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Agenda item 9

For approval

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PROTRACTED RELIEF AND RECOVERY OPERATION – OCCUPIED PALESTINIAN TERRITORY 10387.0

Assistance to Non-Refugee Palestinians	
Number of beneficiaries	480,000 of whom 49 percent women
Duration of project	24 months (1 September 2005–31 August 2007)
Food requirements	154,069 mt
Cost (United States dollars)	
Total cost to WFP	80,871,310
Total food cost	49,187,200

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NOTE TO THE EXECUTIVE BOARD

This document is submitted for approval by the Executive Board.

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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EXECUTIVE SUMMARY

The current humanitarian crisis in the Occupied Palestinian Territory has entered its fifth year. Implementation of stringent closure measures following the outbreak of the second *intifada* (uprising) in September 2000 led to highly restricted movement of Palestinians. This has led to loss of jobs and markets, increased poverty and food insecurity, and a widespread economic crisis.

WFP has been providing food assistance in the Occupied Palestinian Territory since 1991. The current emergency operation, which ends in August 2005, assists 480,000 food-insecure non-refugee Palestinians.

A WFP food-security assessment in June 2004 found that 1.3 million people are food-insecure – 37 percent of the population, comprising 752,000 non-refugees and 564,000 refugees. Despite positive political signs during early 2005, a considerable part of the population is likely to remain food-insecure and in need of assistance until closures are lifted, employment opportunities increase and the economy recovers.

This protracted relief and recovery operation is in line with the Palestinian Authority Mid-Term Development Plan for 2005–2007. Its goals are (i) to protect the livelihoods of Palestinians affected by the current crisis and enhance their resilience to shocks and (ii) strengthen capacities of national counterparts, contributing to Millennium Development Goal 1 and WFP's Strategic Priority 2 and Strategic Priority 5.

The protracted relief and recovery operation will support 480,000 non-refugee Palestinians who are chronically poor or have become poor and food-insecure as a result of loss of income, depletion of assets and exhaustion of coping mechanisms – the "new poor". The chronic poor will be assisted through relief food distributions in cooperation with the Ministry of Social Affairs; the new poor will be assisted through food-for-work and food-for-training programmes implemented in partnership with government organizations and non-governmental organizations. Development of government counterpart capacity will be a major element of this operation.

The total food requirement is 154,069 mt.

DRAFT DECISION*

The Board approves Occupied Palestinian Territory PRRO 10387.0, "Assistance to Non-Refugee Palestinians" (WFP/EB.A/2005/9-C/2).

* 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.

CONTEXT AND RATIONALE

Context of the Crisis and Situation Analysis

1. The outbreak of the second *intifada* (uprising) in September 2000 marked the introduction of a stringent closure policy – a system of restrictions on the movement of goods and people in the West Bank or Gaza and between these areas and Israel. The measures have had a negative impact on the daily lives of the population and have resulted in isolation of markets, widespread unemployment and a crisis of the Palestinian economy, causing serious declines in living standards and food-security levels.

2. The 664 km barrier being built by Israel to divide the West Bank from Israel was 40 percent complete in December 2004. It does not follow the 1967 agreed borders – the green line – and has resulted in confiscation and loss of agricultural land, isolation of communities and restricted access to education and healthcare. If the barrier is completed as planned, it will leave 237,000 Palestinians living between the green line and the wall; another 160,000 will live in almost completely encircled communities.[1]

3. Deterioration in the humanitarian situation has been felt by the population of the Gaza Strip, where an increase in the frequency and intensity of military incursions in 2004 resulted in the loss of hundreds of hectares of fertile land and demolition of 1,000 homes,[2] a significant increase from previous years.

4. Of the 3.8 million[3] Palestinians living in the West Bank and Gaza, 50 percent survive on less than US$2.10 per day; of these, 16 percent[4] live below the poverty line of US$1.6 per person per day. Unemployment rates have tripled since the start of the *intifada*, reaching 32 percent[5] in 2004; the decline in per capita gross domestic product (GDP) reached 40 percent.[6] Although a decrease in curfews and movement restrictions in parts of the West Bank have led to some stabilization of the economy, it remains weak and functions far below its previous capacity.

5. The rates of acute malnutrition (1.9 percent) and chronic malnutrition (9.4 percent) have remained stable. Iron, vitamin-A and iodine deficiency are the most common nutritional problems.[7] According to a recent assessment,[8] 22 percent of children between 12 and 59 months suffer from vitamin-A deficiency; another 53.9 percent are borderline deficient.

[1] International Court of Justice ruling, the Hague, 2004.

[2] OCHA, 2005.

[3] Palestinian Central Bureau for Statistics, July 2004.

[4] *Deep Palestinian Poverty in the Midst of Economic Crisis*. World Bank, October 2004.

[5] Palestinian Central Bureau for Statistics, July–September 2004.

[6] *Disengagement, the Palestinian Economy and the Settlements*. World Bank, June 2004.

[7] Demographic and Health Survey, Palestinian Central Bureau for Statistics, October 2004.

[8] USAID-funded survey in collaboration with the Ministry of Health, October 2004.

6. There was little progress towards resuming the peace process in 2004. The death of President Yasser Arafat on 11 November 2004 and the election of Mahmoud Abbas on 9 January 2005 provide an opportunity for all parties to progress with implementation of the Road Map, the plan towards a two-state solution to the Israeli-Palestinian conflict.[9]

7. The disengagement plan is expected to commence in July 2005 with the evacuation of all Israeli settlements in Gaza and evacuation of four of the 200 settlements in the West Bank. At best, disengagement is expected to bring marginal improvement to the economy and Palestinian livelihoods, because it proposes only removal of internal movement restrictions, mainly in Gaza.

8. WFP has been implementing programmes in the Occupied Palestinian Territory since 1991. In response to the deteriorating humanitarian situation following the Defence Shield operation launched in March 2002, WFP has been implementing a large-scale emergency operation (EMOP). The current EMOP 10190.2, which started in September 2004 for one year, provides food for 480,000 non-refugee food-insecure Palestinians.

9. An October 2004 World Bank report[10] affirms that emergency assistance has succeeded in preventing humanitarian crises among the poorest people and has reduced by a third the number of individuals affected by subsistence poverty.

10. According to the April 2004 WFP update of the FAO/WFP baseline assessment of 2003, 37 percent of the population[11] are food-insecure; a further 27 percent are at risk of becoming food-insecure. This reflects a slight improvement compared with the 2003 baseline (40 percent food-insecure and 31 percent at risk) but in-depth studies have revealed that food insecurity varies greatly at sub-governorate levels.

