

BUDGET INCREASE TO STATE OF PALESTINE PROTRACTED RELIEF AND RECOVERY OPERATION (PRRO 200709)

Food Assistance for Food-Insecure Populations in the West Bank and Gaza Strip

Start date: 1 January 2015 **End date:** 31 December 2016

Extension period: 12 months **New end date:** December 2017

Total revised number of beneficiaries	601,940		
Duration of entire project	24 months		
Extension period	12 months		
Gender marker code	2A		
WFP food tonnage	122,775		
Cost (United States dollars)			
	Current Budget	Increase	Revised Budget
Food and Related Costs	64,766,193	19,340,546	84,106,739
Cash and Vouchers and Related Costs	54,015,600	25,130,001	79,145,601
Capacity Development & Augmentation	2,461,504	605,500	3,067,004
DSC	20,270,005	9,537,385	29,807,390
ISC	9,905,931	3,822,940	13,728,871
Total cost to WFP	151,419,232	58,436,372	209,855,604

Cost (United States dollars)			
	Current Budget	Increase	Revised Budget
Food Transfer	46,436,506	14,423,384	60,859,890
C&V Transfer	47,715,600	24,930,000	72,645,600

NATURE OF THE INCREASE

1. The PRRO “Food Assistance for Food-Insecure Populations in the West Bank and Gaza Strip (200709)” is implemented in a context of ongoing protracted conflict, economic stagnation, high unemployment, high poverty and food insecurity rates of 47 percent in Gaza and 16 percent in the West Bank¹. Ongoing humanitarian assistance has prevented further deterioration in food security levels and is a key element in international and government-led responses. Restricted trade and access to resources in both areas combined

¹Socio Economic and Food Security Survey Report 2014

with the impact of civil unrest and conflict, prevents sustainable recovery and growth of the Palestinian economy.

2. PRRO 200709 budget revision 5 will:

- Extend the PRRO for one year from January 2017 until December 2017.
- Reduce the yearly operational cost by 19 percent, and increase the budget due to the extension-in-time, by USD 58,436,372 including:
 - An additional 37,222 mt in food transfers, valued at USD14,423,384
 - An increase in voucher transfer, valued at USD 24,930,000; and
 - Additional indirect support costs (ISC) of USD 3,822,940.
- Reduce the total number of planned beneficiaries from 601,940 in 2016 to 496,000 in 2017, mainly due to the discontinuation of the School Feeding Programme, Food for Training (FFT) and Food Assistance for Assets (FFA) activities based on the recommendations of the 2015/2016 Country Portfolio Evaluation (CPE) .

JUSTIFICATION FOR EXTENSION-IN-TIME AND BUDGET INCREASE

Summary of Existing Project Activities

3. This PRRO started in January 2015 and has been assisting the non-refugee population while the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNWRA) targets registered refugees.
4. The objectives of the PRRO extension will continue to be aligned with the United Nations Development Assistance Framework (UNDAF) 2014–2017; the new WFP Strategic Plan (2017-2021); the 2014–2016 WFP Country Strategy; the goals of the Regional Gender Implementation Strategy; the National Development Plan 2014-2017; the Zero Hunger Challenge goals 2 and 3; and Sustainable Development Goals (SDGs) 2 and 17.
5. The PRRO aims to respond to the exacerbated crisis in the Gaza Strip resulting from the 2014 war, and combines ongoing operations in the West Bank and Gaza Strip to coherently address urgent humanitarian needs and facilitate early recovery and sustainable, longer-term food security needs of the non-refugees by: meeting urgent food needs, enhancing food consumption and dietary diversity, and reinforcing the food security of food-insecure people under the national social safety net programme; and strengthening government capacity. The approach used complements ongoing large-scale assistance programmes, ensuring greater impact and flexibility in responding to diverse needs and providing the basis for a more resilient future.

Conclusion and Recommendations of the Re-Assessment

6. Food insecurity in Palestine is driven by limited economic access to food, arising from restrictions of movement, trade and investment and high unemployment rates. The 2014 Socio-Economic and Food Security Survey (SEFSec) found that the prevalence of food insecurity in the West Bank is 16 percent and 47 percent in Gaza Strip. In Palestine, the average household devotes 55 percent of its monthly expenditure to food and employs negative coping strategies to meet basic food requirements.

