

**Yemen PRRO 200044
B/R No.: 3**

BUDGET REVISION FOR THE APPROVAL OF REGIONAL DIRECTOR

	<u>Initials</u>	<u>In Date</u>	<u>Out Date</u>	<u>Reason For Delay</u>
<u>ORIGINATOR</u>				
Country Office or Regional Bureau on behalf of Country Office
<u>CLEARANCE</u>				
Project Budget & Programming Officer, RMBP
Chief, RMBP
Chief, ODLT (change in LTSH and/or External Transport)
<u>APPROVAL</u>				
<input checked="" type="checkbox"/> Regional Director

PROJECT				
Start date: 1/Feb/10	End date: 30/Jun/12	Extension period: 6 months	New end date: 31/Dec/12	
	Previous Budget	Revision	New Budget	
	US\$	US\$	US\$	
Food cost	7,101,553	1,781,186	8,882,739	
External transport	609,829	101,906	711,735	
LTSH	778,746	187,666	966,413	
ODOC	147,844	-	147,844	
DSC	1,034,264	289,992	1,324,256	
ISC (7%)	677,057	165,253	842,309	
Total WFP cost (US\$)	10,349,294	2,526,003	12,875,296	

TYPE OF REVISION

- Additional commodity
 Additional DSC
 Additional ODOC
 Additional LTSH
 Additional external transport
 Extension or Reduction in time
 Other

NATURE OF THE INCREASE

1. This budget revision (number three) to protracted relief and recovery operation (PRRO) 200044 is proposed to cover the continued needs of Somali refugees in Yemen through an extension-in-time, with a corresponding increase in food requirements and associated costs. Specifically, the budget revision proposes:
 - An extension-in-time for six months from 1 July until 31 December 2012;
 - An increase in commodities by 2,615 MT, at a value of US\$ 1,781,186, to meet the food requirements for the extension period;
 - An increase in the external transport and landside transport, storage and handling (LTSH) costs in line with the increased food tonnage using the new LTSH rate of US\$73/Mt.
 - An increase in DSC budget by US\$ 289,992 while zero increase in ODOC budget as funds available will cover the extended period.

JUSTIFICATION FOR EXTENSION-IN-TIME AND BUDGET INCREASE

Summary of existing project activities

2. Violence and instability in Somalia since 1992 have led to massive influxes of refugees into neighboring countries. WFP has provided food assistance to refugees in Yemen throughout this period, working closely with Office of the United Nations High Commissioner for Refugees (UNHCR).
3. The PRRO includes the following components:
 - Emergency food assistance (high energy biscuits) and provision of commodities for cooked meals to an estimated 75,000 new refugee arrivals along the coast and reporting to the three established reception centres;
 - Monthly general food distributions (GFD) for 21,000 refugees living in Kharaz Camp;
 - Targeted supplementary feeding (TSF) using take-home rations for 2,000 malnourished children from 6-59 months and pregnant or lactating women in Kharaz Camp and Al-Basateen (an urban area in Aden hosting a large refugee population);
 - School feeding (commodities for daily cooked meals) targeting three primary schools (two in Kharaz and one in Al-Basateen) for 6,500 students;
 - A pilot voucher programme for vocational training targeting 5,000 urban refugees in Aden;

Conclusion and recommendation of the re-assessment

4. Given the uncertain security situation in Yemen, it has not been possible to conduct a UNHCR-WFP joint assessment mission since the last JAM in June 2009. Missions have been scheduled repeatedly since June 2011, but had to be postponed repeatedly due to volatility and fighting between government forces and militants. The JAM field work was eventually conducted in early May 2012; the information collected is currently being analysed. The results will inform the appropriate programmatic response for the follow-up PRRO.
5. The activities, targeting and ration of the food basket of the current PRRO were developed following the 2009 JAM recommendations which noted that due to limited income-generating opportunities, 90 percent of refugees living in Kharaz Camp continued to rely exclusively on WFP's food and nutritional assistance. In response to the 2009 JAM, WFP reviewed the ration scales and targeting of the supplementary feeding programmes in Kharaz and Al-Basateen, moving from blanket to targeted support in Kharaz, and switching from family-size rations to double-individual rations for beneficiaries in Al-Basateen. The JAM also recommended an

alteration in the daily school meals as a result of functioning kitchens in all locations, replacing HEB with alternating meals of WSB porridge and fresh bread with lentil paste.

