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**Executive Board
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Rome, 4–8 June 2012

PROJECTS FOR EXECUTIVE BOARD APPROVAL

Agenda item 9

For approval



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BUDGET INCREASES TO PROTRACTED RELIEF AND RECOVERY OPERATIONS— DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA 200114

Nutrition Support for Women and Children

Cost (United States dollars)			
	Current budget	Increase	Revised budget
WFP Food cost	30,473,704	65,579,163	96,052,867
Total cost to WFP	50,351,092	102,512,011	152,863,103

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NOTE TO THE EXECUTIVE BOARD

This document is submitted to the Executive Board for approval

The Secretariat invites members of the Board who may have questions of a technical nature with regard to this document to contact the WFP staff focal points indicated below, preferably well in advance of the Board's meeting.

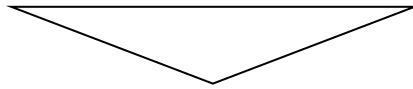
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Should you have any questions regarding availability of documentation for the Executive Board, please contact Ms I. Carpitella, Senior Administrative Assistant, Conference Servicing Unit (tel.: 066513-2645).

* Regional Bureau Bangkok (Asia)

DRAFT DECISION*



The Board approves the proposed budget increase of US\$102.5 million for the Democratic People's Republic of Korea protracted relief and recovery operation 200114 "Nutrition Support for Women and Children" with a twelve-month extension from 1 July 2012 to 30 June 2013 (WFP/EB.A/2012/9-B/2).

* This is a draft decision. For the final decision adopted by the Board, please refer to the Decisions and Recommendations document issued at the end of the session.

NATURE OF THE INCREASE

1. This budget revision to the Democratic People's Republic of Korea (DPRK) protracted relief and recovery operation (PRRO) 200114 "Nutrition Support for Women and Children" extends the operation to 30 June 2013. With emergency operation (EMOP) 200266 "Emergency Food Assistance to Vulnerable Groups" ending in June 2012, the extension will enable WFP to resume food assistance in July 2012 under PRRO 200114 to support the food and nutrition security of the most vulnerable people in food-insecure areas.
2. The budget revision is in line with the objectives of PRRO 200114 and reflects new requirements such as expanded coverage.¹ It will:
 - increase food requirements by 130,931 mt at a cost of US\$65.6 million;
 - increase external transport, landside transport, storage and handling, other direct operational costs and direct support costs by US\$30.2 million; and
 - increase indirect support costs by US\$6.7 million.

JUSTIFICATION FOR EXTENSION-IN-TIME AND BUDGET INCREASE

Summary of Existing Project Activities

3. The PRRO 200114 was planned for two years, from July 2010 to June 2012, but food shortages in 2011 caused by a harsh winter and structural issues led the Government to appeal for emergency food assistance; EMOP 200266 was accordingly launched in April 2011 and will end on 30 June 2012. Activities under PRRO 200114 were suspended during the EMOP to avoid overlap.
4. The goal of PRRO 200114 is to enhance food and nutrition security in urban areas and mountainous inland regions, with emphasis on women and children, in line with Strategic Objective 3.² The three complementary activities aim to:
 - reduce hunger and undernutrition among women and children by providing nutrition support to improve dietary diversity;
 - support the Government in reducing hunger and undernutrition through local production of fortified food; and
 - restore and rebuild livelihoods to enhance food security through food for community development (FFCD).

Nutritional Support for Women and Children

5. Pregnant women receive food assistance for six months, and for an additional six months during lactation. Children aged 6–23 months receive food assistance in nurseries. Targeting pregnant and lactating women and their infants with complementary food

¹ The current PRRO 200114 budget totals US\$50.4 million. Budget revision 2 reduced the original requirements to prevent overlap with EMOP 200266, launched in April 2011. The original PRRO budget was: food cost US\$60.1 million, external transport US\$16.2 million, landside transport, storage and handling US\$1.6 million, other direct operational costs US\$3.3 million, direct support costs US\$8.8 million, indirect support costs US\$6.3 million – total WFP costs US\$96.3 million.

² Restore and rebuild lives and livelihoods in post-conflict, post-disaster or transition situations.

provides the required nutrients during the 1,000 days from pregnancy to age 2, when children are at the highest risk of stunting.

Local Food Production

6. WFP has helped the Government to address hunger and undernutrition for a decade by providing locally produced foods for children and women that are easily digestible and micronutrient-fortified.

Food for Community Development

7. These activities support food-insecure households in targeted communities with temporary employment, particularly during lean periods, for the building of flood-protection structures to improve agricultural production.