7. In Palestine, women are especially affected by food insecurity and poverty, evidenced by one-third of women headed households being food insecure as compared to only one-fourth of male headed households². The poverty rate³ in women headed households is also higher (29.8 percent) than those headed by men (25.5 percent). This, in part, can be fueled by unemployment rates⁴, which show a similar unequal trend with unemployment rates for women headed households being 39.2 percent in 2015 (a significant increase from 28.4 percent in 2011) compared to 22.5 percent (compared to 19.2 percent in 2011) within male headed households.
8. According to the most recent national surveys⁵, Palestinians are facing a double burden of malnutrition: high levels of micronutrient deficiencies and growing overweight and obesity. Around 50 percent of those tested had a very low levels of essential minerals and vitamins. Prevalence of mild anemia in young children (6 to 59 months) was on average between 20-24 percent for the whole of Palestine and about 8 percent of moderate anemia; no severe forms were observed. Similar results were found for pregnant women and lactating mothers. Anemia in Palestine is considered a moderate public health problem according to WHO public health standards. Overweight and obesity are also a problem in pregnant women of whom the respective prevalence was 31.3 percent and 26.2 percent based on weight and height measured before the 17th gestation week. In lactating mothers, overweight prevalence was 36.9 percent and obesity 23.4 percent. According to WHO standards at the prevalence of 10%, overweight is considered a moderate public health problem and requires action. On the other hand, wasting, stunting and underweight are considered as mild public health problems in Palestine.
9. Palestine has a lower middle-income economy with an average per capita Gross Domestic Product (GDP) of USD 4,484 in 2013⁶. To a large extent, the West Bank—and East Jerusalem—has long become an integral part of the Israeli economy. No less than 69.6 percent of the imports to the Palestinian territories come from Israel, while 83.9 percent of Palestinian exports are targeted at Israel. The cost of living in Palestine is linked to that in Israel, which has a per capita GDP of USD 30,927⁷.
10. Gaza continues to suffer from the impact of the 2014 conflict and the ongoing blockade, which has resulted in direct socio-economic consequences and a catastrophic economic situation. This is clear from the fact that in 2014, Gaza's GDP contracted by 15 percent, while unemployment rates rose to over 41 percent in 2015 - the highest in the world according to the International Monetary Fund (IMF). If the current situation remains, the already deteriorated socio-economic conditions are expected to further worsen with continued high levels of food insecurity and need for food assistance.
11. A CPE was conducted in 2015/2016 which recommended⁸ key changes to the PRRO, reflected under this extension and include the following:

² Socio Economic and Food Security Survey (SEFSec) 2014

³ PCBS Poverty Report 2010

⁴ PCBS, Labor force survey data for 2011 and 2015

⁵ Micronutrient surveys 2014 and 2013

⁶ Human Development Report 2015

⁷ Human Development Report, 2015.

⁸ The extension will also allow WFP to start working on the other CPE recommendations related to human resources, monitoring and partnerships.

- End the school feeding activity to better use scarce resources and shift to an advisory role;
- Discontinue the resilience-building interventions (FFA and FFT) as the Palestinian context is currently not conducive to using food assistance to develop or enhance livelihoods;
- Expand nutrition awareness activities; and
- Through a refocusing of its interventions to support national social safety nets, reframe GFA activities that not only ensure food security but also protect livelihoods.

Purpose of Extension and Budget Increase

12. This extension in time will allow the Country Office to:

- develop a Country Strategy Plan (CSP), in collaboration with the Palestinian Authority (PA), and in line with the Humanitarian Programme Cycle (HPC) and the UNDAF. WFP will also ensure the new approach is in line with the Palestinian Public Policy Agenda and sectoral strategies from 2017-2022 and activities continue alignment with those of the PA's National Social Safety Net Programme. The extension will allow alignment with the regional gender implementation strategy and the Country Office gender action plan.
- continue to meet the food needs of the poor and food insecure non-refugee Palestinian population falling below the deep poverty line⁹ and with poor or borderline food consumption scores, with priority given to:
 - the Gaza Strip and Area C of the West Bank;
 - food insecure women headed households; and
 - households with the biggest consumption and dietary gaps.
- implement the CPE recommendations as specified in the Management Responses to Evaluation Recommendations.

