

**BUDGET REVISION (BR03) TO THE YEMEN EMERGENCY OPERATION
(EMOP 200890)**

**Emergency Food Assistance to the Food Insecure and Conflict-affected People in
Yemen**

**Start date: 01 October 2015 End date: 31 December 2016 Revision period: 3 months
New end date: 31 March 2017**

Total revised number of beneficiaries	7,095,251		
Duration of entire project	15 months (01 October 2015 – 31 December 2016)		
Revision period	3 months (01 January 2017- 31 March 2017)		
Gender marker code	2A		
WFP food tonnage	882,535		
Cost (United States dollars)			
	Current Budget	Increase	Revised Budget
Food and Related Costs	503,190,384	156,695,985	659,886,369
Cash and Vouchers and Related Costs	118,351,734	24,014,596	142,366,330
Capacity Development & Augmentation	-	-	-
DSC	73,692,303	10,666,507	84,358,810
ISC	48,666,409	13,396,396	62,062,806
Total cost to WFP	743,900,830	204,773,484	948,674,314

NATURE OF THE INCREASE

1. The nature of this Budget Revision (BR) is to extend the emergency operation (EMOP) 200890 by three months from 1 January 2017 to 31 March 2017 and request funding for additional resources. The extension will allow WFP to continue providing lifesaving food security and nutrition assistance to people affected by the Yemen crisis while finalizing the Emergency Food Security and Nutrition Assessment (EFSNA) and preparing the Integrated Phase Classification, by mid-February 2017, that will provide the updated data required to ensure that WFP is reaching the most vulnerable people in Yemen. EFSNA has taken over one year to undertake in Yemen due to constraints experienced with local authorities.
2. WFP has been providing life-saving food and nutrition assistance to six million people through General Food Assistance-In Kind (GFA-IK) on a monthly alternate basis (i.e., three million beneficiaries per month) and at 75 percent ration scale (or 37.5 percent of the daily caloric requirement of 2,100 kcal per person) due to resource constraints. As the macroeconomic situation in Yemen is fast deteriorating and malnutrition cases are on the rise, this BR seeks to gradually restore a full ration to six million people under GFA-IK on a monthly basis, though this approach is resource dependent, all the while ensuring that the needs of the most vulnerable people are met.
3. Food and nutrition assistance to about 0.8 million people under the GFA-Commodity Voucher through Traders Network (GFA-CVTN) has been provided on a monthly basis, however at a reduced ration scale. Under this BR, one million beneficiaries will be able to redeem a full ration but also on gradual basis which is aligned with the GFA-IK scale- up plan.

4. Reduced caloric and other nutrient intake coupled with health problems and poor caring practices may have led to a rapid worsening of the nutrition situation beyond the emergency threshold. The Humanitarian Needs Overview data indicates that since late 2015 there has been an increase by 63 percent in the number of malnourished children and pregnant and lactating women (3.3 million) while a total of 4.5 million adults and children require treatment or prevention services for malnutrition. There are already over 450,000 children severely malnourished and close to one million children suffering from moderate acute malnutrition who risk becoming severely malnourished. Therefore, this BR seeks to expand nutrition activities integrated with increased general food assistance with acceptable micronutrients and calories in order to address the high malnutrition rates in the country.
5. Overall, the BR will increase the EMOP budget by USD 204,773,484.