11. The resilience of Palestinians in adapting to the deteriorating situation is decreasing; poverty is widespread. Falling incomes and high consumer prices for basic foods have significantly reduced purchasing power; families that were self-reliant in 2000 have now exhausted all available means of coping. Both the chronically poor and the "new poor" – Palestinians who lost their source of income after the second *intifada* – have no savings left, have sold private and productive assets and are resorting to extreme and negative coping mechanisms such as incurring debts, withdrawing children from school, selling productive assets and reducing the number and quality of meals.

12. The Palestinian Authority is responsible for delivering services in health, education, infrastructure, agriculture and social welfare. It has suffered from a fiscal crisis since September 2000, which curtailed its ability to continue full service delivery, and its administrative capacity has been disrupted by damage to or destruction of buildings, equipment and records. The Palestinian Authority is committed to national capacity-building as outlined in the 2005–2007 Mid-Term Development Plan – resume full provision of services and increase accountability, transparency and the efficiency and effectiveness of assistance programmes such as the social safety-net programme implemented by one of WFP's main counterparts, the Ministry of Social Affairs.

13. Without a political resolution of the crisis, and particularly removal of restrictions on movement, there will be no improvement in the humanitarian situation and assistance will continue to be required.

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[9] The Road Map was presented to Palestinian and Israeli leaders in April 2003 by the United Nations, the European Union, the United States and the Russian Federation.

[10] *Deep Palestinian Poverty in the Midst of Economic Crisis*. World Bank, October 2004.

[11] The official population estimate is 3.8 million; WFP uses an estimate of 3.5 million based on data from other United Nations agencies, including UNRWA refugee statistics.

Government Recovery Policies and Programmes

14. The Palestinian Authority Mid-Term Development Plan for 2005–2007 has two goals: (i) to reduce poverty in a sustainable way by providing a framework to shift assistance from emergency relief to job creation, recovery and social and economic development; and (ii) to improve the effectiveness of Palestinian Authority governance by building institutional capacity and accelerating reform.

15. Four priority national programmes have been identified: (i) ensuring social protection, (ii) investing in social, human and physical capital, (iii) investing in institutions for good governance and (iv) creating an environment for private-sector growth. Areas particularly affected by poverty and deprivation will be prioritized – those affected by the planned Israeli withdrawal, those most affected by the barrier and those without access to roads.

Rationale

16. In the short term and medium term, a significant portion of the population is likely to remain poor and increasingly vulnerable to further shocks as income-generation opportunities decline and savings and assets are depleted. Direct assistance will therefore remain crucial.

RECOVERY STRATEGY

17. Evolution of the political process leading to a gradual lifting of external barriers would have a positive impact on the economy and the humanitarian situation. If this is coupled to additional donor assistance, real personal income and employment would return to pre-*intifada* levels.[12] Economic recovery is not expected in the immediate or mid-term future, however, and would have a limited effect on the poorest people who are unskilled or unable to work. The assumption is, therefore, that the beneficiary caseload will remain largely the same over the next two years. Flexibility in programming and implementation will be important in responding to the evolving situation.

Beneficiary Needs

18. Basic food needs of chronically poor people and the new poor will be met through monthly family rations. Chronically poor people will receive relief food as part of the Ministry of Social Affairs' special hardship programme, which combines cash and food assistance; new-poor beneficiaries will receive food through participation in food-for-work (FFW) and food-for-training (FFT) activities. Individual daily rations will be provided for people in social institutions.

19. Targeting criteria for chronically poor people include: (i) households without breadwinners, including households headed by women; (ii) households with mentally or physically disabled family members; and (iii) people aged 70 and over.

20. New-poor beneficiaries – households that have lost incomes, assets and livelihoods, and have a limited capacity to earn income and replenish assets – include poor farmers, Bedouins and fisherfolk affected by the inaccessibility of markets and damage to or confiscation of property, and landless and unemployed daily-wage earners who have lost their jobs because of movement restrictions.

[12] The World Bank estimates that an additional US$500 million per annum, on top of existing disbursements, could spur a 12 percent growth in real personal income.

Role of Food Aid

21. Food aid will provide a safety net to meet the short-term food needs of food-insecure non-refugee households that have no other means of coping; it will at best sustain living conditions and prevent a further decline in food-security levels, and will be used to create or rehabilitate assets and enhance skills where possible.

22. Emphasis will be placed on developing the capacities of ministerial counterparts and linkages with Palestinian Authority policies as they develop under the Mid-Term Development Plan. A national food-security strategy, to be finalized during the first half of 2005, will provide a framework for increasing linkages between interventions aiming to reduce poverty and food insecurity.

Programme Approaches

23. WFP updated the 2003 FAO/WFP baseline survey in 2004. The assessment, implemented in 96 geographic clusters covering the West Bank and Gaza, provided insight into factors affecting food insecurity and the number, location and characteristics of the food-insecure population. The Pairwise Ranking tool[13] was used to determine relative food-insecurity rates in the 96 clusters, coupled with livelihood zoning and the coping strategy index-monitoring tool to take into account sources of household income and coping strategies adopted by WFP beneficiaries.

24. The assessment found that 1.3 million people, 37 percent of the population,[14] are food-insecure, including 752,000 non-refugees and 564,000 refugees.

25. Two factors increased food insecurity in 25 percent of all governorates: (i) construction of the West Bank separation barrier and associated restrictions of movement; and (ii) the high frequency of military incursions in Gaza, which caused the dramatic increase in food insecurity, notably by 17 percent in Khan Younis and 31 percent in Rafah. Data analysis shows that food insecurity diminishes in geographic clusters that have a high variety of livelihood possibilities. The presence of skilled daily workers and public-sector employees and receipt of remittances also reduce the risk of food insecurity.

26. The United Nations Relief Works Agency for Palestine Refugees in the Near East (UNRWA) is mandated to provide food and cash assistance to refugees. WFP will assist 64 percent of the food-insecure non-refugee population that come under the targeting criteria of this operation; the remaining 36 percent are believed to have a wider range of income opportunities and coping mechanisms. Of the total targeted beneficiaries, 30 percent are in Gaza and 70 percent in the West Bank.

27. WFP will continue to assist the chronically poor through the Ministry of Social Affairs' special hardship programme. In this programme food is used to complement the cash allowance,[15] which is currently insufficient to help households in distress to cope with shocks and meet minimum food requirements. WFP will work with the Ministry of Social Affairs to improve management of the food component.

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[13] Used to estimate numbers and distribution of food-insecure people: informants compare the state of food insecurity in pairs of clusters, resulting in an overall ranking using all possible comparisons of clusters.

[14] Idem footnote 11.

