

Yemen Project No.200130
“Air Passenger Service and Logistics Cluster Coordination in Support of the Humanitarian Response in Sa’ada”

B/R No.: 6

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BUDGET REVISION FOR SOs FOR THE APPROVAL OF DED & COO

	<u>Initials</u>	<u>In Date</u>	<u>Out Date</u>	<u>Reason For Delay</u>
<u>ORIGINATOR</u>				
Country Office or Regional Bureau on behalf of Country Office
<u>CLEARANCE</u>				
Mr. Mohamed Diab Regional Director
Ms. Michelle Barrett Project Budget & Programming Officer, RMBP
Mr. Laurent Bukera Chief, RMBP
Mr. Adrian van der Knaap Chief, OSLT
Mr. Wolfgang Herbinger Director, OSL
Mr. Finbarr Curran Director, RMB
<u>APPROVAL</u>				
Mr. Amir Abdulla Deputy Executive Director and COO

PROJECT	Previous Budget	Revision	New Budget
CD&A	US\$ 2,844,961	US\$ 1,727,780	US\$ 4,572,741
DSC	US\$ 1,744,578	US\$ 372,306	US\$ 2,116,884
ISC	US\$ 321,268	US\$ 147,006	US\$ 468,274
Total WFP cost (US\$)	US\$ 4,910,807	US\$ 2,247,092	US\$ 7,157,899

<u>TYPE OF REVISION</u>			
<input checked="" type="checkbox"/> Additional DSC	<input checked="" type="checkbox"/> Additional CD&A	<input checked="" type="checkbox"/> Extension in time	<input type="checkbox"/> Change in project orientation
<input type="checkbox"/> Other			

NATURE OF REVISION:

- Extension in time of the project to include the period 1 January 2014 to 31 December 2014.
- An increase in CD&A (ODOC) and DSC to support the activities detailed below.

BACKGROUND:

1. Yemen is in the midst of a humanitarian crisis and a political transition. It is a low-income, food-deficit and “least-developed” country which is characterised by widespread insecurity, large-scale displacement, civil strife, political instability, chronic food shortages, a breakdown of social services, endemic poverty, and refugee influxes.
2. Yemen is the 10th most food insecure country in the world, with more than 10 million people--almost half the country’s population--either hungry or on the verge of hunger. Child malnutrition rates are among the highest in the world, with almost half of the children under the age of 5--2 million children--stunted and 1 million acutely malnourished. The country suffers from rising unemployment, and low education levels have led to illiteracy rates of 66 percent for women and 27 percent for men. Conditions for women are of particular concern, as the gender gap in Yemen consistently ranks highest in the world.
3. Political tensions remain high, and Yemen continues to face armed conflicts both in the north and the south of the country, as well as acts of terrorism. These all pose significant security challenges and contribute significantly to internal displacement. Due to civil unrest and conflict, more than 500,000 people are estimated to have been driven from their homes. The economic situation has been worsened by the forced repatriation of around 300,000 Yemeni workers from Saudi Arabia, causing a severe drop in remittances and further contributing to unemployment. The government’s ability to provide basic services is challenged by high oil prices and declining domestic oil production. All these elements continue to add new shocks to an already critical humanitarian crisis in the country.
4. Since May 2010, WFP, as the lead agency for the Logistics Cluster, has been providing air passenger services to Sa’ada, and in July 2012, WFP flights to Hodeidah were added to the flight schedule. In September 2013, chartered helicopter flights to Haradh were also included. Poor roads and insecurity due to carjacking, low-level violence, kidnappings, tribal grievances, landmines, and unexploded ordnance make overland travel extremely hazardous. Therefore, air travel is the safest and best option for the movement of humanitarian actors to and from Sana’a and Sa’ada/Haradh.
5. As a result of the on-going political crisis, Yemen’s economy continues to be affected. One of the most visible effects of the deteriorating economy is the severe scarcity of fuel products. Since June 2011, the Logistics Cluster has been required to fill the gap. As a result, three fuel storage facilities have been established in WFP warehouse compounds in Sana’a, Haradh, and Aden, with a total storage capacity of 380,000 litres to serve the humanitarian community. Fuel is delivered under the Logistics Special Account funding mechanism on a cost recovery basis.
6. The Humanitarian Country Team has requested WFP, as the Logistics Cluster lead, to continue to provide: 1.) air passenger service to ensure safe, reliable means to transport staff and materials, 2.) the provision of fuel and temporary storage to humanitarian organisations, 3.) continued efforts to strengthen coordination and provide an information sharing platform, 4.) enhancement of emergency preparedness and response mechanisms, and 5.) the smooth transportation of relief goods.

