



WFP Afghanistan
SPECIAL OPERATION SO 200639

Country:	Afghanistan
Type of project:	Special Operation
Title:	Provision of Humanitarian Air Services in Afghanistan
Total cost (US\$):	US\$ 20,238,873
Duration:	Twelve months (1 st January to 31 st December 2014)

Executive Summary

This Special Operation (SO) is established to provide safe and reliable air transport services to the humanitarian community in Afghanistan in 2014. Continuing insecurity and poor transportation networks within the country severely limit access for aid workers to beneficiaries. The World Food Programme's (WFP's) United Nations Humanitarian Air Service (UNHAS) is therefore deemed crucial to facilitate access for more than 160 aid agencies and the donor community to provide humanitarian assistance to remote parts of the country. UNHAS operations have been running in the country since 2002. This project, numbered SO 200639, is an extension of SO 200360, which was implemented from 1 January 2012 to 31 December 2013.

The SO 200639 will be managed by the WFP Afghanistan Country Office, in consultation with the UNHAS Board of Directors and User Group Committee. Through this project, at least 25 locations will be served with a fleet of three aircraft – two fixed-wing aircraft and one helicopter. This fleet composition is necessary to ensure an all-year access to key locations of humanitarian intervention and enhance capabilities to perform medical and security evacuations for humanitarian staff.

The Special Operation is of 12-month duration for the period 1 January – 31 December 2014 at a budgeted cost of US\$ **20,238,873**. The project is predominantly donor-driven, with approximately 70-75 percent of the project cost expected to be raised through donor contributions. The remaining 25-30 percent of funds required (up to approximately US\$ 6,000,000) will be generated through a nominal booking fee. The cost-recovery structure is approved by the Board of Directors.

The UNHAS Afghanistan budget for 2014 operations was prepared in line with WFP's revised Financial Framework. In accordance with corporate internal controls, recommendations from an external review carried out on the operation in 2013 have also been taken into consideration in the implementation plan. These aim at improving transparency, enhancing customer satisfaction, and increasing donor confidence.

Project Background

1. In 2012, Afghanistan ranked 175 out of 187 countries in the UNDP global Human Development Index, placing Afghanistan below the regional average.¹ Afghanistan remains extremely poor largely due to protracted conflict, which has exacerbated the population's ability to deal with regular natural disasters such as floods, epidemics, earthquakes, landslides, avalanche, temperature extremities, droughts and sandstorms.
2. According to the United Nations Office for Coordination of Humanitarian Affairs (OCHA), the current humanitarian situation in Afghanistan touched on four main areas; that majority of needs are due to ongoing conflict; the civilian casualty rate has risen by 23 percent in 2013; attacks on humanitarian personnel has increased from 2012 to 2013 by 78 percent; and the humanitarian paradigm in Afghanistan focused on chronic and acute needs only.² There are continuous calls for strong support from the international community to Afghanistan, especially in relief assistance and security support.
3. However, access to project sites remains a challenge for humanitarian agencies due to inhospitable terrain, limited infrastructure and systemic insecurity. Additionally, weak administrative and regulatory provisions continue to hamper commercial aviation growth in the country. For example, currently, no commercial air carriers operating within the country are in compliance with International Civil Aviation Organization (ICAO) regulations. It is against this backdrop that WFP established its UNHAS operations in 2002 with a view to facilitating access for humanitarian staff to provide various interventions in response to the humanitarian crisis. Since then, UNHAS projects have been considered an important component of the Humanitarian Action Plan in Afghanistan. The last UNHAS project, SO 200360, was implemented for 24 months (1 January 2012 – 31 December 2013), with budget of US\$ 40,984,686. This new SO is an extension of SO 200360 and seeks to meet similar objectives.
4. Operating out of Kabul and Bamian, UNHAS provides air services to 23 scheduled destinations and 2 ad-hoc locations in Afghanistan as well as periodic flights to Islamabad in Pakistan. The current fleet consists of 3 aircraft: one Dash 8 aircraft (37-seat) and one Beechcraft 350 (9-seat) based in Kabul and one Mi-8MTV helicopter (19-seat) based in Bamian. Currently, more than 160 humanitarian organizations from the UN Agencies, non-governmental organizations (NGOs) and donor institutions, rely on UNHAS to access their project sites.
5. It is projected that approximately 23,000 passengers and 90 metric tonnes of light cargo will be transported for the whole of 2013. From January to September 2013, UNHAS Afghanistan transported 17,333 passengers and 63.86 mt of light humanitarian cargo, as presented in the table 1 below. During the same period, it facilitated 6 evacuations for humanitarian actors.

