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**Executive Board
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PROJECTS FOR EXECUTIVE BOARD APPROVAL

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For approval



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BUDGET INCREASES TO PROTRACTED RELIEF AND RECOVERY OPERATIONS – YEMEN 200038

Emergency Food Security and Nutrition Support for the Vulnerable Population

Cost (United States dollars)			
	Current budget	Increase	Revised budget
WFP food cost	63 907 081	20 430 268	84 337 349
Total cost to WFP	89 938 030	32 637 399	122 575 429

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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.

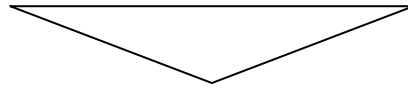
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* Regional Bureau Cairo (Middle East, North Africa, Eastern Europe and Central Asia)

DRAFT DECISION*



The Board approves the proposed budget increase of US\$32.6 million for Yemen PRRO 200038 “Emergency Food Security and Nutrition Support for the Vulnerable Population” (WFP/EB.2/2011/9-D/1).

* 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 for: i) continuation of a seasonal emergency safety net for 1.2 million severely food-insecure households during the 2012 hunger season; and ii) 4,486 mt of additional food for emergency response in 2012 in view of the deteriorating socio-political situation. This budget revision will:
 - increase the food requirement by 33,402 mt, valued at US\$20.4 million;
 - increase external transport costs in line with the increased food tonnage;
 - revise landside transport, storage and handling costs to US\$203.56 per mt; and
 - increase direct support costs by US\$188,000 and decrease other direct operational costs by US\$1,177,000.

JUSTIFICATION FOR BUDGET INCREASE

Summary of Existing Project Activities

2. Protracted relief and recovery operation (PRRO) 200038 (January 2011–December 2012) – the central operation of the Yemen portfolio – addresses high food insecurity and malnutrition. It was developed in response to WFP's 2010 comprehensive food security survey (CFSS) and as a follow-up to the emergency operation for vulnerable people affected by high food prices. The PRRO aims to stabilize acute food insecurity and malnutrition and will provide capacity development for the Government to facilitate transition to medium-term and long-term interventions.
3. The PRRO currently has five components:
 - i) nutrition, addressing moderate acute malnutrition through blanket supplementary feeding for children under 2 and targeted supplementary feeding for children under 5 and pregnant and lactating women;
 - ii) a seasonal emergency safety net (ESN) assisting severely food-insecure people in the May–October 2011 hunger period with food transfers; WFP is piloting an unconditional cash-transfer scheme in 2011 parallel to seasonal ESN food transfers; the pilot will enable WFP to assess the comparative advantages of cash and food transfers in addressing severe food insecurity in Yemen;
 - iii) food for work targeting food-insecure rural households to improve access to food with a view to improving long-term food security;
 - iv) an emergency food response providing wet or dry rations for families displaced by civil unrest and natural disasters; and
 - v) capacity development: WFP will support the Government in designing a favourable policy framework for long-term solutions to assist vulnerable groups through a national safety net.

CONCLUSIONS AND RECOMMENDATIONS OF THE REASSESSMENT

4. The humanitarian situation in Yemen is deteriorating: since mid-February, political instability has led to violent clashes between government forces and anti-government and tribal elements, exacerbating Yemen's critical food insecurity. In recent months vulnerable families have been affected by rising food prices and shortages of fuel and cooking gas; 96 percent of households are net buyers of food, and the poorest households are hardest hit.
5. In late May 2011, WFP surveyed the four most food-insecure governorates – Rayma, Amran, Hajja and Ibb – and 32 community focus group discussions reviewed the food security situation and the impact of recent shocks on vulnerable households. Prices in rural areas increased from January to May 2011 for the main foods: rice by 67 percent, vegetable oil by 33 percent, wheat flour by 38 percent and sugar by 22 percent. The poorest households are using negative coping mechanisms such as reducing the number of meals, not eating meat or fish, and fasting. Food prices are 7 percent higher in rural areas than in towns, probably because of rising transport costs, which reflect fuel scarcity.
6. When PRRO 200038 was designed the 2011 ESN was expected to address acute food insecurity and enable the Government and development partners to expand social safety nets to replace ESN in 2012. The field exercise in May, however, showed that in view of the volatile situation food security will not improve over the coming year: ESN will therefore have to be extended into the 2012 hunger season.
7. In 2012, WFP plans to establish a food-security and programme monitoring system covering beneficiary and non-beneficiary households in targeted areas, with a view to adjusting targeting, particularly for safety-net programmes. This will be implemented in collaboration with national partners such as the Social Welfare Fund and the Social Fund for Development.
8. In the current situation it is likely that the prevalence of moderate acute malnutrition has increased. Although nutrition activities have encountered challenges in 2011 that include insecurity along with limited operational capacity in the Ministry of Public Health and Population, WFP intends to reach nutrition beneficiaries as planned for 2012; it will continue to monitor prices and insecurity and adjust implementation accordingly.

