

## Sudan Special Operation 10342.2

**“UNJLC-United Nations Joint Logistics Centre, Common Logistics Services, Logistics planning and facilitation, and support to Non-Food Items and Emergency Shelter Sector”**

**B/R No.: 2**

**@ 30/04/2009**

**➤ BUDGET REVISION FOR SOs FOR THE APPROVAL OF THE DED & COO**

	<u>Initials</u>	<u>In Date</u>	<u>Out Date</u>	<u>Reason For Delay</u>
<b><u>ORIGINATOR</u></b>				
Country Office or Regional Bureau on behalf of Country Office	.....	.....	.....	.....
<b><u>CLEARANCE</u></b>				
Regional Director,	.....	.....	.....	.....
Programme Officer, OMXP	.....	.....	.....	.....
Chief, OMXP	.....	.....	.....	.....
Chief, OMLT	.....	.....	.....	.....
Director, FLB	.....	.....	.....	.....
Director, OML	.....	.....	.....	.....
Director, OMX	.....	.....	.....	.....
<b><u>APPROVAL</u></b>				
Deputy Executive Director & COO, OM	.....	.....	.....	.....

<b>PROJECT</b>	<b>Previous Budget</b>	<b>Revision</b>	<b>New Budget</b>
DOC cost	US\$ 900,002	US\$ 2,588,975	US\$ 3,488,977
DSC cost	US\$ 5,875,871	US\$ 12,141,306	US\$ 18,017,177
<b>Total Direct Cost (subtotal)</b>	<b>US\$ 6,775,873</b>	<b>US\$ 14,730,281</b>	<b>US\$ 21,506,154</b>
ISC cost	US\$ 474,311	US\$ 1,031,120	US\$ 1,505,431
<b>Total WFP cost (US\$)</b>	<b>US\$ 7,250,184</b>	<b>US\$ 15,761,401</b>	<b>US\$ 23,011,585</b>

<b><u>TYPE OF REVISION</u></b>			
<input checked="" type="checkbox"/> Additional DSC	<input checked="" type="checkbox"/> Additional ODOC	<input checked="" type="checkbox"/> Extension in time	<input type="checkbox"/> Other

**NATURE OF REVISION:**  
This Budget Revision (BR2) is for the extension in time of 15 months, from 01 July 2009 to 30 September 2010 and increased budget for 18 months, from 01 April 2009 to 30 September 2010.

The previous Budget Revision (BR1), which extended SO 10342.2 for a period of three months, from 01 April 2009 to 30 June 2009 as an interim measure pending the final calculation of SO requirements. It did not include a revision to the project costs. As a result, the funds from BR1 are insufficient to cover increased activities for the period of 01 April 2009 to 30 June 2009. Therefore, BR2 accounts for the increased costs not covered by BR1 as well as for the further extension in time for 15 months. BR2 includes additional ODOC and DSC, as well as the additional budget related to warehouse management for the Non Food Items (NFI) Common Pipeline.

The revision further outlines the integration of the logistics activities under this project into a Logistics Cluster Sudan structure and delineates a phased approach for the hand over of the NFI & Emergency Shelter Cluster responsibilities to an appropriate entity in agreement with the Humanitarian Coordinator (HC) and Country Team (HCT).

## **JUSTIFICATION FOR THE REVISION:**

### **Background**

The UN Country Team in Sudan and the DSRSG and HC have requested that activities carried out under this project in Sudan continue during 2009 and 2010, leading to the need for extension of Special Operation 10342.2 until 30 September 2010.

Additionally, on March 4<sup>th</sup>, the Government of Sudan revoked the registrations of 13 international NGOs and 3 national NGOs, of which 11 were key partners for the NFI and Emergency Shelter (ES) Sector. In particular, the departure of CARE International paralyzed the NFI Common Pipeline, as it managed warehouse and transportation of Pipeline stocks following procurement by UNICEF. In agreement with the primary NFI Common Pipeline partners, including WFP, UNICEF, OCHA and CARE, and at the request of the HCT in Sudan, this operation caters for the overall management of the NFI Common Pipeline warehouses going forward. Discussions are currently ongoing in order to identify potential partners to provide the transportation services. The budget of this Special Operation does not include provision for these services; however, advocacy for funding carried out by the NFI & ES Cluster Lead will include the projects of the service providers.

