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PROJECTS FOR EXECUTIVE BOARD APPROVAL

Agenda item 9

For approval



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BUDGET INCREASES TO PROTRACTED RELIEF AND RECOVERY OPERATIONS — OCCUPIED PALESTINIAN TERRITORY 200037

**Targeted Food Assistance to Support Destitute
and Marginalized Groups and Enhance
Livelihoods in the West Bank**

Cost (United States dollars)			
	Current budget	Increase	Revised budget
WFP food cost	70,322,354	36,393,607	106,715,961
Total cost to WFP	104,311,300	47,903,935	152,215,235

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NOTE TO THE EXECUTIVE BOARD

This document is submitted to the Executive Board for approval

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

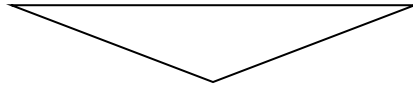
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* Regional Bureau Cairo (Middle East, North Africa, Eastern Europe and Central Asia)

DRAFT DECISION*



The Board approves the budget increase of US\$47.9 million for Occupied Palestinian Territory protracted relief and recovery operation 200037 “Targeted Food Assistance to Support Destitute and Marginalized Groups and Enhance Livelihoods in the West Bank” (WFP/EB.2/2012/9-D/1) with a one-year extension from 1 January to 31 December 2013.

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

NATURE OF THE INCREASE

1. This budget revision is proposed to extend protracted relief and recovery operation (PRRO) 200037 by one year. The re-assessment of food assistance requirements takes into account socio-economic changes in some West Bank governorates and WFP's alignment with the Palestinian Authority's shift to food assistance to support economic growth and rehabilitation.
2. This budget revision will increase WFP's total costs by US\$47.9 million, comprising:
 - a 25,134 mt increase in food requirements valued at US\$19.4 million, and an increase of US\$17 million in the value of vouchers; and
 - a US\$11.5 million increase in associated costs, including a change in the landside transport, storage and handling rate from US\$110.06/mt to US\$147.85/mt.

JUSTIFICATION FOR EXTENSION-IN-TIME AND BUDGET INCREASE

Summary of Existing Project Activities

3. This PRRO, which started in January 2011, emphasizes relief in view of the livelihood constraints caused by continued occupation of the West Bank.
4. The relief component addresses immediate food needs and enhances consumption and dietary diversity among vulnerable non-refugees through in-kind food and voucher assistance in line with Strategic Objective 1.
5. The recovery component aims to: i) support the re-establishment of agricultural livelihoods and food security in communities affected by conflict through voucher transfers and school feeding, in line with Strategic Objective 3; and ii) support the Palestinian Authority's social safety net with tools to predict and reduce hunger and enhance government capacity, and use WFP's purchasing power to expand domestic production in accordance with Strategic Objective 5.
6. Re-targeting on the basis of the proxy means test and the food consumption score led to a budget revision in January 2012 to focus on people falling into deep poverty¹ or with poor or borderline food consumption.

CONCLUSION AND RECOMMENDATIONS OF THE RE-ASSESSMENT

7. Recent surveys show that food insecurity² in the West Bank for non-refugees decreased from 20 percent in 2010 to 17 percent in 2011, when 355,000 non-refugees were classified as food-insecure.³ But the gains are uneven: food insecurity remains significantly higher at

¹ Deep or absolute poverty reflects household consumption in three categories: food, clothing and housing. Relative poverty reflects nine categories. For a reference household of two adults and three children the 2012 threshold of relative poverty is New Israeli Shekel (ILS) 2,293; for deep poverty it is ILS1,832 (US\$1 = ILS4,042).

² Food insecurity is calculated on the basis of total household income and expenditure.

³ WFP, FAO, UNRWA. May 2012. Socio-Economic and Food Security Survey: West Bank and Gaza Strip, Occupied Palestinian Territory. Available at: <http://documents.wfp.org/stellent/groups/public/documents/ena/wfp249301.pdf>

24 percent in Area C⁴ compared with 17 percent in Areas A and B. In Area C, 39 percent of households headed by women and 34 percent of Bedouin herders were the most food-insecure groups.³ Unemployment increased from 17 percent in 2011 to 21 percent in 2012,⁵ exacerbating the precarious economic situation.