Activity	Area	Current (2016)			Beneficiaries planned During Extension Period (2017)			Revised Total (highest planned during the whole operation)		
		Boys / Men	Girls / Women	Total	Boys / Men	Girls / Women	Total	Boys / Men	Girls / Women	Total
General Food Assistance (GFA): Food	West Bank	71,298	76,702	148,000	63,717	66,283	130,000	71,298	76,702	148,000
	Gaza	86,851	83,149	170,000	77,342	72,658	150,000	86,851	83,149	170,000
GFA: Cash Based Transfer (CBT) via e-vouchers	West Bank	46,670	45,330	92,000	50,197	56,803	107,000	50,197	56,803	107,000
	Gaza	35,051	32,949	68,000	43,696	41,304	85,000	43,696	41,304	85,000
GFA: Food and CBT via e-vouchers	Gaza	5,318	4,682	10,000	5,318	4,682	10,000	5,318	4,682	10,000
GFA institutional feeding: food	West Bank	3,363	3,637	7,000	4,298	2,702	7,000	4,298	2,702	7,000
	Gaza	2,103	1,897	4,000	2,103	1,897	4,000	2,103	1,897	4,000
GFA institutional feeding: CBT via e-vouchers	West Bank	1,441	1,559	3,000	1,530	1,470	3,000	1,441	1,559	3,000
School feeding: food	West Bank	29,497	28,503	58,000	0	0	0	29,497	28,503	58,000
	Gaza	26,197	26,803	53,000	0	0	0	26,197	26,803	53,000
FFA/FFT: CBT via e-vouchers	West Bank	5,044	4,956	10,000	0	0	0	5,044	4,956	10,000

⁹ The deep poverty line is current USD 509.

	Gaza	5,317	4,683	10,000	0	0	0	5,317	4,683	10,000
Total¹⁰		301,832	300,108	601,940¹¹	248,201	247,799	496,000	301,832	300,108	601,940¹²

*A total of 205,000 will receive CBT via e-vouchers For GFA/food in Gaza, there is a decrease of 20,000 beneficiaries (from 170,000 to 150,000), who will be shifted to receiving CBT via e-vouchers.

13. The planned number of beneficiaries will decrease to reach 496,000 beneficiaries during the extension period, including shifting 20,000 WFP beneficiaries¹³ in the Gaza Strip from receiving food in partnership with the Ministry of Social Development (MSD) to receiving cash based transfers (CBT) – restricted via e-vouchers¹⁴. In general, the CBT proportion will increase from 32 to 41 percent. This would be in line with the overall WFP support to the National Social Safety Net which has been implemented since 2013 in the West Bank. The nutrition awareness activities will be expanded to both the Gaza Strip and the West Bank. It will incorporate delivering key nutrition messages to children and will target both women and men, with the objective of improving nutrition and health awareness among WFP beneficiaries, aiming at improving dietary diversity at household level. This would help to achieve objectives 2 and 3 of the WFP gender policy.
14. In the area of livelihood protection, WFP will further work with the Palestinian MSD on livelihood analysis for households under the National Social Safety Net. This will be guided by the forthcoming scoping study by the Regional Bureau and the International Institute of Social Studies on WFP’s role in social protection. WFP activities will continue to be implemented incorporating the safety of beneficiaries and emphasize protection.

¹⁰ Adjusted total for “current and revised” – taking into consideration overlaps. No overlaps within the beneficiaries to be assisted during BR5 period.

¹¹ Planned under BR 2. BR 3&4 factored in technical changes with no implications on beneficiary numbers.

¹² Ibid 14. This total reflects the total highest planned during the whole operation excluding overlaps within the beneficiaries.

¹³ This group of beneficiary is already WFP beneficiaries who have been receiving WFP food assistance, while the change will be shifting the modality from food to CBT via e-vouchers.

