SRI LANKA FOOD SECURITY ASSESSMENT,

based on the INTEGRATED FOOD SECURITY AND HUMANITARIAN PHASE CLASSIFICATION APPROACH

15-30 April 2007

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List of Acronyms

ADB	Asian Development Bank
AFLC	Acute Food and Livelihood Crisis
ANC	Antenatal Care
CMR	Crude Mortality Rate
CP	Country Programme
CPI	Consumer Price Index
CWE	Co-operative Wholesale Establishment
DHS	Demographic and Health Survey
EMOP	Emergency Operation
FAO	Food and Agricultural Organization of the United Nations
FDL	Forward Defence Lines
FFE	Food for Education
FFT	Food for Training
FFW	Food for Work
FHC	Famine/Humanitarian Catastrophe
FIVIMS	Food Insecurity and Vulnerability Information and Mapping Systems
FRESH	Focusing Resources on Effective School Health
FSAU	Food Security Analysis Unit, Somalia
GDP	Gross Domestic Production
GFS	Generally Food Secure
GNI	Gross National Income
GNP	Gross National Production
HARTI	Hector Kobbekaduwa Agrarian Research and Training Institute
HE	Humanitarian Emergency
IDPs	Internally Displaced Persons
IFPRI	International Food Policy Research Institute
ILO	International Labor Organization
IMF	International Monetary Fund
IMR	Infant Mortality Rate
IPC	Integrated Food Security and Humanitarian Phase Classification
LBW	Low Birth Weight
LKR	Sri Lanka Rupee
LTTE	Liberation Tigers of Tamil Eelam
MARKFED	Sri Lanka Co-operative Marketing Federation Ltd.
MCH/MCN	Maternal Child Health/Nutrition
MDG	Millennium Development Goals
MPCS	Multipurpose Co-operative Societies
NGO	Non-Government Organization
PMB	Paddy Marketing Board
PRRO	Protracted Relief and Recovery Operation
REER	Real Effective Exchange Rate
SCF-UK	Save the Children United Kingdom
U5MR	Under-Five Mortality Rate
UN	United Nations
UNDP	United Nations Development Program
UNICEF	The United Nations Children's Fund
USD	US Dollar
VAM	WFP Vulnerability Analysis and Mapping Unit
WB	The World Bank
WFP	World Food Programme

EXECUTIVE SUMMARY

Sri Lanka has long been celebrated in development economics literature as a model low-income country - one that has achieved extraordinary success in attaining high levels of male and female literacy, school enrolments and health outcomes, despite low levels of per capita income. Only a handful of developing countries, such as China, Vietnam, Cuba and Costa Rica, can list as many achievements as Sri Lanka on the social front. Data from the UNDP's global Human Development Report 2004 suggests that Sri Lanka has one of the highest ranks of all the countries in Asia when its performance on the human development index is compared relative to its performance on GDP per capita. However, poverty in Sri Lanka is still high and widespread and the country is still classified as a low-income food-deficit country, with a relatively high global hunger index in South-East Asia.

In recent years the Sri Lankan people have endured some difficult times that have affected the livelihoods for thousands of families, such as the tsunami in 2004 and the resumption of the long armed conflict between the Tamil Tigers and the Government Forces in the North and north-East of the country. Since last year some 300.000 people have become displaced and the armed conflict have plunged two districts into a Humanitarian Emergency and with others on the verge of becoming so (see IPC map below).

As part of WFP's preparations for the next Protracted Relief and Recovery Operation (PRRO) starting in January 2008, a food security assessment took place from 15-30 April 2007, using secondary data available from various sources. WFP used this opportunity to further pilot the Integrated Food Security and Humanitarian Phase Classification (IPC), previously piloted in Indonesia and Cambodia. The assessment team worked closely with a task force consisting of FAO, SCF-UK, CARE, World Vision, FIVIMS and HARTI Research Institute.

Availability

Food availability depends predominantly on rice production and marketing in Sri Lanka. Despite significant improvement over the past two years (2005-2006), the country's net rice production remains insufficient to meet household demand. While production of secondary food crops such as tubers is declining, additional food demand is met partly by increasing wheat imports. Spatial disparities in rice self-sufficiency exist among districts, with the main rice surplus areas being located in the conflict-affected districts apart from the North-Central. As a result, inter-provincial trade opportunities from surplus to deficit areas are limited. With the liberalisation of domestic markets, the paddy/rice marketing has become increasingly competitive but lack of market information and isolation from supply chains remain significant barriers for trade operations and very few operators are integrated into well-coordinated supply chains, limiting access to wider markets and their capacity to respond adequately and timely to additional demand.

Food supply and availability is an issue in rural areas of Matara, Hambantota, Puttalam, Badulla, Monaragala, Ratnapura and Kegalle due to a combination of remoteness, poor access to markets and deficit production. Poor road network is an important constraint to food supplies, especially to rural areas.

Access

Access to food is an issue in almost all districts for the poorest households due to increased market prices. The districts that have seen particularly high price increases are Jaffna, Batticaloa, Badulla, Monaragala, Kalutara, Ampara and Kandy with varying underlying causes. There is also the issue of high price volatility that affects access for those living below or just above the poverty line. Income losses in the conflict affected areas is a huge limiting factor, which in combination with higher market prices has reduced the purchasing power for large numbers of households.

Poverty is another predominant factor that influences food security in Sri Lanka. Nearly 25 percent of the work force is under-employed[1]. The "real" wages for unskilled workers have reduced in value to such a degree that it is worth 40 percent of what it was in 1978. There are huge discrepancies between urban and rural districts with the North-East particularly affected after more than 20 years of conflict. The Estate districts have also an elevated poverty rate due to labour exploitation at the tea plantations.

There are seven districts where the depth of poverty is about 7 percent or higher, Badulla, Hambantota, Kegalle, Matara, Moneragala, Puttalam and Ratnapura. The depth of poverty was not available from the conflict stuck North-East otherwise it is highly likely that these districts would also be added to the list.

Poor road access and the lack of infrastructure hinder physical access to markets and to livelihood activities. Poor access to roads is mainly seen in the North, East and Central provinces.

Utilisation

Sri Lanka has seen a remarkable reduction in child mortality over the years as well as in maternal mortality. There is however some disparity between districts due to availability and access to health services, but rates are still very low.

Despite improved poverty levels and reduced infant and child mortality the nutritional indicators have remained unacceptably high, especially acute malnutrition (wasting) and underweight. Inequalities between districts are sometimes two-three folds. Highest rates of under-nutrition are reported in the conflict affected north and east as well as estate areas. Insufficient nutrition knowledge is still seen as underlying cause for high prevalence of under-nutrition as well as micronutrient deficiencies.

Access to clean water is not seen as a problem in Sri Lanka and the large majority has access to safe drinking water even though it is not piped in the rural areas. Two districts however have much reduced safe water access; Kilinochchi and Mullaitivu in the north. Sanitation is a problem with huge disparities between districts. In the western districts some 95 percent have access to toilets whilst it is as low as 30 percent in Kilinochchi and Mullaitivu in the north.

[1] Department of Census and Statistics, 2005 and 2006

Recommendations for WFP interventions

The assessment concluded that food supply and availability are significant problems in districts where the road network is poor and thus affecting access to markets. Access to food, chronic poverty and malnutrition are other main issues as well as the armed conflict in the north and east which impact on household food security. In addition, the conflict is a serious threat to overall food security and to poverty eradication efforts in the north and eastern districts.

General Food Distribution: IDPs and vulnerable households, such as fishermen, in the conflict areas are in need of life saving food assistance as their livelihoods have been severely affected. This intervention would also aim at livelihood protection.

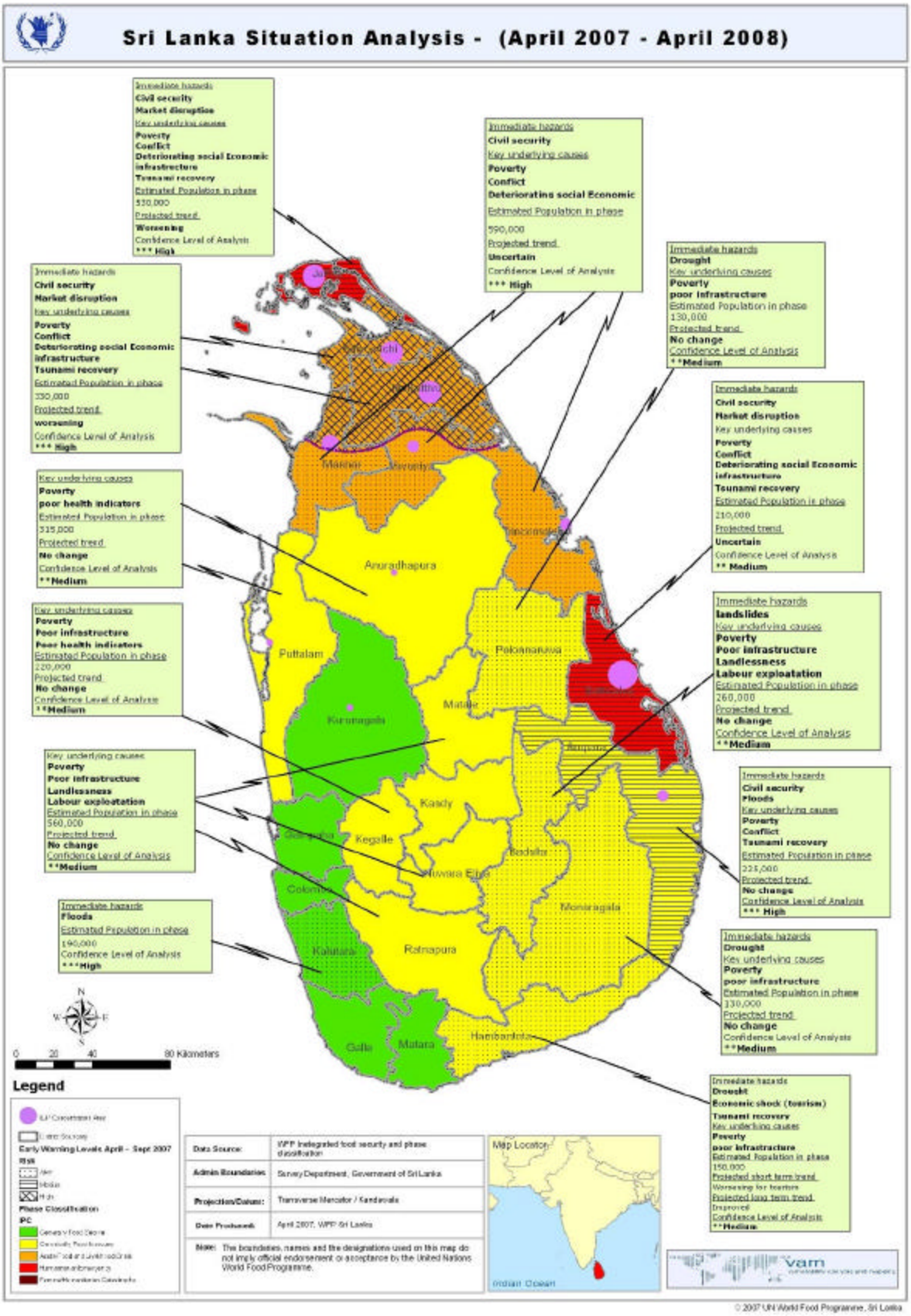
Food for Work: in rural areas, FFW could include drought and flood mitigation projects such as soil and water conservation, water harvesting work on farm land, latrine construction in schools as well as rural road construction in very remote areas.

Nutrition interventions: Joint efforts are needed in tackling high malnutrition levels. A causal analysis is needed to determine the most cost effective interventions. WFP should also review the food basket in the MCN programme as the rations are currently too small to have an impact.
Supplementary Feeding Programme for malnourished children under five is needed in the conflict areas due to increasing malnutrition rates caused by significant reduction in households' food access.

Food for Education: WFP should revise its objectives as there are virtually no enrolment problems in Sri Lanka and there are no gender disparities. Emergency Food for Education is recommended in the conflict areas in order to prevent short term hunger as food availability and access are big problems. WFP should continue support and initiate the FRESH initiative as water/sanitation conditions in schools are particularly poor.

Vouchers: There are two districts where vouchers could be considered. Kilinochchi is a district with surplus rice production but very restricted access to its normal lucrative market outside the Vanni. Ampara is the other district with substantial surplus production where rice vouchers could be considered. These two districts have also relatively low price volatility.

Food Security Monitoring System: WFP should consider developing a Food Security Monitoring System due to the volatile situation in the North and the East and therefore the constant need for updated livelihood and food security information. This would reduce the more costly and time consuming assessments and would give the Programme Unit more regular data for decision making. WFP is already collecting market prices in the conflict areas since over a year and thus other food security indicators should be built into this data collection effort to provide a more complete picture.


Sri Lanka Situation Analysis - (April 2007 - April 2008)
Immediate hazards
Civil security
Market disruption
Key underlying causes
Poverty
Conflict
Deteriorating social Economic infrastructure
Tsunami recovery
Estimated Population in phase
330,000
Projected trend
Worsening
Confidence Level of Analysis
*** High
Immediate hazards
Civil security
Key underlying causes
Poverty
Conflict
Deteriorating social Economic
Estimated Population in phase
590,000
Projected trend
Uncertain
Confidence Level of Analysis
*** High
Immediate hazards
Drought
Key underlying causes
Poverty
poor infrastructure
Estimated Population in phase
130,000
Projected trend
No change
Confidence Level of Analysis
**Medium
Immediate hazards
Civil security
Market disruption
Key underlying causes
Poverty
Conflict
Deteriorating social Economic infrastructure
Tsunami recovery
Estimated Population in phase
210,000
Projected trend
Uncertain
Confidence Level of Analysis
** Medium
Key underlying causes
Poverty
poor health indicators
Estimated Population in phase
315,000
Projected trend
No change
Confidence Level of Analysis
**Medium
Key underlying causes
Poverty
Poor infrastructure
Poor health indicators
Estimated Population in phase
220,000
Projected trend
No change
Confidence Level of Analysis
**Medium
Immediate hazards
landslides
Key underlying causes
Poverty
Poor infrastructure
Landlessness
Labour exploatation
Estimated Population in phase
260,000
Projected trend
No change
Confidence Level of Analysis
**Medium
Key underlying causes
Poverty
Poor infrastructure
Landlessness
Labour exploatation
Estimated Population in phase
560,000
Projected trend
No change
Confidence Level of Analysis
**Medium
Immediate hazards
Civil security
Floods
Key underlying causes
Poverty
Conflict
Tsunami recovery
Estimated Population in phase
225,000
Projected trend
No change
Confidence Level of Analysis
*** High
Immediate hazards
Floods
Estimated Population in phase
190,000
Confidence Level of Analysis
***High
Immediate hazards
Drought
Key underlying causes
Poverty
poor infrastructure
Estimated Population in phase
130,000
Projected trend
No change
Confidence Level of Analysis
**Medium
Immediate hazards
Drought
Economic shock (tourism)
Tsunami recovery
Key underlying causes
Poverty
poor infrastructure
Estimated Population in phase
150,000
Projected short term trend
Worsening for tourism
Projected long term trend
Improved
Confidence Level of Analysis
**Medium
Jaffna
Mannar
Vavuniya
Anuradhapura
Puttalam
Polonnaruwa
Matale
Kurunegala
Kandy
Kegalle
Nuwara Eliya
Badulla
Colombo
Monaragala
Kalutara
Ratnapura
Hambantota
Galle
Matara
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0 20 40 80 Kilometers
Legend
Early Warning Levels April - Sept 2007
Risk
Low
Medium
High
Phase Classification
IPC
Data Source: WFP Integrated food security and phase classification
Admin Boundaries: Survey Department, Government of Sri Lanka
Projection/Datum: Transverse Mercator / Kandawala
Date Produced: April 2007, WFP Sri Lanka
Note: The boundaries, names and the designations used on this map do not imply official endorsement or acceptance by the United Nations World Food Programme.
Map Location
Indian Ocean
vam
© 2007 UN World Food Programme, Sri Lanka

1. INTRODUCTION

WFP assistance to Sri Lanka started in November 1968. Since then, WFP has provided aid valued at some US$500 million through development and emergency/recovery projects.

In recent years WFP has supported the rehabilitation process in the conflict affected areas in the North and those areas where the Indian Ocean Tsunami further eroded livelihoods and food security of rural households through Protracted Relief and Recovery Operation (PPRO), Emergency Operations (EMOP), and Country Programme (CP).

The PRRO aimed at improving livelihood opportunities in areas vulnerable to food insecurity through Food-for-Work activities, which were in line with Millennium Development Goal (MDG 1 - poverty reduction). The operation also aimed at improving the nutritional status of the most vulnerable groups of society, such as pregnant and lactating women and children below the age of 5 (in line with MDGs 4 and 5 – reduced child mortality and improved maternal health) as well as contributing to improved access to education through the provision of school meals, and enhances the capacities of youth (including child soldiers) and female-headed households through vocational skills training (in line with MDGs 1 and 2 - poverty reduction and universal education). IDPs have also been supported since the conflict resumed last year, creating massive displacements.

Following the tsunami, WFP launched an emergency operation assisting almost one million tsunami-affected people in Sri Lanka.

1.1. Objectives and methodology of the assessment

As part of WFP preparation for the next PRRO, starting in January 2008, a Food Security Assessment took place using secondary data available from various sources. WFP took this opportunity to use the model of the Integrated Food Security and Humanitarian Phase Classification (IPC), previously piloted by WFP in Indonesia and Cambodia.

The IPC was developed as a means to link complex food, nutrition and livelihood security analysis to appropriate action. The classification system is designed to allow comparability of results from one place to another, increase rigour and transparency and to increase relevance to decision making. However, the IPC focuses on understanding the current or projected food security situation, and does not replace in-depth studies on the underlying causes of food insecurity. The IPC has been implemented in drought stricken Somalia with success and its application is being piloted in both Africa and Asia. Based on detailed technical guidelines, the IPC allows classification of a country into five phases: generally food secure, chronically food insecure, acute food and livelihood crisis, humanitarian emergency, and famine/humanitarian catastrophe. Key reference outcomes and a strategic response framework are outlined for each Phase (see below table from the IPC technical manual)[2].

1.2. Process

A number of procedures and decisions had to be made during the process of the assessment and the steps are explained below in chronological order. The process was shared with a larger group of stakeholders with technical expertise in Food Security and with specific knowledge of Sri Lanka.

[2] FSAU (2006): *Integrated Food Security and Humanitarian Phase Classification: Technical Manual, Version 1,* Technical Series, Report IV.11, May 2006.