PURPOSE OF THE BUDGET INCREASE

9. This revision proposes an extension of seasonal ESN for the May–October 2012 hunger season. In view of concerns about insecurity and access and of experience in 2011, it is planned that the ESN activity will assist 1.2 million severely food-insecure people in the eight most food-insecure governorates assisted by WFP in 2011.¹ Final geographical targeting of ESN will be calibrated on the basis of an updated CFSS; to allow for seasonal comparisons, a follow-up CFSS will take place in October and November 2011.
10. WFP has been piloting an unconditional cash-transfer scheme in 2011, in parallel with seasonal ESN interventions. The pilot includes an assessment by the International Food Policy Research Institute of the comparative advantages of cash as opposed to food transfers in tackling severe food insecurity in rural Yemen. The final assessment will be available in early 2012, in the light of which WFP will select the optimum transfer modality.

¹ The governorates to be targeted by WFP are, in order of food security prevalence: Rayma, Hajja, Ibb, Addhaleh, Amran, Al Mahweet, Al Bayda and Taiz.

11. In view of Yemen's political situation and its susceptibility to natural disasters, WFP proposes to extend the emergency-response component to assist newly displaced families. The requirement for this, based on historical levels of displacement, is calculated as a daily dry ration for 3,000 households – 21,000 individuals – during 2012.

Activity	Category of beneficiaries	Beneficiaries		
		Current	Increase	Revised*
Targeted supplementary feeding programme (TSFP): children aged 6–59 months	Nutritionally vulnerable women and children	164 000	-	164 000
Blanket supplementary feeding programme (BSFP): children aged 6–24 months		206 000	-	206 000
TSFP: pregnant and lactating women		44 000	-	44 000
Emergency safety net	Severely food-insecure households	-	1 235 000	1 235 000
Food for work	Food-insecure households	35 000	-	35 000
Emergency food response	Internally displaced and disaster-affected people	-	21 000	21 000
TOTAL		394 548	1 256 000	1 632 653

* The number of beneficiaries has been adjusted to avoid double-counting those included under ESN food distributions and supplementary feeding.

12. The modalities of food distribution for ESN will be the same as those established in 2011. WFP's main partner will be the Ministry of Education. Food will be distributed through accessible outlets such as schools during non-school hours. In view of the remoteness of many locations, limited infrastructure and security risks, distributions will occur every two months, during the six-month hunger period.
13. Under the emergency food response for people displaced by unrest or natural disasters, WFP will establish food-management committees to liaise with communities and develop context-specific distribution modalities.

Food type	Emergency safety net	Emergency food response
Wheat flour (g)	119	476
Vegetable oil (g)	11	22
High-energy biscuits (g)	-	95
Total	130	593
Total kcal/day	515	2 291
% kcal from protein	11	12
% kcal from fat	23	17

Risk Assessment

14. The main contextual risk is a decline in security, which would restrict access by WFP and partners for assessments, distributions and monitoring. The main programmatic risk is whether cooperating partners have the capacity to conduct supplementary feeding programmes through health centres; WFP is mitigating this risk through capacity development. The main institutional risks are: i) the security of WFP and partner staff; and ii) inadequate funding, which would reduce assistance (see Annex II).

FOOD REQUIREMENTS

15. The additional food required for this budget revision is shown in Table 3.

TABLE 3: FOOD REQUIREMENTS, BY ACTIVITY (mt)			
Activity	Current	Increase	Revised
TSFP (children aged 6–59 months)	2 237	-	2 237
BSFP (children 6–24 months)	8 348	-	8 348
TSFP (pregnant and lactating women)	7 009	-	7 009
Emergency safety net	40 802	28 916	69 718
Food for work	6 301	-	6 301
Emergency food response (dry)	6 356	4 486	10 842
Emergency food response (wet)	183	-	183
TOTAL	71 236	33 402	104 638

16. WFP will use standard procurement procedures to purchase from the most economical international, regional or local markets.²

² This revision removes from the original budget the funds allocated under other direct operational costs for food transformation in 2011 and 2012. The country office intended to contract for mechanical blending and packaging of wheat-soya blend and sugar to ensure accurate one-month rations for children under 2 and pregnant and lactating women, but the short shelf-life of blended foods required immediate distribution and consumption. Insecurity has hampered transport and caused frequent delays, so immediate consumption is not viable. The country office decided to remove food transformation and will evaluate the possibility for re-introducing it if the situation improves.

