

**BUDGET INCREASE TO PROTRACTED RELIEF AND RECOVERY OPERATION
YEMEN PRRO 200038 (Budget Revision Number 4)**

Emergency Food Security and Nutrition Support to the Vulnerable Population

	Current budget	Increase	Revised budget
Food cost	84,337,349	11,641,678	95,979,027
External transport	2,020,214	447,992	2,468,206
LTSH	18,325,839	1,616,420	19,942,260
ODOC	3,470,055	650,550	4,120,605
DSC	6,403,019	428,746	6,831,764
ISC (7.0 percent)	8,018,953	1,034,977	9,053,930
Total cost to WFP	122,575,429	15,820,363	138,395,792

NATURE OF THE INCREASE

1. This budget revision to protracted relief and recovery operation (PRRO) 200038 is to respond to the deterioration in socio-economic conditions in the Republic of Yemen. The revision will cover:
 - Expansion of the seasonal emergency safety net (ESN) to include an additional 577,000 severely food-insecure persons during the 2012 hunger season (May to October).
 - Increased coverage of the nutritional interventions targeting people with moderate acute malnutrition: 119,000 additional people - children 6-59 months and pregnant/lactating women.

The total beneficiaries for 2012 will increase from 1.6 million to 2.3 million people (adjusted for beneficiaries receiving food from the ESN and supplementary feeding).
2. Specifically, this budget revision will:
 - Increase the food requirement by 16,570 mt.
 - Increase the external transport costs in line with the increased food tonnage.
 - Revise landside transport, storage and handling (LTSH) costs to a rate of US\$177.69/mt.
 - Increase in the other direct operational costs (ODOC) by US\$651,000; and,
 - Increase direct support costs (DSC) by US\$429,000 reflecting the additional costs for 2012 and the 2011 re-assessed DSC requirements.

JUSTIFICATION FOR BUDGET INCREASE

Summary of Existing Project Activities

3. This PRRO, “Emergency Food Security and Nutrition Support to the Vulnerable Population”, remains a key element of WFP Yemen’s portfolio¹ for 2012, addressing the very high levels of food insecurity and malnutrition. It was developed in response to the results of WFP’s 2010 Comprehensive Food Security Survey, and as a follow-up to emergency operation (EMOP) 107670 “Targeted Food Support to Vulnerable Groups Affected by High Food Prices”. During its two-year duration (January 2011 to December 2012), the PRRO aims to address severe food insecurity and acute malnutrition. It will also provide capacity-development support to the Government in order to facilitate a transition to medium- to long-term, nationally owned interventions.

4. The current PRRO has four components:
 - A nutrition component addresses moderate acute malnutrition through a combination of preventive and curative approaches in supplementary feeding: blanket supplementary feeding (BSF) for children 6-23 months aims to prevent moderate acute malnutrition developing in this critical age group, while targeted supplementary feeding (TSF) for children 6-59 months, pregnant women and lactating women is to treat moderate acute malnutrition when it develops. These nutrition interventions complement each other.
 - A seasonal Emergency Safety Net (ESN) component assists severely food-insecure persons through the 2011 and 2012 ‘hunger’ periods (May-October) by providing food transfers to cover their food gap. In 2011, WFP initiated a pilot unconditional cash transfer scheme in Hajjah and Ibb governorates in parallel with the seasonal food transfers under the ESN. The pilot includes a comprehensive assessment conducted by the International Food Policy Research Institute (IFPRI) that will assess the comparative advantages of cash and food transfers in tackling severe food insecurity in rural Yemen. The final assessment will be available in 2012 and, based on the findings, WFP will make adjustments in the choice of transfer modality.
 - A food-for-work component targets rural households in food-insecure areas. This component aims to improve household access to food, offering food in exchange for temporary work opportunities that will improve longer-term food security.
 - An emergency food response component provides either wet or dry food rations.