Table 1. Integrated Food Security and Humanitarian Phase Classification Reference Table

	Phase Classification	Key Reference Characteristics *(current or imminent outcomes on lives and livelihoods; based on convergence of evidence)*		Strategic Response Framework *(address immediate outcomes, support livelihoods, and address underlying/structural causes)*
1	Generally Food Secure	***Crude Mortality Rate***	< 0.5 / 10,000 / day	• Strategic assistance to pockets of food insecure groups • Investment in food and economic production systems • Enable development of livelihood systems based on principles • of sustainability, justice, and equity • Prevent emergence of structural hindrances to food security • Advocacy
		(wasting)	<3 % (W/H <-2 z-score)	
		Stunting	< 20% (H/A < --2 Z-score)	
		Food Access/ Availability	usually adequate (> 2,100 kcal /pers/day), stable	
		Dietary Diversity	consistent quality and quantity of diversity	
		Water Access/Avail.	usually adequate (> 15 litres /pers/day), stable	
		Hazards	moderate to low probability and vulnerability	
		Civil Security	prevailing and structural peace	
		Livelihood Assets	generally sustainable utilization (of 5 capitals)	
2	Chronically Food Insecure	***Crude Mortality Rate***	<0.5/ 10,000/ day; U5MR <1/ 10,000/ day	• Design & implement strategies to increase stability, resistance, and resilience of livelihood systems, thus reducing risk • Provision of 'safety nets' to high risk groups • Interventions for optimal and sustainable use of livelihood assets • Create contingency plan • Redress structural hindrances to food security • Close monitoring of relevant outcome and process indicators • Advocacy
		Wasting	3-10 % (W/H <-2 z-score), usual range, stable	
		Stunting	>20% (H/A < -2 Z-score)	
		Food Access/ Availability	borderline adequate (2,100 kcal /pers/day); unstable	
		Dietary Diversity	chronic dietary diversity deficit	
		Water Access/Avail.	borderline adequate (15 litres /pers/day); unstable	
		Hazards	recurrent, with high livelihood vulnerability	
		Civil Security	unstable, disruptive tension	
		Coping	'insurance strategies'	
		Livelihood Assets	stressed and unsustainable utilization (of 5 capitals)	
		Structural	Pronounced underlying hindrances to food security	
3	Acute Food and Livelihood Crisis	***Crude Mortality Rate***	0.5-1 /10,000/ day, U5MR 1-2/ 10,000/ day	• Support livelihoods and protect vulnerable groups • Strategic and complimentary interventions to immediately increase food access/availability AND support livelihoods • Selected provision of complimentary sectoral support (e.g. water, shelter, sanitation, health, etc.) • Strategic interventions at community to national levels to create, stabilize, rehabilitate, or protect priority livelihood assets • Create or implement contingency plan • Close monitoring of relevant outcome and process indicators • Use 'crisis as opportunity' to redress underlying structural causes • Advocacy
		Wasting	10-15 % (W/H <-2 z-score), > than usual, increasing	
		Disease	Epidemic; increasing	
		Food Access/ Availability	lack of entitlement; 2,100 kcal/pers/day via asset stripping	
		Dietary Diversity	acute dietary diversity deficit	
		Water Access/Avail.	7.5-15 litres /pers./day accessed via asset stripping	
		Destitution/Displacement	emerging; diffuse	
		Civil Security	limited spread, low intensity conflict	
		Coping	'crisis strategies'; CSI > than reference; increasing	
		Livelihood Assets	accelerated and critical depletion or loss of access	
4	Humanitarian Emergency	***Crude Mortality Rate***	1-2 / 10,000 / day, > 2x reference rate, increasing; U5MR > 2 / 10,000/ day	• Urgent protection of vulnerable groups • Urgently ? food access through complimentary interventions • Selected provision of complimentary sectoral support (e.g. water, shelter, sanitation, health, etc.) • Protection against complete livelihood asset loss and/or advocacy for access • Close monitoring of relevant outcome and process indicators • Use 'crisis as opportunity' to redress underlying structural causes • Advocacy
		Wasting	>15 % (W/H <-2 z-score), > than usual, increasing	
		Disease	Pandemic	
		Food Access/ Availability	severe entitlement gap; unable to meet 2,100 kcal/ pers/ day	
		Dietary Diversity	Regularly 2 or fewer food groups consumed	
		Water Access/Avail.	< 7.5 litres /pers./ day (human usage only)	
		Destitution/Displacement	concentrated; increasing	
		Civil Security	widespread, high intensity conflict	
		Coping	'distress strategies'; CSI significantly > than reference	
		Livelihood Assets	near complete & irreversible depletion or loss of access	
5	Famine / Humanitarian Catastrophe	***Crude Mortality Rate***	> 2 / 10,000 / day (e.g. 6000 / 1 million/ 30 days)	• Critically urgent protection of human lives and vulnerable groups • Comprehensive assistance with basic needs (e.g. food, water, shelter, sanitation, health, etc.) • Immediate policy/legal revisions where necessary • Negotiations with varied political-economic interests
		Wasting	> 30 % (W/H <-2 z-score)	
		Disease	Pandemic	
		Food Access/ Availability	extreme entitlement gap; much below 2,100 kcal pers/day	
		Water Access/Avail.	< 4 litres /pers./ day (human usage only)	
		Destitution/Displacement	large scale, concentrated	
		Civil Security	widespread, high intensity conflict	

		Livelihood Assets	effectively complete loss; collapse	• Use 'crisis as opportunity' to redress underlying structural causes • Advocacy

Early Warning Levels	Probability / Likelihood of Worsening Phase	Severity	Key Reference Characteristics	Implications for Action
Alert	As yet unclear	Not applicable	***Hazard:*** occurrence of, or predicted event stressing livelihoods; with low or uncertain vulnerability ***Process Indicators:*** small negative change from normal	• Close monitoring and analysis
Moderate Risk	Elevated probability / likelihood	Specified by predicted Phase Class, and as indicated by color of diagonal lines on map	***Hazard:*** occurrence of, or predicted event stressing livelihoods; with moderate vulnerability ***Process Indicators:*** large negative change from normal	• Close monitoring and analysis • Contingency planning • Step-up current Phase interventions • Preventative interventions - with increased urgency for High Risk populations • Advocacy
High Risk	High probability; 'more likely than not'		***Hazard:*** occurrence of, or strongly predicted major event stressing livelihoods; with high vulnerability ***Process Indicators:*** large and compounding negative changes	

Step 1: Literature Review

The literature review included documents on Sri Lanka including databases, reports and maps from government, UN and NGOs; and international papers on emergency food security and nutrition assessment (annex 6). By design, the IPC recognises the limitations on data quality and quantity and allows flexibility in utilization of all existing information sources. This flexibility is most critical for areas under emergencies. The process started with the collection of all relevant data and the identification of a unit of study. This unit for Sri Lanka was based on the smallest administrative boundaries, i.e. district where valid and reliable data could be obtained. There are 25 districts in Sri Lanka.

Step 2: Indicator Selection

Outcome indicators and their respective thresholds stipulated in the IPC were considered for Sri Lanka in the light of existing government and non-governmental (UN, INGO) statistics derived from national, provincial and district level assessments. These included area specific assessments such as those conducted in LTTE held areas and Tsunami recovery assessment.

Indicators with no clear thresholds had to be developed based on guidelines and lessons learnt from the two pilots in Indonesia and Cambodia. These indicators included Underweight, Infant Mortality Rate, access to portable water and agricultural production.

IPC Key reference indicators that were not available where Food Access as per 2,100Kcal and Dietary Diversity. Instead purchasing power and poverty levels were used as process indicators for Food Access. Price increase and price volatility at district level were other very important process indicators used to support the phase classification decision.

Table 2: Thresholds by Indicator

	Indicator	Description	Thesholds
UTILISATION	**Underweight**	Percentage of children under 5 years with weight for age <-2 SD	<10percent 10-29.9percent >30percent
	Wasting	Percentage of children under 5 years with weight for height <-2 SD	<3percent 3-9.9percent 10-14.9percent 15-29.9ppercentercent >30percent
	Stunting	Percentage of children under 5 years with height for age <-2 SD	<20percent >20percent
	IMR	Number of infants deaths per 1,000 live births (13=National MDG for 2015)	<13 >13
	U5MR	Number of deaths for children under 5 years per 10.000/day	<1 1 to 2 >2
	Incidents of Malaria	100.000/day (cut offs as per MDG)	0-5 5-24.6 24.7-185 >185

	Incident of Tuberculosis	100.000/day (cut offs as per MDG)	0-26.7 26.8-39.2 39.3-46.9 47-71
	Crude Mortality	Number of deaths per years per 10.000/day	<0.5 1 2
	Low birth weight	percent of live births with a birth weight of less than 2.5kg	<15 15-20 >20
ACCESS/ASSETS	**Access to safe drinking water**	Percentage of households having access to safe drinking water	>=70percent 40-70percent <44percent
	Access to banking system	percent of population with access to bank	>20percent 10-20percent <10percent
	Poverty	Percentage of population below the national poverty line	<20percent 20-30percent 30-40 >40
	Sanitation	Percentage of households with toilet	>90 75-89 40-74 <40
	Access to roads	Road density	>0.5 0.25-0.5 <0.25
	Access to markets	Average distance to markets (km)	<5 5-10km 10-15km >15
AVAILABILITY	**Productivity growth**	Average rice productivity growth 2002-2006	<5percent 0-5 0 to -5 < -5
	Production increase	Average percent increase in rice production 2004-2006	>10percent 10-0percent <0 to -10percent <-10percent
	Rice balance	Average per capita 2005-2006	>25kg 25-0 <0 to -50kg >-50kg

Step 3: Template and Analysis

Each key reference outcome and process indicator was analyzed separately and the appropriate phase determined. The second stage of analysis consisted of concluding a single overall phase for the area. To support the analysis, IPC Analysis Templates were prepared for each district. The IPC Analysis Templates record details of each indicator. In addition to source, collection dates and geographic coverage, the IPC Analysis Templates also capture the confidence level assigned by the analysts to the particular data set. The resulting classification is illustrated in a map with distinct colour codes for each Phase. Boxes with text and data are included to provide relevant information on population, type of hazards and underlying causes. The IPC is a dynamic product and the map indicates a time limit regarding the early warning forecasts. Through regular data collection, the map should be updated periodically, so that decision makers have constant access to predictions of potential changes in the phase assigned to a particular area or group.

Due to the volatile conflict situation in the North and Eastern provinces the early warning prediction of the Sri Lanka IPC map is only valid for maximum 5 months.

Step 4: Validation of the Map though Task Force

Throughout the above steps, three meetings were convened with a task force that provided further data, advice, review, and, finally, indicated its consensus on the final product. The first meeting on the 17 April 2007 explained the process of IPC to which many of the participants were already familiar. The second meeting convened on April 20th when data and a first draft of an IPC map for discussed. The last meeting (April 25th 2007) sought to validate the revised IPC map, based on discussion from previous meeting, and the main underlying causes of each phase classification. In order to arrive at the level of consensus, draft templates and maps were disseminated prior to meetings and then jointly reviewed.

1.3 Limitations

The following limitations can be mentioned:

- Most Government statistics, including national averages, from 1980 till today do not include the North and Eastern provinces. These provinces are amongst the poorest due to more than 20 years of conflict, poor investment and negligible development and therefore the national data presented is thus better than the actual situation.
- Despite the availability of relatively good quality data and sources, the IPC approach could not be implemented below the district level due to lack of further disaggregated and comparable data. Existing attempts to conduct food security analysis below the district level are mostly based on indices. The results of these initiatives are not yet published officially and are only done for a very limited number of districts of which none are the conflict affected districts. Therefore, it was not possible to compare the findings of the IPC and ensure complementarities.
- In the absence of a reliable outcome indicator for food availability and access, process indicators were used. The interpretation of the calorie intake indicator proposed by the IPC approach was in contradiction with process indicators such as poverty levels, price changes, real wages, rice productivity growth, rice self-sufficiency status, and physical

access to markets. The calorie intake measurement was therefore removed, though it is not certain that the set of process indicators can provide a comprehensive analysis of the food availability and access situation.

- The instable nature of the conflict in Sri Lanka made it difficult to set a time frame for the early warning component of the IPC. The natural hazard proneness of Sri Lanka was also taken into account. Considering the highly volatile nature of the conflict and the seasonality of floods which occur generally in May-September (for the south-west monsoon season) and December-February (for the north-east monsoons), the early warning component was set to be valid over five months (April-September). This time frame is only indicative and can be updated earlier or later depending on the patterns of the security situation, especially in the north and east districts.

- In the absence of a clear guidance in the IPC manual on how to estimate population in need of assistance, the population in need of assistance may be over/under-estimated. There is no direct link between the population estimates and the phase classification in the IPC approach. The latter maps the severity of the food insecurity situation regardless of who is affected. The former is an attempt to estimate how many people could be targeted in the area concerned by the phase classification. By using the poverty line, it is assumed that people in need will most likely fall under the poverty line and live in areas with severe food insecurity situation. However this assumption may not hold everywhere because the population density does not necessarily match with the severity of food insecurity.

2. COUNTRY BACKGROUND

Despite decades of civil conflict and the impact of the tsunami, Sri Lanka's economy has shown resilience. With a per capita gross national income (GNI) over USD1000, the country is about to reach the status of a middle-income country. However, the benefits of recent economic developments are undermined by increasing inequality and macro-economic instability (accelerated inflation, price volatility and reduced competitiveness). Poverty reduction over the last decade occurred at the expense of the poorest areas and the conflict-affected areas. The economic and social repercussions of the conflict have fallen particularly heavily on Northern and Eastern provinces. The main underlying factors constraining poverty and inequality reduction in these areas are lack of: i) market opportunities; ii) infrastructure, and; iii) agricultural wage opportunities. This section describes the patterns of poverty with regards to recent economic performance, stressing regional differences.

2.1 Poverty and income patterns

Sri Lanka has long been celebrated in the development economics literature as a model low-income country - one that has achieved extraordinary success in attaining high levels of male and female literacy, school enrolments and health outcomes, despite low levels of per capita income. Only a handful of developing countries, such as China, Vietnam, Cuba and Costa Rica, can list as many achievements as Sri Lanka on the social front. With a per capita gross national income (GNI) of USD1,160 (at current prices, 2005)[3], Sri Lanka ranks best performer in South Asia scoring above average in the 2006 UNDP Human Development Index (HDI) report and is about to reach the status of a middle-income country[4]. On the basis of 2004 data, combining the measures of life expectancy, school enrolment, literacy and income per capita, the report indicates the Sri Lankan HDI score of 0.751 is above the average for medium human development countries (0.718) and quite significantly higher than the average for South Asia (0.628). However, using comparisons between years may not accurately reflect why ranking changes have occurred, as quite often they are due to revisions in the methodology for collecting the relevant data.

Although Sri Lanka has made significant progress in providing access to basic social services that has resulted in an improvement of human development, reduction in income poverty has been modest, with gains being largely limited to Colombo and neighbouring districts. Poverty is still high and widespread in Sri Lanka and the country is still classified as a low-income food-deficit country[5], with a relatively high global hunger index in South-East Asia[6]. National poverty headcount for Sri Lanka showed a modest decline, from 26.1 percent in 1991 to 22.7 percent in 2002, with uneven poverty reduction across urban, rural and estate sectors.

2.2 Recent economic developments

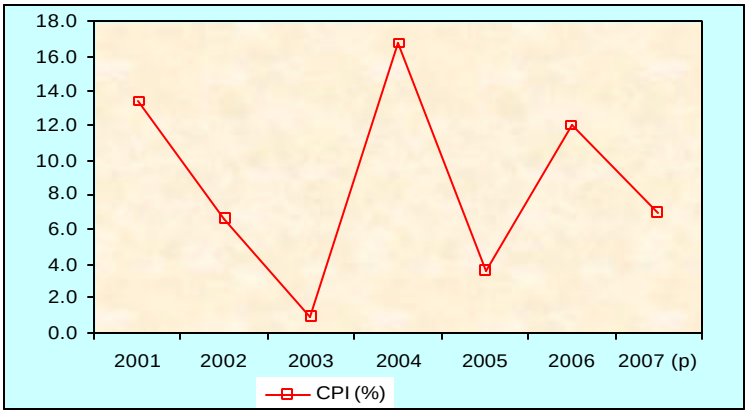
Despite resurgence of the conflict and the impact of the Asian Tsunami, Sri Lanka's economy has shown resilience, though at the cost of increasing inequality. Per capita gross domestic product (GDP) grew at an annual average rate of 3 percent between 1991 and 2002. While accounting for about half of the country's GDP, the Provincial GDP of

[3] World Bank, 2006: World Development Indicators.
[4] Bank (2007), "Sri Lanka: Development Forum: The Economy, Regional Disparities and Global Opportunities".
[5] WFP, (2006) "World Hunger Series 2006 – Hunger and Learning"
[6] IFPRI, (2006): "Global Hunger Index, a Basis for Cross-Country Comparisons".

Western Province grew by an average of 6.2 percent annually during 1997-2003, whereas that of the other provinces (excluding North and East Provinces) grew by 2.3 percent[7]. According to the World Bank, the lack of growth outside Western province is in large part due to stagnation in the agricultural sector. The rural areas are home to 88 percent of the poor in the country, and 58 percent of the rural population depend at least partially on agriculture for their livelihood. The share of the agricultural sector in GDP declined from about 19.9 percent in 2000 to about 16.8 percent in 2005, against an increase in the service sector, from 52.8 to 57.1 percent. Overall, economic growth averaged 7 percent in 2005 and 2006.

Continued economic growth is however, threatened by rising macro-economic instability characterized by price volatility and reduced competitiveness. Over the last five years, inflation has been particularly volatile (figure 1). Consumer price volatility is a concern, given its negative impact on purchasing power. It also reflects wrong market signals for economic activities. Inflation declined to 3.6 percent in 2005, but has risen since early 2006 reflecting pressures from fast credit growth, the impact of the oil price pass-through, and increases in wages and pension payments[8]. Consumer price index (CPI) inflation is estimated at an average of 12 percent in 2006 and projected at 7 percent in 2007 (figure x). The real effective exchange rate (REER) appreciated by about 2 percent in 2006, reflecting high domestic inflation and reduced competitiveness compared to trading partners. With the debt service burden rising (due in part to the expiration of the Paris Club moratorium), the government resorted to foreign currency borrowing from domestic banks and to the issuance of domestic dollar-denominated bonds to buffer the balance of payments. As a result, gross official reserves stagnated to the equivalent of 2.4 months of imports, indicating insufficient import capacity to protect the country against shocks. Increased central bank financing of the widening budget deficit (due to overruns of wage bills and fuel subsidies) resulted in additional pressure on consumer prices. Continued fiscal deficit financing through the central bank and continued oil price increases are unlikely to curb the inflation rate in 2007.

Figure 1. Consumer Price Index (2001-2007, percent)



Source: IMF (2006): Article IV Consultations.

[7] World Bank (2007), "Sri Lanka: Engendering Growth with Equity: Opportunities and Challenges", Poverty assessment report.
[8] IMF (2006): Article IV Consultation - Staff Report, Country Report No. 06/446, December.

2.3 Conflict and related socio-economic impact

The economic and social repercussions of over two decades of conflict have affected people throughout the country[9]. The macroeconomic impact of the conflict is estimated at 2-3 percent of GDP growth annually[10]. Over 65,000 people have died, about a million people have been displaced, private and public properties and economic infrastructure have been destroyed, local economies and community networks have been disrupted, and health and educational outcomes have deteriorated in districts in the North and East, which have been largely unable to participate in the economic progress in the rest of the country.

Since the escalation of the conflict late 2005, several rounds of talks between the government and the Liberation Tigers of Tamil Eelam (LTTE) have so far failed to produce tangible outcomes. The past year (2006) has seen an escalation of conflict-related violence particularly in the North and East. Over 3,000 people have died and over 250,000 persons have been displaced[11]. The escalation of the conflict poses additional challenges in the short-term to macroeconomic management, given increasing fiscal pressures. It also affects the implementation of the development agenda including tackling the key issues of reducing regional disparities and raising competitiveness, especially in the garment industry.

On the security front, the perspectives remain uncertain. Continued tension in the Vanni (Kilinochchi, Mullaitivu and parts of Mannar and Vavuniya) region is likely to result in increasing economic restrictions such as in Jaffna. Although the situation is considered as constant and stable in the Eastern districts, the security situation remains critical in Batticaloa, while Trincomalee faces persistent vulnerability due to the heavy presence of landmines. The situation in Ampara remains volatile with potential conflict between ethnic groups (Muslims, Tamils and Sinhalese).

2.4 Natural hazards

Floods are the primary natural hazard affecting Sri Lanka, followed by drought (table 3). With a large proportion of the population dependent on rain-fed agriculture as the main source of income, natural disasters can have devastating consequences for the livelihoods of the food insecure. Although the entire country faces various hazards, their combination poses higher risks to the Southern and Eastern regions.

