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PROTRACTED RELIEF AND RECOVERY OPERATIONS— OCCUPIED PALESTINIAN TERRITORY 10387.1

**Targeted Assistance for Relief, Support to
Productive Activities and Skills Development
for Vulnerable Non-Refugee Palestinians**

Number of beneficiaries	665,000
Duration of project	24 months (1 September 2007–31 August 2009)
WFP food tonnage	164,605 mt
Cost (United States dollars)	
WFP food cost	70,882,179
Total cost to WFP	107,234,011

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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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EXECUTIVE SUMMARY

In 2006, a financial and institutional crisis in the Palestinian National Authority, increased restrictions on movements of people and goods, destruction of productive assets and increased internal violence dramatically changed the political landscape and led to a deterioration of the humanitarian situation in the Occupied Palestinian Territory.

Poverty and food insecurity resulting from the protracted conflict and the closure policy undermine economic development in urban and rural areas, affecting 34 percent of the population and threatening another 12 percent.

In line with recent assessments and with the after-action review, this protracted relief and recovery operation proposes targeted needs-based interventions designed to offer assistance according to the socio-economic and livelihood profiles of beneficiaries to ensure that the response meets actual needs.

WFP's operation will meet the food needs of the most vulnerable non-refugees through protracted and emergency relief and will contribute to the poverty reduction strategy of the Palestinian National Authority by supporting the development of productive activities and skills. It will focus on (i) enhancing the knowledge base, (ii) partnerships and advocacy on food insecurity to improve targeting and coordination and (iii) ensuring effective use of resources while minimizing negative effects on production and markets.

The operation contributes to WFP's Strategic Objectives 2 and 4.

DRAFT DECISION*

The Board approves the proposed Occupied Palestinian Territory PRRO 10387.1 "Targeted Assistance for Relief, Support to Productive Activities and Skills Development for Vulnerable Non-Refugee Palestinians" (WFP/EB.A/2007/9-B/1).

* This is a draft decision. For the final decision adopted by the Board, please refer to the Decisions and Recommendations document (document WFP/EB.A/2007/15) issued at the end of the session.



SITUATION ANALYSIS AND SCENARIOS

Context

1. Since the outbreak of the second *intifada* in September 2000, the Occupied Palestinian Territory has suffered a dramatic rise in poverty and food insecurity.
2. Growth in 2005 of 6 percent in gross domestic product (GDP) and the election of President Abbas in January 2005 gave hope for economic recovery and progress towards a two-state solution to the Israeli-Palestinian conflict. Events in 2006 ended this optimism, however, and led to a deterioration in the humanitarian situation.
3. In 2005, 44 percent of the population were considered poor; the estimated figure for 2006 is 65.8 percent;¹ it could reach 72 percent by 2007.² Poverty is also more widespread: 55 percent of households cannot meet their needs for food, clothing and housing.³ Unemployment affects 30 percent of the active population;⁴ GDP declined by 10 percent in the first half of 2006, as much as in 2000–2005.⁵
4. Following the January 2006 elections that unexpectedly installed a Hamas-led government, the Palestinian National Authority (PNA) plunged into severe political and financial crisis: it lost 75 percent of its monthly revenues⁶ as Israel withheld customs tax payments and Western donors curtailed budgetary support pending commitment by Hamas to the three conditions set by the Quartet – the European Union, the United Nations, the Russian Federation and the United States.⁷
5. This was partially offset by mechanisms such as the Temporary International Mechanism (TIM), funds from Arab donors and charity, but the ability of the PNA to deliver health, education, water and sanitation, social and civil services on which most Palestinians depend was severely affected.
6. The salaries of the 165,000 PNA employees, who support 25 percent of the population, were only partially paid.⁸ In August, civil servants in the West Bank went on strike; by September, the PNA faced the threat of extinction as Western donors disengaged.

¹ Palestinian Central Bureau of Statistics (PCBS) data on poverty rates, using income data (2nd quarter).

² World Bank. *West Bank and Gaza Update*, September 2006, p.10. This takes into account the relative poverty line of US\$2.2 per person per day. The absolute poverty line is US\$1.6 per person per day.

³ Office for the Coordination of Humanitarian Affairs (OCHA). 2007. Consolidated Appeals Process (CAP).

⁴ PCBS data. Third quarter 2006.

⁵ United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), November 2006. *Prolonged Crisis in the Occupied Palestinian Territory: Recent Socio-Economic Impacts*.

⁶ OCHA. CAP. 2007. The value-added tax and customs taxes collected by Israel on behalf of the PNA amount to US\$60 million per month, 50 percent of PNA monthly revenue. Donor support for the PNA amounted to US\$30 million per month, 25 percent of monthly revenues.

⁷ The Quartet statement on the 30th of January 2006 noted that “...the Palestinian people have the right to expect that a new government will address their aspirations for peace and statehood... It is the view of the Quartet that all members of a future Palestinian government must be committed to non-violence, recognition of Israel and acceptance of previous agreements, including the Roadmap.” As of December 2006, these conditions had not been met by the Hamas-led government.

⁸ The International Monetary Fund (IMF) estimates that 42 percent of PNA salaries were paid, but this masks severe discrepancies between sectors.



7. Since January 2006, the closure policy – the restrictions on movements of goods and people into, inside and from the Occupied Palestinian Territory – has intensified: there are no longer any socio-economic links between the isolated West Bank and Gaza Strip.
8. This fragmentation has led to harmful changes in agriculture, markets, employment, food production and trade. Checkpoints increased by 40 percent in 2006; 58 percent of the barrier dividing the West Bank from Israel is now built,⁹ cutting off 19 percent of West Bankers from their land and 23 percent from their jobs.¹⁰
9. Movement of people and goods into and out of the Gaza Strip was low in 2006 despite the November 2005 Access and Movement Agreement. Workers and traders were prevented from entering Israel; repeated closure of the main goods crossing at Karni¹¹ caused major financial losses for Gazan farmers and businessmen. Fishing, on which 35,000 people depend, is restricted to 6–10 miles of the Gaza coastline; for four months in 2006, access to fishing grounds was forbidden altogether.
10. The frequency and intensity of military incursions increased in 2006, particularly in the Gaza Strip; this resulted in four times more Palestinian casualties than during the same period in 2005¹² and destruction of property, fertile land and agricultural infrastructure¹³ valued at US\$23.5 million, and of houses, roads, bridges and the only Gaza power plant. Internal violence has become more frequent and severe.

