

**BUDGET INCREASE TO YEMEN PRRO 200038
(Budget Revision Number 1)**

“Emergency Food Security and Nutrition Support to the Vulnerable Population”

	Current budget US\$	Increase US\$	Revised budget US\$
Food cost	53,283,832	8,209,191	61,493,023
External transport	1,591,692	11,790	1,603,482
LTSH	6,886,899	318,318	7,205,217
ODOC	4,647,315	-	4,647,315
DSC	5,758,935	455,964	6,214,899
ISC (7%)	5,051,807	629,668	5,681,475
Total cost to WFP	77,220,479	9,624,931	86,845,410

NATURE OF THE INCREASE

1. This budget revision has a net increase in the food requirement of 1,162 mt and US\$8.2 million to protracted relief and recovery operation (PRRO) 200238 as a result of:
 - The inclusion of a component for emergency response for 24,000 people affected by socio-political instability and natural disasters (2,802 mt of food).
 - Decrease in food commodities (1,639 mt) related to 10,000 households (70,000 people) removed from the Emergency Safety Net food component of the PRRO and now included under a cash-transfer pilot (trust fund) project.
 - The increase in the 2011 food costs to reflect the local and international price trends.
2. Increase in the external transport costs in line with the increased food tonnage.
3. Increase in the landside transport, storage and handling (LTSH) costs reflecting costs related to the additional tonnage as well as the increased LTSH costs per ton.
4. Increase in direct support costs (DSC) related to new staffing requirements for implementation of this PRRO following the most recent staffing review exercise in WFP Yemen.

JUSTIFICATION FOR BUDGET INCREASE

Summary of Existing Project Activities

5. This is the central operation for WFP in Yemen, addressing very high food insecurity and malnutrition. It was developed in response to WFP’s 2010 Comprehensive Food Security Survey (CFSS), and succeeded the emergency operation “Targeted food support to vulnerable groups affected by high food prices” (EMOP 107670, January 2009 to December 2010). The objectives of the operation during its two-year duration are to stabilize acute food insecurity and malnutrition, and support the Government to transition to medium-term and long-term interventions.

6. The PRRO has three components:
 - A nutrition component addresses malnutrition through a combination of prevention of acute malnutrition, and treatment of moderate acute malnutrition (MAM).
 - A seasonal Emergency Safety Net (ESN) component assists severely food-insecure people throughout the annual ‘hunger’ period (May to October 2011) by providing beneficiaries with rations to cover their residual food calorie gap.
 - A food-for-work (FFW) component that targets rural households in food-insecure areas to improve household access to food by offering temporary work opportunities that improve longer-term food security.

Purpose of Revision

7. As in some other parts of the Middle East, Yemen has been experiencing severe political instability and rising insecurity, with mass protests resulting in death and injury. In addition, Yemen is prone to natural disaster-induced displacement of people through floods and droughts, necessitating different small-scale WFP emergency responses. Recently there have been temporary displacements of people due to flooding in Hodeidah, Taiz and Abyan governorates, as well as rising insecurity and conflict-induced displacement in southern Yemen. This budget revision proposes the inclusion of a small emergency response component to meet the anticipated needs resulting from the current political events and natural disasters. Based on historical levels of displacement, this requirement has been calculated as a “dry” ration for 3,000 households (21,000 individuals) for the remainder of 2011.
8. In response to events in Yemen, the Kingdom of Saudi Arabia has reinforced security along its southern border, resulting in increasing numbers of economic migrants from eastern Africa becoming stranded in northern Yemen with no financial means to return. The migrants’ situation continues to deteriorate, and the Government of Yemen’s ability to assist with basic services is limited. The humanitarian community is jointly providing temporary assistance to those registered migrants that have indicated their desire to be repatriated. WFP proposes to include contingency “wet” rations for 3,000 individuals for the remainder of 2011. This figure is based on the number of migrants currently stranded in northern Yemen, and takes into consideration both arrival trends and the plans of humanitarian partners to repatriate migrants wishing to return to their home countries.
9. The revision recognizes increases in commodity costs for 2011 from global increases in food prices.
10. This revision will remove from this PRRO budget the beneficiaries, commodities and associated costs for the 10,000 severely-food insecure households that will be assisted in a parallel cash transfer pilot project.¹ The 10,000 households (70,000 beneficiaries) that will be targeted with cash assistance were previously included in the original PRRO budget and this budget revision will reduce the food commodities and their associated costs accordingly.

² Yemen is one of five pilot countries taking part in the Trust Fund initiative “*Enhancing WFP’s Capacity and Experience to Design, Implement, Monitor and Evaluate Vouchers and Cash Transfer Programmes*” led by WFP’s Policy, Planning and Strategy Division. It aims to enhance WFP capacities in the design and implementation of cash and vouchers and to establish a corporate knowledge base. The pilot project includes a comprehensive analysis of the intervention that will be conducted by the International Food Policy Research Institute (IFPRI). Under this initiative, WFP will pilot an unconditional cash transfer scheme in parallel with the seasonal food transfers under the ESN. The pilot will enable WFP to assess the comparative advantages of food versus cash transfers in addressing severe food insecurity in Yemen.