¹ UNDP Global Human Development Index, <http://hdrstats.undp.org/en/countries/profiles/AFG.html>

² OCHA's presentation to the Global Logistics Cluster Meeting in Berlin – October 2013 (by Arnhold Spence)

TABLE 1: SUMMARY OF UNHAS AFGHANISTAN ACTIVITIES										
2013										
MONTH	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	TOTAL
HOURS	117.48	120.65	109.90	186.24	216.60	205.72	154.62	179.48	205.18	1,495.87
PAX	1,323	1,556	1,045	1,921	2,598	2,270	1,872	1,898	2,850	17,333
CARGO	5.11	5.21	2.66	6.63	13.07	6.67	10.99	6.40	7.12	63.86
EVACUATIONS	2	0	0	1	0	0	2	0	1	6

Project Justification

6. Afghanistan remains one of the most difficult theatres of humanitarian intervention in the world. According to OCHA, there will be a potential rise in the number of internally-displaced persons and refugees in 2014 and humanitarian activities would be expected to continue. Consequently, the provision of air services would be required to facilitate humanitarian staff travel to various locations. In particular, UNHAS operations are deemed necessary due to the following factors:

a. Continuous Need for Humanitarian Assistance:

Currently, an estimated 7.7 million people are in need of protection in Afghanistan³. As of 31 July 2013, a total of approximately 584,000 people were internally displaced (IDPs) with 64,000 of them being displaced in 2013 alone.⁴ In mid-June 2013, OCHA reported that 4.5 million people in Afghanistan were food insecure, with 2.25 million people considered severely food insecure and targeted for humanitarian aid. Additionally, 26,000 Afghan refugees returned to the country between 1 January and 30 June 2013. The number of security incidents has increased by 11% as compared with the same period in 2012⁵.

b. Lack of Alternative means of transport:

Insecurity, poor infrastructure, extreme weather conditions and long distances between project sites coupled with the lack of safe and reliable local air transport providers make the presence of UNHAS essential to the humanitarian community in Afghanistan.

The United Nations Department of Safety and Security (UNDSS) has designated the threat levels of most provinces in the country as “substantial,” “high,” or “extreme”. For the UN and many humanitarian organizations, therefore, road travel between project sites is either impossible or extremely risky, hence the need for a viable alternative such as UNHAS.

³ Global Emergency Overview, ACAPS, 23-30 September 2013

⁴ Relief web, “The situation in Afghanistan and its implications for international peace and security - Report of the Secretary-General (A/67/981-S/2013/535)”

⁵ Relief web, “The situation in Afghanistan and its implications for international peace and security - Report of the Secretary-General (A/67/981-S/2013/535)”

c. Increased Demand

UNHAS remains the only service that provides an extensive air service to the entire humanitarian community in Afghanistan. The UN Assistance Mission in Afghanistan (UNAMA), the International Committee of the Red Cross (ICRC), and PACTEC offer some humanitarian air services in the country. However, UNAMA has dramatically reduced their air assets, and ICRC provides air transport primarily for their own staff whereas PACTEC is not cleared for UN staff travels. Additionally, the planned withdrawal of the International Security Assistance Force (ISAF) over the next years may be exacerbated by the inability of the Afghan Government to take on additional security obligations and would likely complicate the humanitarian situation.

With the reduction of UNAMA's air assets in 2013, UNHAS provided air support to more than 60% of the humanitarian community and passenger loads are expected to further increase in 2014.

7. In 2014, UNHAS will operate a fleet of three aircraft: one 37-seat capacity Dash 8 aircraft and a medium sized aircraft (19 seats) based in Kabul and to serve 17 major hub locations and a Mi-8MTV helicopter (19-seat) to be based in Bamian. The helicopter is strategic to the fleet as it serves as a sure means to secure access to remote deep-field locations in the Central Highlands and the northern disaster-prone areas of the country. During the winter season it will be repositioned in Kabul to serve 8 additional locations not accessible by the fixed wing aircraft. The medium-size aircraft will enable operational flexibility and serve as back-up in the event of the Dash 8 being unavailable due to unforeseen technical problems and prolonged scheduled maintenance. Altogether the fleet will also provide the much-needed response for prompt evacuation of aid workers for medical or security reasons. This capacity augmentation of the fleet for 2014 is upon request of the UNHAS Afghanistan Board of Directors and will be incorporated in the Consolidated Appeals Process (CAP) for 2014. The new fleet for 12 months will result in an increase of 9.5% of aircraft costs budgeted for the same duration in 2013.