8. Humanitarian assistance has prevented a further deterioration in food security, but 20 percent of households remain food-insecure.³ Households spend most of their cash on food and are hence vulnerable to fluctuating prices and incomes. The price of wheat flour in the West Bank is 53 percent higher than in 2005;⁶ prices for other staples have also increased,⁷ largely because of high fuel prices and dependence on imports.
9. WFP's strategy is aligned with the Palestinian National Development Plan (2011–2013), which prioritizes a shift from food aid to food assistance. The Ministry of Social Affairs business plan and Social Protection Sector Strategic Plan for 2011–2014 advocate a shift to food assistance with cash, vouchers and other social-protection assistance tools.

PURPOSE OF EXTENSION AND BUDGET INCREASE

10. This budget increase and time extension will enable WFP to continue interventions for another year for the same number of beneficiaries. It will also give time to prepare a new PRRO for the West Bank and Gaza Strip in line with the new United Nations Development Assistance Framework for 2014–2016 and the next Palestinian National Development Plan (2014–2016).
11. Activities will continue in 2013 as follows:

Relief:

- with the Ministry of Social Affairs to support targeted vulnerable groups through in-kind food assistance, or e-vouchers for some urban beneficiaries;
- with the Ministry of Social Affairs to provide institutional feeding for people in homes for the elderly, orphanages and shelters;
- in-kind food distributions for the most vulnerable rural groups and e-vouchers for the most vulnerable urban groups not assisted by the Ministry of Social Affairs; and
- with the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) to provide in-kind food assistance for marginalized herders in Area C.

Recovery:

- vouchers for work or training benefiting poor and unskilled workers affected by the West Bank barrier, for example in support of water and land conservation; and

⁴ Areas in the West Bank under full Israeli civil and security control. Palestinians living in Area C face limited movement, poor access to public services and the need for Israeli permission for construction work. See Annex III.

⁵ Palestinian Central Bureau of Statistics. Labour Force Survey. April–June 2011. Ramallah.

⁶ Average prices 2005–2011 (first six months) for 60 kg Haifa white wheat flour. In 2005 flour cost ILS109 per 60 kg bag in the West Bank and ILS105 in the Gaza Strip; in 2011 the prices were ILS167 in the West Bank and ILS147 in the Gaza Strip.

⁷ In the same reporting period rice increased by 40 percent and sugar by 85 percent in the West Bank, and by 70 percent and 75 percent in the Gaza Strip.

- school feeding – early-morning fortified biscuits and milk – in vulnerable areas such as the Seam Zone⁸ and Area C; parents and teachers will participate in health and nutrition awareness exercises in line with the policy of the Ministry of Education.

TABLE 1: BENEFICIARIES BY COMPONENT AND ACTIVITY

Component/activity	Beneficiaries	2011–2012	Revised 2013
Relief			
Assistance for vulnerable groups under the Ministry of Social Affairs (food)	Households in deep poverty	92 000	92 000
Assistance to vulnerable groups under the Ministry of Social Affairs (voucher)	Urban households in deep poverty	23 000	23 000
Institutional feeding (food)	Elderly people, orphans, people in shelters in institutions under the Ministry of Social Affairs	10 000	10 000
Assistance for most vulnerable urban groups (vouchers)	Urban households in deep poverty	63 000	63 000
Assistance for most vulnerable rural groups (food)	Rural households in deep poverty	45 000	45 000
Assistance for marginalized herders in Area C (food)	Herders/Bedouin in Area C	30 000	30 000
Recovery			
School feeding	Pupils in public schools	75 000	75 000
Vouchers for work or training	Below the relative poverty line	25 000	25 000
TOTAL		363 000	363 000
Adjusted total*			350 250

* About 17 percent of school feeding beneficiaries also benefit from other WFP activities. The total has been adjusted to avoid double counting.

