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<b>Programme Title</b>	<b>Prevent and address rising levels of malnutrition among pregnant women and children under five years resulting from the current economic crisis</b>
<b>Country/Region</b>	<i>Sri Lanka</i>
<b>Priority area/ strategic results</b>	<b>Social Protection Health and Nutrition</b>
<b>UN Agency</b>	<b>UNICEF</b>
<b>Implementing Partners</b>	<b>Ministry of Health – Family Health Bureau, Health Promotion Bureau</b> <b>CSO Implementing Partners - Sarvodaya</b>
<b>Programme Duration</b>	<b>1 November 2022 – 30 September 2023</b>
<b>Amount</b>	<b>USD 9,329,386.24 (Or as equivalent to AUD 15 million)</b>
<b>Proposed project submitted/report(s) to be submitted by</b>	<div> <i>Signature of the Representative, a.i.</i> <i>Emma Brigham</i> <i>UNICEF</i></div>

## 1. BACKGROUND/ RATIONALE

Sri Lanka is amid an acute crisis that is expected to continue throughout 2022 and beyond. In a context of soaring inflation, heightened income insecurity and scarce availability of essential products, such as food, fuel, fertilizers and medicines, more and more families are unable to meet their basic needs. According to the Central Bank of Sri Lanka, headline inflation, as measured by the year-on-year (Y-o-Y) change of the Colombo Consumer Price Index, continues to rise, most recently from 60.8 per cent in July to 64.3 per cent in August 2022.<sup>1</sup> Food inflation (Y-o-Y) increased to as high as 93.7 per cent in August 2022 – from 90.9 per cent in July and 80.1 per cent in June.<sup>2</sup> Most recent UN assessments reveal that at this point of the crisis, 28 per cent of households are food insecure. In addition, it is expected that Sri Lanka's food production and harvest will drop by at least 40 to 50 per cent in the coming months, resulting in a further deterioration of the situation.

The current crisis, coming on the heels of the COVID-19 pandemic, is likely to be borne by the most vulnerable population groups and disproportionately affects children, with the severe risk of long-term scarring due to heightened levels of malnutrition, long periods of school closures, and serious child protection concerns. Even prior to the crisis, a large share of children lived in families with insecure incomes.<sup>3</sup> In addition, over 70 per cent of households spent more than 40 per cent of their expenditure on food,<sup>4</sup> and Sri Lanka ranks among the most malnourished countries worldwide. Nationally, 17.3 per cent of children under five are stunted, 15.1 per cent wasted and 20.5 per cent underweight;<sup>5</sup> and stunting and wasting are prevalent even in the highest income groups.<sup>6</sup> Already in the context of the COVID-19 pandemic, a nationally representative telephone survey had shown the worrying trend that food consumption had decreased in quantity and quality over the past two years: 70 per cent of households had reduced their overall food consumption between March/April 2020 and March/April 2022, with a large majority indicating that this had been driven by the rising cost of foods. Even more households had adapted their food consumption patterns towards less expensive food groups.

Sri Lanka's social protection system – characterized by high levels of fragmentation, weak coordination, low coverage and large exclusion errors, as well as limited adequacy – is not yet prepared to respond to a shock of this magnitude and to provide reliable protection to all vulnerable population groups. The government currently depends on the financial assistance of the Asian Development Bank (ADB) and World Bank (WB) to maintain and expand its main social assistance programmes. In addition, the ADB plans to temporarily increase the monthly value of a food voucher programme for pregnant and lactating women - covering women during six months of pregnancy and four months of lactation (a total of 238,034 women were covered by this programme in 2020<sup>7</sup>) - for at least three months, replacing it with cash transfers, and to extend this support to undernourished children under the age of two.<sup>8</sup> UNICEF already plans to provide additional support to at least 100,000 women and caretakers with children aged 5 to up to 24 months for a minimum of 4 months in the most vulnerable districts in terms of severe child wasting, including with the

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<sup>1</sup> Central Bank of Sri Lanka (2022), [CCPI based headline inflation recorded at 64.3% on year-on-year basis in August 2022](#), Press release, 31 August 2022.