Floods and landslides are more frequent in the Eastern and the Western Provinces. The Western district of Kalutara and the Eastern districts of Ampara and to a lesser extent Batticaloa are particularly prone to flood. The Western districts of Colombo and Gampaha were also hit by floods in 2006. Landslides are more frequent in the districts of Badulla, Ratnapura and to a lesser extent, Nuwara Eliya, Kandy, Matale, Kalutara and Kegalle. In 2003, some of the worst monsoon flooding in the history of Sri Lanka washed away crops and whole villages, and left thousands homeless in the southern regions of the country. More than 108,000 families were affected by flooding and landslides. Present land-use practices are among the underlying causes of landslides, as they lead to significant depletion of forest cover contributing to increased runoff, soil erosion, unstable slopes and heavy sediment load transfers into the lower watershed catchments.

[9] World Bank (2007), "Sri Lanka: Engendering Growth with Equity: Opportunities and Challenges", Poverty assessment report.
[10] Central Bank of Sri Lanka (1998): Annual Report.
[11] UN CHAP 2007

Major floods are associated with two monsoon seasons, typically the south-west monsoon season (May-September) and the north-east monsoons (December-February). The capacity to cope with the impacts of seasonal flooding is reported to be better in the eastern and central provinces[12]. According to the Ministry of Disaster Management, the agrarian population is unable to engage in agricultural and cropping activities due to the high rate of silting and water logging which makes the soil infertile and uncultivable not only for the present but also for the next seasons. In comparison, communities in western and southern provinces have access to diverse sources of livelihood, thus enabling faster recovery in the aftermath of seasonal floods.

Droughts are recurrent in the dry-zone districts and the south of the country. The North Central districts of Polonnaruwa and Anuradhapura, the North Western district of Puttalam and the Southern district of Hambantota are the most prone to drought, due to recurrent low rainfalls during monsoons. As shown in the table below, droughts of serious nature occur each 3-4 years in the dry-zone. In recent years, the most severe drought occurred in 2003 and 2004, especially in the dry-zone areas of Anuradhapura, Kurunegala, and Puttalam, leading to major crop failures, causing severe food insecurity through substantial income losses and price hikes of essential commodities[13]. Considering the cyclical occurrence of the El Nina phenomenon, climate changes in 2007 are likely.

Cyclones affect mainly the Northern and North-Eastern regions of the country but have a moderate to minor risk[14]. Vulnerability to cyclones exists due to poor preparedness, lack of capacity for the vulnerable communities to evacuate to safer shelter and the intensity of destructions is due to unsafe buildings in the cyclone prone areas. However, recent events indicate severe cyclones occur rarely, with a seasonality of 15-20 years.

[12] Ministry of Disaster Management (2005): Towards a Safer Sri Lanka, Road Map for Disaster Risk Management, December.
[13] FAO (2004): Crop and Food Supply Assessment Mission, Special Report, Sri Lanka, December.
[14] Center for Hazards and Risk Research: http://www.ldeo.columbia.edu/chrr/research/profiles/sri_lanka.html, accessed on April 23, 2007.

Table 3: Records of Major Natural Disasters in Sri Lanka (1990-2006)

		Flood		Drought		Landslide	
Province	District	Year	Population Affected	Year	Area Affected (ha)	Year	Number of Victims
Eastern	Ampara	2004	15,000				
		1999	30,000				
		1994	17,900				
		1990	120,000				
	Batticaloa	2004	307,940				
		1993	160,000				
North Central	Anuradhapura	1993	10,000	2003	400		
				2000	7,200		
				1990	400		
	Polonnaruwa	1994	20,000	2004	15,200		
				2001	50,000		
				1999	400		
Uva	Badulla					2004	1,500
						1997	250
						1990	10,100
	Moneragala			2001	10,400		
				1997	400		
Western	Colombo	2006	65,923				
	Gampaha	2006	161,921				
		1997	2,050				
	Kalutara	2006	12,667	1998	16,764		
		2003	126,565				
		1998	35,000				
Southern	Hambantota			2004	400		
				2003	4,000		
				2000	15,706		
				1996	1,200		
	Matara			1991	400		
Northern	Kilinochchi	2004	8,895				
	Mullaitivu	1993	10,000				
	Vavuniya	1999	20,000				
Central	Matale			2003	4,000		
				1996	600		
	Nuwara Eliya					1991	500
Sabaragamuwa	Kegalle			1992	840		
	Ratnapura					2003	67
						1996	18
						1993	307
North Western	Kurunegala			2002	320		
				1995	1,200		
	Puttalam	2006	51,897				
		1999	4,150				
		1993	60,000				

Source: Ministry of Disaster Management, Centre for Disaster Management and Human Rights.

2.5 Impact of the tsunami

The devastation caused by the Indian Ocean tsunami of late 2004 has highlighted that Sri Lanka is also vulnerable to low-frequency, high impact events which cause extensive damage and reverse years of development gains[15]. The tsunami devastated two-thirds of the island's coastline spread over 13 districts. Over a million people were affected: 35,000 dead, 20,000 injured, over 500,000 residents displaced, and 150,000 workers without a livelihood. Almost 100,000 houses were at least partially destroyed and the total damage estimate was about USD 1 billion[16]. The tsunami affected coastal populations in the Eastern, Southern, Western, Northern, and North Western provinces, with about 63 percent of the victims recorded in the North and the East. Housing damage occurred in the Eastern, Southern, Northern and Western provinces in descending order of damage suffered. The districts of Ampara and Batticaloa in the East, in particular, suffered the most lost lives, displacement, and damage to infrastructure, housing and losses of livelihood. Although the tsunami had a marginal impact on the country's overall macroeconomic performance, the regional economies of the affected areas were hard hit and have not yet fully recovered. The tsunami aggravated existing poverty and welfare challenges, especially in conflict-affected areas.

[15] Ministry of Disaster Management (2005): Towards a Safer Sri Lanka, Road Map for Disaster Risk Management, December.
[16] World Bank (2007), *"Sri Lanka: Engendering Growth with Equity: Opportunities and Challenges"*, Poverty assessment report

2.6 Concluding remarks

- Despite recent economic growth, poverty reduction remains slow, with rising inequality between urban and rural areas, especially in Southern provinces of Uva and Sabaragamuwa, as well as conflict-affected provinces of the North and the East.

- The economic outlook remains uncertain with increasing macro-economic instability (inflation, reduced competitiveness and insufficient foreign reserves). Continued fiscal deficit financing through the central bank and continued oil price increases mean that to the inflation rate is unlikely to lesson in the short term.

- The escalation of the conflict is likely to result in rising economic instability, with further disruptions of local economies of the Northern and Eastern provinces which have been so far unable to benefit from recent economic progress. Continued tension in the Northern Province is likely to result in an extension of economic restrictions to the Vanni (Mannar, Vavuniya and Mullaitivu) region.

- The country remains vulnerable to multiple natural disasters (floods, droughts, cyclones and landslides), causing substantial threats to the food security situation of the majority of the population which depends on rain-fed agriculture as the main source of income.

3. FOOD AVAILABILITY AND MARKETS

Food availability depends predominantly on rice production and marketing in Sri Lanka. However, despite significant improvement over the last two years (2005-2006), the country's net rice production remains insufficient to meet household demand. While production of secondary food crops such as tubers is declining, additional food demand is met partly by increasing wheat imports. Spatial disparities in rice self-sufficiency exist among districts, with the main rice surplus areas being located in the conflict-affected districts apart from the North Central. As a result, inter-provincial trade opportunities from surplus to deficit areas are limited. With the liberalization of domestic markets, the paddy/rice marketing has become increasingly competitive but lack of market information and isolation from supply chains remain significant barriers for trade operations and very few operators are integrated into well-coordinated supply chains, limiting access to wider markets and their capacity to respond adequately and timely to additional demand. Recent food price increases, resulting partly from fuel price increases, monetization of the fiscal deficit and commodity movement restrictions in some areas, have weakened market performance and further reduced poor households' access to food. Households in conflict-affected and food deficit areas are doubly affected by the pass-through effect of the fuel price hikes and restrictions imposed on commodity movements. This section discusses: i) food availability, with a special attention to the rice self-sufficiency status at district level; ii) the role of markets in moving food and related challenges, and; iv) the impact of price dynamics on household food access.

3.1 Rice self-sufficiency status at district level

The total net production of rice is recovering from the impact of the drought of 2003/04 and the tsunami but no significant marketable surplus has been recorded at national level so far. The net production increased from 1.5 million Mt in 2004 to about 1.9 million Mt in 2006, an increase due mainly to the good harvest in 2005/06, especially in North Central and Northern districts. However, this performance remains insufficient to meet the per capita rice requirement (i.e. 98 Kg/year) of the country (table 4). The razor's-edge margin of the rice balance indicates the country's overall food availability depends on other secondary domestic production such as tubers (manioc and sweet potatoes) and imports of wheat to meet food needs. It also suggests the country is sensitive to shocks such as natural disasters (flood and droughts) which result in general in production failures. For memory, the continuation of drought for two consecutive seasons in 2003-2004 affected nearly 1.5 million people, mostly subsistence farmers and their families[17].

While spatial disparities in rice production exist among districts, the main rice surplus areas are located in the North Central and Eastern districts. The latter are located in conflict areas and face severe restrictions on movements of goods. Eastern districts account for about one-third of the country's rice production, with about 19 percent of the total production concentrated in Ampara district. The Northern Province is the second largest rice producer, accounting for about 18 percent of the national production. Out of twenty-five districts, sixteen are rice deficit. They are located mostly in the Northern, Western, Central and Southern provinces (including Uva and Sabaragamuwa). The western districts are more industry and service oriented as opposed to the poor and subsistence farming provinces of Uva and Sabaragamuwa. The Central Province is dominated by estates and cash agriculture

[17] FAO (2004): Crop and Food Supply Assessment Mission, Special Report, Sri Lanka, December.

(tea, rubber, coconut and pepper), where households are more engaged in wage labour than their own production, due to limited land ownership. Among the conflict-affected districts of the Northern Province, Killinochchi is the only rice surplus area, sustained by substantial productivity growth (about 12 percent a year) over the last five years (2002-2006). On the contrary, rice production has worsened in Jaffna due to substantial productivity losses of about 10 percent a year from 2002 to 2006. Given that the main rice production and surplus districts are located in conflict-affected provinces, which face severe mobility and transport restrictions and high insecurity, the scope for inter-provincial trade and commodity movement from surplus to deficit areas is limited. These restrictions are further detailed in the next section.

Table 4. Rice Production and Self-Sufficiency Status per District (2005-2006)

Province	District	Population estimate ('000)	Rice Balance (Kg/Capita) 2005	2006	Average	Average share of production (%)	Average % change of production (2004-2006)	Average % productivity growth (2002-2006)
		2006	Primary Source of Data: Ministry of Agriculture					
Eastern	Ampara	614.0	376.3	189.1	282.7	18.8	5.5	1.0
	Batticaloa	777.7	37.9	-28.5	4.7	7.5	6.4	2.2
	Trincomalee	807.0	168.2	-14.7	76.7	5.8	-3.3	2.1
North Central	Anuradhapura	506.8	-14.6	77.1	31.2	4.5	55.7	1.3
	Polonnaruwa	2,327.8	483.7	154.6	319.2	0.6	7.9	1.9
Uva	Badulla	1,032.0	18.9	-14.7	2.1	2.1	-3.3	0.8
	Moneragala	2,152.6	8.6	-50.3	-20.9	1.2	4.0	1.0
Western	Colombo	547.4	-94.3	-87.7	-91.0	4.8	10.0	-0.1
	Gampaha	511.1	-89.9	-76.8	-83.3	0.5	2.2	1.0
	Kalutara	1,105.2	-72.3	-63.0	-67.7	2.0	6.8	0.9
Southern	Galle	1,325.8	-67.7	-63.5	-65.6	2.3	-2.3	0.8
	Hambantota	812.4	32.1	-21.6	5.2	1.7	2.9	1.6
	Matara	132.6	-38.9	-52.1	-45.5	2.5	8.1	3.7
Northern	Jaffna	1,513.2	-83.3	-90.0	-86.6	8.4	-13.7	-9.9
	Kilinochchi	157.9	194.5	-59.0	67.8	1.2	46.5	12.1
	Mannar	460.9	-6.4	-73.9	-40.1	2.6	19.7	2.7
	Mullaitivu	793.1	29.8	-73.3	-21.7	3.0	19.2	8.0
	Vavuniya	412.8	9.6	-78.5	-34.5	3.0	7.0	1.1
Central	Kandy	126.8	-71.4	-63.0	-67.2	1.3	-3.1	0.3
	Matale	729.4	-15.1	-57.2	-36.2	0.6	-4.4	-2.4
	Nuwara Eliya	734.8	-86.9	-88.2	-87.6	1.4	19.0	2.3
Sabaragamuwa	Kegalle	374.2	-68.8	-69.3	-69.0	15.1	2.0	0.9
	Ratnapura	1,050.4	-64.4	-64.7	-64.5	2.2	2.0	-0.3
North Western	Kurunegala	354.4	-42.5	85.7	21.6	5.8	28.6	2.4
	Puttalam	156.1	-75.2	-69.9	-72.5	1.2	5.5	1.9
Sri Lanka		**19,516.5**	**-25.5**	**-11.1**	**-18.3**	**100.0**	**3.2**	**1.7**

Assumptions:
(1) Per capita rice requirement of 98 Kg/year
(2) Total feed, seed, other uses and production loss at 13% of rice
(3) Milling rate of 66 percent

Source: Staff Estimates.

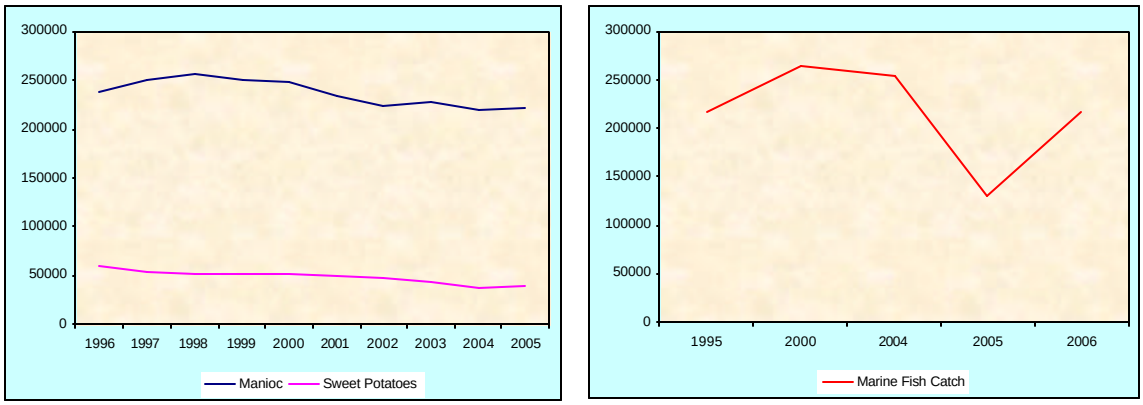
3.2 Secondary crops and fish production

Production of secondary food crops such as tubers (manioc and sweet potatoes) has been declining over the last decade (1996-2005) (figure 2). From an average of 250,000 ton/year over the period 1996-2000, the overall production of manioc declined to an average of 225,000 ton between 2001 and 2005. Over the same periods, the overall production of sweet potatoes declined from 54,000 to 44,000 tons. Although the production of manioc and sweet potatoes is widespread, Ratnapura and Kurunegala are the main production areas. Kalutara and Matale represent also significant production areas for sweet potatoes, while Moneragala, Gampaha and Badulla districts contribute significantly to the overall manioc production.

Fish production has not yet fully recovered from the severe losses inflicted by the tsunami. The marine fish income halved in 2005, as a result of the tsunami. The overall production

has improved from 130,000 tons in 2005 to 215,000 tons in 2006, 15 percent below the production level of 2004 (pre-tsunami).

Figure 2. Production of Manioc, Sweet Potatoes and Marine Fish (1995-2006, tons)

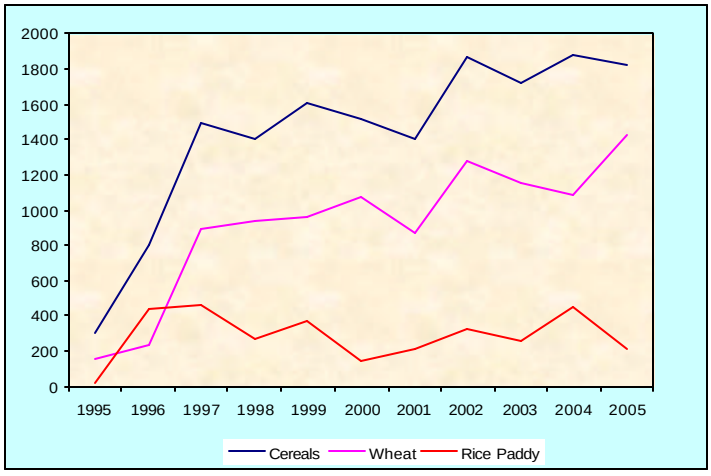


Source: Ministry of Agriculture and Ministry of Fisheries and Aquatic Resources.

3.3 Food grain imports and trade regime

Sri Lanka's food grain import has been increasing over the last decade, due mainly to increasing wheat imports (figure 3). Total cereal import increased from 1.4 million tons in 2001 to over 1.8 million tons since 2005. Wheat is the second most important staple in Sri Lanka, though the bulk of the supply is imported. The share of wheat imports increased from 56 percent of the yearly average (1995-2000) cereal imports to 67 percent between 1996 and 2005, offsetting the decrease of secondary crops' production. Although the country remains a net importer of paddy rice over the last decade, the share of rice imports has declined from about 25 percent a year between 1995 and 2000 to some 17 percent between 2001 and 2005, due to increasing domestic production and restrictions on rice imports to protect domestic production.

Figure 3. Trends of Food Grain Imports (1995-2005, in '000 tons)



Source: FAO Statistics.

Some recent restrictions placed on a number of consumer imports have sent wrong signals on the country's willingness to pursue trade liberalization. The IMF's 2005 trade restrictiveness index rates Sri Lanka at 5 on a 10-points scale (with 1 indicating complete openness and 10 indicating complete restrictiveness). Sri Lanka's main trade policy

instrument – and greatest source of revenue – is the import tariff. In 2005, the country's average applied tariff for agricultural items was 22.5 percent. Currently, there are five tariff bands (reduced from six in November 2005) of zero percent, 2.5 percent, 6 percent, 15 percent and 28 percent. There are also a number of deviations from the five-band tariff policy. Specific duties are applied on certain items, including footwear, ceramic products and agricultural products. These specific duties are designed to protect domestic producers. Some items are subject to an *ad valorem* or a specific duty, whichever is higher, and there is intermittent use of exemptions and waivers. Other charges on imports include a 10 percent import duty surcharge on all dutiable imports; a 2.5 percent ports and airports development levy (PAL) on imports (increased from 1.5 percent from January 1, 2006); a Value Added Tax (VAT) of 0 percent, 5 percent, 15 percent and 20 percent (import prices are increased by 7 percent, adding an imputed profit margin, when calculating the VAT and excise duty); a port handling charge that varies by container size; and a surcharge of 1 percent assessed on the import duty as a Social Responsibility Levy (to fund the National Action Plan for Children). This tax was increased from 0.25 percent from January 1, 2006. In January 2007, the Ministry of Health, implemented a regulation for mandatory labelling of genetically modified food. Sri Lanka also banned the import of some food items, such as chicken in order to protect the domestic industry and beef due to fears of Bovine Spongiform Encephalopathy (BSE).