[15] The magnitude of the cash allowance varies depending on the household size. It ranges from approx. US$24 per month for a one-person household, to approx. US$13 per person per month for a household consisting of six persons, and US$10 per month per person for a household of 12 persons.

28. The World Bank's 2005 Social Safety-Net Reform Project aims to change two main aspects of the special hardship programme: (i) eligibility criteria will be adjusted to ensure that targeting is based on vulnerability and consumption needs; 60 percent of the current beneficiaries are expected to remain eligible for assistance; ineligible people will be replaced with new beneficiaries that meet eligibility criteria, including those from other vulnerable groups such as the new poor; and (ii) the size of the cash allowance will be altered.

29. WFP will liaise with the Ministry of Social Affairs and the World Bank during the planning and implementation of the reforms. If required, the food component of the social hardship programme will be adjusted, but the food needs of the chronically poor will be fully met and duplication with other food assistance programmes avoided.

30. WFP will continue to assist the new poor in protecting and promoting their livelihoods through FFW and FFT. The programme will prioritize areas where food aid is appropriate and expected to have a positive impact. Four weighting factors will be used to determine the areas: (i) income diversification, (ii) rural or urban location, (iii) presence of the separation barrier and (iv) prevalence of malnutrition. People who are still believed to have access to income opportunities will not be considered in the targeted caseload.

31. An internal WFP review on FFW and FFT activities in the last quarter of 2004 recommended that all WFP-supported activities should help to create conditions for increased productivity and generate future employment opportunities for vulnerable families. Activities should be designed to produce outputs that contribute to area development plans. To minimize disruption or discouragement of agricultural activities or seasonal income-generation opportunities, seasonality will be taken into consideration when activities are planned.

32. Targeting and implementation modalities of the institutional feeding programme are adjusted according to the recommendations of another internal review in late 2004. Social institutions that have limited or no other support will be prioritized and will receive non-food items in addition to food to ensure proper preparation of meals. Measures to enhance accountability and transparency of cooperating partners, such as developing reporting standards and ensuring frequent consultations with partners, have started under EMOP 10190.2.

33. In support of nutrition, WFP will continue to distribute fortified food and will support the development of national policies and campaigns addressing micronutrient deficiencies in cooperation with the Ministry of Health, the United Nations Children's Fund (UNICEF), the World Health Organization (WHO) and other partners.

Risk Assessment

34. Success will primarily depend on continuous unimpeded access to the territory for personnel and cargo. Access to Gaza was problematic throughout 2004 and early 2005 because of frequent army incursions and militant attacks, resulting in prolonged closures of the main entry points at Karni, Erez and Rafah. Since early 2004, however, local procurement of wheat flour and oil has enabled the operation to continue without major adverse effects on deliveries of food to beneficiaries.

35. The current EMOP is part of the business process review (BPR) pilot, whereby advance funds are released in anticipation of contributions to enable timely procurement of commodities. If donor contributions remain consistent, this facility will continue to have a beneficial effect on timely delivery and distribution of food.

Objectives and Goals

36. The goals of protracted relief and recovery operation (PRRO) 10387.0 are to protect the livelihoods of Palestinians affected by the current crisis and enhance their resilience to shocks, and to strengthen the capacities of national counterparts, in line with Millennium Development Goal (MDG) 1 and WFP's Strategic Priority (SP) 2 and SP 5.

37. The PRRO has the following objectives:

- assist the chronically poor and new poor in meeting basic food requirements;
- assist vulnerable people in social institutions;
- improve the capacity of the new poor to cope with food insecurity through creation of assets or acquisition of skills; and
- strengthen capacities of national counterparts to manage food-assistance programmes.

IMPLEMENTATION PLAN BY COMPONENT

Major Programme Components

38. From September 2005 to August 2007, WFP plans to assist 480,000 chronically poor people and new poor; 59 percent of the beneficiaries will be targeted through FFW and FFT and 41 percent through relief distribution, including institutional feeding.

⇒ *Chronically poor people*

39. Monthly rations distributed by the Ministry of Social Affairs will assist 188,300 chronically food-insecure people for 365 days per year. In line with the recommendation from the December 2004 nutrition review, the number of rations per household will be based on actual household size.

40. WFP will work with the ministry and other partners, including UNRWA, to help to improve the safety net to ensure that the poorest segment of the population receives adequate assistance.

⇒ *Institutional feeding*

41. Through institutional feeding, 10,600 people in hospitals, orphanages and homes for the elderly will be assisted with a daily meal throughout the operation.

42. In line with the recommendations of the 2004 review, programme implementation in the West Bank will gradually shift from cooperating partners to the Ministry of Social Affairs, which is already responsible for the programme in Gaza. Targeting will be improved to ensure inclusion of vulnerable institutions in need of assistance. WFP set up a joint review committee of staff from the Ministry of Social Affairs, cooperating partners and WFP to review institutions already in WFP's beneficiary lists, assess new applications and allocate funds for non-food items.

⇒ *The new poor*

43. FFW and FFT activities will assist 281,100 new poor[16] annually, with a focus on creation or rehabilitation of household and community assets and enhancement of skills, particularly for women, while ensuring that food needs are met for eight months per year. Able-bodied members of targeted households will be requested to work 20–25 hours per month to qualify for assistance. Vulnerability analysis and mapping (VAM) data will be used to target food-insecure areas.

44. Cooperating partners will be contracted to manage the programme and, in cooperation with community committees, to identify activities that consider the developmental needs of communities in line with priorities set by the Palestinian Authority, the municipalities involved and local relief committees. Proposed areas of intervention include: (i) agricultural land reclamation, levelling and terracing, tree planting and road rehabilitation; (ii) constructing or rehabilitating water cisterns and sanitation systems; and (iii) food-processing and literacy courses. Funds are budgeted to complement food with non-food items such as tools, training and construction materials.

45. Gender considerations are mainstreamed throughout the operation. At least 70 percent of FFT participants will be women. Activities will focus on skill development, knowledge transfer and enhancement of the productive capacity of women. WFP will work with the Ministry of Women's Affairs and cooperating partners to increase the role of women in designing and implementing projects and ensure that 50 percent of village committee members involved in selecting activities are women. Polygamous households will be regarded as separate families and receive rations accordingly.

⇒ *Support for small-scale olive oil producers*

46. Support for small-scale olive oil producers in the West Bank who have marketing difficulties will continue under the PRRO. During 2005–2007, WFP plans to procure 1,000 mt of olive oil from poor farmers with a maximum 3 ha of land. Procurement will take place through the Ministry of Agriculture and in accordance with WFP procurement procedures. The oil will be distributed to PRRO beneficiaries who live in areas with limited or no olive oil production.