The Food Security and Nutrition Situation

11. Poverty and food insecurity resulting from protracted conflict, military incursions and the closure policy undermine economic development. Inability to buy food as a result of loss of employment and lack of access to land or water resources, education, health and social transfers in a context of degrading socio-economic conditions are the main causes of food insecurity.
12. Fragmentation of food systems and markets is likely to result from closures, checkpoints and the barrier; this is confirmed by diversions in price time series and increasingly isolated economic catchments areas. Markets function poorly and prices of basic commodities are high because the number of traders is limited and there is dependence on imports with high demurrage, transaction and transport costs. Until markets can function normally, as they must if they are to respond quickly and without inflationary pressure to increased demand created by cash injected into the economy, food aid has a clear comparative advantage.¹⁴

⁹ OCHA CAP. 2007. As of early October 2006, 406 km of the 703 km planned had been completed; 65 km was under construction. the completed barrier will leave 10 percent of the West Bank on the Israeli side and 60,000 Palestinians in closed areas between the barrier and the Green Line.

¹⁰ Survey conducted by the *Institut Universitaire d'Etudes du Développement* (IUED; Graduate Institute of Development Studies) in May 2006.

¹¹ OCHA CAP. 2007. The Karni crossing was closed for 35 percent of the year and opened for imports only.

¹² Ibid. Israeli casualties were half those in the same period in 2005.

¹³ Ibid. Approximately 400 ha of orchards and greenhouses, wells, farm buildings, fencing and irrigation infrastructure were destroyed in the Gaza Strip, valued at US\$23.5 million.

¹⁴ WFP. 2006. *Market Assessment of the OPT*. Cairo, ODC.



13. The 2006 comprehensive food security and vulnerability assessment (CFSVA) by WFP and the Food and Agriculture Organization of the United Nations (FAO)¹⁵ estimated that 34 percent of the 3.9 million Palestinians are food-insecure and that another 12 percent are vulnerable to food insecurity in the near future.¹⁶
14. Of non-refugee Palestinians, 58 percent of the population, 672,000 are food-insecure; a further 259,000 could become food-insecure if the situation does not improve.
15. Food insecurity affects urban and rural areas, but significant disparities exist: it is more widespread in the Gaza Strip, where 58 percent of non-refugees are food-insecure (76 percent in Rafah governorate), against 24 percent in the West Bank (42 percent in Tubas governorate) (see Annex III).
16. The resilience of Palestinians is stretched to the limit. In the first semester of 2006, the average Palestinian household reduced cash expenditure on food by 7.8 percent compared with the same period in 2005;¹⁷ higher food prices and reduced purchasing power led to a 4 percent decrease in the quantity of food purchased.¹⁸ Households are increasingly selling productive assets, incurring debts or withdrawing children from school. A WFP food-for-education (FFE) assessment in 2006 noted that drop-out rates rose from 0.9 percent in 2001 to 9.8 percent in 2003 and that the recent crisis has reduced parents' capacity to keep their children in school and to provide a balanced breakfast.
17. Acute malnutrition at 1.9 percent and chronic malnutrition at 9.4 percent among children under 5 remain stable. Iron, vitamin A and iodine deficiency are the most common nutritional problems; 38 percent of children of 12–59 months suffer from anemia, 22 percent from vitamin A deficiency.

Scenarios

18. In the medium term, poverty and food insecurity are likely to remain pervasive. The capacity of the Territory to generate economic growth has been seriously eroded¹⁹ and the private sector severely damaged. The 2006 socio-economic indicators are expected to fall at rates similar to the early *intifada* years, particularly in the Gaza Strip;¹⁹ localized humanitarian crises are predicted.
19. Unless there is a political solution of the crisis, assistance will remain crucial. Further deterioration of the situation would lead to further increases in vulnerability and food insecurity.

¹⁵ WFP/FAO CFSVA. December 2006.

¹⁶ This suggests the same level of food insecurity as in the 2003 CFSVA, but the different methods used makes it difficult to compare figures.

¹⁷ Palestinian Expenditure and Consumption Survey (PECS) data (June 2006).

¹⁸ WFP/FAO CFSVA. December 2006. The quantity of food consumed was reportedly reduced by 4 percent (PCBS PECS – First semester of 2006).

¹⁹ World Bank. September 2006. *West Bank and Gaza Update*.



POLICIES, CAPACITIES AND ACTIONS OF THE PALESTINIAN NATIONAL AUTHORITY AND OTHERS

Policies, Capacities and Actions of the Palestinian National Authority

20. In view of the positive prospects in 2005, the PNA and the humanitarian community made plans on the basis of a transition from crisis to recovery.
21. The two goals of the PNA Mid-Term Development Plan for 2005–2007 are poverty alleviation and institutional development, to be achieved through priority programmes on (i) social protection, (ii) social, human and physical capital investment, (iii) good governance and (iv) private-sector growth. A National Food Security Strategy (NFSS) and National Nutrition Policy were endorsed in late 2005.
22. NFSS is the framework for a sustainable multi-sectoral approach to food insecurity, promoting development and safety-nets through increased linkages between food-security and poverty-reduction interventions and enhanced coordination among humanitarian agencies, PNA ministries, civil society and the private sector.
23. The nutrition policy advocates: (i) development of a national nutrition surveillance system; (ii) management of deficiencies in iron, vitamins A and D and iodine; (iii) promotion of exclusive breastfeeding; (iv) implementation of growth monitoring; (v) improved nutrition for schoolchildren; (vi) improved food quality and safety; and (vii) management of severe and moderate malnutrition.
24. A five-year school health plan emphasizing school feeding and nutrition was endorsed in 2006.
25. The 2006–2008 common United Nations assessment places the role of United Nations agencies in the PNA aid-management framework. However, the sharp increase in needs in 2006 led to a shift towards emergency relief; the consolidated appeal for 2007 is a 74 percent increase over 2006.