3.4 Rice availability through market channels

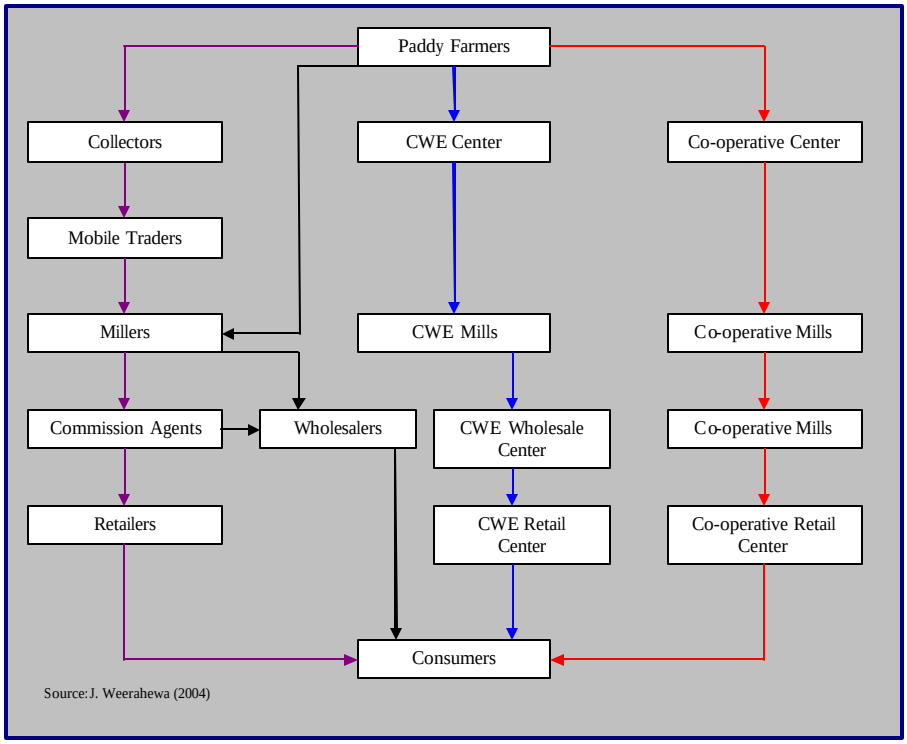
Given the predominance of rice in Sri Lankan household's food consumption, rice marketing channels are critical for household food access. A study conducted by IFPRI in 2004 indicates that more than half of the production of paddy in Sri Lanka transits through the market to consumers[18]. Both the private and the government sector institutions play a role in the marketing channel (figure 4). The wholesalers in the Colombo market play an increasing role in the distribution channel since the liberalization in 1998. They operate under a commission basis as well as on a direct buying system from millers and sell rice to retailers. In addition to the distribution function, the wholesalers are also efficiently involved in making advance payments to suppliers, bulk breaking to match the demand, keep suppliers and distributors informed about the prices and make trading finance. Reportedly, the Colombo wholesale market handles about 60 percent of the total production of rice. After rice stocks reach the wholesale market, wholesalers sell rice to retailers in the rest of the country.

With domestic trade liberalization, the paddy/rice marketing has become increasingly competitive. The suspension of the activities of the government Paddy Marketing Board (PMB) in 1997 was followed by the establishment of government-based organizations such as the farmer organizations and the Co-operative Wholesale Establishment (CWE) to purchase paddy. The CWE and the farmer organizations continued to purchase paddy and helped to stabilize paddy prices. The Multipurpose Co-operative Societies (MPCS) purchase paddy through the co-operative shops located island wide. Their network is bigger than that of the CWE. More than a hundred of MPCSs are involved in paddy purchasing. In addition to these organizations, MARKFED (Sri Lanka Co-operative Marketing Federation Ltd.) started purchasing paddy since 1998. MARKFED purchases samba varieties directly from

[18] Weerahewa J. (2004): Impacts of Trade Liberalization and Market Reforms on the Paddy/Rice Sector in Sri Lanka, IFPRI/MTID Discussion Paper No. 70, May.

the farmers in Polonnaruwa, Hingurakgoda and Thalawa areas. It also owns a mill; and the milled paddy (rice) is sold through its wholesale and retail outlets. Overall, the number of government-based co-operatives involved in paddy purchasing increased from 210 in 1997 to 608 in the year 2000. However, the amount purchased by individual firm is insignificant compared to that of the total production, showing the greater involvement of the private sector in marketing paddy/rice hence, the importance of the private sector in rice availability on markets.

Figure 4. Indicative Market Channels for Rice



Lack of market information and isolation from supply chains are significant barriers to the success of small rural firms. About 27 percent of rural enterprises face low market demand and 11 percent lack adequate market information[19]. In the World Bank's investment climate survey less than 2 percent of all rural enterprises use any type of marketing assistance to sell their goods and services. A vast majority of firms sell their goods directly to consumers or traders in their own district. Less than 10 percent of all rural firms report selling under subcontracting arrangements that potentially would provide them with access to wider markets. Long and fragmented supply chains constitute another major challenge. While physical access to market is severely reduced by conflict in Northern and Eastern provinces, remoteness from market places is also high in rural areas of some non-conflict districts such as Ratnapura, Kegalle, Badulla, Galle, Hambantota, Matara and Moneragala. According to the World Bank, walking distances to markets range from 11 to 18 km in these districts.

Although there is a large amount of co-operatives involved in rice trading, very few appear to be integrated into well-coordinated supply chains, limiting access to wider markets and their capacity to respond adequately and timely to additional demand. Uva, the province with

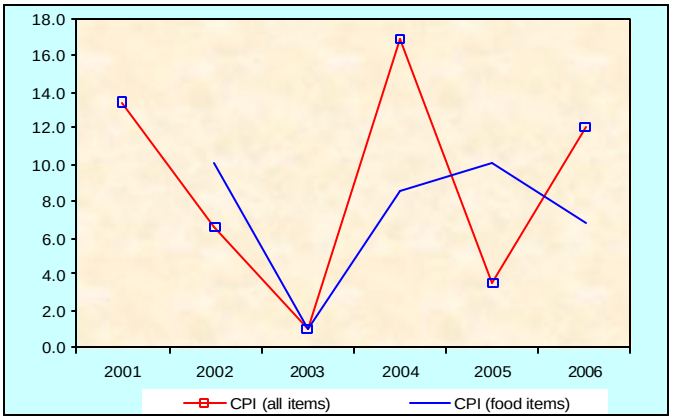
19 World Bank (2007): Sri Lanka, Poverty Assessment, Engendering Growth with Equity: Opportunities and Challenges.

the highest poverty headcount ratio, has the worst access to markets[20]. Since the escalation of the conflict in 2006, markets have been severely disrupted in districts of the North and East provinces. While firms can hardly operate, people in the interior of certain districts can hardly take their produce to markets because of significant obstacles. These include: i) poor availability and access to financial services; ii) poor access and quality of economic infrastructure (roads, telecommunications, and water); iii) restrictions on the use of the A9 highway; iv) lack of adequate transport facilities in certain areas such as Vanni, Vavuniya and Jaffna, and; v) limits on mobility in certain areas such as Jaffna. Movements of commodities (including food) in large quantities to areas that are not controlled by the government require approvals from the Commissioner General of Essential Services and Ministry of Defence. Lack of large suppliers of rice in the country constrains further the private sector's capacity to move food and fulfil contracts.

3.5 Food price patterns

As world oil prices more than doubled over the last two years (2005-2006), depleting foreign reserves and making it difficult to sustain the budget, Sri Lanka implemented more aggressive price adjustments in 2006. The government increased domestic fuel prices by 35 percent on average, from April to September 2006. The full pass-through was achieved in September for petrol and diesel, while a substantial reduction of subsidies was applied to kerosene[21]. Kerosene is the dominant component of the energy budget for lower-income households in Sri Lanka, accounting for over 67 percent of the energy budget[22]. While the national consumer price index (CPI) shows great price volatility over the past years (2001-2006), with an upward trend in 2006, the food component of the price index has been less volatile, though with an upward trend over 2004 and 2005, following the drought of 2003/04 (figure 5). In 2006, the overall consumer price increase was driven mainly by the increase of the price index of energy (fuel and electricity) and transport by 21 and 27 percent respectively.

Figure 5. Annual Average Inflation Rates (2001-2006, in percent)



Source: Department of Census and Statistics (2006) and IMF (2006).

In the conflict-affected provinces of the North and the East, significant commodity price increases have been recorded over the last twelve months, as a result of movement restrictions in conflict-affected areas, supply shortages and fuel price increases. Since

20 The accessibility index is constructed by the World Bank, as a measure of potential market integration and based on information about road network and location of major cities and towns. When this index measure is high the area has better than average access to markets.
21 IMF (2006): Sri Lanka- Selected Issues, Country Report No. 06/447, December.
22 Typically kerosene is used for lighting and heating, especially where households do not have access to electricity.

December 2006, rice prices have stabilized as a result of harvests, though at a higher level compared to March-April 2006. In a normal year, rice price would be low during the main rain-fed paddy harvest that takes place around the Maha season, from January to April. Jaffna recorded the highest price increases and volatility for most of the commodities, as a result of the suspension of all transport with the rest of the country leading to supply shortages. Out of nine commodities monitored by WFP, the price increase is around 10 percent or more for six of them in Jaffna, five in Ampara, four in Batticaloa and two in both Killinochchi and Mulaitivu. The prices of red rice and white rice increased by about 20 and 14 percent, respectively, due to the rice food deficit production situation in Jaffna. Mullaitivu district faced also significant commodity price volatility, though the extent of price increases is lesser than in Jaffna, Ampara and Batticaloa.

Table 5. Commodity Price Patterns in Northern and Eastern Provinces (March 2006-March 2007)

Average Increase of Commodity Price (%)

	Ampara	Batticaloa	Jaffna	Kilinochchi	Mannar	Mulaitivu	Trincomalee	Vavuniya
Rice (Nadu Red)	**9.3**	6.7	**20.0**	0.0	3.7	-1.4	2.4	3.0
Rice (Nadu White)	5.5	7.0	**13.9**	-	3.3	-	2.9	2.0
Lentils (Red)	1.9	1.5	3.6	2.1	1.3	4.5	0.3	1.2
Vegetable Oil	**9.4**	**15.4**	**17.1**	5.5	2.3	6.0	7.3	3.6
Wheat flour	**12.4**	7.8	**9.8**	4.9	1.9	4.0	2.8	2.1
Salt	**10.1**	**11.8**	7.5	**9.1**	**9.8**	**9.9**	-1.4	**9.8**
Sugar	1.1	0.0	**33.8**	1.8	-0.5	2.0	0.7	-0.4
Bread	**9.5**	**9.7**	8.8	8.5	8.4	7.9	7.8	8.1
Kerosene	4.0	**9.2**	**15.7**	**13.9**	3.8	**9.9**	5.5	4.2

Volatility (standard deviation) of Commodity Price

	Ampara	Batticaloa	Jaffna	Kilinochchi	Mannar	Mulaitivu	Trincomalee	Vavuniya
Rice (Nadu Red)	6.1	5.7	**62.0**	2.0	6.1	3.2	2.8	5.9
Rice (Nadu White)	5.9	5.8	**33.2**	0.8	4.2	**11.2**	2.3	3.7
Lentils (Red)	7.2	4.1	**21.4**	7.7	3.8	**18.2**	3.3	3.2
Vegetable Oil	**50.8**	**64.9**	**275.7**	**29.7**	**13.5**	**27.5**	**25.3**	**16.2**
Wheat flour	9.2	5.9	**25.2**	8.5	3.0	6.9	4.2	3.7
Salt	3.3	3.6	6.3	2.9	2.9	3.5	1.5	3.0
Sugar	4.1	1.3	**88.0**	**12.3**	1.6	**18.0**	2.3	1.2
Bread	3.1	4.1	4.4	4.0	3.8	4.2	3.3	3.8
Kerosene	8.0	**14.7**	**47.4**	**32.8**	5.9	**26.7**	9.3	6.6

Source: WFP: Price Monitoring System, Staff Estimates.

Comparing the prices for selected food commodities over April-December 2006 with the same period in 2005, substantial price increases are observed for non staple food items in most of the non-conflict districts (table 6). Most food commodity prices have been increasing and volatile since 2006, in several districts such as Kandy, Kurunegala, Kalutara, Nuwara Eliya, Matara, Badulla, Anuradhapura and Polonaruwa. Price increases are also observed for rice items in these districts, except in Kalutara where access to market is eased by its proximity to Colombo. Selected food commodities affected by high price volatility are sweet potatoes, beetroot, long beans, green beans, beef meat and chicken-curry.

Table 6. Price Changes for Selected Commodities in Non-Conflict Districts (2005-2006, percent)

Average Increase of Commodity Price 2005-2006 (April-December, %)

	Rice (Raw white)	Rice (Raw red)	Rice Samba	Manioc	Sweet Potatoes	Beetroot	Long beans	Green beans	Red dhal	Potatoes N'Eliya	Beef	Chicken-curry
Anuradhapura	4.0	-3.2	-5.5	3.2	**7.6**	**44.4**	**27.3**	**15.0**	-0.4	2.2	**17.2**	**6.1**
Badulla	0.2	0.2	-13.5	**8.8**	-5.1	**45.7**	**6.1**	**11.1**	-1.6	**11.0**	**15.5**	-
Galle	0.0	0.5	-2.5	-4.1	1.5	**70.4**	3.5	**21.1**	-0.9	**5.1**	**9.8**	-7.9
Hambantota	-0.5	-2.2	-5.9	-4.3	1.5	**38.6**	**7.0**	3.9	0.3	-	**10.3**	-4.5
Kalutara	-0.1	-0.7	-4.4	**18.0**	**8.3**	**33.8**	**17.6**	**13.6**	-0.7	-0.8	**13.0**	**7.2**
Kandy	0.6	3.3	-3.8	**13.5**	**19.8**	**65.7**	**21.3**	**16.3**	-3.2	1.5	**13.9**	**11.7**
Kurunegala	2.7	0.9	-6.8	**12.1**	**11.0**	**48.8**	**22.3**	**15.7**	-0.8	-1.2	**17.7**	**11.1**
Matale	1.7	-	-9.5	0.2	**8.5**	**39.3**	**14.1**	**12.1**	1.2	-	-	-
Matara	-0.6	-2.8	-3.6	**7.7**	**8.9**	**26.3**	**19.1**	**22.7**	2.6	3.3	**8.8**	-4.1
Moneragala	-9.6	-9.6	-15.3	-1.1	3.6	**39.0**	**5.3**	-7.6	-2.7	-8.1	**5.2**	3.5
Nuwara Eliya	-0.5	-0.8	4.5	**19.6**	**13.9**	**54.3**	**19.5**	**15.3**	**7.7**	0.1	**13.9**	**10.1**
Puttalam	-7.6	-2.8	-7.0	-12.6	-2.7	**59.0**	**12.2**	**10.4**	3.9	-1.9	**8.0**	-1.6
Polonaruwa	4.6	0.5	-7.3	**5.8**	3.0	**23.3**	**58.2**	**46.3**	**19.4**	**11.3**	**34.1**	**7.0**
Ratnapura	-3.3	-1.6	-12.4	-1.9	-4.7	**33.0**	2.3	**23.6**	0.1	-	1.6	3.1

Volatility (standard deviation) of Commodity Price in 2006

	Rice (Raw white)	Rice (Raw red)	Rice Samba	Manioc	Sweet Potatoes	Beetroot	Long beans	Green beans	Red dhal	Potatoes N'Eliya	Beef	Chicken-curry
Anuradhapura	2.1	2.6	2.8	2.1	6.0	16.4	12.7	15.9	3.5	4.8	11.0	7.8
Badulla	2.6	3.1	3.3	2.4	6.8	12.0	13.3	17.7	4.9	3.7	8.2	-
Galle	0.3	0.4	1.0	1.6	0.8	11.4	7.9	6.8	0.9	1.9	11.5	3.4
Hambantota	2.5	2.9	2.2	2.2	4.7	11.8	11.1	18.1	3.8	-	6.5	9.1
Kalutara	2.6	2.7	2.7	1.8	4.5	20.5	15.8	22.4	3.8	5.7	23.2	15.3
Kandy	2.3	2.9	1.9	0.9	4.3	25.9	13.5	19.4	4.8	4.7	15.8	12.3
Kurunegala	2.2	2.8	2.8	3.2	5.7	13.1	15.8	19.7	4.1	5.4	1.8	22.4
Matale	2.9	-	2.2	0.2	2.7	16.5	14.4	17.6	3.4	5.9	-	-
Matara	2.1	3.0	3.4	3.4	2.9	10.7	14.3	22.1	3.7	6.4	6.3	4.3
Moneragala	0.3	0.4	2.6	1.1	1.9	14.1	9.5	24.2	2.4	1.0	5.8	6.3
Nuwara Eliya	1.8	2.8	3.1	4.2	3.9	13.4	12.5	17.6	3.3	4.9	6.6	8.6
Puttalam	0.4	0.3	0.7	0.5	2.8	13.3	16.6	23.6	0.6	3.3	0.0	13.8
Polonaruwa	1.0	2.8	1.5	1.1	5.5	16.3	13.4	22.8	2.6	5.2	11.0	7.1
Ratnapura	2.1	2.3	4.0	1.0	4.3	17.8	21.3	23.3	4.6	-	16.9	12.1

Source: HARTI Price Monitoring System, Staff Estimates.

3.6 Concluding remarks

- Sri Lanka remains a net importer of food grains to compensate for its deficit rice production. Wheat imports have been increasing to compensate for the decrease of secondary food crop production and to meet the country's food needs.

- Sixteen (out of 25) districts are rice deficit over 2005 and 2006. The major rice surplus areas of the Eastern Province (especially Ampara) recorded limited productivity growth over the last five year (2002-2006). The Northern Province, the second largest rice production area recorded a mix performance with substantial productivity losses in Jaffna, as opposed to Kilinochchi. In other districts, the rice productivity growth is rather low.

- The rice marketing channel has become increasingly competitive with the increasing number of co-operatives but lack of market information, isolation of rural areas from supply chains and limited commodity movements from surplus production areas due to the conflict are undermining market functioning. Despite their large number, very few co-operatives are integrated into well-coordinated supply chains, limiting access to wider markets and their capacity to respond adequately and timely to additional demand.

- Overall, significant food commodity price increase is observed in all the districts due partly to the pass-through effect of fuel prices. However, price increases are higher in conflict-affected areas and more volatile due to commodity movement restrictions, leading to supply shortages, particularly in Jaffna.

4. FOOD ACCESS

4.1. Poverty and access

About 23 percent of the population lives below the official national poverty line in seven of the eight provinces in the country. Household survey data suitable for poverty measurement does not exist for the eighth province - the conflict-affected North-Eastern province. However, the North-East has by far the lowest per capita income of all the provinces, so it is likely that the incidence of poverty in the North-Eastern is greater than in most of the other provinces. Hence the national poverty level is in fact greater than the stated nearly 23 percent.

Poverty reduction has been slow because of a generally slow economic growth in the past. While growth of the Sri Lankan economy accelerated during the second half of the 1990s, there was a sharp increase in inequality, and this considerably reduced the poverty-reducing benefits of the economic growth.

The highest level of poverty is in the estate sector, which comprises of the plantations in the central highlands and the surrounding areas. About 30 percent of the population in estate areas is poor. This is followed by the rural sector, where about 25 percent of the population lives below the poverty line. In the prosperous urban sector, in contrast, poverty levels are considerably lower, just some 8 percent. This pattern of poverty across sectors, where agricultural areas display substantially higher levels of poverty than areas which depend mainly on industry and services, is evident virtually everywhere in the world. The wider range of economic activities and more profitable economic opportunities available in cities and towns is manifested in lower poverty rates in urban areas.[23]

There are also substantial regional variations in poverty within provinces. Poverty rates at the district level (Annex 3) show that the incidence of poverty ranges from 37 percent in the Moneragala and Badulla districts to just 6 percent in the Colombo district. The largest intra-provincial disparities in poverty are seen in the Western, Central, North- Western and Southern provinces. In the prosperous Western province, there is considerable variation among the three districts, with the proportion of population living below the poverty line varying from 20 percent in the largely agricultural Kalutara district to 11 percent and 6 percent, respectively, in the more economically-advanced Gampaha and Colombo districts. Among the two districts of the North-Western province, the incidence of poverty ranges from 31 percent in the Puttalam district to 25 percent in the Kurunegala district. In the three districts of the Southern Province, the Hambantota district has a poverty level of 32 percent while the Galle and Matara districts have poverty levels of 26 percent and 27 percent, respectively. In the Central province, too, there is considerable district level variation in poverty, ranging from 30 percent in the Matale district to 23 percent in the Nuwara Eliya district.