<sup>2</sup> Ibid.

<sup>3</sup> UNICEF Sri Lanka (2020), [Investing in the future: A universal benefit for Sri Lanka's children](#), UNICEF Sri Lanka Working Paper.

<sup>4</sup> Ibid.

<sup>5</sup> UNICEF/WHO/World Bank (2022), [Joint child malnutrition estimates \(country level, modeled and survey estimates\)](#), May 2022.

<sup>6</sup> UNICEF Sri Lanka (2020), [Investing in the future: A universal benefit for Sri Lanka's children](#), UNICEF Sri Lanka Working Paper.

<sup>7</sup> Bird et al. (2022), [Public expenditure analysis for social protection in Sri Lanka](#), IPC-IG/UNICEF, Table 3.

<sup>8</sup> ADB (2022), [ADB approves \\$200 million loan to mitigate Sri Lanka food crisis](#), Press release, 30 August 2022.

support of USAID. This is in line with a commitment made by the Government in its 2022 Budget Speech to extend the existing voucher programme to fully cover these first 1000 days in recognition of the criticality of these initial days in a child's life.

All these interventions provide important support, nevertheless, there remain critical gaps in terms of extending support to more children below the age of two and for a longer duration. There is already an alarming spike in cases of malnutrition among pregnant women and children, as indicated by observations by team members of the Crop and Food Security Assessment Mission (CFSAM). In the Northern Province, an increase in children with severe and moderate acute malnutrition was reported. For example, in Kilinochchi district, mothers are forced to buy poor quality malt for children instead of milk, while in Jaffna district, increasing malnutrition rates are attributed to reduced protein intake due to inflation in prices of eggs, fish and meat. The Mission report also highlights that the population in the tea estates – some of the most deprived population groups in terms of nutrition, health, education, protection, and income<sup>9</sup> – are being severely affected due to the high inflation and rising prices of food commodities, with increasing out-of-pocket expenditure for essential services.

In addition to the rising food insecurity noted above, the crisis and related fuel shortages are severely impacting implementation of inpatient and outpatient nutrition care services on the ground. This compromises the delivery of the package of evidence-based, high impact, nutrition interventions during the critical period of 1000 days from conception until the child is two years age; including the early identification, referral and follow up of children undergoing treatment and the ability of Medical Officers of Health (MOH) and Public Health staff, particularly Public Health Midwives (PHMs), to conduct community outreach and home visits. There is no outpatient therapeutic programme for treatment of Severe Acute Malnutrition (SAM) without medical complications, which means parents are required to travel, often long distances, to the hospital for treatment, during a time when fuel is simply not available or affordable. There is also a shortage of therapeutic food to treat children with SAM and Moderate Acute Malnutrition (MAM) and no available data to assess SAM and MAM management and whether children are being appropriately treated. Multiple micronutrient supplementation is also required for pregnant women and all children under the age of two to prevent them from becoming malnourished.

Renewed efforts are also needed to provide parents/caregivers and pregnant women with maternal nutrition and Infant and Young Child Feeding (IYCF) counselling to help them adopt healthy behaviors and appropriate nutrition and care practices during this crisis. UNICEF's recently concluded formative research on IYCF generated rich data that highlights the inadequacy of IYCF and nurturing care practices, a situation that is likely to deteriorate further. Sub-optimal child diets were already prevalent before the crises, with just two-thirds of children aged 6 – 23 months receiving a minimum acceptable diet. The IYCF package is now being updated to address the current nutritional challenges families with pregnant women and children under five years are facing and PHMs are being trained on how to deliver maternal nutrition and IYCF counselling during this time of crisis through home visits and at MOH neonatal clinics, community weighing centers, immunization clinics and, if referred, nutrition clinics.