5. When the PRRO was originally designed, it was expected that the ESN would address the severely food-insecure households in 2011, allowing the Government and development partners to expand social safety nets so that there would be no need to continue the ESN in 2012. The ESN had identified 1.8 million people for assistance in 2011 but funding constraints prevented WFP from reaching the full targeted population. Moreover, rather than the expected improvements that would allow the planned graduation of the ESN beneficiaries to other safety net programmes² in 2012, the socio-economic situation deteriorated, with increased conflict in many locations - especially unrest that became part of the ‘Arab Spring’ - and increasing food and fuel prices. Consequently, a revision to the PRRO prepared in mid-2011 planned for the extension of the ESN through the six-month hunger season in 2012 for 1.2 million people.

¹ Other WFP projects in Yemen in 2012 are EMOP 200306 - “Emergency Food and Nutritional Support to Conflict-affected Populations in Yemen”; PRRO 200044 - “Food Assistance to Somali Refugees in Yemen”; WFP Country Programme (school feeding) 2007-2012; and Special Operation 200130 - “Air Passenger Service and Logistics Cluster Coordination in Support of the Humanitarian Response in Sa’ada”.

² These include the Social Fund for Development and the Social Welfare Fund.

Conclusion and Recommendations of the Re-Assessment

6. Yemen is enduring an increasingly complex and deteriorating humanitarian situation. In 2011, political instability has included violent urban clashes between government forces, anti-government protestors and tribal elements. This has affected food transportation networks and the commercial sector, exacerbating Yemen's already critical food insecurity. The shortages of foreign currency, the decreasing value of the Yemeni rial against international currencies,³ and higher fuel prices as a result of acute shortages have all contributed to the increased cost of food in a country that imports 90 percent of its staple food requirements. Vulnerable families have been affected by rising food prices and shortages of fuel for cooking: 96 percent of households are net buyers of food and the poorest households are the hardest-hit by the recent price increases.
7. In mid-2011, WFP surveyed the four most food-insecure governorates (Amran, Hajjah, Ibb and Raymah) with 32 community focus-group discussions reviewing food security and examining the impact of recent shocks on vulnerable households. These established that the poorest households are using negative coping mechanisms, including reducing the number of meals, no consumption of meat/fish, and fasting. Food prices are higher in rural areas compared to urban areas because of higher transportation costs. The findings are corroborated by the twice-monthly market monitoring in urban markets, which show the prices of staple commodities continuing to rise throughout 2011.
8. With the political turmoil in Yemen, the Government and development partners are not in a position to expand their social safety nets at present. Moreover, given the increasingly complex economic and political environment, food security in Yemen is not expected to improve in 2012. A higher number of households are in need of food assistance under the ESN into the 2012 hunger season, with an estimated 1.8 million people in need rather than 1.2 million people estimated earlier. WFP will continue to monitor rising food prices and nationwide insecurity and adjust implementation accordingly.
9. While no formal nutrition assessments cover all populations targeted by this PRRO, it is likely that the prevalence of global acute malnutrition (GAM) will have increased significantly as a consequence of the current crisis. The United Nations Children's Fund (UNICEF)/WFP/Ministry of Public Health and Population (MoPHP) June 2011 nutrition assessment of internally displaced persons (IDPs) and host communities in the northern governorate of Hajjah (targeted for assistance from this PRRO) found GAM at 31 percent, well over the World Health Organization (WHO) threshold of 15 percent considered "critical"⁴ and more than double the national average GAM of 13 percent.⁵ Furthermore, severe acute malnutrition (SAM) was 7.2 percent. UNICEF's September 2011 rapid nutrition assessment of IDPs and host populations in Abyan (another PRRO target area) showed 19 percent GAM. WFP is currently preparing a follow-up assessment to the 2009/2010 Comprehensive Food Security Survey (CFSS) which will cover 20 out of the 21 governorates⁶ with support from UNICEF for nutritional and anthropometric data. This will be the first comprehensive nation-wide nutrition

³ In February 2011 the Yemeni rial traded at YER 214 : US\$1 and declined to YER 219 : US\$1 by November 2011. However, the Central Bank of Yemen has depleted its resources to prevent further deterioration, and in the black market, the Yemeni rial trades at YER 224-35 : US\$1.