Other poverty measures, such as the depth and severity of poverty, also show large regional differences. The depth of poverty ranges from 10 percent in the Moneragala district to 1 percent in the Colombo district. Similarly the severity of poverty ranges from 4 percent in the Moneragala district to less than 1 percent in the Colombo and Gampaha districts. There

[23] Department of Census and Statistics, Government of Sri Lanka, 2004.

are seven districts where the depth of poverty is about 7 percent or higher, Badulla, Hambantota, Kegalle, Matara, Moneragala, Puttalam and Ratnapura. This suggests that there is substantial consumption inequality even among the poor in many districts, especially in Badulla, Galle, Hambantota, Kandy, Kegalle, Kurunegala, Matale, Matara, Moneragala, Polonnaruwa, Puttalam and Ratnapura.

Table 7. Depth and Severity of Poverty (percent) by Province, 1990/91-2002

Province	Depth of poverty			Severity of poverty (percent)		
	1990/91	1195/96	2002	1990/91	1195/96	2002
Sri Lanka	5.5	6.6	5.0	1.8	2.2	1.6
Western	4.1	3.3	2.2	1.3	1.0	0.7
Central	6.7	8.9	5.1	2.2	3.2	1.6
Southern	6.3	7.4	**6.5**	2.0	2.5	**2.2**
North-Western	5.3	5.3	6.0	1.6	1.6	2.0
North-Central	4.3	4.7	4.3	1.2	1.3	1.3
Uva	6.8	12.6	**8.9**	2.1	4.8	3.2
Sabaragamuwa	7.0	10.3	**7.5**	2.4	3.6	**2.4**

Source: World Bank Estimates, based on Household Income and Expenditure Surveys, Department of Census and Statistics, 1990/91, 1995/96 and 2002

Poverty is highest among individuals engaged in miscellaneous labour work and agriculture, forestry and fishing. These occupation and industrial groups encompass a variety of low-skilled workers, such as casual labourers, miners, quarry workers, pavement hawkers, artisans engaged in traditional crafts, farmers with very small (and often unviable) holdings and fishermen engaged in small scale fisheries activities. In addition, these occupation and industrial groups include skilled individuals with intermittent and irregular work, such as masons, plumbers and bricklayers. Many of these industries are unorganised, small-scale industries. The results indicate that the pace of growth of Sri Lanka's economy over the 1990s has been insufficient to reduce poverty among these economic groups.

4.2. Income sources/Livelihoods

Agriculture (including also fishing and forestry) is the most important sector in Sri Lanka absorbing both skilled and unskilled workers. The sector is however reducing from 38 percent in 1997 to 33 percent in 2004. The industry sector (manufacturing and construction being the largest within the sector) has remained stable whilst the service sector has increased from 37 percent to 41 percent in 2004.

There are huge regional differences where the 64 percent of the population in Uva is engaged in agriculture compared to 9 percent in the Western province. Industries are mainly located in the Western and North Western provinces whilst services engage as many as 55 percent of the labour force in the Western province.

Many fishermen have lost their livelihoods since May 2006 due to the various fishing bans. Those who can fish are often unable to sell their catch outside the local community due to the reduced trade infrastructure, especially in Jaffna and the Vanni. Traders in isolated areas are also suffering from their inability to access outside markets to sell or re-supply and

decreased purchasing power. This blow to the fishing community came 18 months after the devastating tsunami that destroyed much of the fishing assets.

Tourism, in contrast to many industries, failed to do well in 2006, with profit margins falling by up to 50 percent as hoteliers dropped prices to attract tourists. The sub-sector had picked up strongly after the signing of the cease-fire agreement between the Government and the Liberation Tigers of Tamil Eelam (LTTE) in 2002. However, it suffered in the aftermath of the tsunami and more recently has been hit by blanket travel warnings from key European markets following the sharp escalation of hostilities between the Government and the LTTE. Tourism industry sources put occupancy rates at 30–50 percent in January 2007, down from the 90 percent usually seen at that time of year. While tourism accounts for little more than 2 percent of GDP, the impact on employment, with about 120,000 directly and indirectly employed, is likely to have been significant[24].

4.3. Purchasing power and households' food access

The figure below shows the changes in purchasing power over the past three years. Amongst uneducated employees the income in real terms has reduced significantly. Government staff on the other hand has seen salary increases twice in the past three years and thus their purchasing power has improved compared with the baseline from 1978. The group with the greatest plunge in purchasing power is labourers in service employment, followed by industry and agriculture workers. The real wage rate of labourers in service employment today is worth 36 percent of what it was in 1978. This pattern of the real incomes shows clearly that recent government wage increases benefited only government staff. The negative impact of continued inflation is therefore likely to affect unskilled workers, who constitute the majority of the households originating from or living in rural areas.

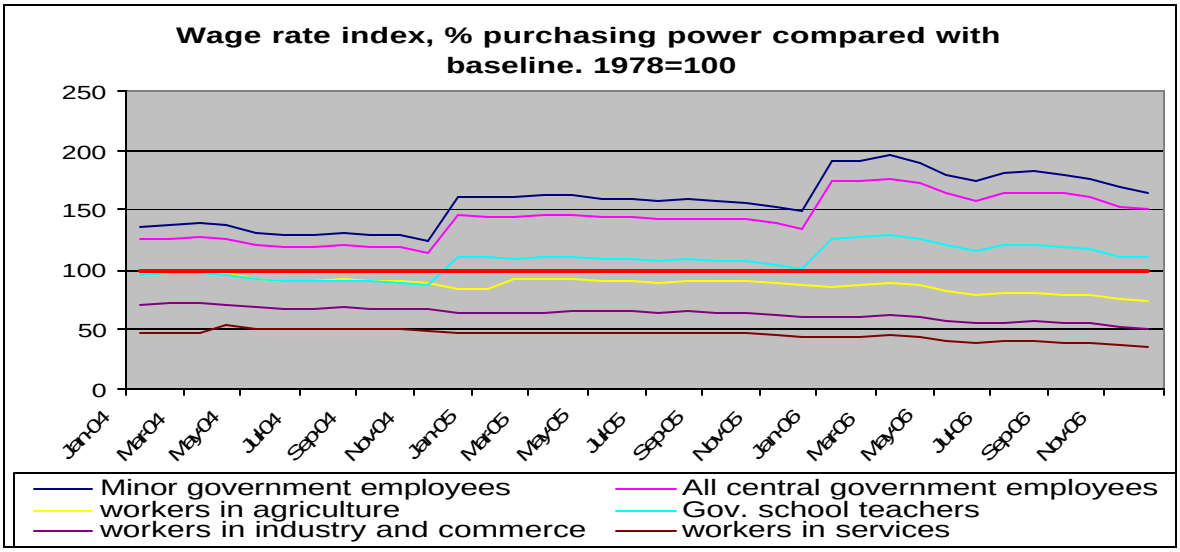
In the absence of an effective social safety net with adequate targeting mechanisms, capable of offsetting the adverse effects of price hikes on poor households, the gradual reduction of subsidies for kerosene is a short-term alternative. It is estimated that the total effect of the domestic fuel price increase on the real incomes of households is regressive in Sri Lanka, reflecting the combination of the high importance of kerosene for the poorest households and relatively high price increases for this product[25].

Households in conflict-affected and food deficit areas such as Jaffna are doubly affected by a reduced purchasing power due to the increased fuel price, which has increased prices on goods as well as the impact of security-imposed restrictions which limit movements of food commodities (supply and demand factor). Markets in Jaffna are no longer integrated with the rest of the country[26]. As shown by the rice marketing channel, most of the rice production is sold on the markets. A household economy survey conducted by Save the Children in Killinochchi, a surplus production district, suggests that even if paddy producers grow more than enough to meet their annual rice requirements, they choose to sell most of it and purchase rice over the course of the year[27]. Therefore, the net impact of the rice price

[24] Asia Development Bank- 2007 Outlook
[25] D. Coady et Al (2006): The Magnitude and Distribution of Fuel Subsidies: Evidence from Bolivia, Ghana, Jordan, Mali, and Sri Lanka, IMF Working Paper WP/06/247, November.
[26] Rada, ILO, FAO (2007): Jaffna District: Findings on Livelihoods, Employment and Creation of Short Term Employment Opportunities, March.
[27] Save the Children (2006): Household Economy Approach: Killinochchi, draft report July.

increase is a reduced purchasing power for rice growing households, as they sell unprocessed paddy at a low price and buy milled paddy at a higher price.

Figure 6.

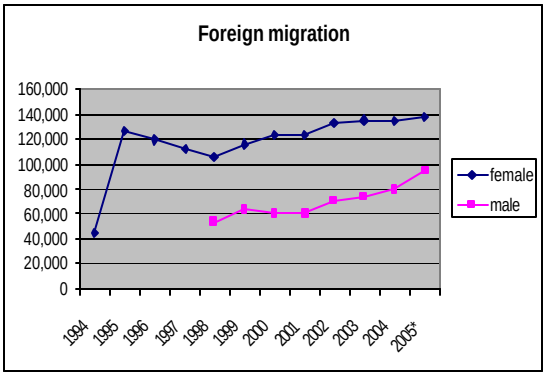


4.4. Unemployment/Under-employment/Migration

The unemployment rate reduced to 9.8 percent in 2004 from 10.4 percent in 1997. Unemployment rate for women remained over twice that for men. The underemployment rate however was 22 percent in 2004 and some 24 percent of employed people were not fully employed, willing to work more. Province wise, the southern province recorded the highest underemployment rate (28.6 percent), emphasizing that almost one third suffer from insufficient working hours and thus insufficient income.

Incidents of internal migration have increased in all provinces from 1996/1997 to 2003/2004, except in the Western province which has relatively more urban characteristics and is a consequence of provincial disparity in investment and job opportunities. In 2003/2004 the highest proportions of internal migration were recorded from the Northern and Eastern districts, as a result of eased movement restrictions after the ceasefire in 2002. The pattern is explained by the lower opportunities in the North and East due to the unsettled security situation and reduced investment.

Foreign migration has also increased over the years, in particular amongst women who by far continue to dominate migration abroad although the differences are declining. Some 95 percent of the women leaving Sri Lanka for work end up working as domestic maids, mainly in the Middle East.



The districts with the highest increase in external migration are also from the North-Eastern districts (annex 2) even though their total number of migrants is still quite low. Kurunagala and Nuwara Eliya are other

districts where the increase has been more than 50 percent in the past five years. More than 108,000 people have left the country from Kurunagala since 2001. The majority of these are women.

4.5. Access to roads/health services

There are huge disparities between provinces and districts in term of road access (Annex 4). This has an impact on people's access to markets, education, health etc. Where the road network is poor investment is likely to be lower than in areas with good transportation. Improvement of roads has not been a priority in Sri Lanka and can be one reason behind prevailing poverty inequity between districts.

The successes achieved in the Sri Lanka health sector are well known. The vital health statistical parameters indicate the successes achieved by the country. The infant mortality rates, the maternal mortality rates and the crude death rates have been significantly lowered since the beginning of the last century. Sri Lanka has an excellent health infrastructure and has provided its people with medical institutions within a five-mile radius.

There are however other problems that are related to the development of the health system in the country. The health information system of the MOH, which has only recently received greater attention, is in a weak state with little means to verify the quality of the data it collects and processes. Moreover, information utilization by the decisions makers is very low. The existing laboratory system and network has not been functioning properly which has become a major cause to frequent transfers from the low level health facilities to the higher level institutions. The pharmaceutical system similarly has several problems. Quality control in pharmaceutical production as well as pricing and prescription of drugs and medicine has been major issues that have not received adequate attention. Human resource development and deployment continues to be a major problem in the state health sector, which has adversely affecting the peripheral health system. There is an acute shortage of nurses and other allied health and medical personnel in the country while concerns of health education continue to be dominated by issues related only to the production of medical doctors.

The current health situation is further affected by the unwillingness of medical professionals to work in the peripheral areas and their over-concentration in large urban centres, depriving the rural population from getting a fair share of the health services they deserve. The imbalanced human resource development and deployment in the health sector has now substantially eroded the integrity of the health system at the sub-national level.

4.6. Education

About 1.7 million children are enrolled in the primary grade cycle (grades 1-5). Net primary school attendance in Sri Lanka is about 96 percent, with approximately the same percentage of boys and girls in the age group 6-10 years attending school. Sri Lanka had already attained a high level of net primary attendance, 95 percent, by 1990/91. This attendance rate rose to 96 percent in 1995/96, and held steady through 2002. The net primary completion rate is also high, 95 percent, and fairly evenly distributed among both boys and girls.

Regional variations in net primary school attendance and completion rates are almost negligible. The range of variation in net primary school attendance is only from 95 percent in the North-Central and Southern provinces to 97 percent in the Uva province. Further,

gender disaggregated figures show that regional variations in net primary school attendance at the province level are equally low among male and female children. Literacy indicators are thus high in Sri Lanka. However, representatives of sectors that can propel the country on to a higher growth path (e.g., IT and high-value manufacturing) have repeatedly stated that they suffer from a shortage of suitably skilled labour.

Spending on private tuition among all families, including the poorest, has increased, and points to deficiencies in the quality of public education. In turn, sustained high economic growth has to create jobs attractive enough to retain highly skilled people who are usually among the most mobile and too often leave the country. Sri Lanka reportedly has one of the highest "brain drain" ratios in the world. In addition to the need to improve the skills of its students, the school and education system seems to increasingly fail the poorest. School leavers, who, due to poor conditions in rural schools, often fail one or more of their O levels, stand little chance of being employed in the private sector.

The quality of schooling is highly skewed between rural and urban regions and educational outcomes between the provinces differ sharply. In contrast to Sri Lanka's earlier impressive record, education's share of GDP started to decrease in the 1970s and is now equivalent to about 2.5 percent of GDP—lower than in most comparable countries. The Government does see education as a priority today and thus embarked in 2006 on a reform program that includes improving English at all levels by also introducing English as a means of instruction in state schools. This 5-year program should show some improved results within a few years.[28]

The two graphs below show the discrepancy in results between urban and rural schools as well as between Tamil and Sinhala, indicating that the quality of teaching is worse in rural areas as well as in Tamil speaking districts. The same results were found in O-level results in the English subject.

Figure 7.

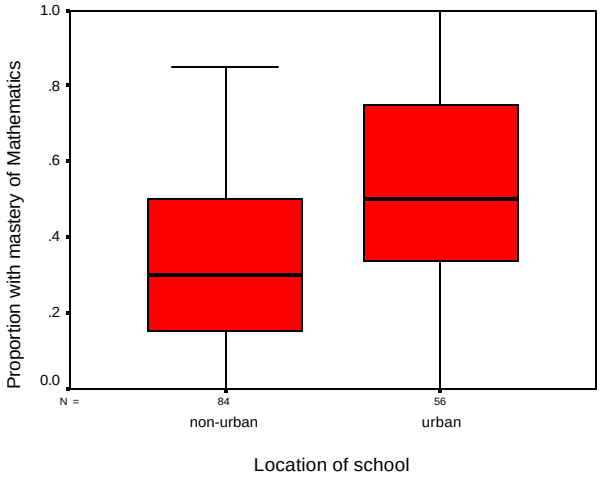
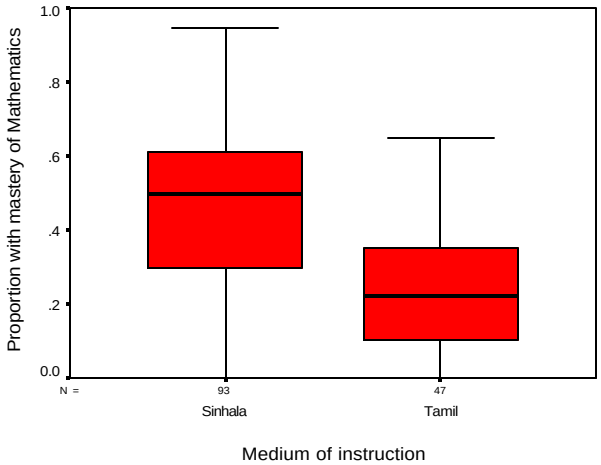


Figure 8.



[28] World Bank, Treasures of the Education System, 2004.

4.7. Conflict and access to food

After the cease fire in 2002 there were great hopes for long lasting peace. Unfortunately, fighting resumed in the North and East in 2006 with humanitarian consequences, making the situation worse for a population already affected by two decades of fighting and by the tsunami. As of 20th December 2006 the figure of fatalities in the conflict reached 3,671[29] including increasing numbers of civilian casualties.

New displacements since April 2006 have reached some 305,000 (as of 3 April 2007)[30]. In addition to the IDPs, 17,000 refugees have fled to India. Besides the internally displaced persons (IDPs) are an increasing proportion of the general population across a number of areas in the North and East that are affected by the conflict. Access to the North through both the main supply route A9 and by sea has been greatly restricted thus impeding supply of essential humanitarian aid to the affected population. Areas in Batticaloa and Trincomalee are also faced with access restrictions leaving thousands vulnerable.

New and multiple displacements had taken place in all of the conflict-affected locations with the largest caseloads in Jaffna, the Vanni, Trincomalee, Batticaloa and Ampara. Having fled their homes, these groups have taken refuge in numerous public buildings and emergency sites hastily prepared by agencies and the government, or they have found accommodation with host families. Due to the access restrictions in uncleared areas, humanitarian agencies have been unable to roll out full capacity to respond to the increased numbers, thus leaving many with bare minimum assistance or none at all for long periods of time.

Although the government is trying to maintain a normal level of health services in the conflict affected areas in the North and East, this can not be achieved due to the destruction of health facilities in a number of areas and the lack of qualified medical personnel. Virtually everyone in the Vanni area suffers from inadequate medical and educational services due to the conflict-imposed embargo.

Food production capacities and food purchasing power of both IDPs and vulnerable communities have been seriously weakened in many areas of the North and East, denying households the ability to meet their food needs. In addition, security concerns, logistical constraints and lack of access have restricted food assistance by more than 50percent over the last nine months. This scarcity of food has contributed to population migration and has already triggered pockets of malnutrition. In the short term, both the displaced population (living in temporary camps, with host families or staying in the open) and economically affected communities will remain almost completely dependent on assistance and food security interventions due to their loss of livelihoods and lack of prospects for return.

The shrinking of informal economic networks had led to business enterprises closing down. The deteriorating economic situation had caused many to go into debt, sell off their productive assets and even migration (as is the case in Batticaloa and Trincomalee), restricting their ability to support themselves and their families. Restricted movements of goods and people to or from affected areas are primary impediments to economic recovery in Jaffna, Kilinochchi and Mullaitivu, as well as in various pockets throughout the North-East. The lack of access has disrupted supply chains and prevents production inputs from getting to the affected communities, as well as restricting the transport of finished goods to

[29] Ministry of Defense/National Security Media Centre statistics
[30] OCHA

external markets. Livelihoods have been badly affected by rising unemployment, reduced income for farmers and fishermen who cannot sell their produce outside the Vanni and exhaustion of coping mechanisms, potentially pushing communities into impoverishment or vicious poverty[31].