The involvement of the UNJLC in Sudan with the NFI Common Pipeline was approved by the Country Team in 2004 as an interim solution in order to fill a perceived gap in this sector. In parallel, in 2005 the Inter-Agency Standing Committee (IASC) endorsed the application of the "cluster approach" as part of wider reforms aimed at improving the quality, predictability and accountability of humanitarian response. This IASC-created humanitarian architecture includes WFP as the Global Logistics Cluster Lead. In 2008, as no other agency or entity was in a position to take on the role, UNJLC was requested to become the lead of the NFI and ES Sector in Sudan and to continue to provide their NFI and Logistics related functions. In 2008, in accordance with the Cluster Approach, a natural merger of the UNJLC and the Logistics Cluster functions took place at the global level, with the IASC Working Group duly informed.

UNJLC Sudan, jointly with the HCT and the HC, continues to actively work on plans to hand-over the NFI & ES activities to an appropriate agency. In that respect, this Budget Revision (BR) caters for a dedicated capacity to work on the hand-over action plan and associated necessary training packages and activities with the aim to complete the hand-over by the end of this BR period.

The proposed plan of action for this project for 2009 - 2010 centers on two closely linked and synergistic components: 1) coordination of the NFI & ES Sector and management of the NFI Common Pipeline for Sudan, now including warehouse management, and 2) facilitation and management of logistics common services and logistics information management to support the timely and cost-effective delivery of humanitarian assistance.

These recommendations and their financial implications are reflected in the budget revision BR#1 of the SO 10342.2. There are no changes in objectives and the expanded activities reflect the inclusion of warehousing for the NFI Common Pipeline.

### **Management of the NFI Common Pipeline and Coordination of the NFI & ES Sector**

#### ***2008 Achievements***

In North Sudan, the NFI Common Pipeline works with over 50 UN and NGO partners to ensure the provision of essential household items to populations affected by conflict or natural disaster. Since 2004, some 85% of all NFI assistance delivered to populations in need has been channeled through this pipeline and, in 2008, total households supported was 311,455 in Darfur and 22,029 in the rest of North Sudan region. This Special Operation catered for the management of the overall supply chain for the Pipeline as well as coordination of needs assessments and distributions with partners, while UNICEF was responsible for procurement and CARE was responsible for transport and warehousing.

In South Sudan, where the NFI Common Pipeline was being piloted, UNJLC worked with Sector partners to ensure the essential needs of households affected by conflict or natural disaster are supported. In total, distributions by Sector partners provided non-food and emergency shelter items to 93,336 households, including distributions from the pilot Common Pipeline.

As a result of the effective coordination of the NFI Common Pipeline and achievements in harmonizing NFI assistance, the Humanitarian Community requested the Non-Food Item and Emergency Shelter coordinated activities for all of Sudan to be included under the new phase of this Special Operation.

#### ***2009/2010 Objective***

For 2009, the project priorities related to NFI and ES in Sudan, as per the 2009 UN & Partners Work Plan, are to ensure the provision of needs-based, appropriate and timely non-food and emergency shelter items to people affected by conflict and disaster, returnees, and to other vulnerable populations, and to facilitate coordination and timely information sharing amongst all partners and stakeholders in the Sector.

UNICEF will continue to procure the items for the Common Pipeline while transport and logistics partnership is being looked at and alternative solutions may be implemented.

#### ***2009/2010 Activities***

- Manage and coordinate the NFI Common Pipeline to provide targeted beneficiaries with essential non-food items and emergency shelter, including: participate in inter-agency needs assessments; identify of gaps and overlaps among partner activities and geographical coverage and coordinate effective and timely solutions; and store all items in country prior to distribution.
- Lead the ES Sector: coordinate with sector partners, mitigate gaps/overlaps in partner activities, prioritize Sector initiatives, lead Sector work planning and fund raising activities, continue Sector reporting systems, maintain and disseminate information on activities, stocks and distributions.

#### ***2009/2010 Indicators***

- Percentage of households in need met – target: 100% (estimated households to be served by the NFI Common Pipeline in 2009 is 240,000 in North Sudan; the NFI & ES Sector as a whole estimates that 81,200 households will be supported in 2009 in South Sudan)
- Percentage of identified gaps and overlaps addressed – target: 100% (estimated number of gaps/overlaps identified in 2009 is 25 for all Sudan combined)

## **Logistics Common Services and Coordination**

#### ***2008 Achievements***

This Special Operation aims at facilitating cost-effective and efficient humanitarian operations through the facilitation and coordination of relevant and timely common logistics services including: surface transportation, air transportation, facilitation of air transport user groups, cargo prioritization, logistics assessments and information services. Through close coordination with and among humanitarian agencies, the project promotes strengthened partnerships in logistics enhancing the humanitarian community's ability to respond rapidly to emergencies. Logistics activities are demand-driven, based on the expressed requirements of the humanitarian community and are all provided free-of-charge. The services benefit all humanitarian organizations operating in Sudan (163 organizations, as per the contributing organizations to the 2009 UN & Partners Work Plan) and, therefore, indirectly all populations receiving support from the humanitarian community.