Table 1: Beneficiaries by Activity Type/Component (2011)

Activity	Category of beneficiaries	Beneficiaries		
		Current	Increase/Decrease	Revised
Treatment MAM (Children 6-59 months)	Vulnerable group	106,000	-	106,000
Prevention of acute malnutrition (Children 6-24 months)		206,000	-	206,000
Treatment of acute malnutrition (Pregnant & lactating women)		44,000	-	44,000
Emergency Safety Net (ESN)	Severely food-insecure households	1,812,000	(70,000)	1,742,000
Food for Work (FFW)	Food-insecure households	17,500	-	17,500
Emergency Food Response	IDPs and disaster-affected	-	21,000	21,000
	Stranded Migrants	-	3,000	3,000
Total		2,136,848*	(46,000)	2,090,848*

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

11. The modalities of food distribution for the seasonal ESN, the nutrition activities and the food-for-work activities will not be altered by this budget revision.
12. For the stranded migrants, WFP will provide food commodities for the wet feeding rations to the kitchen facility/transit centre operated by the International Organization for Migration (IOM) and the office of the United Nations High Commissioner for Refugees (UNHCR) in Haradh, northern Yemen. The centre will provide registered migrants with one hot meal daily whilst they await repatriation.
13. Under the Emergency Food Response for persons displaced due to political and security concerns or natural disasters, WFP will establish *ad hoc* food management committees to liaise with the affected local communities and develop context-specific distribution modalities.
14. **Risk Assessment:** The main contextual risks to the PRRO are: (i) a further deterioration of the security which could restrict access of WFP and partners for assessments, distributions and monitoring; (ii) insecurity in Sana'a that could restrict the presence of WFP and other United Nations staff their offices in the capital city; and (iii) further increases in food prices. The main programmatic risks are whether (i) government partners can scale-up nutrition activities as required; and (ii) partners providing complementary services can maintain operations at appropriate levels (eg therapeutic feeding). The main institutional risks are (i) the security of staff for WFP and its partners; and (ii) inadequate funding for the PRRO, which may result in coverage of fewer beneficiaries than planned or in ration cuts.

Table 2: Proposed Modification of Food Rations/Cash Transfer*		
Commodity Type	Emergency Food Response (g/person/day)	
	Dry	Wet
Wheat flour	476	240
Pulses	-	24
Vegetable oil	22	12
Sugar	-	12
Salt	-	2.5
High- energy biscuits (HEB)	95	-
Total	593 grams	291 grams
Total kcal/day	2,291 kcal	1,076 kcal
% Kcal from protein	12%	12%
% Kcal from fat	17%	13%

*There is no change in the ration for Emergency Safety Net beneficiaries continuing to receive in-kind foodtransfers. Similarly there are no changes in the rations under the nutrition component, or under food-for-work.

FOOD REQUIREMENTS

15. The additional food quantities needed for achieving the revised project are provided below.

Table 3: Increase or (Decrease) in Requirement by Activity Type (2011)							
Activity	WHF	Pulses	Veg.Oil	Sugar	Salt	HEB	TOTAL
Treatment MAM (children 6-59 months)	-	-	-	-	-	-	-
Prevention acute mal'n (children 6-24 months)	-	-	-	-	-	-	-
Treatment acute mal'n (preg. & lactating women)	-	-	-	-	-	-	-
ESN	(1,500)	-	(140)	-	-	-	(1,640)
FFW	-	-	-	-	-	-	-
Emergency Food Response (Dry)	2,100	-	97	-	-	419	2,616
Emergency Food Response (Wet)	152	16	8	8	2	-	186
Total (MT)	752	16	(35)	8	2	419	1,162

16. The revised total food requirements for 2011 are shown below in table 4:

Activity	Treat MAM (6-59 months)	Prevent acute mal'n (6-24 months)	Treat acute mal'n (preg. & lactating women)	ESN	FFW	Emergency Food Response	TOTAL
Wheat Flour	-	-	-	37,329	1,500	2,252	41,081
Pulses	-	-	-	-	450	16	466
Vegetable Oil	-	266	279	3,472	150	105	4,272
Sugar	-	266	210	-	-	8	484
Salt	-	-	-	-	-	2	2
WSB	-	2,664	2,297	-	-	-	4,961
Sup. Plumpy	878	-	-	-	-	-	878
Plumpy'Doz	-	1,717	-	-	-	-	1,717
HEB	-	-	-	-	-	419	419
Total food (mt)	878	4,913	2,786	40,801	2,100	2,802	54,280

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RECOMMENDATION

This budget revision to PRRO Yemen 200038 "Emergency Food Security and Nutrition Support to the Vulnerable Population" for an increase of US\$9.6 million is recommended for approval by the Executive Director of WFP.