JUSTIFICATION FOR EXTENSION-IN-TIME AND BUDGET INCREASE

Summary of Existing Project Activities

6. In response to the escalated conflict in Yemen, WFP provided food and nutrition assistance to the severely food insecure and conflict-affected people under EMOP 200890 which was launched in October 2015. It was planned for an initial period of six months (October 2015 – March 2016) to address the emergency food and nutrition needs of four million food insecure women, men, boys, and girls displaced or affected by the crisis.
7. With the rapid escalation of the conflict across the country and its devastating impact on food security of the Yemeni population, WFP adjusted its humanitarian response to the context and needs of affected populations. In April 2016, WFP Yemen revised its strategy and operational requirements through the first budget revision (BR1) to EMOP 200890. The purpose of BR1 was to increase the number of beneficiaries under the GFA-IK from two million to three million people; to reduce the number of beneficiaries under the GFA-CVTN from two million to one million people; to absorb the activities under Protracted Relief and Recovery Operation (PRRO) 200305 assisting refugees and vulnerable economic migrants; and to extend the EMOP by nine months from 1 April 2016 until 31 December 2016.
8. The EMOP further underwent a technical budget revision (BR2) to align the GFA-CVTN budgets.
9. The needs in the country continued increasing, far outweighing the resources available to WFP. To avert crisis and to save as many lives as possible, WFP Yemen in coordination with the Regional Bureau in Cairo and Headquarters developed a strategy of an alternate distribution mechanism to reach seven million people with a reduced ration of 37.5 percent under the GFA-IK and through an innovative approach using food vouchers in coordination with the private sector supply chain network. The main target areas were locations most affected by the crisis especially in areas classified as Integrated Food Security Phase Classification (IPC) Phase 4 and 3.
10. In addition, WFP has been providing specialized nutritious foods to treat acute malnutrition in children 6-59 months and PLW, and support comprehensive efforts to prevent malnutrition in children under 2 years old.

11. WFP has been supporting vulnerable refugees and stranded economic migrants through GFA throughout 2016. Assistance to these groups will continue during this extension period in cooperation with UNHCR and IOM.
12. WFP's assistance is in line with the revised Yemen Humanitarian Response Plan (YHRP) 2016 including targeting and prioritization, and developed in consultation with the Yemen Food Security and Agriculture (FSAC) and Nutrition clusters.
13. The emergency response in Yemen aims to achieve WFP's Strategic Objective one:
 - To save lives and protect livelihoods in emergencies.
 - To prevent acute malnutrition among children under 2 years, treat MAM among children under 5 years and rehabilitate PLW, including adolescent mothers, suffering from acute malnutrition.
14. The BR is aligned with the outcomes of the consultative meeting of September 2016 between WFP, cooperating partners (CPs), and the Government's Executive Unit.

Conclusion and Recommendations of the Re-Assessment

15. The last IPC analysis for Yemen was carried out in June 2016. The IPC analysis estimated that the population under Emergency (IPC 4) and Crisis Phase (IPC 3) has increased by 9.4 percent compared to the results of the June 2015 IPC analysis results. Of these, around 7 million people are under IPC 4 who require emergency food assistance and emergency livelihoods support to protect livelihoods, reduce food consumption gaps, and reduce acute malnutrition. The IPC further underscored that the escalating conflict, restriction and disruption of commercial and humanitarian imports, mass population displacement, loss of livelihoods and income, scarcity and high price of fuel, disrupted market systems, and suspension of safety net and public work programmes that used to support 1.5 million people contributed to the widespread food insecurity and malnutrition in Yemen.
16. WFP's November 2016 "Special Focus" report on Yemen highlights that the depth of hunger among Yemenis has almost doubled from the pre-crisis period, pushing those who were already food insecure into a level of severe food insecurity.
17. Since late July 2016, the Central Bank of Yemen has suspended public budget expenditures and domestic debt service. Following the move of the Central Bank of Yemen from Sana'a to Aden, a breakdown of the banking system is looming. The Yemeni currency, Riyal, is undergoing an unprecedented shock with an exchange rate of 315 Riyal/USD in the black market as compared to the official exchange rate of 250 Riyal/USD. The civil servants, who represent 31 percent of the population, are adversely affected due to the irregular salary payments or complete cut of their salaries. This has eroded the purchasing power of the civil servants, further heightening food insecurity.
18. The 11th report by Task Force for Population Movement (TFPM) in Yemen identifies 2,179,278 internally displaced persons (IDPs) across 21 governorates; the majority, 51 percent, are displaced in Hajjah, Taizz, and Sana'a. About one million have returned in 20 governorates, the majority to Aden, Amanat Al Asimah and Taizz. The report highlights food to be the top priority for the displaced population.
19. The rapid assessment conducted by FEWSNET in August 2016 found that difficulties in accessing international remittances have increased compared to past months, including delays, lack of currency, closed offices, and banks often unwilling to process

remittances at official exchange rates. The result is reduced income to the population leading to limited purchasing power of those who rely on remittances or such services.