Actions of other Major Actors

26. WFP focuses on assisting non-refugees; the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) will provide food aid for 1.4 million refugees in 2007.²⁰ Small-scale food distributions were conducted by non-governmental organizations (NGOs) such as Arab Solidarity, mostly during Ramadan, but WFP will be the only significant provider of food aid for non-refugees.

Coordination

27. Strategic partnerships are being developed with PNA institutions, UNRWA, FAO, the World Health Organization (WHO) and the United Nations Children's Fund (UNICEF) to address multi-dimensional food insecurity and advocate for national poverty-alleviation efforts. The UNRWA partnership involves coordinated emergency distributions and regular consultations.

²⁰ OCHA CAP. 2007. p.46



28. The Food Security Group co-chaired by WFP and FAO promotes information sharing and coordination.²¹

OBJECTIVES OF WFP ASSISTANCE

29. The objectives are to meet the food needs of the most vulnerable food-insecure non-refugees and to support the PNA in poverty reduction through productive activities and skills development.
30. The protracted relief and recovery operation (PRRO) contributes to Strategic Objectives 2 and 4 and to Millennium Development Goals (MDGs) 1, 2 and 3.²²

WFP RESPONSE STRATEGY

WFP Assistance in the Occupied Palestinian Territory to Date

31. WFP has been in the Territory since 1991. To address the deteriorating humanitarian situation in 2002, it implemented two consecutive emergency operations (EMOPs). PRRO 10387.0 started in September 2005 to assist 480,000 non-refugee food-insecure Palestinians for two years and build the capacity of PNA counterparts to manage food aid programmes.
32. In July 2006 WFP expanded its operation to support more than 600,000 beneficiaries. An emergency needs assessment confirmed the need to activate the WFP contingency plan to respond to loss of incomes in agriculture, fishing and poultry raising, limited payment of PNA salaries and increased prices of basic commodities. In view of the difficulties faced by the PNA, strengthening existing partnerships became the priority, as opposed to capacity-building.
33. A November 2006 UNRWA report stated that humanitarian assistance had reduced the number of individuals in deep poverty by 13.5 percent in 2004 and 20.6 percent in 2005;²³ it also noted that in 2006 food aid was the most prevalent type of assistance, benefiting 78 percent of aid-recipient households. The 2006 CFSVA noted that well-targeted aid had prevented an increase in food insecurity since 2003, notably for non-refugees.

Strategy Outline

34. PRRO 10387.1, designed on the basis of assessments of food security, markets, FFE and nutrition and on the November 2006 after-action-review, proposes targeted interventions to offer assistance according to the food-security, socio-economic and livelihood profiles of

²¹ Composed of: WFP, FAO and UNRWA; Oxfam, Care and *Accion Contra el Hambre* (ACH); Palestinian NGOs Palestinian Agricultural Relief Committees (PARC), Union of Agricultural Work Committees (UAWC), Ma'an Development Network, Ramallah (MAAN); the European Commission, the European Community Humanitarian Office (ECHO) and the United States Agency for International Development (USAID).

²² Strategic Objective 2: Protect livelihoods in crisis situations and enhance resilience to shocks; Strategic Objective 4: Support access to education and reduce gender disparity in access to education and skills training. MDG 1: Eradicate extreme poverty and hunger; MDG 2: Achieve universal primary education; MDG 3: promote gender equality and empower women.

²³ UNRWA. 2006. *Prolonged Crisis in the Occupied Palestinian Territory: Recent Socio-Economic impact Gaza, OPT*.



the most vulnerable non-refugee Palestinians to ensure that actual needs are met and that they contribute to the national social-protection programme.

35. Emphasis is placed on interventions demonstrating the comparative advantage of food aid: cost-effective provision of fortified food for targeted beneficiaries, notably by targeting areas where market fragmentation affects food supply.
36. Rations for different beneficiary categories and interventions have been introduced. Full rations will be provided for people entirely dependent on assistance; reduced rations will go to beneficiaries with limited resources. Food-for-work (FFW) rations will have an economic transfer value; food-for-training (FFT) rations will serve as an incentive.
37. The PRRO will emphasize self-reliance through productive activities: FFW and FFT will concentrate on creating conditions for increased productivity and generating employment; FFE will contribute to skills development.
38. Poverty-reduction interventions such as cash-for-work programmes were considered in the design to ensure complementarity and to give WFP interventions a comparative advantage; they are the interventions of choice in the United Nations/PNA job-creation initiative.
39. Gender considerations in line with WFP's Enhanced Commitments to Women are mainstreamed throughout the operation; the country office will support the participation of women in project design and implementation.
40. Some capacity-building objectives are suspended because of the current standstill in PNA institutions. WFP will, however, foster partnerships in its efforts to enhance food security and nutrition monitoring and advocate for coordinated response as the basis of future capacity-building when conditions are suitable.
41. The PRRO has three fundamental components: (i) protracted and emergency relief, (ii) recovery through support for productive activities and skills development and (iii) enhanced knowledge, partnerships and advocacy. Of the 665,000 targeted beneficiaries, including 90,000 school children, 43 percent will be assisted through relief interventions and 57 percent through recovery activities.

COMPONENT 1 – PROTRACTED AND EMERGENCY RELIEF ASSISTANCE

Assistance for the Destitute

42. In partnership with the Ministry of Social Affairs, WFP will cover the food needs of destitute people through (i) targeted general distribution to households registered under the ministry's special hardship programme and (ii) institutional feeding for individuals in homes for the elderly, orphanages and hospitals.
43. Institutional feeding will assist 8 percent of the destitute; this is critical, because PNA capacity is decreasing. Institutions with limited or no support are prioritized.²⁴

²⁴ Following an internal evaluation of the institutional feeding project in 2006, assessment and targeting tools were improved.



44. WFP will liaise with the ministry and the World Bank on the Social Safety-Net Reform Project to review eligibility criteria for the special hardship programme and limited cash allowance²⁵ and ensure access to social services. This project could create a coordinated safety net.

