BUDGET REVISION OF SO FOR APPROVAL
BY THE DEPUTY EXECUTIVE DIRECTOR

5) To:	Division	Room	Approval and Date
Mr. Amir Abdulla Deputy Executive Director			
4) Through:	Division	Room	Signature and Date
Ms. Elisabeth Rasmusson Assistant Executive Director			
3) Through:	Division	Room	Signature and Date
Mr. Manoj Juneja Assistant Executive Director			
2) Through:	Division	Room	Signature and Date
Mr. Ramiro Lopes da Silva Assistant Executive Director			
1) From:		Signature and Date	
Mr. Muhannad Hadi Regional Director			

Yemen SO 200841
Logistics & Emergency Telecommunications Augmentation and Coordination
to Support Humanitarian Operations in Yemen
BR No.4

PROJECT	Previous Budget	Revision	New Budget
CD&A	US$ 50 031 157	US$ 17 009 609	US$ 67 040 766
DSC	US$ 3 659 383	US$ 991 478	US$ 4 650 861
ISC	US$ 3 758 338	US$ 1 260 076	US$ 5 018 414
Total WFP cost (US$)	US$ 57 448 878	US$ 19 261 162	US$ 76 710 041

TYPE OF REVISION

☒ **Additional DSC**   ☒ **Additional CD&A** ☒ **Extension in time**   ☐ **Other**

WFP
World Food Programme
wfp.org

NATURE OF REVISION:

1. This Budget Revision of *Logistics & Emergency Telecommunications Augmentation and Coordination to Support Humanitarian Operations in Yemen* Special Operation increases the budget to allow the Logistics and Emergency Telecommunications Clusters to continue support the humanitarian community responding the crisis in Yemen.

2. This Budget Revision 4 results in a total increase of US$ 19,261,162 and will extend the project deadline by 12 months to December 2018. The original duration of the project was from 25 April to 31 December 2015; BR1 extended it to 31 December 2016, and BR2 extended it to 31 December 2017. BR 3 only catered for the increased needs due to the cholera outbreak, with no extension in time.

Project Background:

1. Since March 2015, Yemen has seen a dramatic escalation of violence and armed conflict. The conflict has exacerbated the already precarious humanitarian situation and according to OCHA[1], 18.8 million were in need of humanitarian assistance as of November 2016 across Yemen, of which 12 million were prioritised for humanitarian assistance[2]. OCHA reported on 16 July 2017[3] that the number of people in need of humanitarian assistance reportedly increased from 18.8 million to 20.7 million, out of a population of 28 million, due mostly to the cholera outbreak. The scale of the humanitarian needs and the scope of the emergency response have required a large, multi-agency and multi-sector response. At the time of the revision, humanitarian needs for 2018 are being revised.

2. The conflict in Yemen has led to a multitude of consequences such as destruction of roads and bridges, loss of livelihoods, mass displacement, disruption of social services and a near-collapsed socio-economic situation, while the food security and nutrition has deteriorated to the point of leaving the country on the brink of famine with 17 million threatened by severe food insecurity.[4] The situation is exacerbated by military interventions that are restricting commercial and humanitarian access into the country by air, sea, and land in terms of both staff and cargo.

3. Road movement within Yemen is often hampered by insecurity. Sana'a airport remains the only operational airport, as the runways of the other airports (Mukalla, Taizz and Hodeidah) have been damaged or are in highly insecure areas; humanitarian organizations are the only entities using the airport, as it has been closed for commercial use since August 2016. The Aden airport is used twice a week for UNHAS flights to and from Djibouti, however flights are often cancelled for security reasons. As of 20 October 2017, the ports of Aden, Hodeidah, Saleef, Mukalla and Ash Shihr are still operational, but experience a number of significant barriers including high insurance costs, damage to port infrastructure slowing down discharges and extensive port delays – on top of a security situation that continues to be volatile. The ports of Ras Isa, Mokha and Balhaf remain closed.

4. In September 2017, the prices of fuel commodities increased in most of the governorates: the national average prices of cooking gas increased by 10% and that of petrol rose by 3% compared to prices in August 2017. Furthermore, the prices of fuel commodities in September 2017 were on average 70% higher than in the pre-crisis period. Governorates with ongoing conflicts, such as Taiz, Sa'ada, Mareb, Hajja and Al Jawf, experienced the highest prices. While availability of fuel (both petrol and diesel) has slightly improved from June 2017, however it is still a scarce commodity and difficult to access in governorates with continued active fighting and airstrikes. Shortages of fuel continue to affect negatively the transportation of humanitarian commodities from the port cities to various parts of the country.[5]