⁴ WHO, 1995. Cut-off values for public health significance. WHO Global Database on Child Growth and Malnutrition. Department of Nutrition for Health and Development (NHD), Geneva, Switzerland.
<http://www.who.int/nutgrowthdb/en/>.

⁵ The Government of Yemen Household Budget Survey, 2005-2006

⁶ Al Jawf will not be covered for security reasons.

assessment since the Government of Yemen Household Budget Survey in 2005/2006.⁷ WFP is negotiating with non-state actors that represent the *de facto* authority in certain parts of Yemen for safe and secure access for CFSS enumerators.

10. WFP will complement this PRRO in 2012 with a nationwide EMOP (200306) “Emergency Food and Nutritional Support to Conflict-affected Populations in Yemen”. The EMOP covers conflict-affected governorates - assisting IDPs and war-affected populations, while the PRRO will assist the districts most-affected by the deteriorating socio-economic and nutrition situation. In six governorates (Abyan, Amran, Hajjah, Lahj, Sa’adah and Shabwa) the vulnerable local population will be assisted through this PRRO while the parts of these governorates with IDPs and conflict-affected populations will be assisted through the EMOP. Beneficiary lists will be screened to ensure there is no duplication of WFP assistance.

Purpose of Budget Increase

11. This revision proposes an expansion of the seasonal ESN through the 2012 hunger season (May-October) from 1.2 million people in the eight most severely food-insecure governorates to 1.8 million people in the 14 most food-insecure governorates.⁸ The final geographical targeting of the ESN will be calibrated based on the results of the updated CFSS.
12. This budget revision also expands the nutrition activities by increasing planned beneficiary numbers for the three nutrition activities: targeted supplementary feeding for moderately acutely malnourished children 6-59 months; targeted supplementary feeding for pregnant and lactating women; and blanket supplementary feeding for children 6-23 months (see table 1). The targets for treatment have been developed in partnership with the MoPHP, acknowledging that experience shows that part of the affected population do not present themselves for treatment. The targeted feeding activities have reached 50 percent of the estimated population that is moderately acutely malnourished in 2011, calculated according to the demographic and nutritional information on the districts in the selected governorates. During the treatment period, some children 6-23 months may benefit from both the preventive and curative measures, which is consistent with an integrated approach to manage acute malnutrition. The revised planned figures of beneficiaries will allow scaling-up assistance in early 2012 to reach 75 percent of the population with moderate acute malnutrition by early 2012. This increase in beneficiaries reflects: (i) the prospect that malnutrition will increase further as a consequence of the humanitarian crisis; (ii) the intention to increase sensitization and awareness of malnutrition amongst the targeted communities; (iii) increased acceptance of specialized commodities such as *Plumpy’sup*[®] and *Plump’doz*[®]; and (iv) the growing confidence by the Government and communities in the nutrition component of the WFP operation.

⁷ The 2010 WFP CFSS included MUAC for children 12-59 months in 19 out of 21 surveyed governorates. However, the 2011 CFSS will include anthropometric measurements including weight-for-height and height-for-age.

⁸ The governorates currently assisted with the ESN in 2011 are in descending order of prevalence of food insecurity: Raymah, Hajjah, Ibb, Al-Dhalee, Amran, Al-Mahwit, Al-Baida and Taiz. Due to insufficient funding, WFP was not able to expand as planned to an additional six governorates (in descending order of food-insecurity): Al-Hudaida, Dhamar, Lahj, Mareb, Sana’a (rural) and Shabwa governorates, but will target these through this budget revision. The nutrition component is implemented in twelve governorates: Abyan, Al-Baida, Al-Hudaida, Amran, Dhamar, Hajjah, Hadramout, Mareb, Raymah, Sana’a (rural), Sa’adah and Shabwa governorates. Overall the PRRO is implemented in 17 out of 21 governorates.

