

Country¹ & Project No.: SO 10539.0
B/R No: 902

BUDGET REVISION OF SO FOR THE APPROVAL OF REGIONAL DIRECTOR

	<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>				
Programme Officer, ODMP
Chief, ODMP
Director, CFOB
Director, ODT
<u>APPROVAL</u>				
<input type="checkbox"/> Regional Director

PROJECT : SO-LKA-10539.0 “Augmentation of Logistics Preparedness Capacity”			
	Previous Budget	Revision	New Budget
Total WFP cost (US\$)	US\$ 2,639,729	2,009,001	US\$ 4,648,730

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

<p><u>NATURE OF REVISION:</u> This budget revision is intended to continue the activities under the current Special Operation that is due to expire on 30 June 2007 for an additional period of six months (01.07.07 – 31.12.07). Furthermore, this budget revision includes new logistical support activities which are essential in order for WFP to respond to the challenging operational needs affected by the volatile security situation in the country. Additionally the services provided will continue to be free of charge except when due to lack of funding partial cost recovery will be implemented.</p> <p><u>JUSTIFICATION FOR THE REVISION:</u> The initial SO was intended to augment and support the GOSL storage and transport of WFP humanitarian assistance to specific areas in Sri Lanka affected by the low-level conflict – in particular, where GOSL experienced pipeline breaks supporting IDP populations. It was also intended that the SO would provide logistics coordination and support storage and transport operations, for IO/INGO assistance. Due to the resumption of conflict between the LTTE and the GOSL Security Forces 2006 and its expansion adncocontinuation in 2007, it is necessary to both expand in scope, and extend in time, the current special operation. Increasing IDP numbers in many areas are expected and greater flexibility in warehousing and transport, as well as an increase of staff will be needed.</p> <p><u>Colombo</u> Existing SO activities focus on coordinating the dispatch of humanitarian assistance to Jaffna on GOSL chartered vessels, as well as to chair the ongoing Interagency/INGO Logistics meetings. However, as the situation in Jaffna worsens, there is an evident need to establish an air bridge and non-government sea connections. National staff and additional transport will be required to manage Colombo storage and transport for these operations, as well as</p>

¹ If a regional project, please specify the countries concerned

streamlining and overseeing customs clearance and procedures for international imports. An international WFP staff member will be required to coordinate both existing and additional activities at the Colombo level.

Jaffna has been isolated by the closure of the A9 road since 11 August 2006. Since this is the only road access to the Jaffna peninsula, the vast majority of supplies for a population of 600,000 require chartered shipping. Existing WFP activities have focused on establishing additional storage capacity within the peninsula. There is now a much greater requirement for an increased capacity of offloading barges and storage facilities to ensure the provision of essential humanitarian assistance. See Sector Analysis below for additional information on transport requirements.

Vavuniya remains a key transit point for assistance to communities inside the LTTE-controlled area in the north of the country (Vanni). With the increased military activity in this area, the storage and transport of assistance on UN flagged trucks will likely increase as commercial trucking options becomes both more scarce and expensive across the southern Forward Defence Line (FDL) into the Vanni. The logistics hub planned under the original SO will therefore be upgraded to a hard-standing facility in anticipation of this increased activity over a prolonged period.

Batticaloa, Trincomalee Given the rapidly increasing numbers and mobility of IDPs in the east of the country, it will be necessary to pre-position warehousing in Batticaloa to enable quick response to IDP population fluctuations. GOSL support in the East has already experienced major difficulties to meet these needs and the majority of current assistance is organized by the Red Cross on a time-limited programme. Logistics staff will need to be placed in Batticaloa to cope with the increasing food distribution and interagency coordination needs, as well as to service the areas around Ampara. Trincomalee will become central to WFP operations in the East and the Vanni, as wheat flour deliveries (75% of fleet business thus far) originate here, and shipping operations to Jaffna will be largely ex-Trincomalee port. The truck fleet will be based here, with better service and support than Vavuniya, and more flexibility in terms of servicing the east of the country. The additional transport needs will require supplementing the current fleet (see Sector Analysis below).

Analysis by Sector

Storage requirements under the original SO totaled 17 MSUs at both hubs and bases. These will be supplemented with an additional 2 MSUs at the Fleet Operations Centre in Trincomalee to preposition supplies for shipping operations to Jaffna, and 2 MSUs in Batticaloa to augment existing government storage capacity for Batticaloa and Ampara..

Transport capacity for the initial SO was to augment GOSL ability to supply areas of Sri Lanka not under direct GOSL control not only for WFP but also for the IO/INGO community. The isolation of Jaffna, the GOSL inability to service IDP communities in Batticaloa, and the increasing instability of the Vanni region, are all recent phenomena that have highlighted the need for a more flexible and diverse transport capacity under UN flag, since commercial fleets are either unable to access these areas, or are becoming increasingly expensive due to the risks involved.

Thus, whilst the original 20 vehicles of 12mt capacity will continue to support secondary transport operations in the North and East, an additional 10 trucks of 20-25mt [capacity will provide support via primary routes to key points where SO storage facilities are located](#).

Additionally, in the isolated peninsula of Jaffna a locally leased fleet will support IO/INGO support to the affected communities to regularize assistance and avoid high or fluctuating commercial fleet costs. In Batticaloa, provision for leased vehicles is needed in the event that the SO needs to take over from the current short-term provision of transport by Red Cross

International Staffing for the existing SO operations has been provided by Standby Partners logistics specialists (SBP) and, whilst this possibility will continue to be explored, it is necessary to ensure that the SO can staff the operation with suitably qualified specialists if the SBP are unable to continue their support.

Colombo	1 Logistics Coordinator (currently SBP) to support UN air/sea ops including storage and movement to ports for Jaffna. Also focal point for IO/INGO Logistics Coordination at central level
Jaffna	1 Logistics Officer (currently SBP) to run logs base, as well as IO/INGO Logistics Coordination in Jaffna.
Vavuniya	1 Logistics Convoy Coordinator (currently SBP) to oversee all IO/INGO transport needs in the North, as well as Logistics Coordination in Vavuniya
Trincomalee	1 Logistics Convoy Coordinator (new post) to oversee all IO/INGO transport needs in the East, as well as Logistics Coordination in Trincomalee and Batticaloa. 1 Fleet Manager (currently SBP) for fleet operations country-wide 1 Site Manager (currently SBP) for construction and site management country-wide.

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