ANNEX I-A

BUDGET INCREASE COST BREAKDOWN			
Food¹	Quantity (mt)	Value (US\$)	Value (US\$)
Cereals	30 055	15 168 753	
Pulses	-	-	
Oil and fats	2 628	4 358 020	
Mixed and blended food	719	903 495	
Others	-	-	
Total food	33 402	20 430 268	
Subtotal food and transfers			20 430 268
External transport			347 344
Landside transport, storage and handling			10 713 769
Other direct operational costs			-1 177 260
Direct support costs (see Annex I-B) ²			188 120
Total direct operational costs			30 502 242
Indirect support costs (7.0 percent) ³			2 135 157
TOTAL WFP COSTS			32 637 399

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

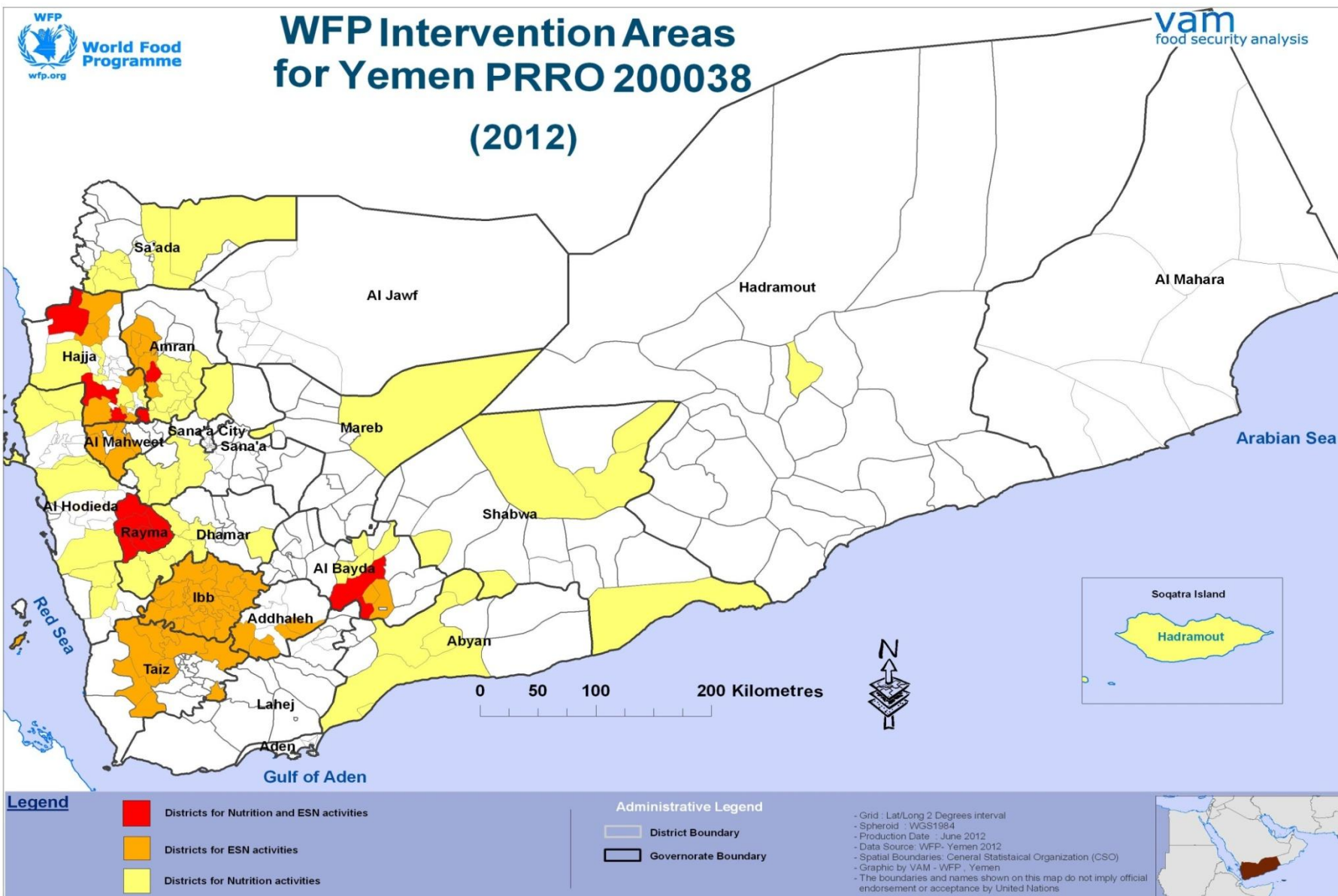
DIRECT SUPPORT REQUIREMENTS (US\$)	
Staff and staff-related costs	
Staff duty travel	186 720
Subtotal	186 720
Recurring expenses	
Rental of facility	1 400
Subtotal	1 400
TOTAL DIRECT SUPPORT COSTS	188 120