Beneficiaries and Food Basket

47. Table 1 summarizes the beneficiary caseload by programme component.

TABLE 1: TOTAL BENEFICIARIES BY TYPE OF INTERVENTION

Type of intervention	Men	Women	Total during project
Relief food for chronically poor	95 863	92 437	**188 300**
Institutional feeding	5 396	5 204	**10 600**
FFW/FFT for new poor	143 108	137 992	**281 100**
Total	**244 367**	**235 633**	**480 000**

[16] 46,850 FFW/FFT participants.

48. Table 2 shows the food basket, which is the same for all activities. Wheat flour is fortified by millers in Gaza and the West Bank with a premix containing vitamin B complex, folic acid, niacin and iron. Vegetable oil is fortified with vitamins A and D.

TABLE 2: FOOD BASKET AND DAILY RATION SIZE (g)

Type of intervention	Wheat flour	Oil	Pulses	Sugar	Iodized salt	Kcal/day/ person
All activities	462	25	40	18	5	2 046

49. The total food requirements for 480,000 beneficiaries for 24 months are shown in Table 3.

TABLE 3: TOTAL COMMODITY REQUIREMENTS FOR TWO YEARS (mt)

Type of intervention	Average feeding days per year	Wheat flour	Oil	Pulses	Sugar	Iodized salt	Total
Relief food for chronically poor	365	63 506	3 436	5 498	2 474	687	**75 602**
Institutional feeding	365	3 575	193	310	139	39	**4 256**
FFW/FFT for new poor	240	62 337	3 373	5 397	2 429	675	**74 210**
Total		**129 418**	**7 003**	**11 205**	**5 042**	**1 401**	**154 069**

Selection of Activities and Activity Approval Mechanism

50. Letters of agreement will be concluded with each cooperating partner outlining the roles and responsibilities of WFP and partners, targeting criteria, beneficiary caseloads and implementation modalities.

51. Beneficiary selection and identification of FFW and FFT activities will be conducted in line with agreed targeting criteria and in cooperation with community-based organizations and local relief committees.

Institutional Arrangements and Selection of Partners

52. WFP has a country office in east Jerusalem, sub-offices and field offices in Gaza and the West Bank and a logistics office at the port of Ashdod in Israel. The United Nations Development Programme (UNDP) provides administrative and financial services for WFP and formal relations with the Government of Israel.

53. Assistance to the chronically poor is implemented through the Ministry of Social Affairs, which is also responsible for institutional feeding in Gaza; Catholic Relief Services (CRS) is responsible in the West Bank. The FFW and FFT programme will be implemented in cooperation with partners such as the Department of Fisheries of the Ministry of Agriculture, Palestinian Agricultural Relief Committees (PARCs) and CRS in line with geographical divisions and capacities. Collaboration will be strengthened with partners such as UNDP, the Ministry of Planning and the Palestinian Economic Council for Development and Reconstruction (PECDAR) to complement inputs and expertise, thereby increasing the impact of FFW and FFT. Cooperation with FAO will be sought for

implementing income-generating activities related to food security, targeting women particularly, and improving agricultural production.

54. Coordination with UNRWA will be further strengthened and institutionalized in areas such as food-security assessment and logistics coordination.

55. Cooperation with UNICEF and WHO will be initiated in nutrition; coordination with the Office for the Coordination of Humanitarian Affairs (OCHA) will continue, especially in geographic information system (GIS) and VAM activities.

56. As the lead agency for food, WFP participates in regular meetings such as the heads of agency meeting chaired by the United Nations Educational, Scientific and Cultural Organization (UNESCO) and donor-coordination meetings such as local aid coordination committees (LACCs) and the European Union (EU) humanitarian meeting. To enhance strategic planning and coordination among United Nations agencies, a Common Country Assessment (CCA) and a United Nations Development Framework (UNDAF) are planned in which WFP will play a significant role. The CCA, expected in 2005, will build on the work of the 2005 United Nations consolidated appeal process, in which WFP and FAO co-led the food sector.

Capacity-Building

57. The PRRO will focus significantly on helping the Palestinian Authority to strengthen its capacities. WFP will transfer technical capabilities in areas such as VAM and logistics where it has a comparative advantage, in line with priorities identified by government counterparts. Initiatives building on existing capacities will be implemented in cooperation with partners.

58. Capacity-development will focus on: (i) programme management; (ii) analysing vulnerability and food insecurity; (iii) nutrition; and (iv) logistics and food management, using approaches including secondment of WFP staff, short-term training in VAM, logistics and other programme-related topics, provision of capital inputs, information sharing and joint studies, and on-the-job training during regular programme and survey implementation.

59. WFP will concentrate on its main ministerial counterparts, the Ministry of Social Affairs and the Ministry of Agriculture, to increase their competence in monitoring food insecurity, identifying needs, planning responses and ensuring effective implementation.

60. Through the Food and Nutrition Steering Committee, chaired by the Ministry of Health, UNICEF and WHO, WFP will support development of protocols to address vitamin-A deficiency, national policies for fortification of wheat flour and iodized salt, and related national sensitization campaigns. A two-phase training programme to increase nutrition knowledge will be implemented for counterpart ministry staff in cooperation with partners.

61. In cooperation with the Ministry of Women's Affairs, gender issues will continue to be advocated and mainstreamed in WFP programmes and food-security strategies. Possibilities will be explored to increase collaboration with women's groups supported by the Ministry of Women's Affairs.

62. Training in warehouse management, targeting, implementation and monitoring of FFW and FFT projects will continue to be provided for all partners to enhance programme and food-management capacities.

Logistics Arrangements

63. Timely delivery of food to Gaza and the West Bank is logistically complex because of closure policies and frequent access restrictions.

64. Internationally procured commodities arrive in containers at Ashdod; they are subject to stringent custom and security clearance, including x-ray scans and security seals. To avoid excessive port tariffs while awaiting clearance, WFP has made arrangements for bonded storage at Ashdod and Haifa; the latter will be used as an alternative in case of strikes at Ashdod. A WFP port captain is based in Ashdod to facilitate customs clearance of WFP commodities to avoid excessive demurrage.

65. Two commercial transport companies are contracted to transport food from the port to delivery points; 75 percent of the food is delivered directly to the storage facilities of cooperating partners in Gaza and the West Bank. WFP rents 6,000 m^2 of warehouse space in Atarot in Jerusalem and 3,000 m^2 at Karni in Gaza where food is stored in case of closure or if partners have insufficient warehousing space. The Atarot warehouse is also used as the base for WFP's five trucks and two trailers.