TABLE 1: BENEFICIARIES BY ACTIVITY TYPE (2012)				
Activity	Category of beneficiaries	Beneficiaries*		
		Current	Increase	Revised
Targeted supplementary feeding (TSF): Children 6-59 months	Nutritionally vulnerable women and children	164,000	82,000	246,000
Blanket supplementary feeding (BSF): Children 6-23 months		206,000	15,000	221,000
Targeted supplementary feeding (TSF): Pregnant & lactating women		44,000	22,000	66,000
Emergency Safety Net	Severely food-insecure households	1,235,000	577,000	1,812,000
Food for Work	Food-insecure households	35,000	-	35,000
Emergency Food Response	Non-conflict IDPs	21,000	-	21,000
TOTAL		1,633,000	675,000	2,308,000

* 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.

** The nutrition activities each adopt the same approach for targeting, ie. 75 percent of affected populations in assisted districts, using an extrapolation of the demographic data from the most recent census along with prevalence of malnutrition from the 2010 CFSS.

13. The modalities of food distribution for the ESN will be the same as those established in 2011. WFP's main partner will be the Ministry of Education, with food distributed through outlets conveniently accessible for beneficiaries, mostly school sites to be used during non-school hours. Given the remoteness of many locations, limited infrastructure and security risks, distributions will occur every two months (three during the six-month hunger period), thereby easing the logistics challenges for delivery and reducing travel to distribution sites by beneficiaries to collect their rations.
14. The modalities for the expanded nutrition activities will remain the same as those established in 2011. WFP's main partner for the nutrition component will be the Nutrition Department of the MoPHP and its staff at governorate-level and district-level health facilities.
15. The food rations for all expanded activities will remain the same.
16. In 2012, WFP plans to establish a food security and programme monitoring system covering both households that receive food assistance and households that not receive food assistance; the system will be implemented in close collaboration with national partners, including the Social Welfare Fund and the Social Fund for Development. Findings from this system will be reviewed against the baseline provided by the updated CFSS results and enable WFP to adjust targeting, particularly in its safety-net component.

Risk Assessment

17. The PRRO is subject to a number of contextual, programmatic and institutional risks for which some mitigation measures are being taken.

Contextual risks:

18. An increase in the conflict could cause increased displacement of people within Yemen. This could overwhelm the capacities of host families/communities and IDP camps, as well as the humanitarian response mechanism (noting the current ceiling on United Nations staff located in Yemen due to security concerns). WFP has pre-positioned food stocks in strategic points in the country.
19. The insecurity and deteriorating economy have caused difficulties for imports and the movement of both people and goods. This is reducing food availability and increasing prices in the commercial market. If the number of severely food-insecure people increases further, the PRRO may need to respond in other governorates not directly affected by conflict.

Programmatic risks:

20. WFP's programme implementation capacity in Yemen is currently subject to a ceiling of 17 international staff in Sana'a and one international staff member in Aden. WFP is therefore developing plans for remote working facilities for international staff who could perform their key tasks from outside the country. WFP is also strengthening the operational capacity of national staff in the event of a further reduction in international staff presence. The deteriorating security could also restrict WFP movements. A problem facing all agencies is providing assistance in areas of active conflict. Although WFP has been able to access most programme areas, it has had at times to use armed escorts for convoys to ensure the security of commodities.
21. Where possible, WFP will work in partnership with non-governmental organizations (NGOs) that are able to maintain field presence safely. The country office is strengthening the capacity of its government counterparts and international NGOs which are likely to have better access in the event of an escalation of the conflict. WFP is working to ensure strong programming links locally, including with local purchase and procurement and supporting efforts to ensure that Sphere standards are met in food assistance activities generally.⁹ However, should the situation deteriorate to a level where WFP is unable to implement this PRRO as planned, the country office would review the modalities and scale, with budget revisions accordingly.

Institutional risks:

22. Deploying staff in Yemen carries some institutional risks. However, WFP is fully compliant with all security regulations, including the minimum operating security standards and those governing the use of armoured vehicles and personal protection equipment.
23. Funding shortfalls and the impact that pipeline breaks would have on beneficiaries present a major risk. As Yemen's humanitarian crisis has become higher profile, resource mobilization efforts have been more successful. However, the increased humanitarian requirements mean that sufficient funding remains a challenge. WFP's food security cluster co-leadership, the United Nations Consolidated Appeals Process and other advocacy activities at the country office, regional bureau and headquarters levels are drawing attention to funding requirements.