12. WFP will continue to enhance the capacity of the Palestinian Authority in line with Strategic Objective 5 as follows:

- improve food security monitoring by supporting a Palestinian system; use the current system to measure the impact of urban vouchers in terms of the multiplier effects of food processors, local producers, wholesalers and retailers;
- review targeting for the proxy means test with the World Bank, UNRWA and the Ministry of Social Affairs to identify strengths and limitations;
- help to incorporate school feeding into the national policy framework; the cost-benefit ratio of 1:8 reflects pupils' health and productivity benefits and the economic benefits of local procurement;⁹ develop a hand-over strategy that includes policies, funding possibilities and staff needs; and
- enhance the disaster-response capacities of the Palestine Civil Defence Agency, augment its telecommunication systems and improve its logistics capacities.

⁸ An area in the West Bank east of the Green Line and west of Israel's separation barrier, populated largely by Israelis in settlements. The Green Line separates Israel and the territories captured in the 1967 war, including the West Bank and Gaza Strip.

⁹ WFP informal report by the School Feeding Service on its March 2012 mission to the Occupied Palestinian Territory.

TABLE 2: REVISED DAILY RATION/VOUCHER VALUE BY ACTIVITY (g/person/day)

	Most vulnerable groups		Institutional feeding	Herders in Area C	Vouchers for work/training
	Ministry of Social Affairs	Rural groups			
Cereals	300	300	300	300	-
Pulses	15	15	15	15	-
Vegetable oil	15	15	15	15	-
Sugar	10	10	10	10	-
Iodized salt	5	5	5	5	-
Voucher (US\$/person/month)	-	-	-	-	14.70
TOTAL	345	345	345	345	-
Total kcal/day	1 273	1 273	1 273	1 273	-
% kcal from protein*	10	10	10	10	-
% kcal from fat*	19	19	19	19	-

* The energy content of the ration should be 10% to 12% from protein and at least 17% from fat.

13. In 2013, food rations will be maintained at 2012 levels for all activities except for a halving of pulses to 15 g/person/day to reflect consumption patterns. The ration will provide 60 percent of daily requirements; other support is provided by the Ministry of Social Affairs, and beneficiaries have access to other sources of food. The school feeding ration remains unchanged.
14. The voucher value for vulnerable urban groups will remain at US\$13.60/person/month, corresponding to 60 percent of monthly average food consumption.
15. The value of the voucher for work or training is based on the daily minimum wage for unskilled agricultural employees; it is updated in this budget revision from US\$14.20 to US\$14.70 per person per month over ten months in 2013. Training in agriculture and income-generation will be 25 hours per month.

REQUIREMENTS

16. The revised food and voucher requirements by activity for 2013 compared with 2011/12 are shown in Table 3.

TABLE 3: FOOD AND VOUCHER REQUIREMENTS BY ACTIVITY

Activity	Food requirements in mt/Voucher requirements in US\$			
		Current 2011–2012	Increase 2013	Revised total
Assistance for vulnerable groups under the Ministry of Social Affairs and institutional feeding	Food	48 748	12 849	61 597
Assistance for most vulnerable rural groups	Food	20 170	5 667	25 837
Assistance for marginalized herders in Area C	Food	13 403	3 887	17 290
School feeding	Food	5 462	2 731	8 193
Contingency	Food	1 007	-	1 007
TOTAL		88 790	25 134	113 924
Assistance for vulnerable groups under the Ministry of Social Affairs	Voucher	2 553 912	3 385 983	5 939 895
Assistance for most vulnerable urban groups	Voucher	21 060 684	9 274 650	30 335 334
Work/training	Voucher	4 916 666	4 319 167	9 235 833
TOTAL		28 531 262	16 979 800	45 511 062

HAZARD/RISK ASSESSMENT AND PREPAREDNESS PLANNING

17. Risks include:

- deterioration of the security and political situations;
- paralysis of institutions caused by lack of international assistance;
- natural disasters; and
- increased food and fuel prices.

18. WFP updates its contingency plan twice a year. It considers worst-case risk scenarios, develops planning assumptions and risk-management schemes and maintains a food contingency stock.