66. The only cargo entry point for Gaza is the Karni terminal. WFP has negotiated the processing of 10 containers per day with a maximum of 40 containers per week, equalling 800 mt. The Karni terminal was frequently closed in 2004 because of military operations, which hampered transport of food into Gaza. As of September 2004, the terminal has been open only three days a week for containerized cargo, further reducing the supply of food to Gaza. Transfer of commodities from Israeli to Palestinian trucks is compulsory before food is delivered to 35 destinations in Gaza.

67. In the West Bank, commercial transporters move commodities to 80 destinations. WFP's trucks are a stand-by for overcoming temporary blockages and are used for small-tonnage deliveries to destinations that are not accessible for commercial trucks such as villages isolated by the barrier. WFP is required to inform the Israeli defence forces 72 hours before delivery, and is advised on the checkpoint to use to cross into West Bank. Terminals similar to the Karni cargo terminal for Gaza are being built at all entry points in the West Bank separation barrier; some are operational and obligatory for commercial cargo. WFP has not yet been requested to use these terminals. When the barrier is about to be completed, WFP will probably be required to use these terminals, which will hamper food aid deliveries to the West Bank and result in an increase of landside transport, storage and handling (LTSH) costs.

68. Cooperating partners carry out onward transport from their storage facilities to distribution sites.

69. Alternative supply corridors are limited. Overland transport from Jordan over the Allenby Bridge would be feasible, but it is slow and costly because of limited terminal capacity, severe security requirements and pressure from commercial cargo. The cargo and passenger terminal in Rafah on the border between Egypt and Gaza, closed for most of the year for political reasons, is not a valid alternative.

70. On average, a third of the food commodities, mainly wheat flour and oil, are procured locally. Local procurement of food, particularly in Gaza, is preferred for reasons of cost-effectiveness, and timely delivery.

71. As part of a worldwide WFP pilot, two LTSH rates have been calculated, one for international and one for local purchases of food. The rates will be reviewed and adjusted as circumstances change.

Monitoring and Evaluation

72. Strengthening of VAM and monitoring and evaluation (M&E) capacities in 2003 and 2004 led to improved targeting, design and monitoring of the operation. The office has been pro-active in carrying out food-security and related assessments and has made noteworthy progress in analysing vulnerability and food insecurity.

73. Outputs, outcomes and food-security status are monitored by: (i) checklists to monitor output and operational indicators such as beneficiary numbers, food distribution, food storage conditions, FFW and FFT outputs; findings are entered into a database and used to prepare regular M&E reports for adjusting programme implementation; and (ii) indicators to measure the progress and impact of activities under SP 2 that were piloted in October 2004 when information on household demographics, income sources, household expenditures, shocks, risks and coping strategies of WFP beneficiaries was collected; the baseline survey findings are used to fine-tune targeting and measure progress towards desired outcomes; outcome indicators for SP 2 will be collected twice a year through surveys.

74. National food-security monitoring is yet to be established. WFP will support phase II of the development and management of the Food Insecurity and Vulnerability Information and Mapping System (FIVIMS) to obtain up-to-date information on food security and nutrition to improve targeting, strategy and policy development. FIVIMS is led by the Food and Agriculture Organization of the United Nations (FAO) in cooperation with the Palestinian Central Bureau for Statistics, the Ministry of Planning, the Ministry of Agriculture and other stakeholders. Updates to the 2003 food-security baseline assessment and the 2004 follow-up assessment are planned for early 2006.

75. In line with WFP policies, a mid-term evaluation of the PRRO will take place during the second half of 2006.

Security Measures

76. Field-security coordination officers of the United Nations Department of Safety and Security (UNDSS) coordinate the United Nations organizations. The United Nations operates 24-hour common radio rooms in Jerusalem and Gaza, and is establishing a VHF communication network and radio room in the West Bank. A security cell consisting of all seven United Nations security officers meets fortnightly to advise the United Nations security-management team on security. A WFP field-security officer advises staff on security, organizes security awareness training and ensures that offices, warehouses, vehicles and residences are minimum operating security standards (MOSS) and minimum operating residential security standards (MORSS) compliant. The security officer is responsible for daily liaison with the Israeli defence forces to facilitate transit of staff and cargo into the occupied territory.

77. As of December 2004, Gaza and the West Bank are in security phase III. A system of reduced United Nations international staff presence applies when phase IV comes into effect. Movement of United Nations staff to and within Gaza and the West Bank require security clearance. Access to Gaza is a major issue: only one entry-point, the Erez terminal, is available to staff. Security clearances need to be obtained and crossing has to be coordinated in advance with the Israeli defence authorities.

Exit Strategy

78. PRRO 10387.0 is based on the assumption that the movement restrictions that limit employment opportunities and trade will remain in the immediate and mid-term future. The socio-economic situation will thus largely remain as it is, with high poverty rates and limited job opportunities; marginal improvement is possible following implementation of the disengagement plan in Gaza and easing of internal movement restrictions in the West Bank.

79. A second scenario in which a real peace process facilitates removal of internal and external movement restrictions for people and goods would enable a drastic reduction of the WFP caseload. Food assistance for the new poor would gradually be phased out as income and trade opportunities increase and would be limited to people who had not benefited from the increased opportunities or for whom cash support might not present the best option. As the economy recovers, food assistance to the chronically poor could potentially be replaced by a cash-based safety net.

80. Food aid interventions will be reviewed twice a year, or more frequently if necessary, in cooperation with the Palestinian Authority and other partners. Food aid will be phased out where it is no longer needed or is not the appropriate form of assistance.

Contingency Mechanism

81. The United Nations inter-agency contingency plan for Gaza was updated in December 2004. The plan builds on two scenarios: (i) unexpected incursions by the Israeli defence forces resulting in populations being restricted to their homes for a few hours or up to five weeks; and (ii) civil unrest resulting in increased violence and lawlessness that restricts movements of United Nations staff and their ability to deliver assistance.

82. Contingency stocks sufficient for beneficiary food requirements for one month will be positioned in the territory to prevent short-term disruption of programme implementation if access to the territory, particularly Gaza, is restricted. Arrangements with bakeries will be made to assist beneficiaries who are restricted to their homes for an extended period.

83. Local procurement of commodities, provided cash support is available, and participation in the business process review pilot will contribute to ensuring continuity of food supplies and maintenance of contingency stocks.

RECOMMENDATION

84. The Board is requested to approve PRRO 10387.0, which is designed to benefit 480,000 people from 1 September 2005 to 31 August 2007 at a food cost of US$49.2 million and a total cost to WFP of US$80.9 million.