CONCLUSION AND RECOMMENDATIONS OF THE RE-ASSESSMENT

8. Despite improvements in agriculture since the mid-1990s, DPRK suffers widespread food shortages. Production is limited by shortages of fuel and fertilizers and by extreme variations in weather and environmental degradation. The immediate consequence is high levels of undernutrition.
9. The 2011 joint crop and food supply assessment mission (CFSAM) by the Food and Agriculture Organization of the United Nations and WFP concluded that there are 3 million vulnerable people, two thirds of whom reside in the most food-insecure northern and eastern provinces: Ryanggang, North Hamgyong, South Hamgyong, Chagang and Kangwon. Most of the remaining vulnerable people live in the food-deficit counties of North and South Pyongan, and in North and South Hwanghae provinces.
10. The CFSAM noted that young children and pregnant and lactating women are more vulnerable to food insecurity. Hospital records confirmed: i) increases of 50 to 100 percent in the number of malnourished children admitted to paediatric wards compared with 2010; ii) increased prevalence of infants born with low birthweight; and iii) increased anaemia among pregnant women during lean seasons. Because birthweight is linked to mothers' nutrition status during pregnancy, it is clear that inadequate food intake has contributed to maternal undernutrition during lean seasons.
11. The 2009 multiple-indicator cluster survey provides comprehensive country-wide nutrition data and complements and contextualizes the findings of the CFSAM with respect to the nutritional status of women and children. The reported prevalence rates for undernutrition indicators among children under 5 were 32 percent for stunting, 18 percent for underweight and 5 percent for wasting. The high national prevalence rate for stunting reflects inadequate nutrition over a prolonged period. Aggregated provincial data also indicated large regional disparities, with ranges of 22 to 45 percent for stunting, 14 to 25 percent for underweight, and 2 to 8 percent for wasting.
12. In November 2011 the DPRK Institute of Child Nutrition and WFP assessed mid-upper arm circumference among children under 5 in 35 counties: preliminary results show global acute malnutrition (GAM) prevalence at 14.1 percent and severe acute malnutrition (SAM) prevalence at 1.6 percent. Among children under 2, GAM prevalence is a "critical" 18.8 percent,³ and SAM prevalence is high at 4.5 percent. Nutrition screening of children under 5 using mid-upper arm circumference in northern and eastern provinces in October

³ Wasting prevalence above 15 percent is "critical" (World Health Organization, 1995). See www.who.int/nutgrowthdb/en.

2011, supported by the United Nations Children's Fund (UNICEF), indicated GAM prevalence of 17.4 percent and SAM prevalence of 2.8 percent.

13. Households could access carbohydrates after the main harvest in 2011, but sources of animal protein and fat are limited. Limited access to fresh fruit and vegetables leads to a high risk of micronutrient deficiencies. Infants born with low birthweight in the last lean season will need to be breastfed and will need complementary feeding if they are to gain weight and grow in their first two years; children who were acutely undernourished will need fortified supplementary foods.
14. The CFSAM stresses that another year of food deprivation will have a serious impact on the health and nutrition of vulnerable groups and recommends a package of food-based nutrition interventions to address deficits of protein and fats in the diet of the population.

PURPOSE OF EXTENSION AND BUDGET INCREASE

15. In view of the current food security and nutrition situation, the recommendations of the CFSAM, the agreement of the Government and consultations with donors, WFP proposes to extend PRRO 200114 for 12 months and to increase the budget to continue its work to enhance the food security of vulnerable people in food-insecure areas and safeguard the nutrition status of women and children.
16. On the basis of the CFSAM and discussions with the Government during the first quarter of 2012, WFP has reviewed its targeting and will expand its activities from 65 to 82 counties. This is supported by WFP's increased access to the most vulnerable counties (see map in Annex III).
17. Table 1 shows the revised numbers of beneficiaries, by activity.

TABLE 1: BENEFICIARIES BY ACTIVITY						
Activity	Sub-component	Beneficiaries				
		Target group	Original plan	Current*	Increase	Revised
Nutritional support for women and children	Institutional feeding	Children under 5 in residential homes	2 700	1 800	400	2 200
		Children aged 5–6 in residential children's centres	2 600	1 400	300	1 700
		Children aged 7–16 in boarding schools	6 700	5 000	600	5 600
		Patients in hospitals and paediatric wards	170 000	6 000	44 700	50 700
	Pregnant and lactating women	Pregnant and lactating women	383 000	132 000	218 300	350 300
	School/kindergarten/nursery children	Children in day nurseries and kindergartens	681 000	647 000	201 500	848 500
		Primary schoolchildren	840 000	532 000	151 100	683 100
Subtotal			2 086 000	1 325 200	616 900	1 942 100
Food for community development	Food for assets	Food-insecure families	450 000	150 000	300 100	450 100
Subtotal			450 000	150 000	300 100	450 100
TOTAL			2 536 000	1 475 200	917 000	2 392 200

* Refers to projected PRRO beneficiaries for July 2010–March 2011. A budget revision suspended the PRRO while EMOP 200266 was implemented to avoid overlap and respond to emergency food needs only.