Evidence shows that cash transfers can have wide-ranging positive impacts on beneficiaries across various domains, including dimensions of food security,<sup>10</sup> such as food expenditure, number of meals per day, consumption of nutrient-rich foods, dietary diversity and self-reported food security.

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<sup>9</sup> Department of Census and Statistics (2019), [2019 Household and Expenditure Income Survey: Final Results](#).

<sup>10</sup> Hjelm, L. (2016), [The Impact of Cash Transfers on Food Security](#), Innocenti Research Brief.

Nonetheless, evidence also indicates that cash transfers alone are not effective in reducing malnutrition and the complex determinants that underly it. Therefore ‘plus’ programming is recommended, which seeks to augment income effect by inducing further behavioral changes and addressing supply-side constraints. In addition to providing cash transfers to increase women’s purchasing power to access nutritious foods and other essential goods and services (through the continuation and extension of the current voucher programme), health and nutrition services need to be strengthened, such as providing supplements, counselling support, engaging mothers’ support groups, raising awareness of the importance of a diverse diet for pregnant and lactating women and promoting good infant and young child feeding practices. UNICEF’s programme sections on social policy, health and nutrition and behavior change work closely together to enhance these linkages, thereby contributing to further strengthening existing programmes and services.

## **2. TARGETED LOCATIONS**

UNICEF already plans to provide additional support to women with children up to two years through cash transfers, extending Government and ADB support for four months, under a project with USAID. Districts had been chosen in line with the objective of mitigating risks of heightened levels of malnutrition, therefore prioritizing the most vulnerable districts defined in terms of prevalence of severe wasting among children aged 0 to 5. These districts are Puttalam (6.5 per cent), Anuradhapura (6.0 per cent), Moneragala (5.3 per cent), Kegalle (4.2 per cent), Kilinochchi (3.9 per cent), Mullaitivu (3.8 per cent), Ratnapura (3.7 per cent) and Vavuniya (3.5 per cent).

Depending on how the crisis continues to evolve, the suggested project would either (1) aim to extend the duration of the cash transfers for beneficiaries initially covered through the USAID support; (2) increase the benefit amount to ensure continued adequacy in light of inflation pressures; (3) aim to fill the gap if ADB support ends; (4) extend coverage to additional districts, most likely Hambantota and Nuwara Eliya (with 3.2 per cent of children under five being severely wasted); or a combination of different parameters. The Nutrition plus components would be delivered in the same target locations.

Prior to commencing the project, further discussions will be held with ADB and USAID and the geographical locations will be finalized, which will inform the setting of project targets as needed. The planned nutrition related activities will further build upon the ongoing efforts to prevent a worsening malnutrition situation with the valuable support from the Government of Australia that we received earlier in the year.

## **3. OBJECTIVE(S)**

With the valuable funding from DFAT, UNICEF aims to mitigate the risk of rising levels of malnutrition resulting from the current economic crisis by providing cash transfers to increase women’s purchasing power, while strengthening linkages to existing health and nutrition services to augment the income effect and tackle more complex determinants of malnutrition and improving access to health and nutrition services. Some of the key risks and assumptions are outlined in the Monitoring, Evaluation and Reporting section.

Specifically, UNICEF’s objectives are to:

- address critical gaps in the national social protection system by providing nutrition-sensitive cash transfers to women with children up to the age of 24 months in the most vulnerable districts in terms of severe child wasting, in line with current Government programme, previous

- commitments and in alignment with other development partners, most notably the ADB and other UNICEF programmes
- provide life-saving high impact emergency nutrition support to vulnerable pregnant and lactating women and children under five to effectively manage acute malnutrition and ensure optimal growth and development, in close collaboration with Government programs
- contribute to strengthening the social protection system, by enhancing linkages between the cash transfer and health and nutrition services and exploring adaptations to existing registration and delivery mechanisms.

