

**Ukraine EMOP 200765  
B/R No.1**

**BUDGET REVISION FOR THE APPROVAL OF REGIONAL DIRECTOR**

<u>ORIGINATOR</u>	<u>Initials</u>	<u>In Date</u>	<u>Out Date</u>	<u>Reason For Delay</u>
Country Office or Regional Bureau on behalf of Country Office	.....	.....	.....	.....
<b><u>CLEARANCE</u></b>				
Ms. Piyamon Arayaprayoon Project Budget & Programming Officer, RMBP	.....	.....	.....	.....
Mr. Ally-Raza Qureshi Chief, RMBP	.....	.....	.....	.....
Mr. Adrian van der Knaap Chief, OSLT	.....	.....	.....	.....
Mr. Wolfgang Herbinger Director, OSL	.....	.....	.....	.....
Mr. Jakob Kern Director, OST ( <i>ICT operations only</i> )	.....	.....	.....	.....
<b><u>APPROVAL</u></b>				
<input checked="" type="checkbox"/> Mr. Mohamed Diab Regional Director	.....	.....	.....	.....

**PROJECT: Ukraine EMOP 200765**

**Start date:** 03 November 2014 **End date:** 30 April 2015 **Extension period:** 2 Months **New end date:** 30 June 2015

	<u>Cost (United States dollars)</u>		
	<u>Current Budget</u> US\$	<u>Increase</u> US\$	<u>Revised Budget</u> US\$
Food Related Costs	1,926,331	3,574,948	5,501,279
Cash and Vouchers and Related Costs	11,735,000	-	11,735,000
Capacity Development & Augmentation	81,200	-	81,200
DSC	2,165,243	574,575	2,739,818
ISC	1,113,544	290,467	1,404,011
<b>Total cost to WFP</b>	<b>17,021,318</b>	<b>4,439,990</b>	<b>21,461,308</b>

**CHANGES TO:**

**Food Tool**

- MT  
 Commodity Value  
 External Transport  
 LTSH  
 ODOC

**C&V Tool**

- C&V Transfers  
 C&V Related Costs

CD&A

- DSC  
 Project duration  
 Other

**Project Rates**

- LTSH (\$/MT)  
 ODOC (\$/MT)  
 C&V Related (%)  
 DSC (%)

**DISTRIBUTION:**

DED & COO	Director, OSZ	Regional Director
Director, OME	Chief, OSZP	RB Programme Advisor
Director, PGG	Chief, OSZA	RB Programme Assistant
Chief, OSLT	Chief, OSZI	RB Chrono
Chief, RMBP	Programme Officer, RMBP	OM Registry
Country Director	Programming Assistant, RMBP	Liaison Officer, OM Cairo

## **NATURE OF THE REVISION**

1. This Budget Revision (BR) 1 of Ukraine EMOP 200765 “Emergency assistance to civilians affected by the conflict in eastern Ukraine” is to increase the food requirements by 1,494mt for an additional 68,000 beneficiaries and extend the project in time by two months up to 30 June 2015. The BR will also increase the level of *other direct operational costs* (ODOC) to enable WFP to expand its operations in non-Government controlled areas.

## **JUSTIFICATION FOR THE REVISION**

### **Summary of existing project activities**

2. WFP’s intervention in Ukraine is to provide life-saving emergency assistance to the most vulnerable conflict-affected population in eastern Ukraine. Food assistance is necessary in order to ease the food insecurity of those affected by the hostilities. The operation is aligned with WFP’s Strategic Objective 1: “Save Lives and Protect Livelihoods in Emergencies”.
3. Beneficiaries are targeted with either in-kind food or cash and vouchers (C&V) transfers, depending on the context-specific food security needs and geographic location. The operation plans to provide three rounds of C&V to 80,000 people to address short-term food needs in more secure IDP-hosting areas with adequate food supply and where markets are well-functioning. In areas under active conflict with poor humanitarian access, infrastructure destruction and market disruption, one round of locally-procured immediate response rations (IRRs) for 40,000 people will be provided to address immediate food needs of those with limited to no food access or supply.