ANNEX I

PROJECT COST BREAKDOWN			
	Quantity *(mt)*	**Average cost per mt**	**Value *(US$)***
WFP COSTS			
A. Direct operational cost			
Commodity*			
– Wheat flour	129 418	250.00	32 354 500
– Oil	6 003	950.00	5 702 850
– Olive oil	1 000	3 300.00	3 300 000
– Pulses	11 206	550.00	6 163 300
– Sugar	5 042	275.00	1 386 550
– Iodized salt	1 400	200.00	280 000
Total commodities	**154 069**		**49 187 200**
External transport	154 069	67.01	**10 324 164**
Landside transport			**2 297 875**
Total LTSH	**154 069**	**67.01**	**8 064 100**
Other direct operational costs	**154 069**	**8.96**	**1 380 000**
Total direct operational costs			**69 855 464**
B. Direct support costs (see Annex II for details)			
Total direct support costs	**154 069**	**43.00**	**6 625 200**
C. Indirect support costs (7 percent)			**5 290 646**
TOTAL WFP COSTS			**80 871 310**

* This is a notional food basket used for budgeting and approval purposes. The contents may vary depending on the availability of commodities.

ANNEX II

DIRECT SUPPORT REQUIREMENTS (*US$*)	
Staff	
International professional staff	2 226 800
National general service staff	2 692 000
Overtime	72 000
Incentives	378 000
International consultants	72 000
Staff duty travel	132 000
Staff training and development	18 000
Medical insurance for SC, SSA and casual labour	60 000
Sub-total	**5 650 800**
Office expenses and other recurrent costs	
Rental of facility	191 200
Utilities (general)	60 000
Office supplies	38 400
Communication and IT services	132 000
Equipment repair and maintenance	4 800
Vehicle maintenance and running costs	198 000
Other office expenses	33 600
United Nations organizations services	55 200
Sub-total	**713 200**
Equipment and other fixed costs	
Furniture, tools and equipment	88 800
Vehicles	110 000
Telecommunications/information technology equipment	62 400
Sub-total	**261 200**
TOTAL DIRECT SUPPORT COSTS	**6 625 200**

ANNEX III: LOGICAL FRAMEWORK SUMMARY — OCCUPIED PALESTINIAN TERRITORY PRRO 10387.0

Results hierarchy	Performance indicators	Means of verification	Risks/assumptions
Impact 1.1 Livelihoods of affected Palestinians protected and resilience against shocks enhanced.	**Impact level indicators** 1.1.a World Bank poverty and food poverty reports. 1.1.b Ratio of total non-refugees food insecure (data provided by VAM Occupied Palestinian Territory; current ratio: 37% food insecurity).	The programme evaluation system.	**Risks and assumptions:** ➢ Poverty and food insecurity of target population (poorest of the poor) will remain unchanged even with the advancement of disengagement plan and the easing of internal closures in territory. ➢ Poverty and food insecurity of the poorest of the poor is a result of structural factors in households such as size and education levels and could only be alleviated through systematically addressing such factors. ➢ Current Palestinian National Authority fiscal budget crisis is dealt with, preventing the collapse of the Palestinian Authority. ➢ No further complication in the logistics arrangements for commodity distributions or in movement of WFP staff resulting from deterioration of the crisis and tighter closures/security requirements at port or any additional security measures. ➢ Funding levels inadequate to achieve desired impacts. ➢ Continued Palestinian National Authority support to WFP initiatives and activities.
2.1 Capacity of Palestinian National Authority to establish and manage national food assistance programmes increased.	2.1.a Efficiency in planning, targeting and distribution.	Implementing partner evaluation.	

ANNEX III: LOGICAL FRAMEWORK SUMMARY — OCCUPIED PALESTINIAN TERRITORY PRRO 10387.0

Results hierarchy	Performance indicators	Means of verification	Risks/assumptions
Outcome 1.1 Increased ability to manage shocks and meet food needs.	**Outcome level indicators** 1.1 Proportion of beneficiary household expenditures devoted to food [17](maintain at current ratio of 40% food to non-food).	RBM SP 2 survey	**Risks and assumptions:** ➢ Continued cooperation between host government (Israel) and United Nations/WFP. ➢ Level of violence and closure policy remains at present levels without further deterioration. ➢ No further complication in the logistics arrangements for commodity distributions or in movement of WFP staff resulting from deterioration of the crisis and tighter closures/security requirements at port or any additional security measures. ➢ Adequate funds are available to achieve desired outcomes. ➢ Continued Palestinian National Authority support to WFP initiatives and activities.
2.1 The Palestinian National Authority is capable of planning and managing food-based programmes.	2.1 Government is capable of taking over the planning and management of food aid programmes. 2.2 % of VAM study findings used by Palestinian National Authority in beneficiary targeting (baseline yet to be identified).	Implementing partner evaluation	
Key outputs 1.1 Food delivered to targeted beneficiaries throughout the two-year duration of the operation. 1.2 Targeted beneficiaries participate in food-supported asset creation and income generation activities. 1.3 Locally produced olive oil purchased.	**Output Level Indicators** 1.1 Mt delivered to target beneficiaries during the operation (target: 154,069 mt). 1.2 Use of WFP food commodities by beneficiaries. 1.2.1 Number of beneficiaries participating in FFW activities. 1.2.2 Number of beneficiaries participating in FFT. 1.3.1 Mt of locally produced olive oil purchased (target: 1,000 mt).	COMPAS + M&E BCM BCM + IP reports COMPAS + M&E BCM	**Risks and assumptions:** ➢ Continued cooperation between host government (Israel) and United Nations/WFP. ➢ Level of violence and closure policy remains at present levels without further deterioration. ➢ No further complication in the logistics arrangements for commodity distributions or in movement of WFP staff resulting from deterioration of the crisis and tighter closures/security requirements at port or any additional security measures.

[17] This indicator is piloted under EMOP 10190.2

ANNEX III: LOGICAL FRAMEWORK SUMMARY — OCCUPIED PALESTINIAN TERRITORY PRRO 10387.0

Results hierarchy	Performance indicators	Means of verification	Risks/assumptions
			➢ Adequate funds are available to achieve desired outcomes. ➢ Continued Palestinian National Authority support to WFP initiatives and activities.
2.1 Increased capacity of the Palestinian National Authority to identify food needs, develop strategies and carry out food-based programmes. 2.2 Increased dialogue with the Palestinian National Authority to identify potential areas for technical assistance and cooperation.	2.1.1 Number of Palestinian National Authority staff trained under WFP's technical assistance programmes. 2.1.2 Palestinian National Authority staff participation in WFP VAM assessments (3 Ministry of Social Affairs; 3 Ministry of Agriculture; 2 PCBS; 1 Ministry of Women's Affairs). 2.2 Number of new areas of technical services and cooperation between WFP and Palestinian National Authority established (target: 2).	Programme officer records Programme officer records Programme officer records	

Notes

- Please refer to *Logical Framework Manual* and Monitoring and Evaluation Guidelines in the WFP *Programme Design Manual* for further guidance on how to verify the vertical and horizontal logic of the logframe.
- Refer to the EMOP/PRRO Workflow in the *Programme Design Manual* for guidance on M&E guidelines and the use of M&E Plan Matrix.
- Please note that for submission to the Board, we do not present the activity, but the activities form an integral part of the M&E Plan Matrix.