Assistance to Vulnerable Groups

45. The CFSVA showed that food insecurity affects urban and rural areas and that some of those considered “new poor” in the 2003 assessment were unable to reverse the decline in their socio-economic status. WFP general distributions of a ration covering 60 percent of food needs will target mainly urban households that have become more food-insecure to prevent destitution and distress coping strategies.

Contingency Emergency Assistance

46. Declining socio-economic indicators, intensified military incursions, prolonged curfews and possibly avian influenza could bring about more local humanitarian crises. The PRRO contains a contingency provision to assist people affected by crisis with a ready-to-eat ration. Food stocks will be established to ensure timely response.

COMPONENT 2 – RECOVERY THROUGH SUPPORT FOR PRODUCTIVE ACTIVITIES AND SKILLS DEVELOPMENT

Support for Productive Activities

47. The FFW programme will focus on preserving agricultural and fishery assets to promote self-reliance and restore livelihoods, contributing to longer-term food security; unemployed people in targeted areas will be encouraged to participate. Seasonality will be taken into consideration.
48. FFT in income-generation and vocational training will contribute to self reliance by imparting marketable skills and producing consumer products to support diversification of livelihoods. Partnerships will be encouraged to ensure access to micro-credit schemes.
49. Support for small-scale producers of olive oil in the West Bank will continue. If necessary, WFP will purchase through the Ministry of Agriculture up to 1,000 mt of olive oil from poor farmers with less than 3 ha of land who have marketing difficulties to ensure a fair profit. The oil will be distributed to WFP beneficiaries in areas where little or none is produced.

Skills Development

50. In line with the national nutrition policy, FFT in life skills targeting vulnerable groups - 70 percent of participants will be women and girls – will impart literacy and numeracy and promote good nutrition, health, care, hygiene and sanitation.

²⁵ A limited cash allowance is normally provided by the Ministry of Social Affairs for hardship cases. However, in view of the PNA financial crisis, the allowance was not paid in 2006; the Temporary International Mechanism provided one allowance of NIS1,500 per family instead.



51. WFP will introduce a pilot emergency school feeding project in food-insecure areas of the West Bank and Gaza Strip to encourage parents to keep children in school and to reduce the risk of dropouts in kindergartens and basic schools. Nutritious snacks will be prepared daily by women's associations for pre-school and primary schoolchildren to eliminate short-term hunger and help them to focus on learning.

COMPONENT 3 – ENHANCED KNOWLEDGE BASE, PARTNERSHIPS AND ADVOCACY

52. WFP will partner FAO in developing a food security monitoring system (FSMS) with indicators for income, expenditure, poverty, stocks, markets and production. In collaboration with the Ministry of Health, WHO and UNICEF, a nutrition component will be embedded in the FSMS to integrate national nutritional surveillance data. The FSMS will be established in collaboration with national institutions and gradually handed over to them.
53. The vulnerability analysis and mapping (VAM) unit will analyse monthly market prices in collaboration with the PNA; this will enhance the capacity of the country office in market analysis and needs assessment. The country office will regularly update its contingency plan.
54. Regular FSMS and market analysis data on factors affecting food security and the number, location and characteristics of the food-insecure population will enable timely targeting and programme adjustments; effective use of resources and will minimize the negative effects of assistance. Emergency preparedness measures will improve the ability of the country office to plan for and respond to crises on the basis of reliable information.
55. To position itself as a leader in the sector and advocate on the multi-dimensional aspects of food insecurity and national poverty alleviation, WFP will:
- establish partnerships with PNA ministries, FAO, WHO, UNICEF and UNRWA for studies, needs assessments and policy papers;
 - produce a *Food Insecurity Atlas* to illustrate food insecurity in relation to poverty, socio-economic and nutrition indicators (VAM unit);
 - strengthen the food security group as a platform for information sharing and enhanced coordination; and
 - participate in coordination processes under the leadership of OCHA to ensure that food security features prominently.

Exit Strategy

56. WFP assistance in the Territory will be phased out when the problem of lack of economic access to food is resolved and the PNA regains the resources to resume assistance. Factors contributing to economic growth and enhanced incomes include: (i) fewer movement restrictions to allow restoration of sustainable and diversified livelihoods; (ii) fewer restrictive policies, to restore the terms of trade for small producers; (iii) reversal of the destruction of agricultural land and material caused by incursions; and (iv) easing of fishing restrictions in Gaza.



57. WFP is committed to the Government's development plan. Despite the current crisis, assistance will support, not replace, PNA services. By assisting the destitute, WFP is temporarily assisting the PNA, which is in charge of implementation of this programme until it can resume services on its own.
58. To support the PNA, WFP's targeting and food security monitoring systems developed in partnership with PNA institutions will ultimately be handed over to them to enable adequate services for the food-insecure population.
59. For school feeding, the exit strategy is based on partnerships to build the capacity of women's institutions to provide low-cost school snacks, with parental contributions, supervised by the PNA.

BENEFICIARIES AND TARGETING

60. WFP will assist 665,000 non-refugee food-insecure Palestinians, including 90,000 school children. Beneficiary profiles based on CFSVA findings are shown in Table 2; 38 percent of beneficiaries will be in the Gaza Strip, 62 percent in the West Bank; 52 percent of beneficiaries will be women.²⁶

²⁶ The breakdown in assistance between the Gaza Strip and the West Bank takes into account the fact that 33 percent of the Gaza Strip population is non-refugee; the figure for the West Bank is 72 percent.



