>470 293</b>	<b>132 928</b>	<b>1 093 389</b>	<b>1 056 157</b>	<b>2 752 765</b>
		<b>Increase/ (decrease)</b>	<b>238 968</b>	<b>191 382</b>	<b>133 004</b>	<b>136 646</b>	<b>700 000</b>
		<b>Revised</b>	<b>709 261</b>	<b>324 310</b>	<b>1 226 393</b>	<b>1 192 803</b>	<b>3 452 765</b>

## Transfers

**TABLE 2: FOOD RATION (g/person/day) AND CASH-BASED TRANSFER VALUE (USD/person/day) BY COUNTRY STRATEGIC PLAN OUTCOME AND ACTIVITY**

	Country strategic plan outcome 1										Country strategic plan outcome 2		Country strategic plan outcome 3					
	Activity 1										Activity 2		Activity 3					
Beneficiary type	Crisis-affected population							School children (5-10 years)	Children under 5	PBW	School children (5-10 years)	School children (5-10 years)	Shock affected people - sub-activity 1	Shock affected people - sub-activity 2	Shock affected people - sub-activity 3	Shock affected people - sub-activity 4	Shock affected people - sub-activity 5	Shock affected people - sub-activity 6
Modality	CBTs	CBTs	CBTs	CBTs	Food	Food	Food	Food	Food	Food	Food	CBTs	CBTs	CBTs	CBTs	CBTs	CBTs	CBTs
Cereals					200	167	167	75			75							
Pulses					75	67	67	20			15							
Oil					20	17	17											
Salt																		
Sugar																		
Maize <sup>a</sup>									35	35								
Soya <sup>a</sup>									17	17								
Micronutrient powder																		
Total kcal/day					1,154	981	981	323	188	191	323							
% kcal from protein					11.3	11.5	11.5	12	16.3	16	11.8							
Cash-based transfers (USD/person/day)	2.17 <sup>b</sup>	0.35 <sup>c</sup>	0.38 <sup>d</sup>	0.38 <sup>d</sup>								0.37	2.07	2.07	2.07	2.07	2.07	0.83
Number of feeding days per year	60	90	60	90	90	60	90	125	180	180	40	20	60	30	150	150	90	90

Abbreviations: CBTs = cash-based transfers; PBW pregnant and breastfeeding women.

<sup>a</sup> WFP will procure raw material for the production of *Thripsha*. Assistance will be aligned with government rations.

<sup>b</sup> This ration refers to assistance to flood-affected people.

<sup>c</sup> This ration refers to crisis response assistance provided in the period January-June 2023.

<sup>d</sup> These rations refer to assistance provided in the period July-December 2023. The transfer value in Sri Lankan rupees per person and day has been reduced compared to the period January-June 2023 due to lower food inflation rates and the reduced gap of food-insecure households to meet food needs in 2023 compared to 2022. The increase in the USD transfer value is due to variation in exchange rate. The provision of assistance over 60 and 90 days refers to conditional and unconditional transfer respectively.



<b>TABLE 3: TOTAL FOOD/CASH-BASED TRANSFER REQUIREMENTS AND VALUE</b>						
<b>Food type/ cash-based transfer</b>	<b>Current budget</b>		<b>Increase</b>		<b>Revised budget</b>	
	<b>Total (mt)</b>	<b>Total (USD)</b>	<b>Total (mt)</b>	<b>Total (USD)</b>	<b>Total (mt)</b>	<b>Total (USD)</b>
Cereals	18 863	7 511 843	9 459	7 888 096	28 322	15 399 939
Pulses	5 761	4 964 040	3 594	3 937 446	9 355	8 901 486
Oil and fats	378	692 874	259	284 427	637	977 301
Mixed and blended foods						
Other						
<b>Total (food)</b>	<b>25 002</b>	<b>13 168 757</b>	<b>13 312</b>	<b>12 109 969</b>	<b>38 313</b>	<b>25 278 726</b>
Cash-based transfers		11 896 767		13 157 148		25 053 915
<b>Total (food and cash-based transfer value)</b>	<b>25 002</b>	<b>25 065 524</b>	<b>13 312</b>	<b>25 267 117</b>	<b>38 313</b>	<b>50 332 641</b>

## Cost breakdown

25. The changes under CSP outcome 1 result from the increase of the planned assistance. The decrease in CSP outcome 2 is due to technical adjustments to the budget structure.

<b>TABLE 4: COST BREAKDOWN OF THE REVISION ONLY (USD)</b>					
	<b>SDG target 2.1/WFP strategic outcome 1</b>	<b>SDG target 2.2/WFP strategic outcome 2</b>	<b>SDG target 2.3/WFP strategic outcome 3</b>	<b>SDG target 17.9/WFP strategic outcome 4</b>	<b>Total</b>
	<b>CSP outcome 1</b>	<b>CSP outcome 2</b>	<b>CSP outcome 3</b>	<b>CSP outcome 4</b>	
<b>Focus area</b>	<b>Crisis response</b>	<b>Root causes</b>	<b>Resilience building</b>	<b>Root causes</b>	
Transfers	27 007 888	(280 807)			<b>26 727 081</b>
Implementation	1 129 620				<b>1 129 620</b>
Adjusted direct support costs					<b>314 556</b>
<b>Subtotal</b>					<b>28 171 257</b>
Indirect support costs (6.5 percent)					<b>1 831 132</b>
<b>Total</b>					<b>30 002 389</b>





<b>TABLE 5: OVERALL COUNTRY STRATEGIC PLAN COST BREAKDOWN AFTER REVISION (USD)</b>					
	<b>SDG target 2.1/WFP strategic outcome 1</b>	<b>SDG target 2.2/WFP strategic outcome 2</b>	<b>SDG target 2.3/WFP strategic outcome 3</b>	<b>SDG target 17.9/WFP strategic outcome 4</b>	<b>Total</b>
	<b>CSP outcome 1</b>	<b>CSP outcome 2</b>	<b>CSP outcome 3</b>	<b>CSP outcome 4</b>	
<b>Focus area</b>	<b>Crisis response</b>	<b>Root causes</b>	<b>Resilience building</b>	<b>Root causes</b>	
Transfers	51 997 248	8 095 866	17 804 282	9 150 305	<b>87 047 700</b>
Implementation	3 959 495	313 845	825 957	494 032	<b>5 593 329</b>
Adjusted direct support costs	1 894 416	738 529	2 196 105	1 003 365	<b>5 832 416</b>
<b>Subtotal</b>	57 851 159	9 148 240	20 826 343	10 647 703	<b>98 473 445</b>
Indirect support costs (6.5 percent)	3 760 325	594 636	1 353 712	692 101	<b>6 400 774</b>
<b>Total</b>	<b>61 611 485</b>	<b>9 742 876</b>	<b>22 180 055</b>	<b>11 339 803</b>	<b>104 874 219</b>

