

BUDGET DECREASE TO YEMEN COUNTRY PROGRAMME 104350
Budget Revision # 8

Title of the project: “Nutrition support to women and children and other vulnerable groups/Promotion of enrolment and attendance to education for girls at all grade levels”

	Cost (United States dollars)		
	Current budget	Decrease	Revised budget
Food cost	52,245,195	113,477	52,358,672
External transport	4,568,387	(108,434)	4,459,954
LTSH	10,098,700	(390,353)	9,708,348
ODOC	1,036,186	(42,901)	993,285
DSC	7,258,205	(847,787)	6,410,418
ISC (7%)	5,264,467	(89,320)	5,175,147
Total cost to WFP	80,471,141	(1,365,318)	79,105,823

NATURE OF THE DECREASE

1. This budget revision to the Yemen country programme (CP 10435) reflects a decision made at the end of 2010 in consultation with the Government to re-focus WFP nutrition activities in the country to better address the serious rise in acute malnutrition. As a result, nutrition interventions were consolidated in a new protracted relief and recovery operation (PRRO 200038) starting in January 2011 and the following revisions are proposed for the CP:
 - early closure of the nutrition component (activity 1), bringing forward its end date from 31 December 2011 to 31 December 2010;
 - overall reduction in commodities of 3,151 mt; and
 - reduction of costs related to the decreased tonnage and early closure of the nutrition activities: external transport by US\$108,434; landside transport, storage and handling (LTSH) by US\$390,353; other direct operational costs (ODOC) by US\$42,901; and direct support costs (DSC) by US\$847,787.
2. The revision also includes the incorporation of dates donated by the Kingdom of Saudi Arabia in the food basket of the various CP activities.

JUSTIFICATION FOR BUDGET DECREASE

Summary of Existing Project Activities

3. The CP was launched in January 2007 with the overall goal of contributing to the joint efforts of the Government and United Nations agencies to reduce poverty and food insecurity in Yemen, in line with the Millennium Development Goals (MDGs) and the National Development Plan 2006–2010. The CP comprises two core components: (1) nutrition support and education, targeting mothers, children and tuberculosis and leprosy patients; and (2) promotion of school enrolment and attendance for girls.

4. The objective of the nutrition component (activity 1) is to help improve the health and nutritional status of targeted vulnerable individuals. WFP food assistance constitutes a nutritional supplement for malnourished children under 5 and malnourished pregnant and lactating women. It also acts as an incentive for regular attendance at health care centres offering mother and child health (MCH) services, and represents an important income transfer.
5. The objective of the education component (activity 2) is to reduce the education gender gap in Yemen through the provision of food incentives to encourage families to enroll and keep their daughters in basic and secondary-level education.

Conclusion and Recommendations of the Re-Assessment

6. Food insecurity and acute malnutrition rates have sharply risen in Yemen in recent years as a result of the global food, fuel and economic crises. Conflict in the north and civil unrest and refugee influxes in the south also affect delivery of social services. The incidence of poverty has increased by 25 percent since 2006. A 2009 WFP food security survey¹ reported that 32 percent of the population was food-insecure, including 12 percent severely. Based on the mid-upper arm circumference, 9.5 percent of children aged 12-59 months and 25 percent of pregnant and lactating women were acutely malnourished. A previous household survey in 2005/06² had found that 13 percent of children 6-59 months were wasted (on the basis of their weight-for-height) and 56 percent stunted (on the basis of their height-for-age).
7. In response to the deteriorating food security and nutrition situation, WFP launched an emergency operation in 2008 (EMOP 107670) including general food distribution and supplementary feeding, and designed a follow-on PRRO (200038) for the period January 2011-December 2012 to continue these components until the Government can take over and expand supplementary feeding coverage. It was recognized that the CP nutrition activities were not geared towards efficiently addressing such high rates of acute malnutrition.