Approved by:

 Josette Sheeran
 Executive Director, WFP

 Date

BUDGET INCREASE COST BREAKDOWN			
Food	Quantity (mt)	Value (US\$)	Value (US\$)
Cereals	752.00	4,914,011	
Pulses	16.00	3,399	
Oil and fats	(35.00)	1,234,618	
Mixed and blended food	419.00	2,022,556	
Others	10.00	34,607	
Total food	1,162.00	8,209,191	
Cash transfers		-	
Voucher transfers		-	
Subtotal food and transfers			8,209,191
External transport			11,790
Landside transport, storage and handling			318,318
Other direct operational costs			-
Direct support costs (see Annex I-B details)			455,964
		Total direct project costs	8,995,262
		Indirect support costs (7%) ²	629,668
		TOTAL WFP COSTS	9,624,931

² 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	-
International general service staff	-
Local staff - national officers	59,801
Local staff - general service	33,092
Local staff - temporary assistance	-
Local staff – overtime	-
Hazard pay and hardship allowance	13,771
International consultants	-
Local consultants	-
Non staff HR: UNV	-
Commercial consultancy services	-
Staff duty travel	13,356
Subtotal	120,020
Recurring expenses	
Rental of facility	4,000
Utilities general	-
Office supplies and other consumables	-
Communications and IT services	-
Equipment repair and maintenance	-
Vehicle running cost and maintenance	- 1,000
Office set-up and repairs	-
UN organization services	13,549
Subtotal	16,549
Equipment and capital costs	
Vehicle leasing	-
TC/IT equipment	8,350
Local security costs	311,045
Subtotal	319,395
TOTAL DIRECT SUPPORT COSTS	455,964

ANNEX II SUMMARY OF LOGICAL FRAMEWORK

Results-Chain (Logic Model)	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>1.1.1 Prevalence of acute malnutrition among children under-5 (MUAC) reduced by 10% in target areas.</p> <p>1.1.2 Supplementary feeding recovery rate >75%.</p> <p>1.1.3 Supplementary feeding defaulter rate <15%.</p> <p>1.1.4 Supplementary feeding death rate <3%.</p> <p>1.1.5 Supplementary feeding non-response rate.</p>	<p><i>Mothers are willing to travel to distribution centres to collect supplementary rations for their children.</i></p> <p><i>Interventions for severe acute malnutrition are implemented as planned by UNICEF.</i></p>
<p>Outcome 1.3: Improved food consumption over assistance period for targeted households.</p>	<p>1.3.1 Household food consumption score</p> <p>1.3.2 Household dietary diversity.</p>	<p><i>Government counterparts scale-up nutrition interventions as planned.</i></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>	<p>1.1.1 Actual number of women, men, girls and boys receiving food and non-food assistance, by category and as a percentage of planned beneficiaries.</p> <p>1.1.2 Actual tonnage of food distributed, by type as percent of planned tonnage for distribution.³</p> <p>1.1.3 Actual quantity of non-food items distributed, by type as percentage of planned distribution.</p> <p>1.1.4 Number of security incidents.</p> <p>1.1.5 Percentage of distributions affected by pipeline breaks.</p>	<p><i>Increasing food prices or market inflation.</i></p> <p><i>Declining food availability on local markets.</i></p> <p><i>Volatile security situation due to ongoing nationwide instability.</i></p> <p><i>Unrest or violence at distribution centres affects beneficiaries, implementing personnel.</i></p>

³ Planned distribution includes quantity, quality and timeliness.



Strategic Objective 5 – “Strengthen the Capacities of Countries to Reduce Hunger”		
Outcome 5.3: Broader national policy frameworks incorporate hunger solutions.	5.3.1 Budget allocated in national plans of action ⁴ for the implementation of hunger and/or food and nutrition security strategies.	<i>National Nutrition Strategy and National Food Security Strategy are endorsed by the Yemen parliament, as well as the new targeting strategy for the Social Welfare Fund.</i>
Output 5.3: Capacity and awareness developed through WFP-organized actions/training.	5.3.1 Number of national plans of action that include budget allocation for the implementation of hunger and/or food and nutrition security strategies. 5.3.2 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, national government and partner staff).	<i>The New Five Year Plan (2011-2015) which incorporates national strategies is endorsed by the Yemen parliament.</i>

⁴ National plans of action refer to legislation, policy or development planning documents created by national governments with specific reference to hunger and/or food and nutrition security.



ANNEX III - LIST OF ACRONYMS USED IN THE DOCUMENT

CFSS	Comprehensive Food Security Survey
ESN	Emergency Safety Net
HEB	high-energy biscuits
IFPRI	International Food Policy Research Institute
IOM	International Organization for Migration
MAM	Moderate Acute Malnutrition
NFSSP	National Food Security Strategy Paper
PRRO	protracted relief and recovery operation
UNHCR	Office of the United Nations High Commissioner for Refugees
WHF	wheat flour
WFP	United Nations World Food Programme
WSB	wheat-soya blend

ANNEX IV – MAP