#### **4. EXPECTED RESULTS AND ACTIVITIES**

The overall outcome of the project is that **100,000 vulnerable women with young children have improved access to nutritious foods and essential health and nutrition services.**

This will be achieved through key intervention strategies under the following three outputs:

##### **Output 1.1 Increased purchasing power and knowledge of targeted vulnerable women with young children to access nutritious foods and essential health and nutrition services**

- Providing cash transfers to increase women's purchasing power to access nutritious food and other essential services (the cash component):
  - UNICEF will provide cash transfers to eligible beneficiaries. To this end, UNICEF is currently finalizing an agreement with a Financial Service Provider and continues exploring to what extent the existing national system can be leveraged.
  - Beneficiary data lists will be provided by the government, with UNICEF supporting data digitization and collection as needed by local authorities to ensure a timely delivery. Received data will be validated by UNICEF before being processed.
  - For sound and safe management of beneficiary data, UNICEF will use its organization-wide integration information management solution *Humanitarian Cash Operations and Programme Ecosystem* (HOPE).
  - UNICEF will also ensure accountability to affected populations, including, for example, clear communication about the programme in local languages, or access to adequate feedback and complaints mechanisms.
- Ensuring that mothers receive accessible information on related health and nutrition services (the plus component):
  - UNICEF will provide women who are registered with the programme with additional information on the importance of a diverse diet for pregnant and lactating women, and infant young child feeding practices.
  - UNICEF will map existing services, such as supplements, counselling, or engaging with mothers' support groups, in the respective districts and provide relevant information to women using user-friendly tools.
  - UNICEF's programme sections on social policy, health and nutrition, and social and behavioural change will work closely together to ensure that information is adequate, accessible, and adapted to the local context.

##### **Output 1.2 Pregnant mothers and parents/caregivers of children under five have improved knowledge on nutrition, healthy diets and nurturing care and access to health and nutrition services that prevent and treat malnutrition of children under five**

- Strengthening communication and counseling related to diets of pregnant and lactating women and care and feeding practices for young children

based on gaps identified through the IYCF formative research:

- UNICEF will assess the capacity gaps and provide training and tools needed for improved and targeted communication and individualized counseling with a focus on complementary feeding practices, specifically the diversity of diets in young children between 6-24 months of age.
  - UNICEF will adapt the existing recipes that have been developed for complementary feeding using local and available ingredients for specific and targeted advice, food demonstration and individualized support to vulnerable mothers and caregivers.
- Supporting growth monitoring of pregnant women and children under five and referral of those identified with SAM, MAM and growth faltering to treatment services:
    - UNICEF will procure and distribute growth monitoring equipment to field and facility clinics and weighing centers in select areas where an increased number of acute malnutrition cases is anticipated due to the worsening food security situation.
    - UNICEF will provide appropriate tools and materials required for the Public Health Midwives to enable them to treat, counsel and track pregnant women and children with SAM, MAM and growth faltering as per protocols.
    - UNICEF will support the transport of vulnerable children and their families to access services for medical assessment and enrolment in therapeutic feeding programs.
    - UNICEF will provide supplementary nutrition commodities if needed in a changing country context.

## 5. MONITORING, EVALUATION AND REPORTING

	<b><u>Achieved</u> Indicator Targets</b>	<b>Source of Verification</b>	<b>Key Assumptions and Risks in Achieving Outputs</b>
<p><b>Outcome 1: 100,000 vulnerable women with young children have improved access to nutritious foods and essential health and nutrition services</b></p> <p><b>Indicator 1.1</b> # of women with young children who benefitted from an unconditional and nutrition-sensitive cash transfer and improved access to health and nutrition services</p> <p><b>Baseline: 0</b> <b>Planned Target: 100,000</b></p>		Post-distribution monitoring reports	Detailed under the outputs
<p><b>Output 1.1 Increased purchasing power and knowledge of targeted vulnerable women with young children to access nutritious foods and essential health and nutrition services</b></p>			
<p><b>Indicator 1.1.1</b> # of successful transfers to registered women with young children (LKR 5,000 per month for up to 4 months)</p> <p><b>Baseline: 0</b></p>		Payment records Reconciliation reports Payment verification survey	<p><b>Alignment with Government programme/development partner:</b> The programme is designed as an extension of the existing Government voucher programme in line with previous Government commitments and aligned with temporary ADB support to the same programme. In case the scope of ADB support changes (in terms of benefit amount, eligibility criteria, length of support), the parameters of the present programme proposal would have to be adjusted</p>