¹⁴ All CBT female and male beneficiaries will continue to have access to beneficiary feedback mechanism through secure boxes at retailers’ level and also through hotline system operated by WFP partners.

	GFA/food	GFA/ vouchers	GFA/ combined food and voucher	GFA/ institutional feeding/ food	GFA/ institutional feeding/ vouchers
Fortified wheat flour	300		300	300	
Chickpeas	15			15	
Lentils	10			10	
Vegetable oil	15			15	
Iodized salt	5			5	
Voucher (USD/person/month)		10.30	6.90	-	10.30
TOTAL (g/voucher) (USD)	345		300	345	
Total kcal/day	1,271 kcal			1,271 kcal	
% kcal from protein	12.7%			12.7%	
% kcal from fat	14.5%			14.5%	
Number of feeding days per year	360	360	360	360	3

FOOD REQUIREMENTS

15. WFP Palestine continues to follow standard WFP procurement procedures in procuring commodities from the most cost-effective markets whether international, regional or local, while supporting local production and market structures in line with WFP's strategy in Palestine.

16. The revised food and voucher requirements by activity for 2017 compared with PRRO original figures, are shown in Table 3 below.

Activity	Transfer Modality	Food requirements (mt) Cash/Voucher (USD)		
		Current	Increase	Revised total
GFA	Food (mt)	78,387	34,776	113,163
GFA	CBT via e-vouchers (USD)	39,552,000	23,731,200	63,283,200
GFA	Hybrid: Food + CBT e-vouchers (Food: mt)	540	1,080	1,620
	Hybrid: Food + CBT via e-vouchers (voucher value: USD)	1,242,000	828,000	2,070,000
School Feeding	Food (mt)	3,894	0	3,894
GFA /institutional feeding	Food (mt)	2,732	1,366	4,098

GFA /institutional feeding	CBT via e-voucher (USD)	741,600	370,800	1,112,400
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ANNEX I-A

PROJECT COST BREAKDOWN			
	Quantity (mt)	Value (USD)	Value (USD)
<i>Food Transfers</i>		-	-
Cereals	32,508	10,012,464	
Pulses	2,619	2,713,284	
Oil and fats	1,571	1,566,686	
Mixed and blended food	-	-	
Others	524	130,950	
Total Food Transfers	37,222	14,423,384	
External Transport		380,884	
LTSH		4,536,278	
ODOC Food		-	
Food and Related Costs ¹⁵			19,340,546
C&V Transfers		24,930,000	
C&V Related costs		200,001	
Cash and Vouchers and Related Costs			25,130,001
Capacity Development & Augmentation			605,500
<i>Direct Operational Costs</i>			45,076,047
Direct support costs (see Annex I-B)			9,537,385
Total Direct Project Costs			54,613,432
Indirect support costs (7,0 percent) ¹⁶			3,822,940
TOTAL WFP COSTS			58,436,372

¹⁵ This is a notional food basket for budgeting and approval. The contents may vary.

¹⁶ The indirect support cost rate may be amended by the Board during the project.

ANNEX I-B

DIRECT SUPPORT REQUIREMENTS (USD)	
WFP Staff and Staff-Related	
Professional staff	2,353,385
General service staff	4,445,000
Danger pay and local allowances	-
Subtotal	6,798,385
Recurring and Other	1,060,000
Capital Equipment	350,000
Security	385,000
Travel and transportation	644,000
Assessments, Evaluations and Monitoring	300,000
TOTAL DIRECT SUPPORT COSTS	9,537,385

Summary Logframe 2.1 for the project 200709 (Single Country PRRO): Food Assistance for the Food-Insecure Population in the West Bank and Gaza Strip.