20. Monitoring findings for GFA beneficiaries consistently show substantial improvements in food consumption since Q4 2015 when compared to pre-assistance baseline in June 2015. However, acceptable food consumption has decreased from 63 percent in Q2 to 51 percent in Q3 2016, a 12 percent drop. Food consumption levels in Q3 have also declined to similar levels as seen in Q1 and do not meet the current target of reaching or maintaining at least 60 percent acceptable food consumption levels.
21. WFP undertakes monitoring activities through third party monitors, an in-country hotline comprising mainly of women to collect information from beneficiaries, remote outcome monitoring through a call centre, and field monitoring visits where the security situation allows. Corresponding to the significant increase in GFA and nutrition assistance, WFP will seek to increase monitoring capacity and staffing needed to expand monitoring coverage.
22. Even before the current crisis, women and girls in Yemen faced gender inequalities, which the conflict has in many cases exacerbated, and women and girls face a range of specific vulnerabilities. According to 2017 HNO, the key informants across the country report that 10.3 percent of IDP households are headed by females, including 2.6 percent headed by minor females. Child marriage remains a serious issue, with 52 percent of Yemeni girls marrying before age 18, and 14 percent before age fifteen. Rates of child marriage are reportedly increasing as families seek dowry payments to cope with conflict-related hardship. An IDP assessment in Taizz revealed that 8 percent of girls aged 12 to 17 were pregnant, indicating a prevalence of early marriage.
23. WFP is responding to this situation through various ways that include formation of community-based food assistance committees with at least 50 percent of women members, and organizing distributions with separate queues for women and men to avoid any gender based violence. WFP's partners are encouraged to have female staff to undertake verification of beneficiaries and issuance of vouchers. Furthermore, WFP seeks to empower women by making them the recipients of food assistance although male family members assist in picking up the food from the distribution points.
24. WFP plans to pursue the distribution of wheat flour so as to ease the burden on women who are responsible for ensuring that grains are milled.

Purpose of Extension and Budget Increase

25. This BR is to extend the project period by three months from 1 January 2017 to 31 March 2017 to allow for food and nutrition assistance to the severely food insecure and conflict-affected people in Yemen, while a successor operation will be formulated based on the outcome of EFSNA expected in early 2017.
26. Up to 7 million people in IPC phase 4 in Yemen are in urgent need of sustained food assistance to prevent continued deterioration in their food security and nutrition status. It is absolutely essential that people in this phase receive, as soon as possible, a full food basket and appropriate nutrition supplements. WFP's operational strategy includes a gradual scale up to reach those 7 million people dependent on donor contributions and timely receipt of food imports into the country as well as access to those in need.
27. Ongoing conflict has contributed to a worsening macroeconomic situation that has negatively impacted on the breadth and depth of the crisis. WFP is currently consulting a broad array of development and humanitarian actors operating in Yemen

to promote the re-establishment of a social safety net system that can serve to: assist the food security needs of people in Phase 3, currently estimated at 7 million; prevent a further deterioration in their situation and a slide into Phase 4; and to support population groups considered to be at the initial stages of Phase 4. This approach would then allow WFP to focus all of its efforts on meeting the needs of the most vulnerable in Phase 4, thereby preventing slippage into Phase 5, considered as famine. A significant investment is therefore required by a broad array of actors to ensure that a social safety net is activated without which, millions of people will face a deteriorating situation.