---

[1] OCHA Humanitarian Needs Overview, November 2016 http://reliefweb.int/sites/reliefweb.int/files/resources/YEMEN%202017%20HNO_Final.pdf
[2] OCHA Humanitarian Response Plan, February 2017 http://reliefweb.int/sites/reliefweb.int/files/resources/2017_HRP_YEMEN.pdf
[3] http://reliefweb.int/sites/reliefweb.int/files/resources/2017_hb_june_2017_final.pdf
[4] http://www.fao.org/emergencies/resources/maps/detail/en/c/847475/
[5] WFP Yemen Market Watch Report, September 2017 https://docs.wfp.org/api/documents/WFP-0000023401/download/?_ga=2.92683357.1516452623.1508498751-1139245225.1503824188

5. Against the backdrop of this major humanitarian crisis, in 2017 Yemen has been facing the largest and fastest growing cholera epidemic ever recorded[6] and on 14 May 2017, the Yemen Ministry of Public Health and Population in Sana'a officially declared a state of emergency. WHO has reported more than 844,000 suspected cases and 2,168 associated deaths between 27 April and 22 October 2017[7], OCHA reported on 16 July 2017[8] that the number of people in need of humanitarian assistance has increased by 1.9 million due mostly to the cholera outbreak.

6. The Special Operation was launched in April 2015, when the Logistics Cluster and the Emergency Telecommunication Cluster (ETC) were activated to assist humanitarian organisations to respond the crisis. Two budget revisions were approved in December 2015 and November 2016 to continue and progressively expand operations, while a third was approved in August 2017 to cater for the increased needs due to the cholera outbreak. As 2017 draws to an end, the Logistics Cluster is in the process of extending the project until the end of 2018 to continue providing coordination and essential logistics and telecommunication services to the humanitarian community, resulting in a budget increase of US$ 19,261,162.

Achievements to date

7. **Logistics Cluster Coordination and Information Management**: Since the beginning of operations, four Logistics Cluster hubs have been established (Sana'a, Aden, Hodeidah and Djibouti); seven coordination meetings have been held since BR03 in these four locations, totaling over 110 of such meetings since beginning of operations until end of October 2017. The Logistics Cluster Coordinator is based in Sana'a, with a deputy Cluster Coordinator based in Aden. Additional staff are based in Djibouti to receive, clear and forward humanitarian cargo via air and sea to Yemen. An Information Management Officer is based in Sana'a, covering the whole operation.

8. **Sea Passenger Service**: The Logistics Cluster facilitates weekly transport for a maximum of 25 passengers per leg between Djibouti and Aden on a WFP-chartered vessel at no cost to the user. From May 2016 to 30 September 2017, almost 1,800 passengers from 37 organizations were transported between Djibouti and Aden. As of 01 October 2017, the Logistics Cluster established booking fees and no-show penalty fees for organizations using this service, in alignment with the UNHAS passenger service. The vessel also serves as an emergency rescue and evacuation vessel for all humanitarian staff.

9. **Sea cargo transport:** Since April 2015, the Logistics Cluster has been facilitating free-to-user shipping services from Djibouti to the Yemeni ports of Aden and Hodeidah. As of end October 2017, 19,000 m3 of cargo (679 containers) were transported on behalf of 19 humanitarian organizations, which includes almost 2,000 m3 of additional cargo transported since August 2017.

10. **Air movement cargo**: In collaboration with UNHAS, the Logistics Cluster facilitates free-to-user airlifts from Djibouti to Sana'a on a needs basis. From April 2015 to October 2017, the Logistics Cluster facilitated the air cargo movement of almost 3,900 m3 (139 containers) on behalf of 22 organizations from Djibouti to Sana'a on WFP-Aviation contracted airlifts.

11. **Inland transport:** The Logistics Cluster facilitates free-to-user trucking of interagency cargo within Yemen on a needs basis. From April 2015 and October 2017, over 23,000 m3 (821 containers) have been transported on behalf of 16 organizations.

12. **Fuel**: WFP on behalf of the Logistics Cluster has been providing fuel (both petrol and diesel) to Cluster partners on a cost-recovery basis. From April 2015 until September 2017, the Logistics Cluster distributed some 4.5 million liters of by the Logistics Cluster to over 60 organizations in Aden, Sana'a and Hodeidah.

13. **Warehousing:** Due to an increased demand in light of the cholera response, in the second half of 2017 the Logistics Cluster increased the storage space available to partners to 5,640 m2 by contracting a 5,000 mt^2 warehouse compound in Aden. As of end October 2017, the Logistics Cluster accepted into storage over 13,000 m3 of relief items (464 containers) in Sana'a, Aden and Hodeidah on behalf of 18 partners.