LOGICAL FRAMEWORK		
Results	Performance indicators	Assumptions
Cross-cutting		
<p>Cross-cutting result GENDER: Gender equality and empowerment improved</p>	<ul style="list-style-type: none"> › Proportion of households where females make decisions over the use of cash, voucher or food › Proportion of households where males make decisions over the use of cash, voucher or food › Proportion of women project management committee members trained on modalities of food, cash, or voucher distribution › Proportion of households where females and males together make decisions over the use of cash, voucher or food › Proportion of women beneficiaries in leadership positions of project management committees 	<p>Funding Availability for targeted interventions</p>
<p>Cross-cutting result PROTECTION AND ACCOUNTABILITY TO AFFECTED POPULATIONS: WFP assistance delivered and utilized in safe, accountable and dignified conditions</p>	<ul style="list-style-type: none"> › Proportion of assisted people (men) who do not experience safety problems travelling to, from and/or at WFP programme site › Proportion of assisted people (women) who do not experience safety problems travelling to, from and/or at WFP programme sites › Proportion of assisted people informed about the programme (who is included, what people will receive, where people can complain) › Proportion of assisted people who do not experience safety problems travelling to, from and/or at WFP programme site 	<p>Adequacy of distribution points</p> <p>Partners' staff have the technical skills to manage and organize distributions</p>

	<ul style="list-style-type: none"> › Proportion of assisted people (men) informed about the programme (who is included, what people will receive, where people can complain) › Proportion of assisted people (women) informed about the programme (who is included, what people will receive, where people can complain) 	
<p>Cross-cutting result</p> <p>PARTNERSHIP: Food assistance interventions coordinated and partnerships developed and maintained</p>	<ul style="list-style-type: none"> › Amount of complementary funds provided to the project by partners (including NGOs, civil society, private sector organizations, international financial institutions and regional development banks) › Number of partner organizations that provide complementary inputs and services › Proportion of project activities implemented with the engagement of complementary partners 	Appropriate partners continue to be present and operational
SO1: Save lives and protect livelihoods in emergencies		
<p>Outcome SO1.1</p> <p>Stabilized or improved food consumption over assistance period for targeted households and/or individuals</p>	<ul style="list-style-type: none"> › Diet Diversity Score › Diet Diversity Score (female-headed households) › Diet Diversity Score (male-headed households) › FCS: percentage of households with poor Food Consumption Score › FCS: percentage of households with poor Food Consumption Score (female-headed) › FCS: percentage of households with poor Food Consumption Score (male-headed) 	<p>Political and security environments improve</p> <p>Beneficiaries will use cash saved from food/voucher assistance to buy other complementary, nutritious food items to supplement their diet</p>
<p>Outcome SO1.2</p> <p>National institutions, regional bodies and the humanitarian community are able to prepare for, assess and respond to emergencies</p>	<ul style="list-style-type: none"> › EPCI: Emergency Preparedness and Response Capacity Index 	Political situation remains relatively stable
<p>Output SO1.1</p>	<ul style="list-style-type: none"> › Number of women, men, boys and girls receiving food 	Target population participates in