28. In response to the rising malnutrition rates, WFP will scale up its nutrition interventions¹. During the extension period WFP plans to nearly double the number of beneficiaries from an average of 300,000 per month to over 600,000² children and women per month. This increase will be implemented through the expansion of targeted supplementary feeding programme (TSFP) for treatment of children 6-59 months and PLW from 14 to 21 governorates and the expansion of blanket supplementary feeding programme (BSFP) from 6 to 11 governorates that register global acute malnutrition (GAM) above 15 percent and have high stunting rate. BSFP will be integrated with TSFP in health facilities and through mobile clinics in peripheral hard to reach areas zone 2 & 3 with some distance greater than 5 kilometres away from the health facilities. The planned coverage of TSFP at 50 percent and BSFP at 50 percent was agreed at national level through the nutrition cluster strategic advisory group (SAG) based on limited accessibility, high insecurity, and capacity of partners, especially with minimum cooperation from government staff in most health facilities.
29. WFP's nutrition scale up strategy is well aligned with the YHRP strategic objectives, targeting and prioritization. WFP nutrition interventions focus on ensuring a community-based management of acute malnutrition (CMAM) approach by availing MAM treatment services to all UNICEF supported health facilities; also, maximizing in engagement of common CPs in order to be cost effective, strengthened reporting and monitoring mechanisms.
30. WFP plans put into consideration children discharged from SAM treatment programmes. WFP, UNICEF and WHO in conjunction with CPs work together to ensure improved beneficiaries' referral mechanism to appropriate health services. All CMAM activities are planned, implemented and monitored in collaboration with UNICEF and national health authorities.
31. In the event that there are resource constraints to the operation, WFP will ensure that steps are taken to ensure full rations to the most vulnerable households. To this end, WFP will prioritize the families with children affected by SAM and MAM and being at risk of malnutrition, i.e., children that are also supported through the TSFP and BSFP. This approach aims to strengthen the impact of the assistance provided through food distributions and nutrition programmes by way of a greater convergence between these interventions.
32. Further prioritization, in the event of a lack of resources may be developed using the upcoming results of the EFSNA and the IPC Classification and while will allow the operation to focus on the most vulnerable governorates.

¹ Given the in-country stocks procured earlier for nutrition and the incoming stocks purchased through the recent contributions, the proposed scale-up under nutrition interventions is well resourced for the timeframe of the budget revision and even beyond.

² As per gender statistics, ratio of boys to girls is 52:48

TABLE 1: BENEFICIARIES BY ACTIVITY [OR COMPONENT]

Activity	Category of beneficiaries	Current			Number of beneficiaries to be assisted during the extension period			Revised (highest planned during project life cycle)		
		Boys / Men	Girls / Women	Total	Boys / Men	Girls / Women	Total	Boys / Men	Girls / Women	Total
General Food Assistance (IK)	Severely food insecure individuals	1,527,000	1,473,000	3,000,000	3,051,869	2,948,131	6,000,000	3,051,869	2,948,131	6,000,000
General Food Assistance (CV-TN)	Severely food insecure individuals	509,000	491,000	1,000,000	509,000	491,000	1,000,000	509,000	491,000	1,000,000
Blanket Supplementary Feeding	Children aged 6-23 months	89,825	86,649	176,474	127,934	123,411	251,345	127,934	123,411	251,345
Targeted Supplementary Feeding	Children aged 6-59 months*	160,243	154,577	314,820	111,039	106,685	217,724	160,243	154,577	314,820
Targeted Supplementary Feeding	PLW	-	235,458	235,458	-	138,121	138,121	-	235,458	235,458
Onsite school feeding	School children	257,000	243,000	500,000	0	0	0	257,000	243,000	500,000
TOTAL		2,036,000	1,964,000	4,000,000	3,560,869	3,439,131	7,000,000	3,560,869	3,439,131	7,000,000
Activity	Category of beneficiaries	Boys / Men	Girls / Women	Total	Boys / Men	Girls / Women	Total	Boys / Men	Girls / Women	Total
General Food Assistance (IK)	Refugees (new arrivals-all reception centers)	31,611	29,889	61,500	10,536	9,963	20,499	31,611	29,889	61,500
General Food Assistance (IK)	Refugees (long-term population in Kharaz Camp)	10,152	9,599	19,750	10,152	9,599	19,750	10,152	9,599	19,751
General Food Assistance (IK)	Refugees/Migrants (IOM Feeding Center)	1,542	1,458	3,000	1,542	1,458	3,000	1,542	1,458	3,000
School Feeding	School children (Basateen)	2,827	2,673	5,500	2,827	2,673	5,500	2,827	2,673	5,500
School Feeding	School children (Kharaz Camp)	2,827	2,673	5,500	2,827	2,673	5,500	2,827	2,673	5,500
TOTAL Refugees		48,959	46,292	95,250	27,884	26,365	54,249	48,959	46,292	95,251
Grand TOTALS		2,084,959	2,010,292	4,095,250	3,588,753	3,465,496	7,054,249	3,609,828	3,485,423	7,095,251
Beneficiary table excludes overlaps. Beneficiaries under nutrition and school meal programme have already been counted under GFA.										
The male/female breakdown is based on population data of 51 percent men, 49 percent women; actual data disaggregated by sex and age will be collected.										
* Under TSFP MAM children 6-59 months are admitted in the programme for 3 months. Total 3 months target = 217,724										
** Under TSFP MAM PLW are admitted in the programme for 6 months. Total 3 months target = 138,121										