ANNEX II: LOGICAL FRAMEWORK		
Results	Performance indicators	Risks, assumptions
Strategic Objective 1 - Save lives and protect livelihoods in emergencies		
<p>Outcome 1.1 Prevent and reduce acute malnutrition in children under 5 in targeted populations</p> <p>Outcome 1.3 Improved food consumption over assistance period for targeted households</p>	<ul style="list-style-type: none"> ➤ Prevalence of acute malnutrition among children under-5 measured by mid-upper arm circumference reduced by 10% in target areas <p>Baseline: CFSS 2010 – mid-upper arm circumference at 12-59 months: 9.2%</p> <ul style="list-style-type: none"> ➤ Supplementary feeding recovery rate >75% ➤ Supplementary feeding defaulter rate <15% ➤ Supplementary feeding death rate <3% ➤ Supplementary feeding non-response rate ➤ Household food consumption score <p>Baseline: CFSS 2010 – poor-11.8%, borderline-19.7%, good-68.5%</p> <p>Target: Good-80%</p>	<p>Mothers are willing to travel to distribution centres to collect supplementary rations for their children</p> <p>Interventions for severe acute malnutrition are implemented as planned by the United Nations Children's Fund</p> <p>Government counterparts scale up nutrition interventions as planned</p> <p>Increasing food prices or market inflation</p> <p>Less food available in local markets</p> <p>Instability and insecurity</p>
<p>Output 1.1 Food and non-food items distributed in sufficient quantity and quality to targeted women, men, girls and boys under secure conditions</p>	<ul style="list-style-type: none"> ➤ Actual numbers of women, men, girls and boys receiving food and non-food assistance, by category and as % of planned ➤ Actual tonnage of food distributed, by type as % of planned¹ ➤ Actual quantities of non-food items distributed, by type, as % of planned ➤ Number of security incidents ➤ % of distributions affected by pipeline breaks 	<p>Violence at distribution centres affects beneficiaries and implementing personnel</p>
Strategic Objective 5 – Strengthen the capacities of countries to reduce hunger		
<p>Outcome 5.3 Broader national policy frameworks incorporate hunger solutions</p>	<ul style="list-style-type: none"> ➤ Budget allocated in national plans of action² for the implementation of hunger and/or food and nutrition security strategies 	<p>National Nutrition Strategy, National Food Security Strategy and the new targeting strategy for the Social Welfare Fund are endorsed by parliament</p>
<p>Output 5.3 Capacity and awareness developed through actions and training by WFP</p>	<ul style="list-style-type: none"> ➤ Number of national plans of action that include budget allocation for the implementation of hunger and/or food and nutrition security strategies ➤ Number of people trained in needs assessments, targeting, food management in terms of quantity and quality, market analysis, information management, local tendering processes; disaggregated by gender and category – WFP, government and partner staff 	<p>The new five-year plan (2011–2015) incorporating national strategies is endorsed by parliament</p>

¹ Planned distribution includes quantity, quality and timeliness.

² National plans of action refer to legislation, policy or development planning documents created by governments, particularly relating to hunger and food and nutrition security.





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.

ACRONYMS USED IN THE DOCUMENT

BSFP	blanket supplementary feeding programme
CFSS	comprehensive food security survey
ESN	emergency safety net
PRRO	protracted relief and recovery operation
TSFP	targeted supplementary feeding programme