

Somalia SO 10681.0
B/R No.: 01

➤ BUDGET REVISION FOR SOs FOR THE APPROVAL OF THE DEPUTY 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>				
Regional Director,
Programme Officer, OMXP
Chief, OMXP
Chief, OMLL
Director, FLB
Director, OML
Director, OMX

APPROVAL

DED and COO – OM

PROJECT	Previous Budget	Revision	New Budget
ODOC	20,089,760	16,773,147	36,862,907
DSC	1,596,991	1,776,246	3,373,237
ISC	1,518,073	1,298,458	2,816,531
Total WFP cost (US\$)	US\$23,204,823	US\$19,847,851	US\$43,052,674

<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"/> Other

1. NATURE OF REVISION:

- Extension in time for 12 months from 1 August 2009 to 31 July 2010
- Budget increase of US\$16,773,147 under ODOC component, US\$1,776,246 under DSC component, and US\$1,298,458 under ISC component, resulting in total increase of US\$19,847,851

2. JUSTIFICATION FOR THE REVISION:

2.1 Despite high levels of insecurity in many parts of south and central Somalia, the humanitarian community continues providing support to the population. A lack of reliable air operators in Somalia makes WFP Humanitarian Air Service (UNHAS) essential for the provision of humanitarian assistance.

2.2 Aid-workers are highly dependent on the WFP-UNHAS Special Operations to travel in and out of Somalia and within the country. In addition, the Special Operation must maintain the current fleet level to meet medical and security evacuation requirements.

- 2.3 Recent events in Somalia, including a resurgence of hostilities, destruction of aircraft, and piracy on the high seas have resulted in dramatic increases in operational costs. For the same reasons, the number of passengers and ticket sales for UNHAS air services has drastically decreased making the WFP-UNHAS Special Operation more dependent on donor contributions.
- 2.4 Given the ongoing conflict and subsequent population displacement as well as the country's vulnerability to recurring natural disasters, humanitarian operations and hence the need for air services will likely be necessary beyond 2009 in Somalia.

3. PROJECT BACKGROUND

- 3.1 Somalia is among the most dire and complex emergencies in the world as a result of a combination of conflict, massive displacement and drought. The country has been without a functioning government for 18 years, and escalating conflict due to a complex anti-government insurgency continues to lead to alarming rates of displacement. Insecurity continues to severely hamper humanitarian access and space. For many years, the United Nations and NGOs have been highly involved in providing assistance to the people of Somalia through a process of stabilization and reconstruction.
- 3.2 The United Nations Common Services for Somalia (UNCAS) was established in 1996 to provide passenger air services to the humanitarian community based on a full-cost recovery and cost-sharing mechanism. UNCAS has been managed jointly by the United Nations Development Programme (UNDP), the United Nations Children's Fund (UNICEF), the Office of the United Nations High Commissioner for Refugees (UNHCR) and WFP. WFP has been in charge of the chartering and the operational arrangements.
- 3.3 In July 2007, the Board of Directors responsible for the overall management decided to convert UNCAS into a WFP Humanitarian Air Service (UNHAS) Special Operation, in line with the International Civil Aviation Organization (ICAO) and internal WFP auditors' recommendations. A User Group was established to define requirements and priorities in terms of air transport, and monitor the quality of service in order to provide guidance to the WFP Chief Air Transport Officer. The Special Operation has been funded through two sources: i) the cost recovery system; and ii) donor contributions to cover the difference between actual costs and the revenue of ticket sales.

4. OBJECTIVES

- 4.1 To maintain the provision of vital humanitarian air service to and within Somalia for the humanitarian community.
- 4.2 To ensure that aircraft capacity for medical and security evacuations does not fall below minimal levels and is permanently available in Somalia.
- 4.3 To comply with ICAO recommendations regarding the management and maintenance of WFP Air Transport Services by ensuring required levels of safety and security.

5. ACTIVITIES

- 5.1 The budget includes services related to 6 passenger aircraft operating to and within Somalia, namely one Dash 8, three BE200s and two C208s, as well as a provision for

additional ad-hoc capacity, if required. The budget also includes related office and staffing structures for operational management in Kenya and Somalia.

5.2 Since July 2007, UNHAS has transported 22,664 passengers and 383 tons of humanitarian cargo. In 2009 and 2010, UNHAS Somalia is planning to perform 7,200 hours per year, keeping an average aircraft capacity utilization of at least 52 percent.

5.3 It is also anticipated that ticket prices will be capped at US\$500 per passenger seat, and that donor contributions will continue to be used to subsidize associated costs.

6. RECOMMENDATION

6.1 It is recommended to extend SO 10681.0 up to 31 July 2010 along with a budget increase of US\$19,847,851.

DISTRIBUTION:

Chief, OMLL
Chief, OMXP, OMXD, OMXR
Country Director
OM Registry
Liaison Officer, OMJ/K

Deputy COO for Operations
Director, OMX
Regional Director
Programme Officer, OMXP
Programming Assistant, OMXP
Director, OMI (ICT operations only)

Director, OML
FLB
REG
RB Programme Advisor
RB Programme Assistant