TABLE 1. BENEFICIARY PROFILE AND TARGETING CRITERIA PER INTERVENTION TYPE

Intervention type	Objective of assistance	Beneficiary profile / Targeting criteria	Geographic targeting
Protracted and emergency relief			
Assistance to the destitute.	Meet basic food needs.	Households entirely dependent on assistance – those without breadwinners, including those headed by women or elderly people, and those with disabled and chronically ill members. Individuals residing in social institutions.	All areas of the West Bank and Gaza Strip, including social institutions with limited or no support.
Assistance to the most vulnerable groups.	Prevent destitution by contributing to meeting food needs and avoid distress coping strategies that undermine livelihoods and future food security.	Food-insecure households affected by income and consumption poverty but not destitute, high dependency ratio, irregular employment.	Urban centres; emphasis on governorates where food insecurity is above national average.
Contingency emergency assistance.	Meet immediate food needs.	People temporarily unable to access food because of local humanitarian crises; to be determined on the basis of emergency needs assessments.	Areas affected by curfews, incursions, avian influenza, deteriorating socio-political situation.
Recovery through support for productive activities and skills development			
FFW to preserve productive assets.	Promote self-reliance through preservation of agriculture and fishery assets.	Poor farmers and fishermen and long-term unemployed will be prioritized.	Rural areas and fishing zones.
Support for small-scale olive oil producers.	Support income generation for poor farmers by providing marketing opportunities.	Poor farmers with a minimum of 3 ha of land.	Olive oil producing governorates in the West Bank.
Food for income-generation and vocational training.	Promote self-reliance by imparting marketable skills and assets.	Food-insecure long-term unemployed and unskilled workers.	Urban and to a lesser extent rural food-insecure areas.
Life-skills training.	Impart life skills and promote good nutrition, health, care, hygiene and sanitation.	Vulnerable groups, with focus on women, who will be >70% of beneficiaries.	Governorates where food insecurity is above national average and where there is local implementation capacity.
FFE pilot school feeding project.	Reduce short-term hunger, improve attendance and promote income transfer and social cohesion.	All children in pre-schools and primary schools in selected areas.	Governorates where food insecurity is above national average and where there is local implementation capacity.

TABLE 2. BENEFICIARIES BY INTERVENTION TYPE AND LOCATION				
Intervention type	Gaza Strip	West Bank	Total OPT	Proportion (%)
Emergency and protracted relief				
Assistance to the destitute	90 000	98 000	188 000	43
Assistance to most vulnerable groups	32 000	43 000	75 000	
Contingency emergency assistance	11 000	12 000	23 000	
Total relief	133 000	153 000	286 000	
Recovery through support for productive activities and skills development				
FFW	45 000	100 000	145 000	57
Food for income generation and vocational training	22 000	50 000	72 000	
Life-skills training	22 000	50 000	72 000	
FFE – school feeding	30 000	60 000	90 000	
Total recovery	119 000	260 000	379 000	
Total PRRO	252 000	413 000	665 000	
Gaza Strip/West Bank %	38	62		

NUTRITIONAL CONSIDERATIONS AND RATIONS

61. The rations in Table 3 reflect local habits and are in line with the recommendations of WFP's December 2006 nutrition review. Table 4 shows the food requirements for 665,000 beneficiaries for 24 months.
62. In line with national nutrition policy and WFP policies on micronutrient fortification,²⁷ WFP will continue to distribute fortified food and advocate for national initiatives on micro-nutrient deficiencies, cooperating with the Ministry of Health, UNICEF, WHO and the private sector.

²⁷ WFP/EB.A/2004/5-A/2.





TABLE 3. FOOD BASKET BY INTERVENTION TYPE									
Intervention type	Objective	Cereals	Pulses	Vegetable oil	Sugar	Iodized salt	Canned meat/fish	Dried dates	kcal/person /day
Emergency and Protracted Relief									
Assistance for the destitute: targeted general food distribution and institutional feeding.*	Meet full food needs.	400	35	40	30	5	-	-	2 046
Assistance to most vulnerable groups: targeted General food distribution (GFD), reduced ration.*	Meet partial food needs.	300	20	20	10	5	-	-	1 375
Contingency emergency assistance.	Meet immediate food needs.	400	-	20	10	5	100	50	2 015
Recovery through support for productive activities and skills development									
FFW**	Income transfer.	450	25	40	25	5	-	-	2 175
Food for income generation vocational training. **	Incentive.	300	20	20	10	5	-	-	1 375
Life-skills training**	Incentive.	300	20	20	10	5	-	-	1 375
Food for Education - emergency school feeding	Daily snacks to improve learning ability.	100	-	10	10	3	20	-	536

* According to actual family size. ** Average family size = 6.



TABLE 4. TOTAL COMMODITY REQUIREMENTS FOR TWO YEARS

Intervention type	Average feeding days per year	Cereals	Pulses	Vegetable oil	Sugar	Iodized salt	Canned meat/fish	Dried dates	Total
Emergency and Protracted Relief									
Assistance to the destitute.	365	54 897	4 804	5 490	4 117	685	-	-	69 993
Assistance to most vulnerable groups.	365	16 425	1 095	1 095	548	274	-	-	19 437
Contingency emergency assistance.	300	5 520	-	276	138	69	1 380	690	8 073
Recovery through support for productive activities and skills development									
FFW	240	31 320	1 740	2 784	1 740	348	-	-	37 932
Food for income generation and vocational training.	240	10 368	691	691	346	173	-	-	12 269
FFE – life skills.	240	10 368	691	691	346	173	-	-	12 269
Emergency school feeding.	180	3 240	-	324	323	97	648	-	4 632
Total		132 138	9 021	11 351	7 558	1 819	2 028	690	164 605

IMPLEMENTATION ARRANGEMENTS

Cooperating Partners

63. Long-standing partnerships with PNA institutions will continue. These partners are committed to ensuring that WFP projects are only marginally affected by the long-standing strike of PNA employees.
64. Cooperating partners for FFW will include the Catholic Relief Services (CRS) and Cooperative Housing Foundation (CHF) International according to geographical coverage and implementation capacity. Partners for assistance to the most vulnerable groups, income-generating activities and vocational and life-skills training will be selected on the basis of their expertise and training needs. Collaboration with the United Nations Development Programme (UNDP), FAO and the Ministry of Planning will be enhanced to complement inputs and bring additional expertise.
65. The emergency school feeding project will be implemented in partnership with the Ministry of Education and Higher Education Department for School Health for primary schools, the Near East Foundation for kindergartens and the United Nations Development Fund for Women (UNIFEM) for women's associations.
66. Letters of agreement with cooperating partners will outline responsibilities for targeting, beneficiary selection, implementation modalities, distribution systems and monitoring and reporting; guidelines and training will be provided.