⁹ The Sphere Project: Humanitarian Charter and Minimum Standards in Humanitarian Response, Third Edition, 2011. Website: www.sphereproject.org

FOOD REQUIREMENTS

24. The additional food quantities required for this budget revision by activity are provided in table 2 below. The additional food costs and associated costs are shown in Annex I-A.

TABLE 2: FOOD REQUIREMENTS BY ACTIVITY 2011-2012 (MT)			
Activity	Current	Increase	Revised
TSF (children 6-59 months)	2,237	679	2,916
BSF (children 6-23 months)	8,348	251	8,599
TSF (pregnant & lactating women)	7,009	2,113	9,122
Emergency Safety Net	69,718	13,527	83,245
Food for work	6,301	-	6,301
Emergency food response (dry)	10,842	-	10,842
Emergency food response (wet)	183	-	183
TOTAL	104,638	16,570	121,208

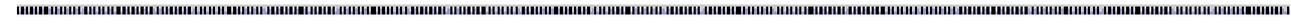
Procurement of commodities:

25. Subject to availability of resources in general and cash donations in particular, WFP will procure food through the local market, particularly for fortified wheat flour and iodized salt, if prices are competitive with regional and international markets. Pulses are expected, at times, to require international procurement (ex-Ethiopia). Sugar, vegetable oil and supplementary nutrition products are expected to be procured internationally.

Logistics arrangements:

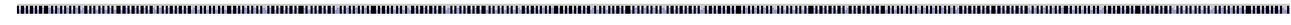
26. The WFP Yemen logistics unit is responsible for local food procurement, liaising with headquarters on international food procurement, monitoring the food pipeline, customs clearances, receiving commodities, storage and dispatch of food for primary land transport from ports of entry¹⁰ to the extended delivery points in Sana'a, Haradh, Sa'adah and Amran.
27. WFP handles all dispatch operations or secondary transportation from extended delivery point warehouses to final delivery points in the targeted governorates. Transport is by private sector transporters selected by WFP tendering. Food dispatches will be monitored through the Commodity Movement, Processing and Analysis System.

¹⁰ External food shipments are received through either Aden or Hodeida. The logistics unit will assign an agent to clear all WFP food to avoid unnecessary delays or demurrage.



RECOMMENDATION

The Executive Director is recommended to approve the budget increase of US\$15.8 million for Yemen PRRO 200038 “Emergency Food Security and Nutrition Support to the Vulnerable Population”, which will bring the total cost of the operation to US\$138.4 million.



APPROVAL:

Josette Sheeran
Executive Director
United Nations World Food Programme

Date:

ANNEX I-A

BUDGET INCREASE COST BREAKDOWN			
Food	Quantity (mt)	Value (US\$)	Value (US\$)
Cereals	12,375.00	5,321,071	
Pulses	-	-	
Oil and fats	1,363.00	2,037,669	
Mixed and blended food	2,673.00	4,177,997	
Others	159.00	104,941	
Total food	16,570.00	11,641,678	
Cash transfers		-	
Voucher transfers		-	
Subtotal food and transfers			11,641,678
External transport			447,992
Landside transport, storage and handling			1,616,420
Other direct operational costs			650,550
Direct support costs (see Annex I-B)			428,746
Total WFP direct costs			14,785,386
Indirect support costs (7.0 percent)			1,034,977
TOTAL WFP COSTS			15,820,363

ANNEX I-B

DIRECT SUPPORT REQUIREMENTS (US\$)	
Staff and staff-related costs	
International professional staff	846,796
International general service staff	-
Local staff - national officers	103,554
Local staff - general service	51,684
Local staff - temporary assistance	-12,000
Local staff – overtime	7,680
Hazard pay and hardship allowance	133,187
International consultants	-102,367
Local consultants	-
United Nations volunteers	-48,000
Commercial consultancy services	-196,320
Staff duty travel	-231,327
Subtotal	552,888
Recurring expenses	
Rental of facility	-101,515
Utilities	50,280
Office supplies and other consumables	-44,241
Communications services	-38,080
Equipment repair and maintenance	4,200
Vehicle running costs and maintenance	-21,600
Office set-up and repairs	-50,206
United Nations organization services	34,320
Subtotal	-166,842
Equipment and capital costs	
Vehicle leasing	20,400
Communications equipment	-40,340
Local security costs	62,640
Subtotal	42,700
TOTAL DIRECT SUPPORT COSTS	428,746