DAILY FOOD RATION/TRANSFER BY ACTIVITY (g/person/day)						
Commodities	General Food Assistance			Prevention	Treatment	
	Month 1	Month 2	Month 3 & Priority Group	BSF 6-23 Months	TSF 6-59 Months	TSF PLW
Cereals *	130.95	261.90	417			
Pulses	13.89	55.56	55.56			
Vegetable oil	20.40	20.40	30.67			
Salt	-	2.78	2.78			
Plumpy'Doz				50		
Plumpy Supp.					100	
WSB+ Super Cereal	-	-	55.56			
Sugar	-	13.89	13.89			
HEBs						
WSB++ Super Cereal						200
Cash/Voucher (USD/person/day)	\$0.13	\$0.26	\$0.37			
Total	165.42	354.53	575.46	50	100	200
Total kcal/day	731 kcal	1,434 kcal	2,247 kcal	247 kcal	500 kcal	394-787 kcal
% kcal from protein	9.70	11.80	12	5.9g protein (10%)	13g protein (10%)	16-33g protein (17%)
% kcal from fat	26.50	14.70	16	16g fat (58%)	31g fat (55%)	10- 20g fat (23%)
Number of feeding days per year or per month	30 days/month	30 days/month	30 days/month	30 days/month	30 days/month	30 days/month

* Cereals requirements are aimed to be WHF, however, due to milling capacity in country as well as local market capacity, CO is planning to distribute 40% of the monthly requirements as wheat grain in locations where milling is possible. Wheat flour will be prioritized in some locations.

Table 3 (B): Refugee operation - DAILY FOOD RATION BY ACTIVITY BY TYPE- (g/person/day)							
	New Refugee arrivals			Long term refugees	Refugee school feeding Kharaz/Al Basateen		Migrants
	Coastal centres	Reception Centres	Kharaz settlement	Kharaz	Menu 1	Menu 2	
Wheat flour	-	300	300	300	120		300
Rice	-	150	150	150			150
Pulses	-	60	60	60	20		60
Veg. Oil	-	30	30	30	10	10	30
Sugar	-	20	20	20		10	20
Salt	-	5	5	5	3		5
WSB	-					80	
HEB	400						
TOTAL	-						
Total kcal/day	400	560	560	560	150	100	560
% kcal from protein	1800	2141	2141	2141	575	432	2141
% kcal from fat	11	11	11	11	13	13	11
Feeding days per person month	30	15	15	15	19	30	15
Number of feeding days per year	5	3	30	30	10	10	30

FOOD/CASH REQUIREMENTS

TABLE 4: FOOD/CASH AND VOUCHER REQUIREMENTS BY ACTIVITY				
Activity	Commodity / Cash & voucher	Food requirements (mt) Cash/Voucher (USD)		
		Current	Increase	Revised total
General Food Assistance	Food	663,188	199,805	862,993
General Food Assistance	Commodity vouchers	96,307,131	22,748,483	119,055,614
Nutrition (Prevention) (BSF 6-23 Months)	Food	2,884	1,131	4,015
Nutrition (Treatment) (TSF 6-59 Months)	Food	4,135	1,960	6,095
Nutrition (Treatment) (TSF PLW)	Food	4,709	2,486	7,195
SF	Food	2,228	9	2,237
TOTAL MT		677,144	205,391	882,535