Selection of Activities

67. Activities, notably FFW and FFT, will be selected and approved by a programme review committee of WFP and cooperating partner staff to ensure that projects:
 - are consistent with national development priorities and with WFP's objectives, policies and procedures;
 - target the most food-insecure areas and households;
 - demonstrate the comparative advantage of food aid; and
 - ensure that communities and individuals will be the direct recipients of sustainable project outputs that will bring sustained improvements in livelihoods, nutrition and education.

Participation

68. The implementation modalities are based on assessments and consultations with partners, community-based organizations, local relief committees, women's groups and beneficiaries; 50 percent of local selection and project formulation committee members will be women.

Non-Food Items

69. Funds were budgeted for non-food items to be procured by cooperating partners to benefit (i) targeted social institutions and women's associations to ensure proper preparation of meals in institutions and school snacks, and (ii) FFW and FFT to ensure



sufficient tools, materials and training aids.

Resource-Management Arrangements

70. WFP used the business process review and working-capital finance initiatives to maximize resource utilization and ensure on-time food delivery. A working-capital advance of US\$13.2 million in July 2005 enabled a timely start of operations; a further advance of US\$9.5 million in June 2006 prevented a pipeline break. These advances were repaid during PRRO 10387.0. WFP will continue to use these mechanisms as necessary and will advocate flexibility in using donor funds to maximize use.
71. Implementation of the New Business Model from 2007 will optimize the use of WFP resources through enhanced project planning, resource management, financing and resource assignment.

Logistics and Procurement Arrangements

72. Timely delivery of food to Gaza and the West Bank is complex because of the lack of ports or airports; supply corridors are limited and there are stringent custom and security clearances for containerized goods arriving at the Israeli port of Ashdod, compulsory coordination with the Israel Defence Forces (IDF) for any cargo movement and frequent access restrictions.
73. These are addressed as follows:
 - The share of local procurement has increased to 40 percent; commodities are locally procured in the West Bank and Gaza Strip, a cost-effective and flexible alternative that contributes to timely deliveries. Effects on local markets are minimized.
 - Deliveries to Gaza are problematic because back-to-back transshipment is compulsory at the only crossing for goods, at Karni, which was closed for 35 percent of 2006; when open, only a few containers were allowed to pass, which limited access for humanitarian cargo.
 - WFP has opened a promising alternative corridor from Egypt through the Kerem Shalom crossing, which helps timely deliveries to Gaza. WFP has occasionally negotiated the passage of palletized cargo through the semi-official Sufa crossing, but with higher costs. WFP rents a 3,000 m² warehouse at Karni for storage in case of closure.
 - WFP can transport containers through checkpoints into the West Bank without transshipments. But terminals such as that at Karni are being built at all entry points into the West Bank; as the barrier nears completion, WFP may be requested to use them, which would hamper humanitarian deliveries and lead to increased costs.
 - The landside transport, storage and handling (LTSH) rates for short distances are high because of the closure policy. To reflect the costs incurred, three LTSH rates are used for internal, regional (Egypt) and local commodity purchases. The Commodity Movement Processing and Analysis System (COMPAS) tracks commodities from the port of loading to distribution by cooperating partners.

Institutional Arrangements

74. WFP has the country office in East Jerusalem, a sub-office in Gaza, a sub-office shared with OCHA and a field-office shared with UNICEF in the West Bank; there is a logistics



office at Ashdod. UNDP undertakes formal relations with the Government of Israel and provides administrative services for WFP. Since 2006, financial transactions have been handled by WFP for enhanced cost-effectiveness and efficiency.

PERFORMANCE MONITORING

75. Results-based management underlies the PRRO, which was designed according to a logical framework (see Annex II).
76. The M&E system in the country office is based on the Common Monitoring and Evaluation Approach, supported by a database; it will be adapted according to operational results to allow output monitoring. Progress will be periodically evaluated by comparing outcome indicators with baseline data.
77. Collection by checklist of quantitative and qualitative monitoring data is undertaken regularly by WFP field monitors. The checklists have been field tested and revised in collaboration with partners. Activity planning and achievement checklists will provide data on quantitative and qualitative outputs. Regular monitoring reports will inform project implementation, decision-making and reporting.
78. External evaluations of projects will be conducted to improve programme design. The November 2006 after-action review of the current operation with partners was conducted in lieu of a formal evaluation; a mid-term evaluation by the Office of Evaluation (OEDE) will take place during the second half of 2008.

RISK ASSESSMENT AND CONTINGENCY PLANNING

Risk Assessment

79. Risks with potential negative impact on the WFP operation include (i) intensified factional fighting leading to deterioration of the security environment, (ii) additional humanitarian access restrictions and (iii) paralysis of PNA institutions as a result of infighting and limited international assistance.
80. Any large-scale outbreak of avian influenza such as that in Gaza in March 2006 could lead to a humanitarian disaster affecting children and people involved in small-scale farming, who would suffer from lack of dietary protein.

Contingency Planning

81. WFP prepared a contingency plan in March 2006 for potential deterioration of the political and humanitarian situation as a result of the January elections. The worst-case scenario included a boycott of the PNA and intensification of the hostilities between Palestinian factions and with Israel, leading to a deterioration of socio-economic conditions and increased vulnerability. Monitoring of the deteriorating situation and a needs review in June 2006 activated the plan, which called for an increase of 25 percent in beneficiaries.
82. The plan will be updated to reflect developments related to these risks. WFP will continue to participate in inter-agency contingency planning, notably on avian influenza, using an approach that includes food security, public and veterinary health control and risk



management.

SECURITY CONSIDERATIONS

83. Security in the Gaza Strip (phase 4) and the West Bank (phase 3) is likely to remain uncertain. United Nations staff are not normally targeted, but there are serious risks associated with military operations, increased militant and settler activity and crossings at checkpoints.
84. Under the direction of the United Nations Department for Safety and Security (UNDSS), WFP participates in the Security Cell and Security Management Team. A 24-hour radio system and information-sharing mechanisms are in place; a stress counsellor is available.
85. WFP has a civil/military coordinator to facilitate access and movements of WFP staff and commodities through dialogue with the IDF and United Nations partners and to liaise with UNDSS, advise staff on security, provide training and update the security, warden, safety and evacuation plans.
86. WFP offices, vehicles and staff residences are compliant with the minimum operating security standards (MOSS) and minimum operating residential security standards (MORSS). An armoured vehicle has been deployed to the Gaza Strip; in the West Bank, staff carry personal protection equipment.