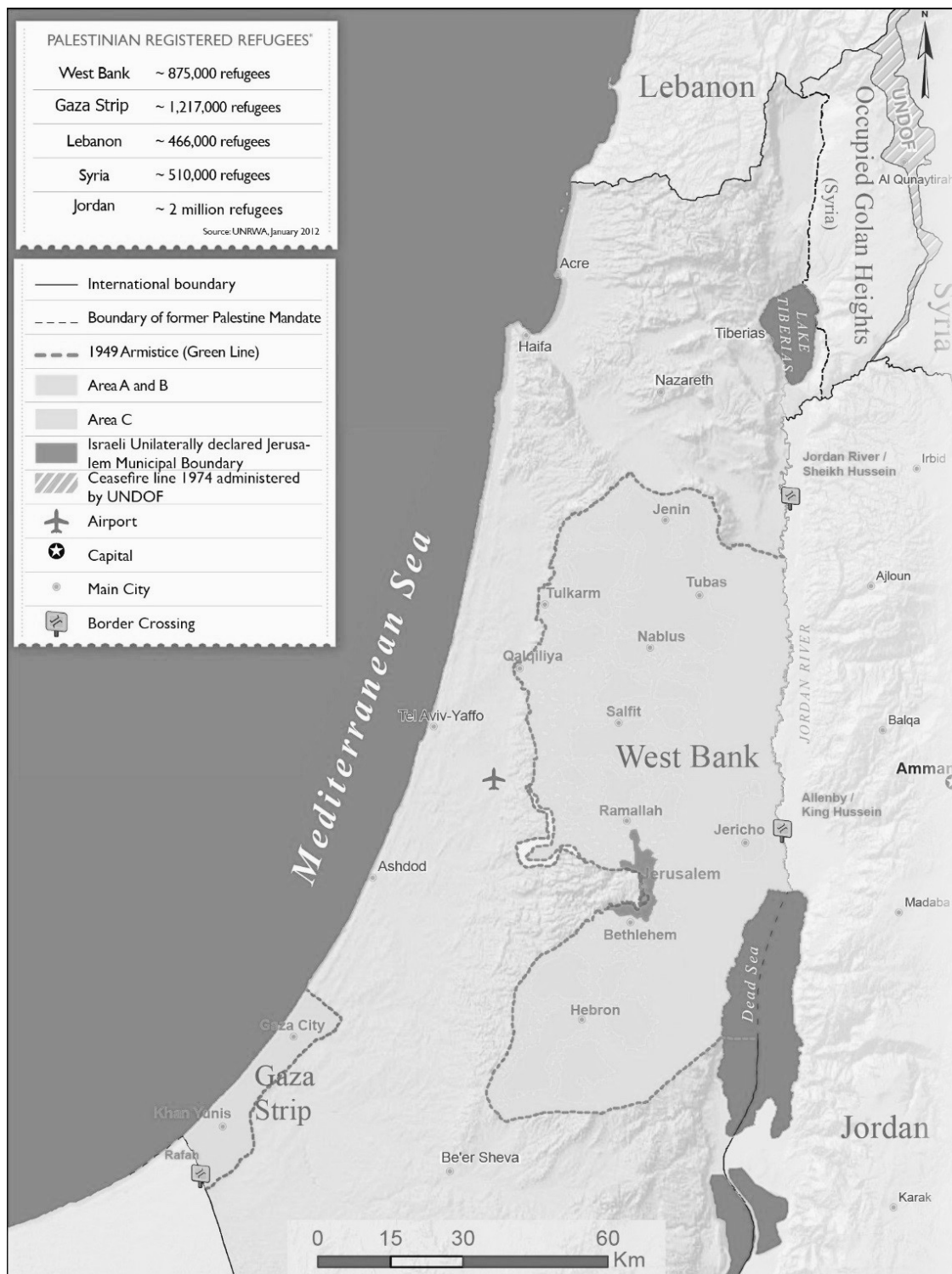
<p>Food, nutritional products, non-food items, cash transfers and vouchers distributed in sufficient quantity and quality and in a timely manner to targeted beneficiaries</p>	<p>assistance, disaggregated by activity, beneficiary category, sex, food, non-food items, cash transfers and vouchers, as % of planned</p> <ul style="list-style-type: none"> › Total value of vouchers distributed (expressed in food/cash) transferred to targeted beneficiaries, disaggregated by sex and beneficiary category, as % of planned › Quantity of food assistance distributed, disaggregated by type, as % of planned 	<p>identification, planning, implementation and maintenance of project activities</p> <p>Appropriate partners are selected for implementation with sufficient human resources capacity, and commitments honored</p> <p>Secure access to distribution points</p> <p>No pipeline breaks occur and sufficient food is available in shops</p> <p>WFP and partners respect field-level agreements to enable programme to function smoothly</p> <p>Security incidents do not affect shopkeepers or beneficiaries directly</p> <p>Staple food and fuel prices remain stable</p>
<p>Output SO1.2 Emergency management capacity created and/or supported</p>	<ul style="list-style-type: none"> › Number of people trained, disaggregated by sex and type of training › Number of technical assistance activities provided, by type 	<p>PCD cooperation and commitment is strong</p>
<p>SO2: Support or restore food security and nutrition and establish or rebuild livelihoods in fragile settings and following emergencies</p>		
<p>Outcome SO2.1 Adequate food consumption reached or maintained over assistance period for targeted households</p>	<ul style="list-style-type: none"> › FCS: percentage of households with poor Food Consumption Score (male-headed) › FCS: percentage of households with poor Food Consumption Score (female-headed) 	<p>Political and security environments improve</p> <p>Beneficiaries will use cash saved from food/voucher assistance to buy other</p>