#### ***2009/2010 Objective***

For 2009, the primary logistics-related objective, as per the 2009 UN & Partners Work Plan, is to facilitate cost-effective and efficient humanitarian operations through relevant and timely coordination of logistics common services and technical expertise for the elimination of logistical constraints. If Logistics Cluster is activated in Sudan, these activities would be smoothly integrated under the umbrella of a WFP led Logistics Cluster in Sudan, with minimal or no disruption to the execution of those services currently provided under this logistics component of the project. Furthermore, the Logistics Cluster would strengthen accountability to the HCT through the execution of the principle of 'provider of last resort'. Since both the UNJLC Sudan and the Cluster/Sector Lead are expected to report to the HC a natural synergy will ensure limited disruption to the existing relationship with the HCT and with the RC/HC.

#### ***2009/2010 Activities***

- Facilitate and coordinate logistics common services, including common surface transportation, common air transportation, facilitation of air transport user groups, cargo prioritization and other services as necessary.
- Participate, coordinate and/or lead assessments to support the logistical requirements of the humanitarian community; identify and recommend solutions to logistical constraints impeding the delivery of humanitarian goods and services.
- Compile, analyze and disseminate timely and relevant logistics information in support of operational and program needs of the humanitarian community and provide technical assistance as required.

#### ***2009/2010 Indicators***

- Percentage of UN agencies and humanitarian partners operating in Sudan provided with logistics services and/or information – target: 70% (or 114 of 163 organizations participating in the 2009 UN & Partners Work Plan), and
- Percentage of direct requests for information and/or coordination met – target: 100% (estimated to be 100 requests in 2009).

## **Exit strategy and hand over of the NFI & Emergency Shelter Cluster responsibilities**

This budget revision also intends to include elements of structured hand over and capacity building to facilitate the transition with the newly appointed lead agency for the NFI & ES Cluster. Key activities and milestones include:

- Operational capacity assessment in coordination with the HCT for the identification of an alternative Lead agency.
- Reconsideration of country level arrangements to be agreed upon and endorsed at Global level through the HC,
- Inventory, re-distribution and consolidation of activities in coordination with the identified successor including an outline of resources required to implement these tasks (including, inter-alia, maintenance of appropriate coordination mechanisms, needs assessment and analysis, contingency and preparedness planning, strategy development, application of standards, monitoring and reporting, advocacy and resource mobilization, training and capacity building and provision of direct implementation assistance or services as a “provider of last resort”)
- Co-location, training and project plan to facilitate the transition of responsibilities. This entails approximately three months co-location, the development and implementation of on-the-job training packages and the identification of appropriate and experienced personnel (including transfer of staff currently employed under this project). It also implies the lay out of a project plan with detailed budget to provide the successor organization with a funding mechanism with which to ensure continuity of services.

### **RATIONALE:**

The proposed budget increase amounts to US\$ 15,761,400 for 18 months (or US \$10,507,600 annually). This represents the continuation of activities without any major changes in organizational structure and types of costs compared to the approved SO 10342.2 budget (US\$ 7,250,184).

The increase in costs (US \$3,257,416 annually) reflects a) the increase in the international staff standard costs, increased DSA rates and the introduction of hazard pay for Khartoum; b) the addition of staff and operational costs for operating warehouses for the NFI Common Pipeline; c) the addition of HR staff physically located with WFP HR in headquarters in Rome: and d) the addition of a finance assistant with WFP Sudan.

Donor support in early 2009 (prior to the decision by GoS to revoke CARE’s registration) was very positive and contributions of approximately US\$ 3M are in confirmed pipeline, while additional contributions for approximately US\$ 1.5M are to be confirmed over the next 3 months. Donors are being approached at local level to raise the funds necessary to cover the new warehousing activities as well as mobilize the remaining funds required for the implementation of activities under this operation.

Approval for this Budget Revision and Extension in Time is hereby requested.

### **DISTRIBUTION:**

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Chief, OMLT

Chief, OMXP, OMXD, OMXR

Country Director

OM Registry

Liaison Officer, OMS

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Director, OMX

Regional Director

Programme Officer, OMXP

Programming Assistant, OMXP

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Director, OML

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REG

RB Programme Advisor

RB Programme Assistant