Traditionally most of the fish catch in the North is either consumed locally or exported to other areas of Sri Lanka (e.g. Kurunegala, Kandy and Colombo). Currently, tsunami rehabilitated facilities like ice factories as well as cooling facilities are closed due to lack of fish commodities to process and due to lack of sources of supply in fish and energy restrictions. Only a fraction of the pre-tsunami fish catches is being landed and is processed or marketed locally at often unaffordable prices. While the potential for rehabilitating the sector is present, currently local fish production and processing is reduced to a subsistence cottage industry and remains confined to fish drying and the production of *Maldive Fish*. Access restrictions to more distant productive fishing grounds (outside the 2.5 km limit from the shoreline) and restrictions on the use of outboard engines and fishing ban limitations all have a detrimental impact of the supply of cheap affordable fish proteins for the general public, on the livelihoods of fishermen communities and on the Jaffna population as a whole.

The average loss of income per fisherman since the beginning of fishing restrictions in August 2006 and December 2006 is about LKR 7,500 /month representing about three quarters of the average per capita income of a fisherman in Jaffna. After a significant drop in the catch, fishing restrictions in certain areas were gradually relaxed during December 2006 and January 2007, resulting in a recovery of the monthly catch from 17.57 metric tons in October 2006 to 268.09 metric tons in December 2006. However steep this rise may appear, landings in December 2006 were only about 18 percent of those during January of the same year. In addition to restrictions and imposed bans on fishing activities, losses and damages to fishing boats, engines and fishing gear, attributed to the on going conflict and to the non-utilization of assets, were e.g. reported from all 12 Fisheries Divisions in Jaffna.

Humanitarian access by agencies to the conflict areas is limited due to the restricted general access and also closure of the Forward Defence Lines (FDL) and curfews. This has particular consequences for Jaffna, the Vanni, Trincomalee and in Vaharai in Batticaloa, with thousands urgently in need of humanitarian aid, especially food-related assistance. Security concerns, logistical constraints and lack of access have restricted food assistance by more than 50 percent over the last nine months. Humanitarian programmes continue to face restrictions in terms of operational space.

Numerous projects, especially in Trincomalee and Batticaloa, had halted or closed down prematurely, and staff exhaustion and turnover had been high in the field. As a result of shortages of construction material, or able technical staff, compounded by limits on transport of material to uncleared areas, a range of large or new constructions had either slowed down or been suspended. Such events would further aggravate the already existing services and development gap between the north and the south of the country.

[31] Emergency Food Security Assessment, Vanni October 2006, WFP

4.8. Coping strategies

Assessments from the Vanni and Jaffna report that families' strategies to cope with the current conflict situation include reducing number of meals and portions consumed, borrowing money and/or purchasing food on credit. Pawning and/or selling jewellery is another very common way of obtaining cash at the moment. Helping each other and thefts, from those who have more are other ways of coping[32].

In addition, restricting adult food consumption so that children would have more to eat is reported by many families as well as reducing expenditure on health and education.

More than 2/3 of all sub-groups have borrowed money from relatives or neighbours, almost half of the families have sold jewellery and some 1/3 has used savings to cope.

As mentioned in the box below, in Jaffna households have also either sold or consumed small livestock and thus the numbers have reduced significantly.

Humanitarian Emergency in Jaffna

The current economy of Jaffna can no longer be characterized as a market oriented economy but rather represents a crisis economy with very substantial subsistence characteristics supported by coping mechanisms, with barter having resurfaced in many instances. None or hardly any import and export links are maintained to other parts of the island, especially the neighbouring Vanni region and the main economic hub of greater Colombo.

All 600,000 inhabitants of Jaffna district are in one way or the other directly or indirectly affected in their livelihoods. This figure includes 17,640 fishing families (representing some 78,000 people), and 85,411 farming families (including 2,000 farm labour families) depending on agriculture and 42,500 families active in micro small and medium enterprises characterized by activities in industries and services.[33]

The economic situation in Jaffna has gradually deteriorated since August 2006 due to huge under-supplies to the district of consumer goods, fuel and energy supplies and input materials for the local agriculture, fisheries and livestock sectors and for the agro processing industry amongst others. Cooperative prices for basic consumer goods are on average 300 percent above prices in Colombo. Prices for special goods (e.g. milk powder) and medicine are above captioned 300 percent range and can reach 2,500 percent (in case of Panadol during a recent Chikungunya outbreak).

Due to displacement of farmers, problems of supply in spare parts and fuel and lack of agro-chemicals and the expansion of the security zones, high intensity farming land has been left uncultivated, resulting in an estimated loss of 7.98 Million Rupees per season.

Irregular supply of feed for poultry and livestock together with the lack of animal vaccines and veterinary drugs has prompted an estimated 35 percent of poultry farms to sell their birds. Prior to the conflict Jaffna district had 10 percent of the national cattle population, 20 percent of the goat population, 60 percent of the sheep population and 7 percent of the poultry population. During the period of the conflict, 37 percent of cattle, 45 percent of goat and 90 percent of poultry was lost.

Traditionally 51 wholesale traders brought approximately daily 150-180 truck loads of food and essential items, construction material, agricultural inputs and other consumer goods to Jaffna. Due to prevailing situation nearly 5,000 retail traders are out of business. The decrease of private sector trading activities will have a long term negative growth impact on Jaffna economy and on its development, suffering from both the lack of import of materials as well as export of produce.

[32] EFSA Vanni October 2006, Jaffna November 2006- WFP
[33] Jaffna Livelihoods Mission Report ILO-FAO, March 2007

4.9. Tsunami recovery

Amongst the population affected by the 2004 tsunami, 75 percent of households currently earn their main income from the same sector as they were at the time of the tsunami. Data by district shows a higher household recovery rates in the Southern and Western Provinces than in the Eastern Province and Jaffna.

The income source which has reduced today compared to prior the tsunami is fishing. Agriculture and livestock has also reduced even though they were not very important amongst this group before either. Non-working source as mentioned previously has increased as well as manual labour[34].

Table 8.

Main sources of income by sector in Tsunami affected areas	Before the Tsunami	December 2006
Agriculture and Livestock	8	4
Fisheries	36	29
Manual labour and manufacturing	16	22
Private services and small business	27	26
Gov. employment	8	8
Non-work sources (remittances, charity, pension, welfare)	3	10

4.10. Government food assistance to poor households

Like many other countries, the Government of Sri Lanka has a number of social assistance and poverty alleviation programs. The largest one of these is the Samurdhi program - a program that covers nearly one-half of all households in the country and on the government spends about one percent of GDP. While the Samurdhi program is large, an evaluation of the program by the World Bank (2002) found several weaknesses. First, household survey data suggest severe coverage problems. The program does not reach 36 percent of households in the poorest consumption quintile - precisely those households who would be most in need. Second, the program has large leakages, with more than 40 percent of Samurdhi transfers going to the richest 60 percent of the population. Third, the evaluation found that the program was biased against ethnic minorities, with Tamils and Moors being less likely than Sinhalese to receive benefits from the program, after controlling for income status and other characteristics that might influence program eligibility. Estate populations that include a large number of poor households were virtually left out by the program. The evaluation thus concluded that the Samurdhi program was not an efficient poverty alleviation program.[35]

4.11. Gender

It is important to note that even though Sri Lanka shows no apparent gender disparities in schooling opportunities at the primary or secondary level, there is considerable evidence of intra-household discrimination against girls in the allocation of nutritional inputs and health services. There are significant gender disparities in the risk of severe child malnutrition. Data suggest that girls under the age of 5 are nearly 40 percent and 70 percent more likely to be severely stunted and underweight, respectively, than boys. While these patterns of

[34] Livelihood assessment, ILO December 2006
[35] World Bank 2002

discrimination against girls are widely observed in other parts of South Asia (e.g., Pakistan, India and Bangladesh), their presence in Sri Lanka is surprising in view of the high-levels of adult female literacy and good access to health facilities for much of the population. The findings call for further investigation into why gender discrimination has persisted in health and nutrition opportunities but not in schooling opportunities[36].

Contrary to what is generally believed, poverty rates among female-headed households are slightly lower than among male-headed households (Table 9).

Table 9. Poverty Rates by Sex of Household Head, 2002

	Poverty Depth	Poverty Incidence	Poverty severity
Male	23	5.1	1.6
Female	21	4.7	1.5

Source: World Bank Estimates, based on Household Income and Expenditure Surveys, Department of Census and Statistics, 1990/91, 1995/96and 2002.

4.12. Concluding remarks

- In terms of factors affecting food access in Sri Lanka today increasing market prices and its volatility makes it very difficult for the poorest households to obtain enough food. Approximately 60 percent of households' expenditures are spent on food.
- There are substantial differences between urban and rural areas which has an overall impact on poverty i.e. road access, market access, quality of education, job opportunities and investment in general. Due to 20 years of conflict the North-East is more affected by all above mentioned issues.
- Purchasing power is further reduced by wages not increasing at the same rate as inflation, especially for unskilled labourers who earn less today than they did in 1978.
- The conflict has resulted in severe livelihood depletion in the North and the East due to the embargo on agricultural inputs and fuel as well as the restrictions on fishing. LTTE held areas face great income losses.
- The government's safety net programme for poor households, *Samurdhi*, has been found to have serious defaults with targeting and some 40 percent of the benefiting households are not amongst the poorest.
- The large external migration amongst women has the potential to be a problem. There is a need for further investigation into how these households solve their child care needs and if they in fact have special needs that should be developed to prevent children whose mothers are working abroad, to become malnourished.

[36] World Bank, MDG report 2005

5. UTILIZATION, NUTRITION AND HEALTH

Sri Lanka has been recognized as having very low child and maternal mortality rates. Unfortunately child undernutrition rates are still high despite of Government's long history of nutrition programme (from 1976) for pregnant and lactating women and children who are undernourished as well as Samurdhi food programme for poorest households. This chapter identified some major food security problems in Sri Lanka linked to the utilization.

5.1 Health Care

5.1.1 Maternal and child mortality

Sri Lanka's mortality rates are impressively low when compared to other developing countries and considering the GNP. Achieving low rates of infant mortality (IMR) and under-five mortality (U5MR) is of central importance for social well-being and human development.

The decline in IMR and U5MR has been steadily over 4 percent per year over the last half century. In 2000 the infant mortality rate reached the low level of 13 deaths per 1,000 live births. This rate is very low in comparison to most developing countries and is lower than countries such as Russia, Ukraine and Argentina that are considerably wealthier than Sri Lanka. In addition, maternal mortality rates have also decreased from 165 in 1945 to 2.0 per 1,000 live births in 2000. However, there is disparity between districts due to availability and access to health services, but rates are still very low.

5.1.2 Immunization

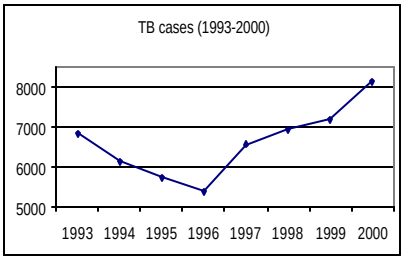
Overall, immunisation coverage in Sri Lanka is at a satisfactory level; coverage is more or less 90 percent in all districts. However, immunisations coverage reduces when more than one dose is required. A serious problem when assessing immunisation coverage is the lack of immunisation cards as many are lost due to displacements. Outbreaks of communicable diseases in highly populated displacement areas is a potential threat but not of major concern if immunisation coverage remains at current level[37].

5.1.3 Malaria

At present, Sri Lanka has succeeded to reduce incidents of malaria/100,000 by more than 75 percent from 1,520 to (1994) to 350 (2001). However, death rate associated with malaria has actually increased from 50 to 53 during the same period. The incidence rate has been highest in the North and East - and it has increased steadily until 2002. Other provinces have been more successful in reducing the prevalence of malaria due to better access to health facilities and medication.

5.1.4 Tuberculosis (TB)

The prevalence of tuberculosis (TB) reduced steadily until 1996. After 1996 the prevalence has been increasing ever since. The highest prevalence of TB is reported in densely inhabited areas. Not surprisingly, Colombo district had 3,159 cases in 2000 and this constitutes more than 30 percent of the country's caseload.



[37] WHO

5.1.5 HIV/AIDS

Sri Lanka is categorized as a low prevalence HIV/AIDS country. The first HIV infection was reported in 1986. The annual increase since then has been fairly stable and at the end of 2004 the cumulative total was 614 cases. Sri Lanka is well on track achieving HIV/AIDS Millennium Development Goals.

A group identified as vulnerable to HIV is the IDP's in the north and east. Some recent IDP camps have reported sexual harassment and if the situation is allowed to continue, women in the camps are in risk of sexual assaults.

Other groups that are identified as extra vulnerable are women working in factories, persons seeking foreign employment, workers in the plantation sector and in the fishing industry. As an example, in 2001, an alarming 48 percent of HIV cases were detected in women seeking housekeeping work abroad.

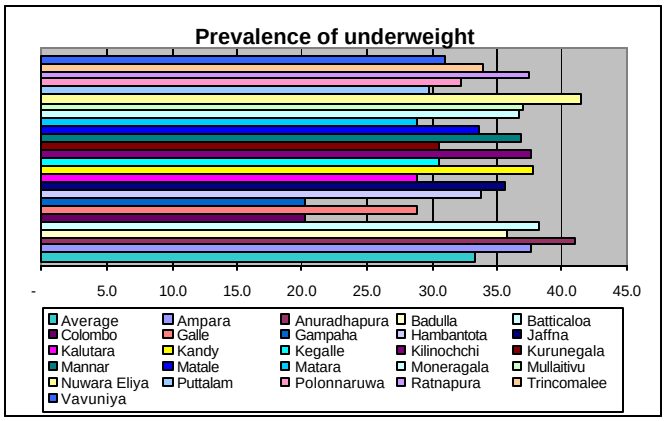
5.2 Nutrition

Sri Lanka's poor performance on child undernutrition is difficult to understand when compared to low mortality rates. During the period 1993-2000, child malnutrition did decline in all the provinces. The northern and eastern districts have much more child undernutrition than others, due to the conflict and its subsequent implications. Part of the reason for the high rates of child malnutrition are also social and cultural, since as many as 15 percent of children even in the richest quintile of households - a group that is likely to have very good economic access to food - are underweight and stunted.

In terms of economic zones, the high malnutrition provinces consist of estate areas, rain-fed dry zone and irrigated dry zone areas, and the coastal lowlands. They tend to be the poorer districts, with fewer economic opportunities. The Western province, with its more advanced economy based on industries and services, exhibits the lowest level of child malnutrition

5.2.1 Underweight

An international comparison of child malnutrition rates relative to per capita national income, based on a cross-section of 113 low- and medium-human development countries[38], shows that Sri Lanka has a significantly higher child underweight rate than would be expected on the basis of its per capita GDP. Indeed, Sri Lanka has a child underweight rate that may be three times as high as what would be expected from a country with Sri Lanka's level of infant mortality.



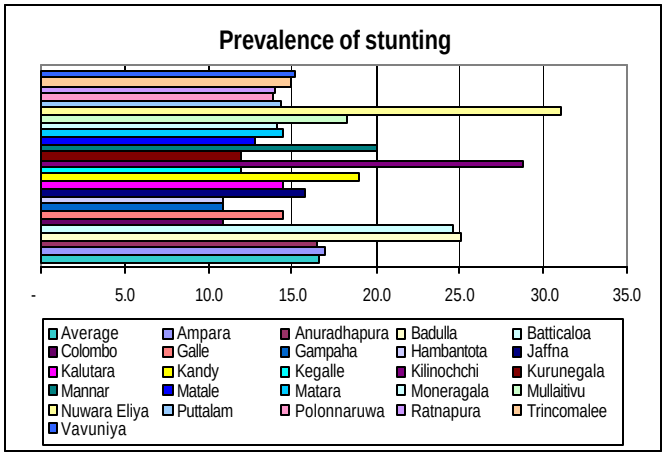
The National underweight average

[38] UNDP Human Development Report 2002

was re-calculated based on the most recent reliable sources and was found at 33.4 percent[39]. The districts where the situation was better are larger cities and mostly located in the west and the south. Prevalence of severe underweight is around 3 to 5 percent. The districts where underweight prevalence is more than 35 percent are: Kandy, Nuwara Eliya, Anuradhapura, Badulla, Moneragala, Ratnapura, Jaffna, Kilinochchi, Mannar, Mullaitivu, Ampara and Batticaloa. The prevalence of underweight children based on DHS did fall from 38 percent in 1993 to 29 percent in 2000.

5.2.2 Stunting

The level of stunting found through analysis of available secondary data is 16.6 percent. It is lower compared to other Asian countries but higher than the reported national average from the DHS 2000. The districts with the highest chronic malnutrition levels are mostly estate, eastern and northern. The districts with stunting higher than the average are: Kandy, Nuwara Eliya, Badulla, Moneragala, Kilinochchi, Mannar, Ampara and Batticaloa.



The proportion of stunted children declined from 25 percent to 14 percent from 1993 to 2000 (DHS).

5.2.3 Wasting

Sri Lanka has a high acute malnutrition rate of 16 percent on average. This is higher than the national average of 14 percent stated based on DHS 2000 survey, which excluded conflict affected northern and eastern districts. The districts with higher than average wasting are: Matale, Hambantota, Anuradhapura, Polonnaruwa, Kurunegala, Badulla, Moneragala, Kegalle, Ratnapura Mannar, Mullaitivu, Trincomalee, Vavuniya and Ampara.

Recent data from Batticaloa district shows more than 5 percent severe wasting (-3Z) amongst IDP's and global wasting prevalence was found around 30 percent[40]. This finding indicates that similar worsening of children's nutritional status can be expected in the conflict affected areas facing possible isolation (Jaffna, Kilinochchi, Mullaitivu, Mannar, Vavuniya, Trincomalee, Batticaloa and Ampara) of LTTE controlled districts.

5.2.4 Overweight

A large section of Sri Lanka society is undergoing a nutritional transition especially in the urban population. There is a marked shift in the structure of the diet and physical activity patterns that is seen as overweight amongst adults is increasing and this will increase the risk of chronic diseases particularly coronary heart disease and diabetes. According to the

[39] UNICEF surveys (2003,2004,2005/6, 2006), WFP survey 2004 for Mullaitivu, DHS 2000 for some districts (those that are not included to UNICEF or WFP surveys)
[40] UNICEF assessment data. 2007

National Nutritional Policy paper, some 16 percent of women and 9 percent of men were overweight in 2001.

5.2.5 Food intake

Information on this topic is scares and not particularly reliable. Thus unfortunately even data on calorie intake is not reliable enough to make conclusions. An explanation for the high prevalence of undernutrition is however the quality of diet. The consumption of protein and vegetables are assumed to be insufficient and vegetables are mostly boiled, causing reduction of nutrients. The question of the diet's quality would also support anaemia findings in Sri Lanka. More studies on this topic are required in order to make suggestions on interventions.

5.2.6 Child feeding

Poor child feeding practices, especially for infants and toddlers, is an issue identified as being an underlying cause for the high child malnutrition rates in Sri Lanka. The duration of exclusive breast-feeding is still short compared to universal recommendation. There is also some evidence that a large proportion of newborns are not provided with Colostrum, which contains important antibodies and provides the child's first form of immunisation. Interestingly though, data from the 1993 and 2000 DHS indicate that infant feeding practices are changing rapidly. Over this period, there was a sharp increase in the percentage of children exclusively breast-fed in their first three months of life, and a very significant increase in the mean duration of exclusive breast-feeding from 1.2 months to almost 4 months.

Early introduction of solid foods and insufficient and inadequate weaning food are also seen as one explanation for the high malnutrition levels of children. This is seen in the sharply increased risk of malnutrition for most Sri Lankan children in their second year of life. Thus, the evidence suggests that increasing efforts to provide nutritional education and counselling to expecting women and to adolescent girls is likely to have a large impact in terms of reducing child malnutrition rates.

5.2.7 Maternal nutrition

The average weight gain during pregnancy is reported less than 7.5 kg[41] and this is much less when compared to the recommended 10 kg. This insufficient weight gain combined with high prevalence of anaemia is probably the leading cause of low birth weight babies that is found at 15.5 percent level. Very high low birth weight (LBW) prevalence is reported from south, Estates and also Kalutara (a poor western district). However, most of this data is from 2000, while the present situation might be better due to improved education to pregnant women and non-reliable from many districts. One problem when assessing LBW is the lack of birth cards especially for those who have been displaced.