JUSTIFICATION FOR THE REVISION:

1. The Humanitarian Country Team has stressed the need to continue and maintain coordinated and cohesive logistics systems to 1.) ensure the uninterrupted supply of life-saving relief items within Yemen and 2.) increase and continue providing an air passenger service to humanitarian aid agencies to facilitate their response countrywide.
2. The Humanitarian Country Team has also regularly requested ad hoc air charters to/from Sa’ada, Hodeidah, and Haradh for the movement and/or evacuation of relief personnel in Sa’ada/ Haradh governorate.
3. Safe and secure access is still a major challenge, limiting humanitarian organisations’ ability to provide regular assistance and hampering the implementation of comprehensive needs assessments in northern Yemen.
4. The fuel crisis continues to impede the humanitarian response in Yemen. Many UN agencies and I/NGOs continue to find it difficult to obtain sufficient fuel supplies to sustain their operations, as the Yemen Petroleum

Company (YPC) is the only fuel provider in the country. WFP signed a contract with YPC for assurance of fuel supply and priority given to the WFP Logistics Cluster. As the Logistics Cluster lead agency, WFP has been tasked by the Humanitarian Country Team to secure access to fuel for the wider humanitarian community until the crisis ends.

5. Therefore, WFP Yemen proposes a Budget Revision with an extension in time for this Special Operation (SO) 200130, to continue logistics support to the current relief activities for the humanitarian community as outlined below:

IMPLEMENTATION:

1. Six flights per month to Sa'adah in the North and two flights per months to Hodeidah in the West with fixed wing aircraft (DASH-8), and two flights per month to Haradh with a Bell 212 helicopter--as there is no airstrip in Haradh--will be scheduled on an ad-hoc basis through a local operator to ensure safe access for humanitarian aid agencies to the north and west. The charter cost per month in 2013 was US\$73,950. In 2014, this will increase to US\$ 99,400 per month. The higher frequency of flights and additional destinations serviced are based on the demand and requests from the humanitarian community. The target average number of passengers in 2013 (12 passengers per flight) is expected to increase by 50% in 2014 due to the presence of the new humanitarian agencies operating in the north. WFP aviation targeted 1,500 passengers to be transported in 2014 in three destinations. WFP flight routes map will be shared with the User Group Committee, and advanced flight schedules will be circulated to promote maximum utilization of flights.
2. WFP will assign dedicated staff to manage the air passenger, fuel provision, and temporary storage services. This increase in staffing is based on the needs and volume of work to ensure a high quality of service provided to partner agencies. Fuel will be dispensed at each location according to established safety standards. Moreover, Standard Administrative and Operating Procedures outlining user safety guidelines for WFP Yemen's fuel facilities and the use of WFP's charter air service have been shared with all participating organisations. WFP's Aviation Safety Unit will continue monitoring the safety record of the operator. In addition, a quality assurance evaluation will be conducted as required by WFP Aviation.
3. WFP will continue procuring fuel products from official dealers and supplying them to recipient organisations on a full cost-recovery basis (plus an administrative fee) through Service Level Agreements. The Logistics Cluster will ensure the quality and quantity of fuel stored and distributed meets the needs of humanitarian agencies. The average quantity of fuel targeted to be distributed per month is 30,000 litres in three established fuel stations.
4. WFP will provide a temporary storage facility in Haradh and Sana'a to humanitarian agencies on a full cost recovery basis. Five wiikhalls will be procured and installed at existing WFP warehouses to be available for storage of humanitarian agencies' Non-Food Items. The total target volume of NFIs to be handled during the SO for temporary storage will be around 30,000 cubic metres.
5. The Logistics Cluster will continue providing coordination and information sharing support including GIS mapping to humanitarian agencies by using the existing VAM data and the HQ IM/GIS team. Coordination is one of the key factors in facilitating humanitarian assistance in Yemen. Logistics challenges, gaps, and information sharing will always be matters to address commonly among humanitarian agencies working in the country.
6. The established Logistics Cluster coordination cell in Sana'a will continue chairing regular logistics meetings between the UN and I/NGO focal points.
7. The attached SO budget details the costs necessary to maintain and operate the air passenger service, fuel and storage facilities (including staff/equipment and operating costs), and coordination services.

In light of the above, this budget revision for the extension in time of the project for one year (1 January 2014 - 31 December 2014) and a budget increase of US\$ 2,247,092 is recommended for approval by the Deputy Executive Director and COO.

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Map 1: WFP Flight Routes, Yemen



Map 2: WFP Logistics Cluster Fuel Storage Locations, Yemen