---

[6] https://reliefweb.int/report/yemen/how-yemen-s-cholera-outbreak-became-fastest-growing-modern-history
[7] https://reliefweb.int/sites/reliefweb.int/files/resources/Epi_Monitor_2017_10_43.pdf
[8] http://reliefweb.int/sites/reliefweb.int/files/resources/2017_hb_june_2017_final.pdf

14. **Emergency Telecommunications Cluster**: A Cluster coordination cell has been established in Sana'a and Information Management products have been produced and shared with the humanitarian community through the ETC website and other humanitarian platforms. The ETC deployed Internet services on the WFP-chartered vessel for passenger transport between Djibouti and Aden. In addition, Internet connectivity is being provided in five common operational areas and four Communications Centres (COMCEN) namely Sana'a, Sa'ada, Al Hodeidah, Ibb and Aden. The ETC service desk is being established in Sana'a, which will provide user support to humanitarian community and INGOs. The ETC, in partnership with WHO, has been supporting the deployment and establishment of IT infrastructure in 26 Emergency Operations Center (EOC) in response to cholera outbreaks across the country. EOCs in Sana'a and Aden were opened while the rest are in progress.

Justification for the revision

15. Access continues to be extremely difficult for both humanitarian staff and relief goods, and both in terms of access from outside (limited visas and staff ceiling in country, lengthy cargo clearance procedures) as well as across the country (high levels of insecurity, limited options for local procurement). In 2017, the humanitarian community continued to face a number of critical challenges including damaged road infrastructure, disruptions in access to many parts of the country and fuel shortages.

16. Therefore, the Logistics and Emergency Telecommunications Clusters are extending their required activities until the end of 2018 during which WFP and its partners will continue to monitor the situation to adjust its activities as necessary. The ongoing conflict in Yemen is one of the largest, most complex in the world. As all Clusters continue to be active, the Logistics and Emergency Telecommunication Clusters aim to extend their activities into 2018 to continue supporting humanitarian organizations responding to the crisis, and thus fulfill their mandates.

Planned Activities

Logistics Cluster

17. **Coordination and Information Management:** Dedicated Logistics Cluster staff will continue to be based in Yemen and Djibouti to provide coordination and information management services, and to facilitate partners' access to Logistics Cluster services. To minimize duplication of efforts and competition between humanitarian actors, regular coordination meetings take place in Sana'a, Aden, Hodeidah and Djibouti to evaluate needs and the key logistics gaps that should be filled. The Logistics Cluster will continue to cooperate with OCHA to ensure logistics constraints are taken into account when access is negotiated and discussed, and to further disseminate the relevant access information among its participants.

18. **Airlifts**: The cholera outbreak has led to an increased demand for airlifts, and this is foreseen to continue until the end of 2017 with airlifts organized every two weeks. In 2018, the needs are currently expected to decrease and to return to pre-cholera frequency (one per month). Nonetheless, the Logistics Cluster will organize airlifts and adjust the frequency based on needs and requests received.

19. **Passenger sea transport:** The Logistics Cluster will continue to facilitate access to passenger transport on board of the WFP-chartered vessel, which operates on a regular weekly schedule between Djibouti and Aden.

20. **Sea cargo transport:** The Logistics Cluster will continue to facilitate the transport of humanitarian cargo on board the same vessel used for passenger transport, which has a capacity of 700 mt. Two containers to provide cold chain and temperature-controlled cargo were installed on the vessel in 2017 for the cholera response, and will continue to be available in 2018 until needed. Transport via contracted dhows from Djibouti to Hodeidah will also be made available to partners upon request.

21. **Land transport**: Based on organizations' needs and contingent on security and road conditions, access to road transport will continue to be facilitated on WFP-contracted vehicles. The Logistics Cluster can also make available upon request reefer trucks in Sana'a and Aden for cold chain and temperature-controlled cargo.

22. **Warehousing:** The Logistics Cluster will continue to facilitate access to available storage space in Sana'a, Hodeidah and Aden. An additional Mobile Storage Unit (MSU) of 320 m2 will be set up in Sana'a for a total storage capacity of 640 m2. In terms of climate controlled and cold chain storage, the Logistics Cluster can scale up the provision of mobile refrigerated containers for short-term use in Aden, until longer term solutions can be established and based on requirements from partner organizations. Where applicable and contingent on

access, WFP will bilaterally provide humanitarian organizations additional MSUs to further augment their storage capacity upon request. MSU and warehouse management trainings will be organized in all locations in Yemen (Sana'a, Hodeidah and Aden) to build partners' capacity.