ANNEX I-A

BREAKDOWN OF PROJECT COSTS			
	Quantity (mt)	Average cost per mt (US\$)	Value (US\$)
WFP COSTS			
A. Direct operational costs (DOC)			
Commodities*			
– Cereals	132 138	304	40 181 844
– Pulses	9 021	820	7 397 220
– Vegetable oil	11 351	1 228	13 939 028
– Sugar	7 558	500	3 779 000
– Iodized salt	1 819	160	291 087
– Canned meat	1 648	2 500	4 120 000
– Dates	690	600	414 000
– Canned fish	380	2 000	760 000
Total	164 605		70 882 179
External transport			7 593 007
Internal transport, storage and handling			9 318 238
Total LTSH			9 318 238
Other DOC			3 976 878
Total DOC			91 770 302
B. Direct support costs¹ (see Annex I-B)			8 448 400
C. Indirect support costs (7.0 percent)²			7 015 309
TOTAL WFP COSTS			107 234 011
* This is a notional food basket for budgeting and approval. The contents may vary.			

¹ Indicative figure for information purposes. The DSC allotment is reviewed annually.

² The ISC rate may be amended by the Board during the project.



ANNEX I-B

DIRECT SUPPORT REQUIREMENTS (US\$)	
Staff	
International professional staff	2 079 720
National professional officers	784 000
National general service staff	2 969 600
Incentives	105 480
International consultants	234 000
Overtime	43 200
Staff duty travel	132 000
Staff training and development	172 000
Medical insurance	45 600
Subtotal	6 656 600
Office expenses and other recurrent costs	
Rental of facility	398 800
Utilities (general)	102 000
Office supplies	46 000
Communication and IT services	240 000
Equipment repair and maintenance	12 000
Vehicle maintenance and running cost	252 000
Other office expenses	36 000
United Nations organizations services	140 000
Subtotal	1 226 800
Equipment and other fixed costs	
Furniture tools and equipment	212 000
Vehicles	150 000
TC/IT equipment	294 000
Subtotal	656 000
TOTAL DIRECT SUPPORT COSTS	8 448 400



ANNEX II - LOGICAL FRAMEWORK

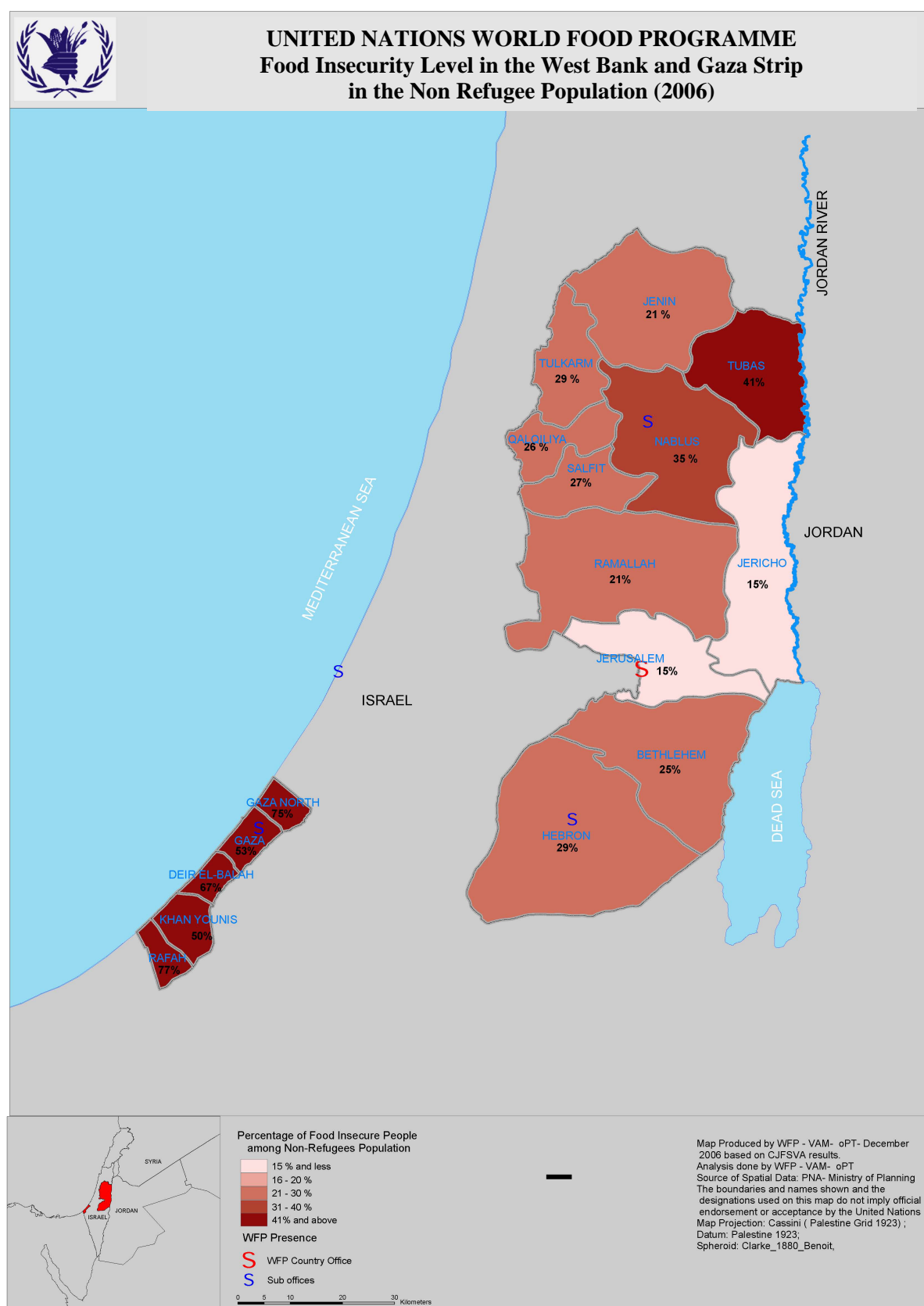
Results chain	Performance indicators	Risks, assumptions
Impact: Contributed to the realization of the PNA mid-term development plan by assisting the destitute, protecting livelihoods, supporting productive activities and developing skills.	Impact indicators Positive change in household food security and livelihoods.	De-institutionalization of the PNA stops. Political and security environments do not deteriorate. Donors support continues notably through contributions in cash.
SO 2: Protect livelihoods in crisis situations and enhance resilience to shocks		
Outcomes: 1.1 Increased ability to meet food needs within targeted households in crisis situation.	Outcome indicators: 1.1 Proportion of beneficiary household expenditure devoted to food.	
Outputs: 1.1.1 Timely provision of food in sufficient quantity for targeted beneficiaries in crisis and transition situations.	Output indicators: 1.1.1.1 (By project, category, age group, sex) <ul style="list-style-type: none"> ➤ Actual beneficiaries receiving WFP food assistance as a percentage of planned beneficiaries. ➤ Actual mt of food distributed through each activity as a percentage of planned distributions. ➤ Actual participants in each activity as a percentage of planned distributions. 1.1.1.2 <ul style="list-style-type: none"> ➤ Number and types of assets created/trainings conducted. ➤ Percentage of women in decision-making position in food-management committees. ➤ Number of partners attracted to provide access to micro-credit 	Target population participates in identification, planning, implementation and maintenance of project activities and assets created. Appropriate partners are selected for implementation. Partners commitments are honoured. Closures do not increase. No pipeline breaks.
1.1.2 Enhanced knowledge and advocacy on food insecurity.	1.1.2.1 <ul style="list-style-type: none"> ➤ FSMS with nutritional component established. ➤ Number of market analysis conducted. ➤ Food Insecurity Atlas accomplished. 	National Nutritional System is implemented.