	<ul style="list-style-type: none"> › FCS: percentage of households with poor Food Consumption Score › FCS: percentage of households with borderline Food Consumption Score (male-headed) › FCS: percentage of households with borderline Food Consumption Score (female-headed) › FCS: percentage of households with borderline Food Consumption Score › Diet Diversity Score (male-headed households) › Diet Diversity Score (female-headed households) › Diet Diversity Score 	complementary, nutritious food items to supplement their diet
<p>Outcome SO2.2</p> <p>Capacity developed to address national food insecurity needs</p>	<ul style="list-style-type: none"> › NCI: Resilience programmes National Capacity Index 	<p>Political situation remains relatively stable</p> <p>Commitment of PCBS and UN partners to continue assessing and monitoring food security situations</p> <p>Commitment of the government to develop the New Social Development Sector Strategy 2017-2022</p>
<p>Output SO2.1</p> <p>Food, nutritional products, non-food items, cash transfers and vouchers distributed in sufficient quantity and quality and in a timely manner to targeted beneficiaries</p>	<ul style="list-style-type: none"> › Total value of vouchers distributed (expressed in food/cash) transferred to targeted beneficiaries, disaggregated by sex and beneficiary category, as % of planned › Quantity of food assistance distributed, disaggregated by type, as % of planned 	<p>Target population participates in identification, planning, implementation and maintenance of project activities</p> <p>Appropriate partners are selected for implementation with sufficient human</p>

	<ul style="list-style-type: none"> › Number of women, men, boys and girls receiving food assistance, disaggregated by activity, beneficiary category, sex, food, non-food items, cash transfers and vouchers, as % of planned 	<p>resources capacity, and commitments honored</p> <p>Secure access to distribution points</p> <p>No pipeline breaks occur and sufficient food is available in shops</p> <p>WFP and partners respect field-level agreements to enable programme to function smoothly</p> <p>Security incidents do not affect shopkeepers or beneficiaries directly</p> <p>Staple food and fuel prices remain stable</p>
<p>Output SO2.2 National systems for monitoring trends in food security and nutrition strengthened</p>	<ul style="list-style-type: none"> › Number of food security and nutrition monitoring/surveillance reports produced with WFP support › Number of government counterparts trained in collection and analysis of food and nutrition security data 	<p>Government technical staff participate actively</p>
<p>SO3: Reduce risk and enable people, communities and countries to meet their own food and nutrition needs</p>		
<p>Outcome SO3.1 Increased marketing opportunities for producers and traders of agricultural products</p>	<ul style="list-style-type: none"> › Food purchased from regional, national and local suppliers, as % of food distributed by WFP in-country › Fortified foods purchased from regional, national and local suppliers, as % of fortified food distributed by WFP in-country 	<p>Competitive prices prevail at regional and national levels</p>

and food at the regional, national and local levels		
Output SO3.1 Increased WFP food purchase from regional, national and local markets and smallholder farmers	, Quantity of food purchased locally through local and regional purchases (in mt)	Food is available locally in sufficient quantity and quality

ANNEX III MAP



The designations employed and the presentation of material on this map do not imply the expression of any opinion what so ever on the part of the Secretariat of the United Nations concerning the legal status of any country, territory, city or area of its authorities ,or concerning the delimitation of its frontiers or boundaries. (OCHA oPt)

ACRONYMS USED IN THE DOCUMENT

CBT	Cash based transfer
CO	Country Office
CPE	Country Portfolio Evaluation
GDP	gross domestic product
GFA	general food assistance
HPC	Humanitarian Programme Cycle
MSD	Ministry of Social Development
PA	Palestinian Authority
SDG	Sustainable Development Goal
PCBS	Palestinian Central Bureau of Statistics
PCD	Palestinian Civil Defence
PRRO	Protracted Relief and Recovery Operation
SEFSec	Socio Economic and Food Security Survey
UNDAF	United Nations Development Assistance Framework
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East

ANNEX IV - [LTSH-matrix](#)

ANNEX V - [Project Budget Plan](#)