ANNEX I-A

BUDGET INCREASE COST BREAKDOWN			
Food¹	Quantity (mt)	Value (US\$)	Value (US\$)
Cereals	19 382	11 787 447	
Pulses	970	998 596	
Oil and fats	1 079	1 753 979	
Mixed and blended food	765	1 262 250	
Others	2 938	3 611 535	
Total food	25 134	19 413 807	
Voucher transfers		16 979 800	
Subtotal food and transfers			36 393 607
External transport			815 026
Landside transport, storage and handling			2 196 782
Other direct operational costs			600 498
Direct support costs ² (see Annex I-B)			4 764 120
Total WFP direct costs			44 770 032
Indirect support costs (7.0 percent) ³			3 133 902
TOTAL WFP COSTS			47 903 935

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

² Indicative figure for information purposes. The direct support costs allotment is reviewed annually.

³ The indirect support cost rate may be amended by the Board during the project.

ANNEX I-B

DIRECT SUPPORT REQUIREMENTS (US\$)	
Staff and related costs	
International professional staff	691 380
Local staff – national officers	422 500
Local staff – general service	1 395 000
Local staff – temporary assistance	690 000
Local staff – overtime	87 500
International consultants	256 140
Staff duty travel	131 000
Subtotal	3 673 520
Recurring expenses	
Rental of facility	176 000
Utilities	60 000
Office supplies and other consumables	90 000
Communications services	119 000
Equipment repair and maintenance	30 000
Vehicle running costs and maintenance	155 000
Office set-up and repairs	56 000
United Nations organization services	105 000
Subtotal	791 000
Equipment and capital costs	
Vehicle leasing	81 600
Communications equipment	98 000
Local security costs	120 000
Subtotal	299 600
TOTAL	4 764 120

ANNEX II: LOGICAL FRAMEWORK

Results	Performance indicators	Assumptions
Strategic Objective 1: Save lives and protect livelihoods in emergencies		
<p>Outcome 1.1 Improved food consumption over assistance period for targeted households</p>	<p>Household food consumption score (FCS) Targets:</p> <ul style="list-style-type: none"> ➤ assistance for the most vulnerable groups under the Ministry of Social Affairs: ➤ food: poor FCS decreased from 12% to 10% ➤ voucher: poor FCS decreased 12% to 10% ➤ assistance for marginalized herders in Area C: poor FCS decreased from 38% to 36% ➤ assistance for the most vulnerable rural groups: poor FCS decreased from 12% to 10% ➤ assistance for the most vulnerable urban groups (voucher): poor FCS decreased from 12% to 10% <p>Proportion of beneficiary household expenditure on food Targets:</p> <ul style="list-style-type: none"> ➤ assistance for most vulnerable groups under the Ministry of Social Affairs (food): % decreased or maintained at 52% ➤ assistance for marginalized herders in area C: % decreased or maintained at 47% ➤ assistance for most vulnerable rural groups: % decreased or maintained at 52% ➤ assistance for most vulnerable urban groups (voucher): % decreased or maintained at 52% 	<p>Political and security environments improve Beneficiaries use cash saved to buy nutritious food items to supplement their diets.</p>



ANNEX II: LOGICAL FRAMEWORK		
Results	Performance indicators	Assumptions
<p>Output 1.1.1 Food and vouchers distributed in sufficient quantity and quality to target groups of women, men, girls and boys under secure conditions</p>	<ul style="list-style-type: none"> ➤ No. of women, men, girls and boys receiving food and vouchers, by category, activity, transfer modality and as % of planned ➤ Quantity of fortified and complementary foods and special nutritional products distributed, by type as % of planned ➤ Total cash equivalent of vouchers distributed ➤ No. of institutional sites assisted ➤ No. of joint United Nations programmes 	<p>Appropriate partners are selected for implementation WFP's partners have adequate staff for planning, monitoring and accountability Target population participates in identification, planning, implementation and maintenance of activities Partners' commitments are honoured Closures do not increase No pipeline breaks Selected food items are readily available in shops on presentation of vouchers Stable food and fuel prices</p>
Strategic Objective 3: Restore and rebuild lives and livelihoods in post-conflict, post-disaster or transition situations		
<p>Outcome 3.1 Adequate food consumption over assistance period reached for target households and communities</p>	<ul style="list-style-type: none"> ➤ Household FCS ➤ Vouchers for work and training (conditional food vouchers): Target: poor FCS decreased from 12% to 10% ➤ Proportion of beneficiary household expenditure on food Target: % reduced to or maintained at 52% 	<p>Beneficiaries will use cash saved to buy nutritious food items to supplement their diets Border closures do not increase</p>
<p>Output 3.1.1 Cash vouchers distributed in sufficient quantity and quality to target groups of women, men, girls and boys under secure conditions</p>	<ul style="list-style-type: none"> ➤ No. of women, men, girls and boys receiving food and vouchers, by category, activity and transfer modality and as % of planned ➤ Total cash equivalent of vouchers distributed 	<p>Appropriate partners are selected for implementation Partners' commitments are honoured Target population participates in identification, planning, implementation and maintenance of activities and assets created Cooperating partner staff collaborate in preparation phase Stable food and fuel prices Selected food items are readily available on presentation of vouchers No pipeline breaks</p>
<p>Outcome 3.2 Increased access to assets in fragile transition situations for target communities</p>	<ul style="list-style-type: none"> ➤ Community asset score (average) Target: functioning, useful productive assets increased for 80% of projects 	<p>Political and security environments remain relatively stable</p>