ANNEX II - LOGICAL FRAMEWORK		
Results chain	Performance indicators	Risks, assumptions
SO 4: Support access to education and reduce gender disparity in access to education and skills training		
Outcomes: (by gender and type of assisted schools) 2.1 Maintained enrolment. 2.2 Maintained attendance. 2.3 Maintained educational achievements. 2.4 Maintained gender parity.	Outcome indicators: (by gender and type of assisted schools) 2.1.1 Absolute enrolment. 2.2.1 Attendance rates. 2.3.1 Repetition rates. 2.3.2 Drop-out rates. 2.4.1 Ratio of girls to boys enrolled.	Easing of PNA financial crisis and resumption of full payment of salaries to MOEHE employees. Budget allocations to basic education are adequate and timely. Schools keep functioning properly. Adequate human resources are allocated to FFE by partners.
Outputs: The outputs listed below relate to outcomes 2.1, 2.2, 2.3 and 2.4. 2.1.1 Timely provision of food in sufficient quantity for targeted schoolchildren. 2.1.2 Timely provision of food in sufficient quantity to women's centres and bakeries. 2.1.3 Timely provision of incentive rations in sufficient quantity to women.	Output indicators: 2.1.1.1 Actual children receiving assistance as a percentage of planned, by age group and sex. 2.1.1.2 Actual quantity of food distributed as a percentage of planned by commodity. 2.1.2.1 Actual number of women's centres and bakeries receiving food as a percentage of planned. 2.1.2.2 Actual quantity of food distributed to women's centres and bakeries as a percentage of planned by commodity. 2.1.3.1 Actual women receiving incentive rations as a percentage of planned figure. 2.1.3.2 Actual quantity of incentive rations distributed to women as a percentage of planned by commodity.	No significant schooling disruptions. Closures are not increased or displaced. Women's associations and bakeries keep functioning properly. No pipeline breaks.

ANNEX III



The designations employed and the presentation of material in this publication do not imply the expression of any opinion whatsoever on the part of the World Food Programme (WFP) concerning the legal status of any country, territory, city or area or of its frontiers or boundaries.



ACRONYMS USED IN THE DOCUMENT

CAP	Consolidated Appeals Process
CFSVA	comprehensive food security and vulnerability assessment
CHF	Cooperative Housing Foundation
COMPAS	Commodity Movement Processing and Analysis System
CRS	Catholic Relief Services
DOC	direct operational costs
DSC	direct support costs
ECHO	European Community Humanitarian Office
EMOP	emergency operation
FAO	Food and Agriculture Organization of the United Nations
FFE	food for education
FFT	food for training
FFW	food for work
FSMS	food security monitoring system
GDP	gross domestic product
IDF	Israel Defence Forces
ISC	indirect support costs
LTSH	landside transport, storage and handling
M&E	monitoring and evaluation
MAAN	Ma'an Development Network, Ramallah
MDG	Millennium Development Goal
MORSS	minimum operating residential security standards
MOSS	minimum operating security standards
NFSS	National Food Security Strategy
NGO	non-governmental organization
OCHA	Office for the Coordination of Humanitarian Affairs
ODC	Middle East, Central Asia and Eastern Europe Regional Bureau
OEDE	Office of Evaluation
PARC	Palestinian Agricultural Relief Committee
PCBS	Palestinian Central Bureau of Statistics
PECS	Palestinian Expenditure and Consumption Survey
PNA	Palestinian National Authority
PRRO	protracted relief and recovery operation



TIM	Temporary International Mechanism
UAWC	Union of Agricultural Work Committees
UNDP	United Nations Development Programme
UNDSS	United Nations Department of Safety and Security
UNICEF	United Nations Children's Fund
UNIFEM	United Nations Development Fund for Women
UNRWA	United Nation Relief and Works Agency for Palestine Refugees in the Near East
USAID	United States Agency for International Development
VAM	vulnerability analysis and mapping
WFP	United Nations World Food Programme
WHO	World Health Organization