Purpose of extension and/or budget increase (applicable for all projects)

6. This six-month extension will allow WFP to continue meeting beneficiaries’ food needs while preparing for an appropriate follow-up operation. This preparation includes the formulation of the JAM results, holding a JAM validation workshop and drafting the follow-up project.
7. The beneficiaries targeted under the PRRO per activity are as below:

TABLE 1: BENEFICIARIES BY ACTIVITY				
Activity	Category of beneficiaries	Beneficiaries		
		2010	2011	2012
General food distribution	Refugees at Kharaz Refugee Camp	19 000	21 000	21 000
Cooked meals for new arrivals		26 000	26 000	26 000
TSF for pregnant/lactating women and children <5		2 500	500	500
School feeding		3 000	3 500	3 500
TSF for pregnant/lactating women and children <5	Urban Refugees (Al-Basateen, Aden)	1 500	1 500	1 500
School feeding		2 500	3 000	3 000
Vouchers for vocational training		-	5 000	-
Emergency food assistance to new arrivals	Coastal Arrivals	75 000	75 000	75 000
Cooked meals at reception centres		43 000	43 000	43 000
TOTAL*		95 000	102 000	97 100

* Takes into consideration beneficiary overlaps between activities and between years.

8. The geographical targeting of the PRRO will be maintained. Relief activities (GFD) and nutritional activities (TSFP) will be principally focused on the Kharaz Camp in the rural Lahj governorate, whilst recovery activities (school feeding) will target both camp-based and urban-based refugees. Emergency food assistance will continue to be provided to new arrivals at coastal reception centres, as long as the security situation permits.
9. The existing food distribution modalities for the PRRO will be maintained. UNHCR continues to be the principal partner for WFP, and contractual arrangements for food distribution are directly agreed between UNHCR and its cooperating partners. The partners involved in distributing WFP food assistance include: Society for Humanitarian Solidarity, Yemeni Red Crescent Society, Save the Children, Adventist Development and Relief Agency, and Charitable Society for Social Welfare.

Risk Assessment

10. *Contextual risk:* On-going violence in Somalia could lead to increasing refugee flows into Yemen throughout 2012. The planned figures for new arrivals have been developed in collaboration with UNHCR, and take into consideration the prevailing security situation in the Horn of Africa and existing refugee patterns. Another risk is a further decline in security in Yemen itself, which could restrict access for regular project activities and to conduct

assessments (particularly future JAMs), as well as food distributions and monitoring activities. This risk is minimised by WFP working through cooperating partners.

11. *Programmatic risks:* Assistance to complement WFP’s food allowance will be crucial to the success of this PRRO. There is a risk of refugees monetizing part of their food rations to cover shortfalls in other types of assistance, particularly non-food items; this could lead to inadequate food intake and malnutrition. WFP, working with UNHCR, will advocate for the regular provision of complementary assistance for the refugees and, in collaboration with partners, sensitise the beneficiaries not to sell commodities from their ration.
12. *Institutional risks include:* (i) the security of WFP and partner staff; and (ii) inadequate funding for the PRRO that would necessitate reduced assistance to beneficiaries. WFP complies with United Nations minimum operating security standards and prioritises staff safety. WFP and UNHCR will advocate with donors to ensure they are fully informed of the requirements for refugees in Yemen, and traditionally has been able to mobilise most of the project requirements.

FOOD REQUIREMENTS

13. The additional food quantities required for this budget revision are provided in table 3 below, for which the costs are shown in Annex I-A.

Activity	Category of beneficiaries	Current	Increase	TOTAL
General food distribution	Kharaz Refugee Camp	10,151	2,310	12,461
Cooked meals for new arrivals		182	37	219
TSF for pregnant/lactating women and children <5		110	9	119
School feeding		247	48	295
TSF for pregnant/lactating women and children <5	Urban Refugees (Al-Basateen, Aden)	626	130	756
School feeding		209	40	249
Emergency food assistance to new arrivals ¹	Coastal Arrivals	20	4	24
Cooked meals at reception centres		181	37	218
TOTAL		11,726	2,615	14, 341

14. WFP will follow standard commodity procurement procedures, sourcing from the most cost-effective markets, whether international, regional or local.

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¹ In budget revision 2 (approved 22 February 2012), the MT increases for ‘emergency food assistance to new arrivals’ and ‘cooked meals at reception centres’ were inadvertently inverted. The MT increase for new arrivals should have read 5 MT rather than 36 MT, and vis-a-versa for reception centres. Budget revision 3 corrects this typo.