ANNEX IV: OCCUPIED PALESTINIAN TERRITORY PRRO 10387.0 — OBJECTIVES AND OUTCOMES

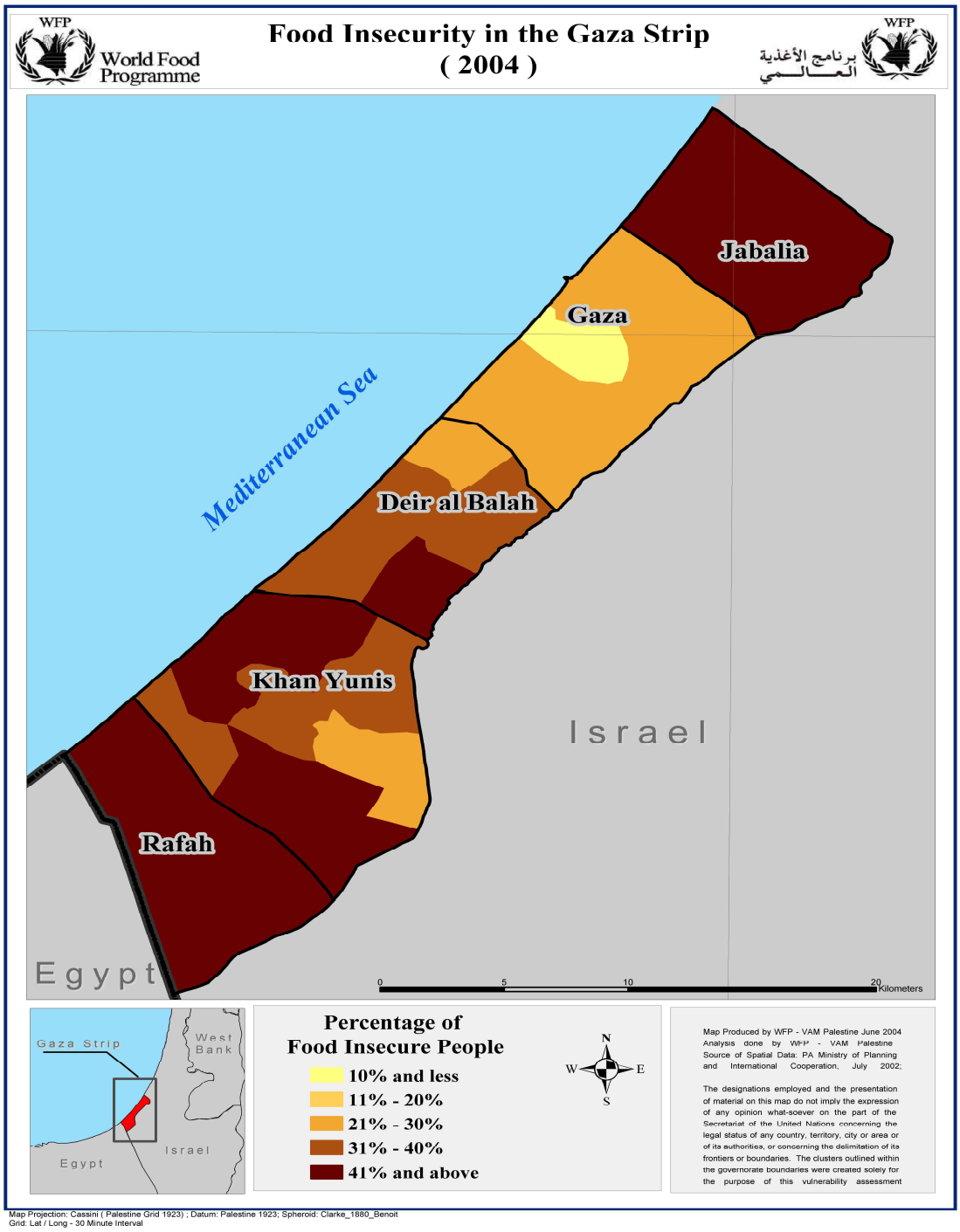
Information requirements	Means of verification						Uses of information
	Key indicators	**Data source**	**Frequency of collection**	**Responsibility for collection**	**Collection method**	**Cost/funding sources**	**Reporting**
Objective 1: Protect the livelihoods of Palestinians affected by the current crisis and enhance their resilience to shocks							
Outcome 1.1							
Increased ability to manage shocks and meet necessary food needs	Proportion of beneficiary household expenditures devoted to food	WFP Occupied Palestinian Territory VAM/M&E/ RBM		VAM	Sample survey	US$ 200,000	SPR, donor reports
Output 1							
Food delivered to targeted beneficiaries throughout the duration of the operation (2 years, total: 154,069 mt).	1. MT delivered to target beneficiaries throughout the duration of the operation	COMPAS		CTS Clerk	COMPAS data entry		SPR
		Implementing partner reports		Programme officer	Periodic IP reports		
	2. Use of WFP food commodities by beneficiaries	Beneficiary contact monitoring		Food monitors	Regular field visits		WFP programme management
Output 2							
Targeted beneficiaries participate in food-supported asset creation and income generation activities	2. Number of beneficiaries participating in FFT 3. Number of beneficiaries participating in FFW	Implementing partner reports		M&E unit	Periodic IP reports		SPR