**ANNEX II LOGICAL FRAMEWORK
YEMEN PRRO 200038 EMERGENCY FOOD SECURITY AND NUTRITION SUPPORT TO THE VULNERABLE POPULATION**

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 6-59 months in targeted populations.</p> <p>Outcome 1.2: Improved food consumption over assistance period for targeted households.</p>	<ul style="list-style-type: none"> ➤ Prevalence of acute malnutrition among children 6-59 months (MUAC) reduced by one-tenth in target areas. Baseline (CFSS 2010): MUAC (6-59 months) 9.2% ➤ Supplementary feeding recovery rate >75%. ➤ Supplementary feeding defaulter rate <15%. ➤ Supplementary feeding death rate <3%. ➤ Supplementary feeding non-response rate. ➤ Household food consumption score: Baseline (CFSS 2010): Poor-11.8%, Borderline-19.7%, Good-68.5% Target: Good-80%. 	<p><i>Assumption: Mothers are willing to travel to distribution centres to collect supplementary rations for their children.</i></p> <p><i>Assumption: Interventions for severe acute malnutrition are implemented as planned by UNICEF.</i></p> <p><i>Assumption: 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>	<ul style="list-style-type: none"> ➤ Actual number of women, men, girls and boys receiving food and non-food assistance, by activity, transfer modality and as a percentage of planned beneficiaries. ➤ Actual tonnage of food distributed, by type as % of planned tonnage for distribution.¹¹ ➤ Actual quantity of non-food items distributed, by type as percentage of planned distribution. ➤ Number of security incidents. 	<p><i>Risk: Increasing food prices or market inflation.</i></p> <p><i>Risk: Declining food availability on local markets.</i></p> <p><i>Risk: Volatile security situation due to ongoing nationwide instability. Unrest or violence at distribution centres affects beneficiaries, implementing personnel.</i></p>

¹¹ Planned distribution includes quantity, quality and timeliness.



Strategic Objective 5 –Strengthen the capacities of countries to reduce Hunger, including through hand-over strategies and local purchase		
<p>Outcome 5.3: Broader national policy frameworks incorporate hunger solutions.</p>	<ul style="list-style-type: none"> ➤ Budget allocated in national plans of action¹² for the implementation of hunger and/or food and nutrition security strategies. 	<p><i>Assumption: 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></p>
<p>Output 5.3: Capacity and awareness developed through WFP-organized actions/training.</p>	<ul style="list-style-type: none"> ➤ National Capacity Index measurement. ➤ Number of national plans of action that include budget allocation for the implementation of hunger and/or food and nutrition security strategies. ➤ Number of people trained in: needs assessments, targeting, food management in terms of quantity and quality, market analysis, information management, local tendering processes; disaggregated by gender and category (WFP, national government and partner staff). 	<p><i>Assumption: The new five-year plan (2011-2015) which incorporates national strategies is endorsed by the Yemen parliament.</i></p>

¹² 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

BSF	blanket supplementary feeding
CFSS	Comprehensive Food Security Survey
DSC	direct support costs
EMOP	emergency operation
ESN	Emergency Safety Net
GAM	global acute malnutrition
IDP	internally displaced person
IFPRI	International Food Policy Research Institute
ISC	indirect support costs
LTSH	landside transport, storage and handling
MoPHP	Ministry of Public Health and Population
MUAC	mid-upper arm circumference
NGO	non-governmental organization
ODOC	other direct operational costs
PRRO	protracted relief and recovery operation
SAM	severe acute malnutrition
TSF	targeted supplementary feeding
UNICEF	United Nations Children's Fund
WFP	United Nations World Food Programme
WHO	World Health Organization



ANNEX IV - MAP