23. **Fuel provision**: To enable organizations responding to the crisis to establish an uninterrupted supply chain, a contingency stock of fuel is maintained for partners operating in Yemen and distributed in Aden, Sana'a, and Hodeidah. Fuel is procured locally. Should this not be feasible at some point, it will then be done internationally with the support of WFP Procurement Unit. This service will continue to be provided on a cost recovery basis.

24. **Port Rehabilitation**: As Hodeidah port is operating on reduced capacity due damages by airstrikes on five gantry cranes in August 2015, WFP with the Logistics Cluster will continue to work with the port authorities to implement rehabilitation works to increase capacity of humanitarian cargo moving through the port. Four mobile cranes of 60 mt each capacity were purchased to speed up humanitarian vessel off-loading operations; these are awaiting clearance in Dubai, following the submission of an official request to the Evacuation and Humanitarian Operations Cell.

Emergency Telecommunications Cluster

25. Due to an increase in number of staff for the Cholera response, and to improve internet connectivity speed, VSAT bandwidth will be upgraded in all ETC hubs.

26. The ETC will purchase additional equipment to upgrade telecommunications infrastructure, capacity building and beneficiary feedback system.

27. As the situation in Yemen continues to be unpredictable, ETC will explore any opportunity within its mandate to expand its services in response to the humanitarian community as needed.

Project Management

28. The WP Yemen Country Director will continue to be the Fund Manager for this SO and the WFP Yemen Head of Finance will be the Allotment Manager.

29. The WFP Yemen Head of Supply Chain will continue to be the overall Project Manager for this SO and responsible for the implementation in coordination with the Logistics Cluster, ETC, Aviation and Shipping:

30. Logistic Cluster Coordination Meetings will continue to be held with UN Agencies, NGOs, and donors in different locations in Yemen, as well as across the region (i.e. Amman and Djibouti), in order to identify and monitor logistics gaps and reach common solutions.

Key Performance Indicators (KPIs):

31. Logistics Cluster KPIs include:

- Percentage of service requests to handle, store and/or transport cargo fulfilled (85%)
- Number of bulletins, maps, and other logistics information products produced and shared (30)
- Percentage of fuel requests fulfilled (90%)
- Organizations receiving services from Logistics Cluster and responding to a user survey rate service satisfaction as 80% or above.
- Percentage of sea passenger booking requests served against received (85%).
- Percentage of dhow movement (1 x month) and airlifts (1 x month) completed (85%).
- Port warehouses up to WFP standard and providing safe storage facilities (90%)
- Port Argumentation Project increase berth capacity and availability for cranes to discharge vessel, subject to the arrival of cranes in Hodeidah.

Fighting Hunger Worldwide

Risk Management

32. A number of contextual, operational, and programmatic risk factors could impact the successful implementation of this Special Operation. Possible mitigation measures are also included below

   A. Lack of funding
   The risk will be mitigated through:
   - Close alignment with the 2018 Strategic Response Plan.
   - Ensuring active engagement with traditional Yemen SO donors and providing timely input in ongoing appeals and donor outreach materials/opportunities.

   B. Closure of corridors due to insecurity or political developments, affecting access and cargo deliveries
   The risk will be mitigated through:
   - Maintenance of standby arrangement for alternatives routes and close coordination with HCT and relevant authorities to resolve the issues.
   - In case of an evacuation of international staff out of Yemen, the Logistics Cluster will work in close collaboration with WFP management to ensure business continuity through delegation of authority to national staff in Sana'a and elsewhere in Yemen as needed. In such an event, the operation will be remotely managed from Djibouti until the situation stabilizes.

   C. Lack of staff in-country due to visa restrictions and staff ceiling
   The risk will be mitigated through:
   - Liaising with WFP to engage with relevant officials to grant access to a higher number of staff in-country.

   D. Demand for common services exceed current forecast
   The risk will be mitigated through:
   - Ability to scale up staffing through rosters and identification of surge capacity.
   - Availability of adequate storage facilities, transport and ETC/IT services.

   E. Risks related to the import and transportation of large quantities of fuel.
   The risk will be mitigated through:
   - Before engaging in a larger fuel operation, WFP will consult with experts from the fuel industry to assess risks and operational modalities.
   - Maintenance of standby arrangement with local suppliers and close monitoring of partners' requirements.

Contingency Planning

33. General coordination and partners support staff will be kept at a minimum in Djibouti to support Yemen, but can quickly be augmented should there be a need to restart operations in Djibouti.

Recommendation

This Special Operation 200841 covering the period from 01st December 2017 to 31st December 2018 at a total cost to WFP of **US$ 19,261,162** is recommended for approval by the Deputy Executive Director.

APPROVAL

………………………………..
Amir Abdulla
Deputy Executive Director