<b>Planned Target: 100,000</b>			accordingly. In addition, alignment with other implementing partners (for example UNFPA and WFP) needs to be continuously ensured.
<b>Indicator 1.1.2</b> # of women with young children who receive additional information on nutrition and available nutrition and health services  <b>Baseline: 0</b> <b>Planned Target: 100,000</b>		Post distribution monitoring reports	<i>Sources of information:</i> ADB, national partners.  <b>Coverage/number of beneficiaries per district:</b> The numbers of beneficiaries per district are estimated based on household survey data from 2019. The final number of registering beneficiaries might therefore differ (as experienced during a pilot phase in Colombo), possibly leading to a changing number of districts that can be targeted.  <i>Source of information:</i> Registered beneficiaries during initial rounds of cash transfers.
<b>Indicator 1.1.3</b> Effective complaints and feedback mechanisms in place in all districts  <b>Baseline: 0</b> <b>Target: 100% of targeted districts</b>		Reports on complaints and feedback received  Spot Checks	<b>Benefit amount and modality:</b> The suggested benefit amount has been discussed with Government and will be aligned with the support provided by ADB. Yet, as food inflation has continued to rise over the past months, exhibiting even an accelerating trend, food prices need to be carefully monitored to ensure that the benefit amount does not erode over time. This might require future increases of the <b>benefit amount</b> . In addition, the availability of food needs to be monitored, ensuring that food items are available to be purchased; if not, this might require providing in-kind support.
<b>Indicator 1.1.4</b> Systematic monitoring of cash+ transfers in place  <b>Baseline: 0</b> <b>Target: 100% of targeted districts</b>		Post distribution monitoring survey reports  Post distribution monitoring focus group discussion reports	<i>Sources of information:</i> Inflation rates published by the Central Bank of Sri Lanka, market assessments carried out by partners, notably WFP and Save the Children, and post-distribution monitoring as part of the monitoring and evaluation framework.  <b>Length of support:</b> As the crisis continues to unfold, more and more people might become unable to meet their most basic needs beyond the districts targeted by this programme. In addition, given the uncertain time frame of the crisis as