ANNEX II: LOGICAL FRAMEWORK

Results	Performance indicators	Assumptions
<p>Output 3.2.1 Developed, built or restored livelihood assets by targeted communities and individuals</p>	<ul style="list-style-type: none"> ➤ No. of community assets created or restored by targeted communities and individuals, by type and unit of measure 	<p>Appropriate partners are selected for implementation Accessibility of raw material and tools to target areas Communities involved in maintenance of assets created Qualified trainers are available</p>
<p>Outcome 3.3 Stabilized enrolment for girls and boys in assisted schools at pre-crisis level</p>	<ul style="list-style-type: none"> ➤ Retention rate Target: 99% ➤ Teachers' perception of students' ability to concentrate and learn Target: 85% 	<p>No significant schooling disruptions</p>
<p>Output 3.3.1 Food items distributed in sufficient quantity and quality to target groups of girls and boys under secure conditions</p>	<ul style="list-style-type: none"> ➤ No. of institutional sites assisted ➤ No. of girls and boys receiving food assistance as % of planned ➤ Tonnage of food distributed, by type as % of planned 	
<p>Strategic Objective 5: Strengthen the capacities of countries to reduce hunger, including through hand-over strategies and local purchase</p>		
<p>Outcome 5.1 Increased marketing opportunities at the national level with cost-effective WFP local purchases</p>	<ul style="list-style-type: none"> ➤ Food purchased locally, as % of food distributed in-country Target: 20% 	<p>Competitive prices of local purchases</p>
<p>Output 5.1.1 Food purchased locally</p>	<ul style="list-style-type: none"> ➤ Tonnage of food purchased locally, by type and country classification 	<p>Food available locally in sufficient quantity and quality</p>
<p>Outcome 5.2 Progress made towards nationally owned hunger solutions</p>	<ul style="list-style-type: none"> ➤ National capacity index, by hunger solution: <ul style="list-style-type: none"> - score 12 for social safety net - score 12 for national Cup of Milk project - score 15 for food security monitoring system 	<p>Political situation remains stable</p>



ANNEX II: LOGICAL FRAMEWORK

Results	Performance indicators	Assumptions
<p>Output 5.2.1 Capacity and awareness developed through WFP-led activities</p>	<ul style="list-style-type: none"> ➤ No. of technical assistance projects conducted by WFP to enhance national capacity ➤ No. of government and partner staff trained in food security analysis, planning, implementation and monitoring, disaggregated by category 	<p>Participation of Palestinian Central Bureau of Statistics staff</p> <p>Willingness of Ministry of Social Affairs to develop a monitoring and evaluation system and include the FCS in their targeting mechanism</p> <p>Ministry of Education dedicates staff and time to work on capacity development</p> <p>Cooperation by Palestinian civil defence</p>



ANNEX III



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



United Nations Office for the Coordination of Humanitarian Affairs
Occupied Palestinian Territory
West Bank: Area C Map
 February 2011



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ACRONYMS USED IN THE DOCUMENT

FCS	food consumption score
ILS	New Israeli Shekel
PRRO	protracted relief and recovery operation
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East