5.3 Micronutrient deficiency

Sri Lankan health authorities coordinate provision of iron, folic acid, calcium and vitamin supplements for pregnant women at Mother and Child Health (MCH) clinics. These clinics provide also nutrition education at the MCH Clinics and during home visits by PHM.

[41] National nutrition policy 2007

5.3.1 Iron deficiency anaemia

Anaemia continues to be a serious problem in Sri Lanka. A survey in 2004[42] revealed an average anaemia prevalence of 37 percent amongst pregnant women (this data includes also samples from north and east). The national nutrition policy has taken anaemia seriously into the action plan and awareness rising and education programmes are to start.

The Family Health Bureau has started a School Nutrition Programme in a few districts through which iron tablets and Vitamin C tablets are distributed to girls above 10 years, once a week by the class teacher.

5.3.2 Iodine deficiency

Salt fortification by Iodine is an ongoing project in Sri Lanka. Based on various reports the households using Iodine fortified salt is around 85 percent. There is no recent prevalence data but based on information from health authorities, iodine deficiency continues to be a problem even though the extent and intensity of the problem has decreased. Last country wide Iodine survey was in 1987. A nutrition survey in Vavuniya district in 2003[43] showed 5 percent of women had enlarged thyroid, an indicator of goitre.

5.2.3 Vitamin A

In 1995 some 35 percent of children below 6 years were detected with Vitamin A deficiency. There is no data available on deficiency prevalence after 1995.

The Medical Research Institute and UNICEF assessed micronutrient status of pregnant women and school children in 2004. Based on the report some 36 percent of school children have received vitamin A supplementation. The lowest coverage was in West, South and North Central and Uva provinces while the highest coverage was in the North. The coverage for post partum women was only 36 percent and 30 percent for infants and children.

The coverage of vitamin A supplementation for children based on UNICEF Child Health and Welfare series[44] in the North, East, South, and estate districts was ranging from 6-40 percent for two dozes. The coverage for at least one doze was much higher, almost 90 percent in the north, some 55 percent in the east and Jaffna and less than 10 percent in estate and south districts.

The national nutrition programme is supposed to ensure the provision of Vitamin A supplementation for children between 9 to 18 months of age, and school children in grade 1, 4, and 7, as well as mega doses post partum. The results from a 2004 study showed that this did not take place in reality.

5.4 National nutrition programme

An integrated package of maternal and child health services to address child malnutrition and promote child growth has been designed by the government. The package commences at conception and proceeds through foetal life, infancy and childhood. The interventions include family planning, antenatal care, breast feeding promotion, appropriate weaning

[42] Medical Research Institute, Ministry of Health Care, Nutrition and Uva-Wellassa Development, UNICEF: Rapid assessment of coverage of micronutrient supplementation in Sri Lanka, 2004
[43] Sewa Lanka Foundation and German Agro Action: Nutrition baseline survey in Vavuniya District, 2003
[44] 2003, 2004, 2005/6

foods, growth monitoring, immunisation programs, prevention of infections such as water-borne diseases, worm infestation and respiratory illnesses, use of oral rehydration solutions for children suffering from diarrhoea, feeding during infections and food supplementation.

Nutrition education is carried out by health workers at the central, provincial and divisional levels. The school curriculum also contains material on nutrition, hygiene and sanitation.

Triposha programme

The Triposha (triple nutrient) program started in 1976. It is a pre-cooked fortified corn soya mix designed to supplement energy, protein and micronutrients among nutritionally vulnerable women and children. Triposha is given to pregnant and lactating women during the last 6 months of pregnancy and first 6 months of lactation. In addition, it is given to children between 12-60 months who are at risk, as shown by growth faltering or other measurements. However, the ration is only 50 g/day and this is most certainly shared with the family. Therefore, drastic improvement on nutrition level of children and mothers cannot be expected.

WFP's MCN programme (fortified Corn Soya Blend) is also targeting pregnant and lactating women and their children under 36 (CP) or 59 (PRRO) months of age. However, these rations are also very small and are much lesser than recommended WFP take home ration. Follow-up assessments on effectiveness of MCN shows reduction of undernutrition levels but similar findings are also observed in the areas where MCN is not implemented.

School feeding

The government has also, as does WFP, a school feeding programme for school children. Funds are allocated directly from the government to schools and are based on the number of students.

5.5 Water and sanitation

About 29 percent of the population or about 5.5 million people in Sri Lanka still do not have access to piped drinking water, both in urban and rural areas. The provision of safe water for poverty eradication is a priority policy for the Government of Sri Lanka and international agencies working in the country. Also when it comes to safe drinking water the discrepancies between districts are large. About 91 percent of the population in the Western province has access to potable water with Colombo at the highest with 95 percent. Data for the north-east is poor like for many of the other indicators collected by the government but available data show that only some 21 percent in Mannar have access to safe water. Other districts with poor access are Mullaitivu (Vanni) and Kegalle districts[45]

Availability of toilet facility varies also between districts. Western, Central and the most Southern districts are a good household coverage of toilets. Eastern and some Northern districts have a 65 percent household coverage of toilets whilst alarmingly; in Kilinochchi and Mullaitivu only 30 percent of households have a toilet facility.

[45] UNICEF

Figure 11.

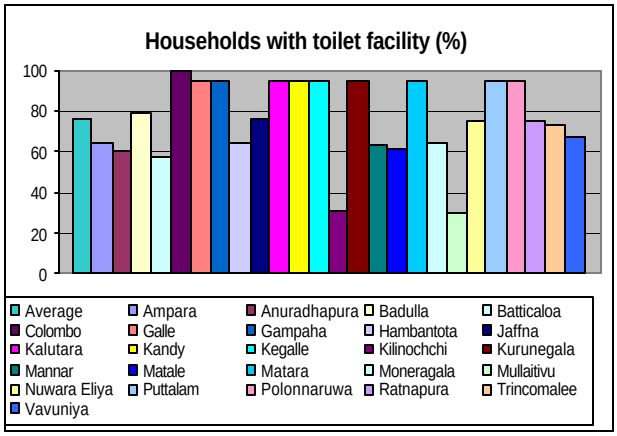
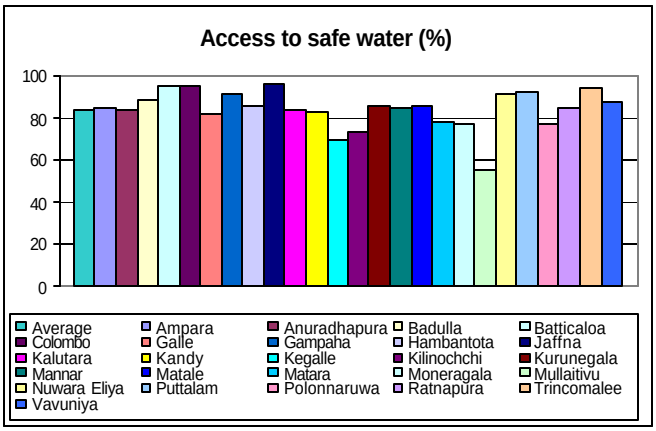


Figure 12.



5.6. Concluding remarks

- Malnutrition rates in Sri Lanka are high (wasting and underweight) and disparity between districts is sometimes two-three times. Highest rates of undernutrition are reported in the conflict affected north and east as well as estate areas.

- Weight gain during pregnancy is too low and cause low birth weight babies to be born.

- Access to sanitation is very poor in some districts and this can partly explain higher undernutrition rates in these areas.

- Exclusive breast feeding for 6 months is still a problem. However, mother's willingness to breast feed has increased over the years and a positive trend is seen.

- Micronutrient deficiencies are still reported, especially anaemia. However, there has been a very recent action in 2007 to have integrated approach to reduce micronutrient deficiencies.

- Nutritional knowledge is still seen as an underlying cause for high prevalence of undernutrition as well as for micronutrient deficiencies.

6. CONCLUSIONS AND RESPONSE OPTIONS

6.1. Conclusions and recommendations

Food availability is an issue in rural areas of Matara, Hambantota, Puttalam, Badulla, Monaragala, Ratnapura and Kegalle due to a combination of remoteness, poor access to markets and deficit production. Poor road network is an important underlying factor to increasing poverty disparities between urban and rural areas and thus improving transportation and access to remote areas should be a priority in solving the problem of availability in above mentioned districts.

In the conflict stricken districts of Jaffna, Kilinochchi, Mullaitivu, Mannar and part of Vavuniya, availability is a huge problem due to embargos and difficulties in transporting goods to and from these areas. In Batticaloa the markets are disrupted due to the conflict but there are no transportation restrictions per se. These districts suffer also from poor road network but the immediate cause to the problem of availability is the conflict and imposed restrictions in Jaffna and the Vanni.

- Food Security Monitoring System: WFP should consider developing a Food Security Monitoring System due to the volatile situation in the North and the East and therefore the constant need for updated livelihood and food security information. This would reduce the more costly and time consuming assessments and would give the Programme Unit more regular data for decision making. WFP is already collecting market prices in the conflict areas since over a year and thus other food security indicators should be built into this data collection effort to provide a more complete picture.

Access to food is an issue in almost all districts for the poorest households due to increased market prices. The districts that have seen particularly high price increases are Jaffna, Batticaloa, Badulla, Monaragala, Kalutara, Ampara and Kandy. There is also the issue of high price volatility that affects access for those living below or just above the poverty line. Income losses in the conflict affected areas is a huge limiting factor, which in combination with higher market prices has reduced the purchasing power for large numbers of households. Under employment is another factor which influences access and which is a problem particularly in the south. The wages for unskilled labour has not followed the speed of inflation and thus the purchasing power for these groups has in fact reduced over the years. Poor households in districts not involved in the conflict could be assisted through skills training and livelihood diversification to increase their chances for better incomes.

- General Food Distribution: IDPs and vulnerable households, such as the fishermen, in the conflict areas are in need of life saving food assistance as their livelihoods have been severely affected. This intervention would also aim at livelihood protection.

- Food for Work**:** in rural areas not affected by the conflict, FFW could include drought and flood mitigation projects such as soil and water conservation, water harvesting work on farm land, latrine construction in schools as well as rural road construction in very remote areas.

- Vouchers: There are two districts where vouchers could be considered. Kilinochchi is a district with surplus rice production but very restricted access to its normal lucrative

market outside the Vanni. Ampara is the other district with substantial surplus production where rice vouchers could be considered. These two districts have also relatively low price volatility.

Utilisation, As previously stated, the wasting and underweight rates in Sri Lanka are very high in all districts and require a holistic approach including health, growth monitoring, promotion of suitable feeding practices as well as child care practices. This programme should be at national level and therefore not mentioned in the below table. Joint efforts are needed to tackle the nutritional situation and innovative projects are needed based on a well carried out causal analysis.

- Food for Education is not included as a response option here as the causal analysis does not find a problem with enrolment nor gender disparity but rather a problem with quality of teaching and lack of teachers. There are rather big urban and rural differences regarding quality as presented in the education section (p.30-31). This problem may not be solved through FFE. Schools should however continue to be supported with improving hygienic and sanitary conditions by toilet constructions etc. Improving the quality of the education falls under the government responsibility and requires therefore some advocacy. In areas of high food insecurity, school feeding could function as a safety net, combating short term hunger for primary school students and in areas like Jaffna where food is scares at household level due to both poor availability and access. Emergency School Feeding could have an important role to play in the conflict areas.

- Supplementary feeding programme: Due to increased malnutrition rates in the conflict affected areas, supplementary feeding is recommended to prevent children from becoming severely malnourished. It is also highly recommended that the MCN rations are reviewed in order to better cover nutritional needs of young children and pregnant and lactating women as per WFP guidelines.

6.2. Population in need

Based on the IPC exercise and the classification of districts into the four phases applicable for Sri Lanka, the below calculations have been made to facilitate planning. Some 800.000 people are in need of life saving humanitarian emergency assistance in Jaffna and Batticaloa. These include not only the IDPs but those households that were living below poverty line prior to the conflict and whose access to food has become unsustainable due to the conflict. Another 900.000 need support with livelihood protection as their coping strategies are depleting in Kilinochchi, Mannar, Mullaitivu, Vavuniya and Trincomalee.

In terms of development, nearly 3 million people would benefit form poverty reduction programmes, livelihood diversification and skills training. Further prioritisation of GS divisions within these districts can be made, using the district profiles produced by VAM-Sri Lanka with assistance from HARTI.

Table 10. Calculations of Population in Need are based on percent living below poverty line by district

Province	District	Population estimate (2006)	Chronically Food Insecure	Acute food and Livelihood crisis (AFLC)	Humanitarian Emergency
Northern	Jaffna	1,513,196			529,618
	Kilinochchi	157,946		55,281	
	Mannar	460,918		161,321	
	Mullaitivu	793,063		277,572	
	Vavuniya	412,784		144,475	
Eastern	Ampara	613,967	214,889		
	Batticaloa	777,748			272,212
	Trincomalee	807,024		282,458	
North Central	Anuradhapura	506,760	87,163		
	Polonnaruwa	2,327,825	465,565		
North Western	Kurunegala	354,440			
	Puttalam	156,070	38,237		
Western	Colombo	547,393			
	Gampaha	511,136			
	Kalutara	1,105,204			
Central	Kandy	126,794	26,500		
	Matale	729,405	178,704		
	Nuwara Eliya	734,823	133,738		
Uva	Badulla	1,031,961	325,068		
	Moneragala	2,152,584	697,437		
Sabaragamuwa	Kegalle	374,236	102,915		
	Ratnapura	1,050,402	316,171		
Southern	Galle	1,325,765			
	Matara	132,629			
	Hambantota	812,441	225,859		
Sri Lanka		**19,516,515**	**2,812,245**	**921,107**	**801,830**

6.3. Summary of issues and response options

The table below summarizes the main findings, highlighting district level issues related to food insecurity with possible response options to be considered.

Province	District	Issues for food supply/availability and demand/access	Response Options
Western	Colombo	Rice deficient but food is available through markets (wholesale center) and household food access is relatively good due to better wealth status. Rice production increased by 10 percent on average a year over 2004-2006.	
	Gampaha	Rice deficient but food is available through markets and proximity to Colombo. Rice production and productivity increased slightly over the last five years. Households have relatively good access to food due to better wealth status	
	Kalutara	Rice deficient but food is available through markets and proximity to Colombo. Rice production and productivity increased slightly over the last five years but the district is flood prone. Poor households' access to food is threatened by high price increases and price volatility	Flood mitigation projects through FFW.
Central	Kandy	Rice deficient but food is available through markets. Rice production decreased slightly over the last three years. Households' vulnerability is threatened by high price increases and price volatility. Consumption inequality amongst the poor. Large tea estates with labour exploitation, poor wages and limited job opportunities outside of estates.	Livelihood diversification (e.g. FFT).
	Matale	Rice deficient but food is available through markets. Rice production and productivity decreased over the last five years. Food price increases are moderate. High poverty levels. Consumption inequality amongst the poor.	Livelihood diversification (e.g. FFT).
	Nuwara Eliya	Food is available through markets. Substantial rice production increased (19 percent on average a year over 2004-2006) due to the improvement of rice productivity over the last five years. However, the district remains rice deficient and households' vulnerability is threatened by high price increases and price volatility. Large tea estates with labour exploitation, poor wages and limited job opportunities outside of estates.	Livelihood diversification (e.g. FFT).
Southern	Galle	Proximity to Colombo compensates the deficient production status of the district, though remoteness of rural areas from markets could create some pockets of limited food availability. Food price increases are moderate. Consumption inequality amongst the poor. High underemployment	
	Matara	Proximity to Colombo compensates the deficient production status of the district, though remoteness of rural areas from markets could create some pockets of limited food availability. Food price increases are high. Depth of poverty. Consumption inequality amongst the poor. High underemployment	
	Hambantota	Food availability is limited by remoteness of rural areas from markets. Rice production and productivity increased slightly over the past years. The district is drought prone. Food price increases are moderate. High levels of poverty +depth. Consumption inequality amongst the poor.	Drought mitigation projects through FFW. Livelihood diversification (e.g. FFT).

		High underemployment	
North-Central	Anuradhapura	Food availability is eased by surplus production and fairly accessible market places from rural areas. However, the district is drought prone and food price increases are high and volatile.	Drought mitigation projects through FFW (cash for work currently not advisable due to high price increase and volatility)
	Polonnaruwa	Food availability is eased by surplus production and fairly accessible market places from rural areas. The district is drought prone. Food price increases are high and volatile. Consumption inequality amongst the poor.	Drought mitigation projects through FFW (cash for work currently not advisable due to high price increase and volatility)
North-Western	Kurunegala	Food availability is eased by surplus production and fairly accessible market places from rural areas. The district is drought prone. Food price increases are high and volatile. Consumption inequality amongst the poor.	Drought mitigation projects through FFW (cash for work currently not advisable due to high price increase and volatility)
	Puttalam	Food availability is limited both by deficient production of rice and fairly remoteness of rural areas from market places. Rice production and productivity increased slightly over the past years. The district is drought prone. Food price increases are moderate. High poverty levels + depth + Consumption inequality amongst the poor.	Drought mitigation projects through FFW Livelihood diversification (e.g. FFT).
Uva	Badulla	Food availability is limited by remoteness of rural areas from markets. Rice production decreased over the past years. Food price increases are high and volatile. High poverty levels +depth. Consumption inequality amongst the poor.	Livelihood diversification (e.g. FFT).
	Monaragala	Food availability is limited by deficient production of rice and remoteness of rural areas from markets. Rice production and productivity increased slightly over the past years. The district is drought prone. Food price increases are high and volatile. High poverty levels +depth and severity + Consumption inequality amongst the poor.	Drought mitigation projects through FFW Livelihood diversification (e.g. FFT).
Sabaragamuwa	Ratnapura	Food availability is limited both by deficient production of rice and remoteness of rural areas from market places. Food price increases are moderate but volatile. Depth of poverty. Consumption inequality amongst the poor.	Livelihood diversification (e.g. FFT).
	Kegalle	Food availability is limited both by deficient production of rice and remoteness of rural areas from markets. Rice production and productivity increases are low over the past years. Food price increases are moderate due to proximity to Colombo. Deph of poverty. Consumption inequality amongst the poor.	Livelihood diversification (e.g. FFT).
Northern	Jaffna	Disrupted markets due to total isolation of the Peninsula, commodity shortages, high commodity price increases and high price volatility. Great rice production decrease (14 percent a year over 2004-2006) and productivity losses (10 percent a year over 2002-2006). Substantial income losses for farmers and fishermen who have lost access to lucrative markets, lack of agricultural inputs (seeds, fertilizers, pesticides), fishing restrictions. Increasing malnutrition amongst children, high intensity conflict, lack of material and medication at hospitals and clinics. Lack of fuel and electricity affecting industries and businesses. Depletion of coping strategies. Poor post tsunami recovery. +40,000 IDPs	General Food Distribution to IDPs Targeted food distribution for vulnerable HHs. Supplementary Feeding programmes due to increased malnutrition rates. (Food/cash for work currently not advisable due to high price increase and restrictions on inputs)
	Killinochchi	Food is available through surplus production, sustained by substantial rice production and productivity growth but markets are disrupted by insecurity. Price increases are moderate but volatile. Substantial income losses due to embargo for farmers and fishermen who have lost access to lucrative markets, lack of agricultural inputs (seeds, fertilizers, pesticides), fishing restrictions.	General Food Distribution to IDPs Targeted food distribution for vulnerable HHs. Investigation of the possible use of vouchers for rice rations.