			<p>well as the limited project duration, support might end before the crisis subsides, leaving beneficiaries without protection despite dire needs. This might require an adjustment of targets, in terms of adjusting coverage (aiming to reach more people) or adjusting the duration of the support (fewer people in the most vulnerable districts for an extended period), in addition to the above-mentioned need to adjust the adequacy of benefits in light of continued inflation (increased adequacy but reaching fewer people/shorter duration).</p> <p><i>Sources of information:</i> Macroeconomic indicators provided by Central Bank of Sri Lanka.</p> <p><b>Inclusion:</b> Care needs to be taken to ensure that eligible individuals who are disadvantaged are included throughout the programme cycle. This requires, for example, ensuring effective information and outreach activities with beneficiaries and data collection through a carefully chosen partner, different payment options for unbanked beneficiaries, inclusion in focus group discussions, ensuring that complaints and feedback mechanisms are accessible to all, etc.</p> <p><i>Sources of information:</i> Programmatic visits, complaints and feedback mechanisms.</p> <p><b>Social tensions:</b> With assistance provided both through national social protection programmes and directly by partners, partly in the same district divisions (see overview above), it is critical that programme objectives are well aligned and clearly articulated by all partners, as well as guided by the do no harm principle.</p> <p><i>Sources of information:</i> Programmatic visits and post-distribution monitoring, in particular focus group discussions.</p>
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<b>Output 1.2 Pregnant mothers and parents/caregivers of children under five have improved knowledge on nutrition, healthy diets and nurturing care and access to health and nutrition services that prevent and treat malnutrition of children under five</b>			
<p><b>Indicator 1.2.1</b> # of pregnant women and primary caregivers of children aged 0 to 23 months receiving maternal, infant and young child feeding counselling</p> <p><b>Baseline: 0</b>  <b>Planned Target:</b> Target to be determined once the geographical locations for cash transfers are finalized</p>		<p>Electronic Reproductive Health Management Information System (E-RHMIS) data on children reached through growth monitoring services (which is one of the important platforms for reaching young children with services including MIYCF counseling)</p>	<p>One of the risks while working in the economic crisis context is potential delays in implementation of activities due to competing priorities, reduced working days for government partners and limited access to supplies such as fuel. UNICEF Sri Lanka will work closely with implementing partners to monitor and update the workplan based on a realistic understanding of the evolving context in Sri Lanka.</p> <p>Another anticipated risk is a lack of attention towards quality improvements in maternal infant and young child feeding counseling and services, as opposed to coverage and accessibility of the same and through treatment interventions only during the crisis. The project is designed to support Public Health Midwives to improve the quality and effectiveness of services through provision of tools and resources, as well as training to do so. At the same time, linkages with other food security interventions being implemented in the select geographies would be mapped and families would be linked so that they benefit from those provisions.</p>
<p><b>Indicator 1.2.2</b> # of children with SAM, MAM and growth faltering identified and provided with counseling support and linkages with services</p> <p><b>Baseline: 0</b>  <b>Planned Target:</b> Target to be determined once geographical locations are finalized and will be based on certain assumptions of SAM, MAM and growth faltering prevalence</p>		<p>E-RHMIS data on children identified with SAM, MAM and growth faltering</p>	

## Emergency Funding Budget

### Emergency PROJECT BUDGET\*

<b>Total Resources for the transfer (US\$)</b>	<b>9,329,386.24</b>
<b>% of Indirect Costs</b>	<b>7.00</b>
<b>Total Indirect Costs</b>	<b>610,333.68</b>
<b>Total Direct Costs</b>	<b>8,719,052.56</b>

PROJECT BUDGET			
	CATEGORY	Total Amount (US\$)	UNICEF
1	Staff and other personnel costs	518,000.00	518,000.00
2	Supplies, Commodities, Materials	773,258.56	773,258.56
3	Equipment, Vehicles and Furniture including Depreciation	0.00	0.00
4	Contractual Services	659,790.00	659,790.00
5	Travel	33,814.00	33,814.00
6	Transfers and Grants to Counterparts	6,734,190.00	6,734,190.00
7	General Operating and Other Direct Costs	0.00	0.00
	<b>Total Programme Costs</b>	<b>8,719,052.56</b>	<b>8,719,052.56</b>
8	Indirect Support Costs**	610,333.68	610,333.68
	<b>TOTAL Pass-Through Amount Approved</b>	<b>9,329,386.24</b>	<b>9,329,386.24</b>

\* This is based on the UNDG Harmonized Financial Reporting to Donors for Joint Programmes approved in 2012.

\*\* Indirect support cost should be in line with the rate or range specified in the Joint Programme Document and MOU and SAA for the particular JP. Indirect costs of the Participating Organizations should not exceed 7% of Total Programme Costs the Fund will be recovered as direct costs, in accordance with the UN General Assembly resolution 62/209 (2008 Triennial Comprehensive Policy Review principle of full cost recovery).

Approved by  
Title

Emma Brigham  
Representative, a.i.