Hazard / Risk Assessment and Preparedness Planning

33. This BR envisages a better funding scenario compared to the previous months. However, due to funding and pipeline constraints, only 33 percent of kcal will be provided in January 2017 while 64 percent will be met in February 2017 and 100 percent met in March 2017. WFP will prioritize nutrition activities and beneficiaries located in areas under IPC 4. A more robust fund raising strategy will also be established through the senior leadership of the Country Office, Regional Bureau and Headquarters.
34. Conflict in Yemen continues unabated resulting in restricted staff movements to undertake field monitoring for the improvement of programme delivery. To circumvent limited field visits, WFP will rely on mobile phone technologies for remote monitoring, third party monitoring, hotline, data base tracking and security systems established through United Nations Department for Safety and Security (UNDSS) to permit WFP to undertake field monitoring whenever possible and enable better coverage and higher frequency of field visits.
35. The increasing delays or denied security clearances for trucks hinder WFP to deliver the much-needed food supplies. A worsening trend is the detention of WFP trucks at check points by the local authorities without any specific reasons. Furthermore, the insecure environment and weak governance continue to favour the presence of terror groups such as the Islamic State of Iraq and the Levant and Al Qaeda in the Arabian Peninsula. The threats caused by these groups hamper the implementation of food and nutrition assistance as these groups pose a serious danger for humanitarian workers.
36. If the current crisis worsens, the depth of hunger might push 21 million people in Yemen to be in need of food and nutrition assistance. With less resources, no salaries to the civil servants and lack of incentive to traders to stock food in the market due to eroded purchasing power of the population, food riots and civil unrest cannot be ruled out. WFP will work closely with partners under FSAC to identify gaps and respond accordingly.
37. In terms of security for staff and assets, WFP has established contingency planning and business continuity plan for different scenarios and collaborates closely with UNDSS.

Approved by:

Ertharin Cousin
Executive Director, WFP

José Graziano da Silva
Director-General, FAO

Date:

Date:

ANNEX I-A

PROJECT COST BREAKDOWN			
	Quantity (mt)	Value (US\$)	Value (US\$)
Food			
Cereals	147,583	38,055,212	
Pulses	22,955	11,247,803	
Oil and fats	12,939	11,386,566	
Mixed and blended food	15,612	15,597,384	
Others	6,301	3,664,809	
Total Food	205,391	79,951,774	
External Transport		12,262,679	
Landside transport, storage and handling		49,431,420	
Other direct operational costs: food		15,050,112	
Food and related costs ¹			156,695,985
Cash-based transfers		-	
Cash-based related costs		-	
Cash-based transfers and related costs			-
Commodity vouchers		22,748,483	
Commodity voucher related costs		1,266,114	
Commodity voucher transfers and related costs			24,014,596
Capacity development and augmentation			-
Direct operational costs			180,710,581
Direct support costs (see Annex I-B) ²			10,666,507
Total direct project costs			191,377,088
Indirect support costs (7.0 percent) ³			13,396,396
TOTAL WFP COSTS			204,773,484

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

² Indicative figure for information purposes. The direct support cost 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 (USD)	
Staff and Staff-Related	
Professional staff *	2,405,947
General service staff **	1,059,099
Danger pay and local allowances	417,594
Subtotal	3,882,641
Recurring and Other	2,237,995
Capital Equipment	1,762,000
Security	979,087
Travel and transportation	1,584,564
Assessments, Evaluations and Monitoring¹	220,220
TOTAL DIRECT SUPPORT COSTS	10,666,507

[* Costs to be included in this line are under the following cost elements: International Professional Staff (P1 to D2), Local Staff - National Officer, International Consultants, Local Consultants, UNV]

[** Costs to be included in this line are under the following cost elements: International GS Staff, Local Staff - General Service, Local Staff - Temporary Assist. (SC, SSA, Other), Overtime]

¹ Reflects estimated costs when these activities are performed by third parties. If WFP Country Office staff perform these activities, the costs are included in Staff and Staff Related and Travel and Transportation

ACRONYMS USED IN THE DOCUMENT

AQAP	Al Qaeda in the Arabian Peninsula.
BR	Budget Revision
CMAM	Community-based Management of Acute Malnutrition
CV-TN	Commodity Vouchers through Traders' Network
DSC	Direct Support Cost
EMOP	Emergency Operation
EFSNA	Emergency Food and Nutrition Assessment
GFA	General Food Assistance
HEB	High Energy Biscuit
IDP	Internally Displaced Person
IPC	Integrated Phase Classification
ISC	Indirect Support Cost
ISIL	Islamic State of Iraq and the Levant
MAM	Moderate Acute Malnutrition
PLW	Pregnant and Lactating Women
SAM	Severe Acute Malnutrition
UNDSS	United Nations Department for Safety and Security