### **Conclusion and recommendation of the re-assessment**

4. Lack of access to money to purchase food continues to be the prime cause of food insecurity. On 1 December 2015, the Government of Ukraine issued a National Decree to cease financial services and access to social benefits in areas that are not under control of the Government. Following the issuance of the Decree, the National Bank of Ukraine closed its branches and ceased its operations in non-Government controlled areas, further complicating access to cash and liquidity for conflict-affected people. Furthermore, their inability to access social benefits is contributing to a rapidly deteriorating situation.
5. The humanitarian implications of the Decree are serious and will deepen the vulnerability of populations most in need of assistance. Humanitarian partners are concerned about the growing need for food in areas not controlled by the Government as the conflict continues to disrupt both the freedom of movement of individuals within conflict hotspots as well as the regular supply and functionality of markets. Initial results from WFP’s Rolling Assessment (*final report forthcoming*) indicates that households in the non-Government controlled area are quickly depleting savings in order to purchase what food is available. The reliance on relatives and external assistance is high, and current assistance programmes are not meeting the demand for food.
6. Given that the banks are not functioning and the supply and quality of food are dwindling, the provision of in-kind food assistance is the most plausible delivery mechanism in this area at this time. As part of the provision of a once off IRR to 68,000 targeted beneficiaries, WFP plans to provide one-off food assistance to institutions such as hospitals and orphanages in

partnership with other UN agencies<sup>1</sup>. OSCE reports have highlighted the desperation in the institutions, as volunteers have replaced many of the departing staff and food is not available to feed the vulnerable. To address this urgent need, UNHCR, as co-lead of the Protection Cluster, is establishing a comprehensive list of institutions that require support. Along with an increasing number of NGOs, both WHO and UNICEF have approached WFP with requests for support.

### Purpose of change in project duration and budget increase

7. The BR will extend the operation for an additional two months up to the end of June 2015, due to the deteriorating humanitarian situation and the increased needs that have not been addressed by the Government and local authorities. This extension is necessary due to the protracted nature of the crisis and the effects of long term displacement on the vulnerability of the affected population, characterized by high unemployment, lack of economic opportunities, and depletion of savings, compounded by lack of key services such as heating and water.
8. Food needs during the identified period remain a priority concern, and since in-kind food assistance is the most appropriate modality for providing assistance in non-Government controlled areas, the BR will increase the number of IRR rations from 40,000 to 108,000 and the corresponding food requirements from 878mt to 2,372mt. Another Budget Revision is envisaged in line with the Ukraine Humanitarian Country Team's *Strategic Response Plan for 2015* that aims to provide food assistance to 360,000 of the most vulnerable in the eastern part of the country.
9. While there is an urgent need to provide food assistance in the non-Government controlled areas, operations are challenging due to inconsistent access and insecurity. Movement is limited and requires sustained negotiation at all levels. Therefore, WFP needs to establish itself in the east of the country by opening new offices and recruiting staff. There is a shortage of cooperating partners (CPs) in Donbas, and in particular in Luhansk, as most international NGOs are new in the country. WFP's strategy is to work closely with the CPs that have established operations, local authorities and volunteer networks (on both sides of the conflict) while building their capacity and strengthening WFP's presence. In this regard, WFP is increasing the level of ODOC to enable further operations in non-Government controlled areas.

**TABLE 1: BENEFICIARIES BY ACTIVITY [OR COMPONENT]**

Activity [or Component]	Category of beneficiaries	Current			Increase / Decrease			Revised		
		Boys / Men	Girls / Women	Total	Boys / Men	Girls / Women	Total	Boys / Men	Girls / Women	Total
	C&V	27,000	53,000	80,000	0	0	0	27,000	53,000	80,000
	In-Kind	13,000	27,000	40,000	22,667	45,333	68,000	35,667	72,333	108,000
<b>TOTAL</b>		<b>40,000</b>	<b>80,000</b>	<b>120,000</b>	<b>22,667</b>	<b>45,333</b>	<b>68,000</b>	<b>62,667</b>	<b>125,333</b>	<b>188,000</b>

### FOOD REQUIREMENTS

10. Due to increased opportunities to provide in-kind food assistance through IRR, the food requirements will increase by 1,494mt.

<sup>1</sup> See section 4.6 Supporting Childcare, Education and Health and Other Social Services, *WFP's Emergency Field Operations Pocketbook*, 2002. p. 119.

**TABLE 3: FOOD/CASH AND VOUCHER REQUIREMENTS BY ACTIVITY [OR COMPONENT]**

Activity	Commodity <sup>2</sup> / Cash & voucher	Food requirements ( <i>mt</i> )		
		Current	Increase / Decrease	Revised total
Immediate Response Ration		878	1,494	2,372
Cash & Voucher				
<b>TOTAL</b>		<b>878</b>	<b>1,494</b>	<b>2,372</b>

---