ANNEX IV: OCCUPIED PALESTINIAN TERRITORY PRRO 10387.0 — OBJECTIVES AND OUTCOMES

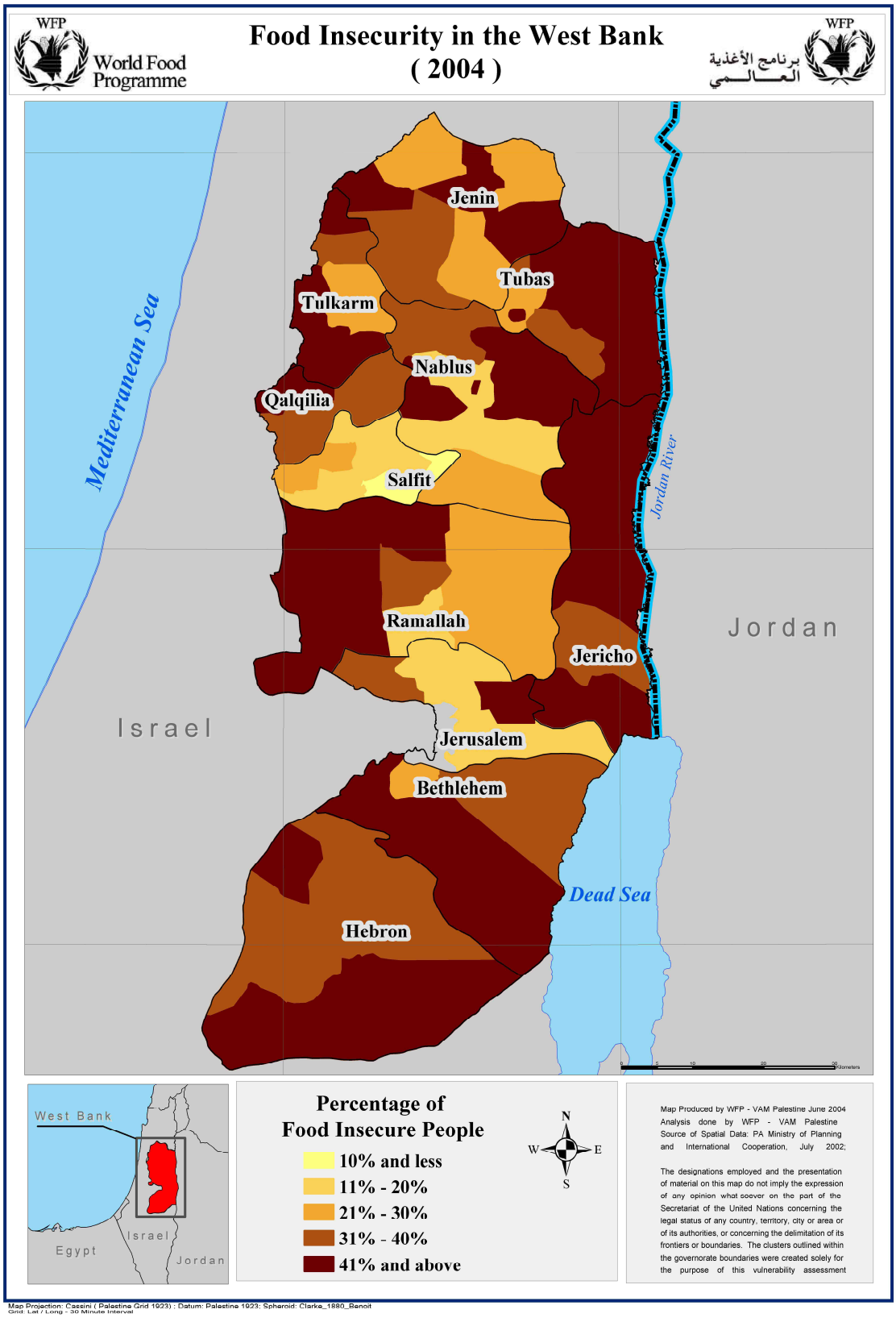
Information requirements	Means of verification						Uses of information
	Key indicators	**Data source**	**Frequency of collection**	**Responsibility for collection**	**Collection method**	**Cost/funding sources**	**Reporting**
Output 3							
Locally produced olive oil purchased (tot. 1,000 mt)	1. Mt of locally produced olive oil purchased	COMPAS		CTS clerk	COMPAS data entry		SPR
Objective 2: Capacity of Palestinian National Authority to establish and manage national food assistance programmes increased							
Outcome 2.1							
The Palestinian National authority is capable of planning and managing food-based programmes	1. Government is capable to take over the planning and management of food aid programmes.	To be checked with HQ					SPR Donor reports
	% of VAM study findings by the Palestinian National Authority in beneficiary targeting (baseline yet to be defined)	Implementing partner reports		IP, Programme/ VAM	Periodic IP reports SP2 survey / monitoring data / field staff		
Output 1							
Increased capacity of the Palestinian National Authority to identify food needs, develop strategies and carry out food-based programmes	1. Palestinian National Authority staff trained under WFP's technical assistance programmes (nine staff members)	Programme /VAM officer		Programme /VAM officer	Updated record keeping		SPR Donor reports
	2. Palestinian National Authority staff participation in WFP VAM assessments (nine staff members)	Programme /VAM officer		Programme /VAM officer	Updated record keeping		

ANNEX IV: OCCUPIED PALESTINIAN TERRITORY PRRO 10387.0 — OBJECTIVES AND OUTCOMES							
Information requirements	**Means of verification**						**Uses of information**
	Key indicators	**Data source**	**Frequency of collection**	**Responsibility for collection**	**Collection method**	**Cost/funding sources**	**Reporting**
Output 2							
Increased dialogue with the Palestinian National Authority to identify potential areas for technical assistance and cooperation	1. Number of new areas of technical services and cooperation between WFP and PNA established (target = 2)	Programme /VAM officer		Programme /VAM officer	Updated record keeping		SPR Donor reports

ANNEX V



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.



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ACRONYMS USED IN THE DOCUMENT

BPR	business process review
CCA	Common Country Assessment
COMPAS	Commodity Movement Processing and Analysis System
CRS	Catholic Relief Services
GDP	gross domestic product
EMOP	emergency operation
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FFT	food for training
FFW	food for work
FIVIMS	Food Insecurity and Vulnerability Information and Mapping System
IP	implementing partner
LACC	local aid coordination committee
LTSH	landside transport, storage and handling
M&E	monitoring and evaluation
MDG	Millennium Development Goal
MORSS	minimum operating security residential standards
MOSS	minimum operating security standards
OCHA	Office for the Coordination of Humanitarian Affairs
PARC	Palestinian Agricultural Relief Committee
PCBS	Palestinian Central Bureau for Statistics
PECDAR	Palestinian Economic Council for Development and Reconstruction
PRRO	protracted relief and recovery operation
SP	Strategic Priority
UNDAF	United Nations Development Framework
UNDP	United Nations Development Programme
UNDSS	United Nations Department of Safety and Security
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNICEF	United Nations Children's Fund
UNRWA	United Nation Relief Works Agency for Palestine Refugees in the Near East
USAID	United States Agency for International Development
VAM	vulnerability analysis and mapping
WHO	World Health Organization