		Lack of material and medication at hospitals and clinics. Lack of fuel and electricity affecting industries and businesses. Depletion of coping strategies. 45.000 IDPs	(Food/cash for work currently not advisable due to price volatility and restrictions on inputs)
	Mullaitivu	Food availability is limited by deficient rice production and markets are disrupted by insecurity. Substantial rice production and productivity growth recorded over the past years. Food price increases are moderate but volatile. Substantial income losses for farmers and fishermen who have lost access to lucrative markets, lack of agricultural inputs (seeds, fertilizers, pesticides), fishing restrictions, high intensity conflict, Lack of fuel and electricity affecting industries and businesses. Lack of medicines and health staff. Depletion of coping strategies +26,000 IDPs	General Food Distribution to IDPs Targeted food distribution for vulnerable HHs. (Food/cash for work currently not advisable due to price volatility and restrictions on inputs and livelihood opportunities)
	Mannar	Food availability is limited both by deficit production and limited access to markets due to insecurity. Substantial rice production and productivity growth recorded over the past years. Food price increases are moderate. District divided between LTTE and Government controlled. Embargo imposed on LTTE areas. 15,000 IDPs. Depletion of coping strategies	General Food Distribution to IDPs Targeted food distribution for vulnerable HHs. (Food/cash for work currently not advisable due restrictions on inputs)
	Vavuniya	Food availability is limited both by deficit production and limited access to markets due to insecurity. Moderate rice production and productivity growth recorded over the past years. Food price increases are moderate. District divided between LTTE and Government controlled. Embargo imposed on LTTE areas. 8,000 IDPs, Depletion of coping strategies	General Food Distribution to IDPs Targeted food distribution for vulnerable HHs. (Food/cash for work currently not advisable due to restrictions on inputs)
Eastern	Ampara	Food is available through surplus production. Uncertainties about security could reduce access to markets. Moderate rice production and productivity growth recorded over the past years. The district is flood prone. Price increases are high, though less volatile. +8,700	General Food Distribution to IDPs Targeted food distribution for vulnerable HHs. Investigation of the possible use of vouchers for rice rations Flood mitigation projects through FFW.
	Batticaloa	Surplus production is limited by great reduction of cultivable areas and population pressure (displacement). Markets are disrupted because of security concerns. Food price increases are high and volatile. Large numbers of IDPs, high intensity conflict. Very poor access to paddy fields during the current planting season. Relatively poor post tsunami livelihood recovery. Restricted fishing due to conflict, reduced income for fishing communities, Depletion of coping strategies	General Food Distribution to IDPs Targeted food distribution for vulnerable HHs. Supplementary Feeding programmes due to increased malnutrition rates. (Food/cash for work currently not advisable due to high price increase and restrictions on livelihood and market opportunities)
	Trincomalee	Food is available through surplus production but uncertainties about security reduce access to markets. Rice production decreased on average over the last three years. Food price increases are moderate. Some 3,000 IDPs. Restricted fishing due to conflict, reduced income for fishing communities.	General Food Distribution to IDPs Targeted food distribution for vulnerable HHs. (Food/cash for work currently not advisable due to restrictions on livelihood and market opportunities)

Annex 1: Terms of Reference for a Food security assessment in Sri Lanka, April 2007

1. Background

WFP in Sri Lanka is currently implementing a PRRO, which expires in December 2007. A new PRRO document will be developed mid-2007, with implementation starting in 2008. As per corporate regulations, the new PRRO should be based on a solid needs assessment. Sri Lanka is an exceptional country because considerable secondary data is available from the Government, UN, Red Cross and I/NGO sources. The country office has obtained copies of most of the reports and some of those (electronic copies) have already been shared with the regional bureau. The recent evaluation mission acknowledged all this information but did not have sufficient time to go through the reports since their focus was more on first hand evaluation of WFP activities in the field. Therefore this assessment mission should focus on synthesizing the available secondary data and undertake a gap analysis. The approach proposed is the Integrated Food Security and Humanitarian Phase Classification (IPC) system developed for Somalia. WFP and FAO are developing a common strategy to evolve this approach into an industry standard, based on experience gained from a number of pilots. This is the third time that IPC is piloted in Asia by WFP and thus lessons learnt from these previous pilots will be incorporated and further development of the tool will be pursued.

2. Objectives:

- Review the food security in Sri Lanka, including who is affected, where they reside and trends (past and future).
- Review the underlying causes of food insecurity.
- Review the need for eventual continuation of food aid and rehabilitation programmes.
- Prioritize any related food aid needs to serve as the basis for planning WFP's new PRRO

3. Strategy:

In the context of the above objectives, the assessment will look at:

- Food availability and markets;
- Household access to food, livelihood activities, coping strategies; and
- Use of food by households, nutrition and health status
- Hazards and risks (vulnerabilities, capacities).

The first step will be to develop an analysis plan, and analysis template. A minimum set of updated indicators will be determined in order to be able to use a phase classification as per IPC. The aim is to further develop lessons learnt based on the two previous pilot assessments in Indonesia and Cambodia .

4. Methodology:

1. Review of available (updated) secondary data in the country, compiling from official statistics publications, research institutes, UN agencies and NGO reports, WFP studies (baseline studies, mid evaluation studies, etc). Identify updated population tables disaggregated to the lowest administrative unit possible. A set of minimum indicators will be determined in order to pilot the IPC approach.

2. Start-up meeting with key partners on food security issues, e.g. with FAO, UNICEF, NGOs (OXFAM, CARE, SCF, World Vision), research institutes, to introduce the IPC approach and

ascertain interest to participate to a small task force. Task force members may also assign technical staff to assist with the exercise.

The focus of the mission will be to consolidate and analyse available secondary and updated information, including recent agricultural, food security, nutrition and health information from FAO, UNICEF, ILO, Save the Children-UK, World Bank, Asia Development Bank and the GoSL (and any other relevant reliable source) in order to achieve the objectives.

5. Outputs:

Executive Brief for decision makers (3 pp, within 2 weeks of the end of the mission)

Assessment Report (max. 50 pp, within two weeks of the end of the mission due to tight PRRO schedule).

Lessons learnt from the IPC approach as well as a concrete list of next steps that needs to be taken in future IPC implementations in Asia, building on the lessons learnt from Indonesia and Cambodia.

6. Team Composition:

The proposed team is:

Team Leader/FS specialist:	Yvonne Forsen, WFP-ODB
Market specialist:	Issa Sanogo, WFP-ODB
Nutritionist:	Anna-Leena Rasanen, WFP-CO
VAM:	Daminda Solangaarachchi, WFP-CO

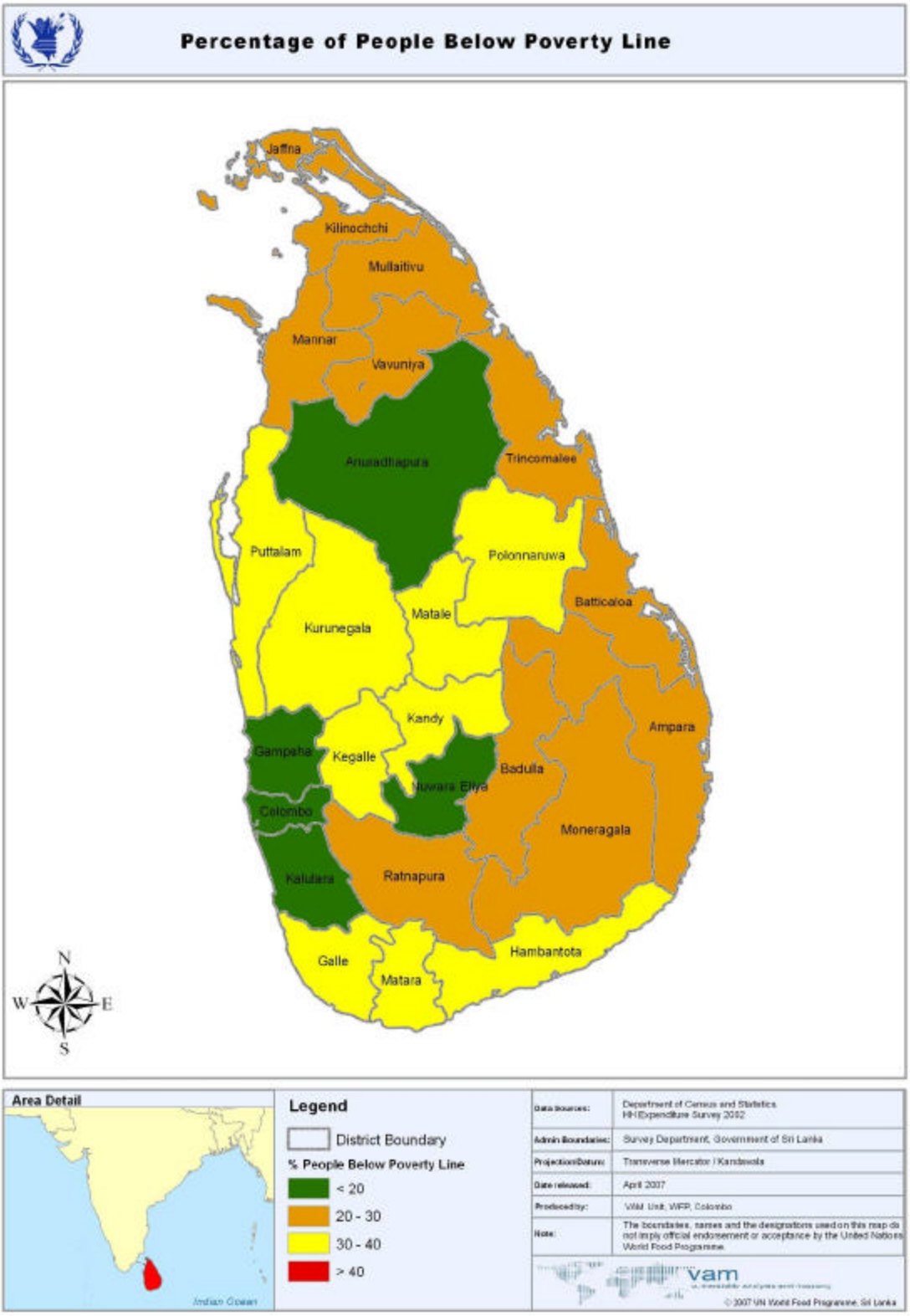
Annex 2: Departures for Foreign Employment by Districts 2001 - 2005

Departures for Foreign Employment by Districts 2001 - 2005*

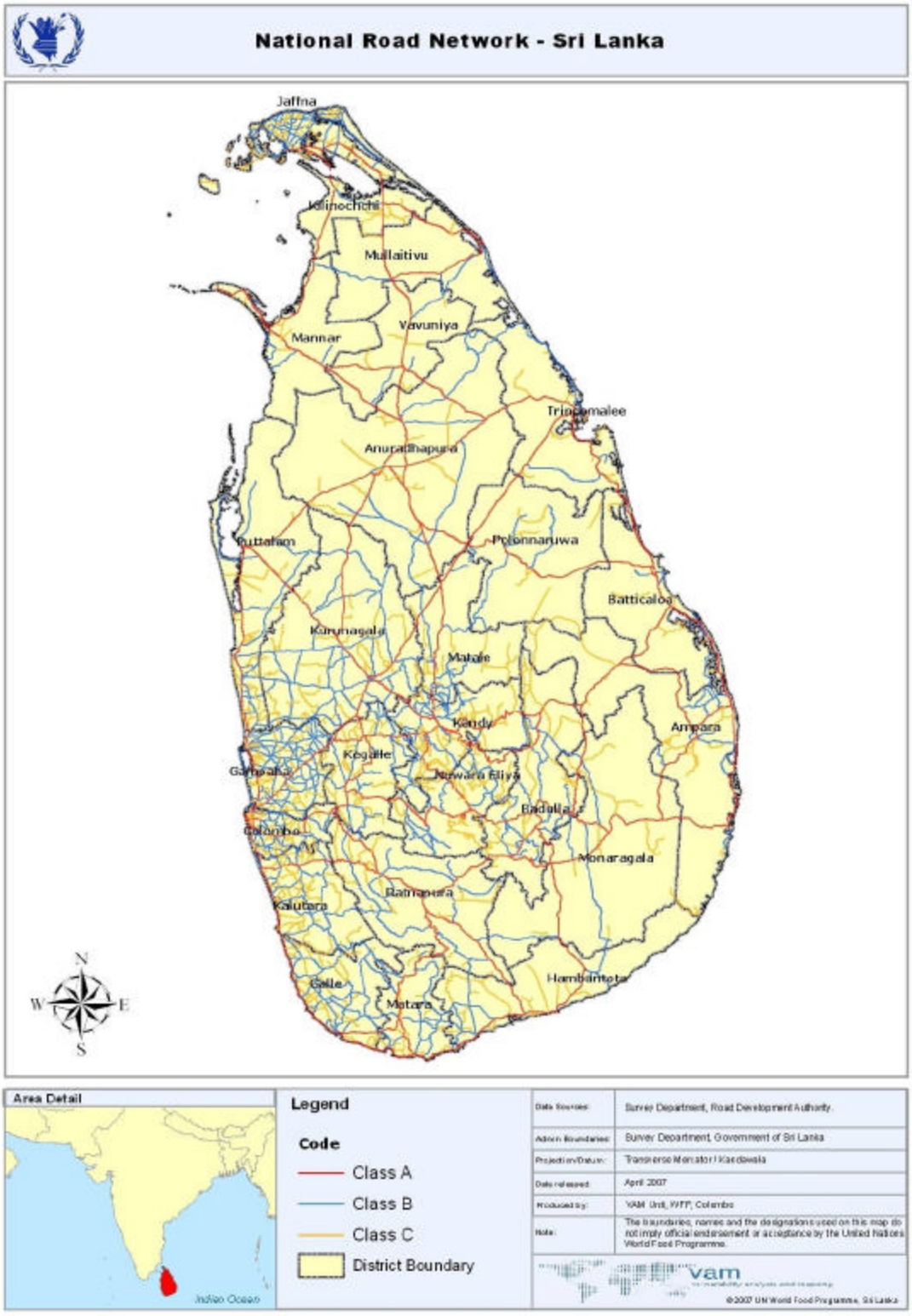
District	2001	2002	2003	2004	2005*	Increase since 2001
Colombo	26,540	27,726	27,739	27,256	29,724	12%t
Gampaha	16,527	18,345	18,263	18,858	20,438	24%
Kalutara	9,232	10,189	10,334	10,634	11,554	25%
Kandy	13,647	14,067	14,119	14,842	16,528	21%
Matale	4,728	5,022	5,059	5,768	6,206	31%
Nuwara Eliya	2,413	2,732	2,695	3,383	3,920	**62%**
Galle	9,539	10,280	10,048	11,109	12,103	27%
Matara	4,315	4,544	4,370	4,833	5,369	24%
Hambantota	3,235	3,727	3,361	3,578	3,875	20%
Jaffna	1,396	1,691	1,938	2,689	2,922	**109%**
Mannar	335	437	539	681	644	**92%**
Vavuniya	651	969	1,075	1,103	1,115	**71%**
Mullaitivu	97	92	43	125	148	**53%**
Batticaloa	7,401	9,123	9,383	11,023	11,369	**54%**
Ampara	8,807	8,781	10,189	10,946	10,976	25%
Trincomalee	3,939	4,799	5,411	5,227	5,154	31%
Kurunegala	17,130	18,882	18,338	26,274	28,098	**64%**
Puttalam	8,909	9,444	9,370	10,617	11,916	34%
Anuradhapura	10,947	10,354	11,629	13,524	13,909	27%
Polonnaruwa	4,486	4,559	4,564	5,274	5,791	29%
Badulla	5,014	5,365	5,338	6,155	6,876	37%
Monaragala	1,354	1,402	1,440	1,733	1,749	29%
Ratnapura	4,476	5,031	5,150	5,853	6,642	48%
Kegalle	8,656	9,361	9,421	10,197	11,545	33%
Not indicated	10,233	16,851	20,030	3,027	2,392	-77%
Total	184,007	203,773	209,846	214,709	230,963	26%

Source: Information Technology Division - SLBFE

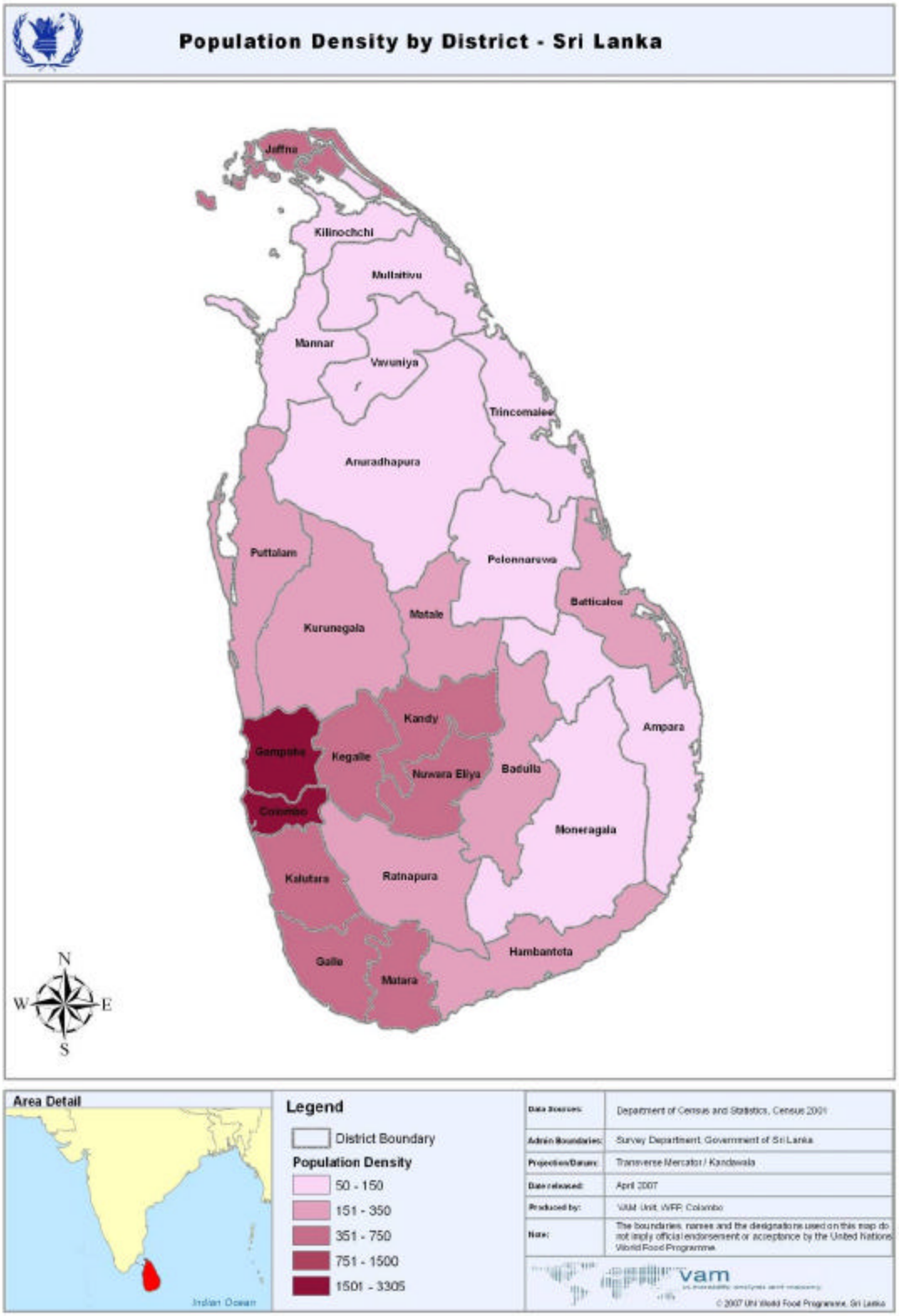
Annex 3: Poverty map



Annex 4: National Road Network Map



Annex 5: Population Density Map



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