Purpose of Budget Decrease

8. In order to ensure operational continuity and meet the intended food security and nutrition outcomes of WFP operations, the new Yemen WFP strategy is to consolidate all nutrition activities (both targeted and blanket supplementary feeding programmes) under the new PRRO 200038 started in January 2011, and make supplementary feeding a core part of WFP's activities. This new approach, which is in line with priorities identified by the Government and the humanitarian community, should enable WFP to better address acute malnutrition in partnership with Government, other United Nations agencies and non-governmental organizations. WFP and the Government have accordingly agreed to close the nutrition component activities of the CP at the end of 2010.
9. As a result, both ODOC and DSC costs related to this component have been removed from the 2011 CP budget, and staff budgeting has been revised to reflect the share between the remaining CP activities and the new PRRO activities.
10. In addition, this budget revision incorporates an in-kind contribution of dates from the Kingdom of Saudi Arabia for the CP activities.

¹ WFP Comprehensive Food Security Survey (CFSS), October/November 2009.

² Household Budget Survey, 2005/06.

TABLE 1. PARTICIPANTS BY ACTIVITY (2011)				
Activity ³	Category of participants	Participants		
		Current	Decrease	Revised
ACTIVITY 1	Pregnant women and lactating mothers	12,600	12,600	-
	Malnourished children under 5	9,800	9,800	-
	TB and leprosy patients	1,730	1,730	-
ACTIVITY 2	School girls (take-home rations)	114,639	-	114,639
Total		138,769	24,130	114,639

11. The modalities of implementation for the education component (activity 2) will remain the same. The Ministry of Education (MoE) and WFP will share the responsibility for food management. Food distribution will be twice a year with the same total amount of food. Distributions will continue to take place at the school level with the support of parent associations, headmasters and teachers.

FOOD REQUIREMENTS

12. Given the early termination of the nutrition component activities, overall food requirements for the CP will decrease as outlined below:

TABLE 2. FOOD REQUIREMENTS BY ACTIVITY (2007-2011)				
ACTIVITY	Commodity type	Food requirements (mt)		
		Current	Decrease / Increase	Revised total
Activity 1	Cereal	13,590	-2,718	10,872
	Dates	500	108	608
	Mixed and Blended	5,250	-1,050	4,200
	Miscellaneous	796	-159	637
	Oil	1,048	-210	838
Activity 2	Cereal	69,858	-	69,858
	Dates	1,460	878	2,338
	Oil	3,562	-	3,562
Total		96,064	-3,151	92,913

³ The figures represent the direct recipients/participants; however, since family rations are provided, beneficiary numbers are much higher based on an average household size of 7 members.

Approved:

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Date

ANNEX I-A

BUDGET DECREASE COST BREAKDOWN			
Food ⁴	Quantity (mt)	Value (US\$)	Value (US\$)
Cereals	-2,718	-1,496,911	
Pulses	0	0	
Oil and fats	-210	-301,663	
Mixed and blended food	-1,050	-727,650	
Others	827	2,639,701	
Total food	-3,151	113,477	
Cash transfers		-	
Voucher transfers		-	
Subtotal food and transfers			113,477
External transport			-108,434
Landside transport, storage and handling			-390,353
Other direct operational costs			-42,901
Direct support costs ⁵ (see Annex I-B details)			-847,787
		Total direct project costs	-1,275,998
		Indirect support costs (7%) ⁶	-89,320
		TOTAL WFP COSTS	-1,365,318

⁴ This is a notional food basket for budgeting and approval. The contents may vary.

⁵ Indicative figure for information purposes. The direct support costs allotment is reviewed annually.

⁶ 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	
International professional staff	-539,475
International general service staff	0
Local staff - national officers	48,000
Local staff - general service	-168,000
Local staff - temporary assistance	0
Local staff - overtime	0
Hazard pay and hardship allowance	-83,256
International consultants	0
Local consultants	0
Non staff HR: UNV	0
Commercial consultancy services	0
Staff duty travel	-32,000
Subtotal	-774,731
Recurring expenses	
Rental of facility	0
Utilities general	-2,880
Office supplies and other consumables	-3,456
Communications and IT services	-28,800
Equipment repair and maintenance	-1,584
Vehicle running cost and maintenance	0
Office set-up and repairs	-18,096
UN organization services	0
Subtotal	-54,816
Equipment and capital costs	
Vehicle leasing	0
TC/IT equipment	-5,040
Local security costs	-13,200
Subtotal	-18,240
TOTAL DIRECT SUPPORT COSTS	-847,787