Risk Management

18. WFP's analysis takes account of contextual, programmatic and institutional risks. Follow-up with the Government will continue to enhance WFP's ability to carry out good-quality assessments and monitoring, but lack of donor support and insufficient funding would result in pipeline breaks, reduced coverage of food assistance and reduced staffing to manage the programme.

TABLE 2: REVISED DAILY FOOD RATION BY ACTIVITY
(g/person/day unless indicated otherwise)

Food type	Nutritional support for women and children									FFCD
	Institutional feeding					Pregnant and lactating women	Schoolchildren			
	Homes for children under 5	Centres for children aged 5–6	Boarding schools for children aged 7–16	Patients aged 6 months – 16 years in hospitals and paediatric wards	Mothers in paediatric hospitals		Nursery children aged 6–48 months	Kindergarten children aged 5–6	Primary school-children aged 7–10	Food for assets*
Rice-milk blend	100	-	-	100	-	-	-	-	-	-
Cereal	150	200	200	200	250	250	150	150	-	660
Beans	-	-	50	50	-	100	-	-	-	-
Oil	25	25	25	25	-	25	25	25	-	-
Corn-milk blend/corn-soya blend	100	100	100	100	-	100	100	100	-	-
Biscuits	-	60	60	-	-	-	-	60	60	-
TOTAL	375	385	435	475	250	475	275	335	60	660
Total kcal/day	1 550	1 600	1 800	1 900	875	1 850	1 150	1 400	270	-
% kcal from protein	13	11	13	14	11	14	12	11	11	-
% kcal from fat	25	27	25	22	10	21	29	29	30	-
No. of feeding days per year	365	365	365	365	365	365	300	250	250	180

^{*} Remunerated on a productivity basis: the average is 2 kg of cereals per workday per participant for a three-person household.

FOOD REQUIREMENTS

19. This budget revision will increase food requirements by 123,747 mt, bringing the food requirements of PRRO 200114 to 196,464 mt (see Table 3). When adjusted to take account of extraction rates for milling cereals the increase is 130,931 mt, and the revised food requirement for the PRRO becomes 211,865 mt; the costs are shown in Annex 1-A.

TABLE 3: FOOD REQUIREMENTS, BY ACTIVITY					
Activity	Sub-component	Category of beneficiaries	Food requirements (mt)		
			Current	Increase	Revised total
Nutritional support for women and children	Institutional feeding	Children in residential baby homes (under 5)	235	319	553
		Children in residential children centres (5–6 years)	176	248	423
		Children in residential boarding schools (7–16 years)	642	906	1 548
		Inpatients in hospitals and paediatric wards	1 014	1 376	2 390
	Pregnant and lactating women	Pregnant and lactating women	13 629	41 465	55 093
	School/ kindergarten/ nursery children	Children in day nurseries and kindergartens	38 647	49 451	88 098
		Primary schoolchildren in schools	7 975	9 733	17 709
Subtotal			62 318	103 497	165 814
FFCD	Food for assets	Food-insecure families	10 400	20 250	30 650
Subtotals			10 400	20 250	30 650
TOTAL			72 718	123 747	196 464

ANNEX I-A

BUDGET INCREASE COST BREAKDOWN			
Food ¹	Quantity (mt)	Average cost (US\$/mt)	Value (US\$)
Cereals	103 597.98	345.02	35 742 942
Pulses	11 796.00	770.00	9 082 902
Vegetable oil	8 793.72	1 230.00	10 816 281
Others	6 743.58	1 473.56	9 937 038
Total food	130 931.28[*]	500.87	65 579 163
External transport			15 680 021
Land transport, storage and handling			2 526 974
Other direct operational costs			5 754 090
Total direct operational costs			89 540 248
Direct support costs (see Annex I-B) ²			6 265 370
Indirect support costs (7 percent) ³			6 706 393
TOTAL WFP COSTS			102 512 011

^{*} Food requirements are higher than those in Table 3 to take milling losses into account.

¹ This is a notional food basket for budgeting and approval. The contents may vary.

² Indicative figure for information purposes. The direct support costs allotment is reviewed annually.

³ The indirect support cost rate may be amended by the Board during the project.

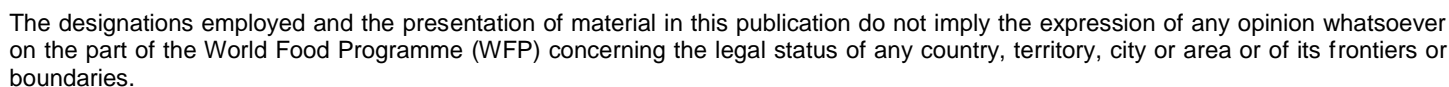
ANNEX I-B

DIRECT SUPPORT REQUIREMENTS (US\$)	
Staff and staff related costs	
International professional staff	3 963 959
National professional officers	55 595
National general service staff	103 253
Temporary assistance	131 903
Overtime	1 000
Hazard pay and hardship allowance	40 800
International consultants	315 920
Staff duty travel	897 600
Subtotal	5 510 030
Recurring expenses	
Rental of facility	151 020
Utilities (general)	41 400
Office supplies and other consumables	13 380
Communications services	74 100
Equipment repair and maintenance	24 180
Vehicle maintenance and running cost	148 600
Office set-up and repairs	100 000
United Nations organization services	35 160
Subtotal	587 840
Equipment and capital costs	
Vehicle leasing	153 000
Telecommunications equipment	14 500
Subtotal	167 500
TOTAL DIRECT SUPPORT COSTS	6 265 370



ANNEX II: LOGICAL FRAMEWORK		
Results	Performance indicators	Risks and assumptions
Strategic Objective 3: Restore and rebuild lives and livelihoods in post-conflict, post-disaster or transition situations		
Outcome 3.1 Adequate food consumption among beneficiary households, women and children	<ul style="list-style-type: none"> ➤ % of households participating with acceptable food consumption score Baseline: 48% of households have an acceptable score of 42 Target: 70%	Risk: There are restrictions on collecting accurate field data Assumption: Fortified foods are available and distributed on time
Output 3.1.1 Food distributed in sufficient quantity and quality to targeted beneficiaries Days of rations distributed to targeted beneficiaries	<ul style="list-style-type: none"> ➤ No. of women, men, girls and boys receiving food by category, activity, transfer modality and as % of planned ➤ Tonnage of food distributed, by type, as % of planned ➤ Quantity of fortified foods, complementary foods and special nutritional products distributed, by type, as % of planned ➤ No. of schools and health centres assisted 	Risks: There is a lack of transport Low inputs for local food products limit production Lack of resources from the Government delays food distribution Assumption: Fortified foods are available and distributed on time
Outcome 3.2 Targeted communities have increased access to assets to restore livelihoods	<ul style="list-style-type: none"> ➤ Community asset score Baseline: to be collected	Risks: There is a lack of non-food items There is limited availability of participants during planting and harvest seasons Bad weather prevents adequate implementation of food for work Assumption: There is a strong maintenance programme to ensure durability and sustainability of created assets
Output 3.2.1 Developed, built and restored assets in targeted communities	<ul style="list-style-type: none"> ➤ No. of assisted communities with improved physical infrastructure created or restored in the project ➤ Km of dykes constructed ➤ Ha protected or developed 	
Output 3.2.2 Provision of cereal in sufficient quantity to targeted beneficiaries	<ul style="list-style-type: none"> ➤ No. of women, men, girls and boys receiving food by category, activity, transfer modality and as % of planned ➤ Tonnage of food distributed, by type, as % of planned distribution 	Risk: There is a lack of transport or funding Assumption: Fortified foods are available and distributed on time

ANNEX II: LOGICAL FRAMEWORK		
Results	Performance indicators	Risks and assumptions
Outcome 3.3 Sustain local production capacity for fortified food	<ul style="list-style-type: none"> ➤ Maintain current production capacity of fortified food including complementary food and special nutritional products: Baseline: 3,100 mt Target: 3,100 mt	Risk: There is a lack of inputs such as technical assistance or raw materials Assumption: Raw materials are distributed on time
Output 3.3.1 Fortified food produced	<ul style="list-style-type: none"> ➤ No. of current factories supported (12) 	Risks: There is a lack of raw materials or spare parts. There is a lack of technical assistance
Output 3.3.2 People reached through WFP local food production	<ul style="list-style-type: none"> ➤ No. of people reached through WFP local food production ➤ No. of schools assisted ➤ No. of kindergartens assisted 	Risk: There is limited access to institutions Assumption: Fortified foods are available and distributed on time



ACRONYMS USED IN THE DOCUMENT

CFSAM	crop and food supply assessment mission
DPRK	Democratic People's Republic of Korea
EMOP	emergency operation
FFCD	food for community development
GAM	global acute malnutrition
PRRO	protracted relief and recovery operation
SAM	severe acute malnutrition