Project Objectives

8. The objectives of the project are as follows:
 - a. To provide efficient air services to United Nations agencies, NGOs, donor representatives and other diplomatic missions in Afghanistan;
 - b. To carry out medical and security evacuations when required; and
 - c. To respond in a fast, efficient and flexible manner to other upcoming needs of the humanitarian community.

The objectives above are linked to WFP's Strategic Results Framework under Strategic Objective 1: Save lives and protect livelihoods in emergencies

Project Implementation

9. WFP will manage UNHAS in Afghanistan and, through its expertise, humanitarian organisations will benefit from the service. In line with the UN High Level Committee on Management's (HLCM) decision in 2003 that mandated WFP to establish UNHAS operations, UNHAS Afghanistan has a User Group Committee composed of United

Nations agencies, NGOs, and donor representatives. The role of the User Group Committee is to give administrative guidance and define air transport priorities to ensure effective planning. A Board of Directors (BoD) – which is a more restrictive body of the User Group – is also in place to provide feedback on the quality of service as well as endorse proposed strategies and support fundraising for the operation. The BoD meets every three months or as regularly as practicable based on the prevailing situation.

10. In 2014, UNHAS will operate a fleet of three aircraft: one 37-seat capacity Dash 8 aircraft and a medium sized aircraft (19 to 25-seat capacity) serving 17 major hub locations based in Kabul, and a rotary aircraft MI8MTV (19-seat) to be based in Bamian (and temporarily in Kabul during winter). The fleet will serve 25 locations: Bamian, Faizabad, Farah, Herat, Jalalabad, Kabul, Kandahar, Kunduz, Maimana, Tarin Kot, Mazar-e-Sharif, Qala-I-Naw, Nili, Chaghcharan, Ghazni, Gardez, Khost, Lashkar Gah, Panjab, Puli Khumri, Sheberghan, Lal, Taloqan and Aybak in addition to the regional service to Islamabad. UNHAS Afghanistan has its main operating base in Kabul, with a secondary base located in Bamian.
11. Through the following measures, the project will be implemented using the standard support systems and tools recognised in international air transport operations:
 - a. Passenger and cargo booking will be made through UNHAS management structures, with appropriate tools to relay flight manifests and schedules to users in all locations with UNHAS staff/focal points presence.
 - b. A dedicated monitoring system is in place to follow the flight progress of all aircraft through two-way radios and a satellite tracking system.
 - c. The web-based Flight Management Application (EFMA) system is also used. The system facilitates operational planning and enhances customer service, booking, aircraft scheduling, flight manifesting, and load factors and provides cost data for management overview.
 - d. Weekly flight schedules are published and maintained with necessary flexibility. Additionally, provision is made to respond to dedicated requests such as special flights for assessments, monitoring missions, evaluation missions, and other specific requests.
12. The WFP Aviation Service (OSLA) in Rome is responsible for aircraft chartering and safety oversight of the operation through an Aviation Quality Assurance System. It also provides normative guidance on operational management and staffing support.
13. The staffing structure is designed to cater for the complexity of the operation. The overall management, administration, and control of the operation are vested in the Chief Air Transport Officer (CATO), who reports administratively to the Country Director and technically to the Director of Logistics through the Chief Aviation Service in Headquarters. The CATO will be responsible for all operational matters including scheduling, operators' compliance, safety management, and risk management. Air Transport Officers manage the day-to-day activities and are based in the various operational bases as well as in other key destinations.
14. The WFP Country Director will act as the Funds Manager, and the UNHAS Finance Officer will be the allotment administrator will also be responsible for managing the cost-recovery component of the operation.

15. UNHAS will work in close collaboration with the User Group and other interlocutors to identify logistics gaps in the country.

Project Cost & Benefits

The budget for 2014 operations was prepared in line with WFP's revised Financial Framework, which is composed of the following cost categories:

- Capacity Development and Augmentation (CD&A)⁶;
- Direct Support Costs (DSC); and
- Indirect Support Costs

16. The total project cost for this Special Operation is US\$20,238,873 as detailed in the budget below.

PROJECT COST BREAKDOWN		
SO Category	Provision of Humanitarian Air Services in Afghanistan	Value (USD)
Project Number		
Capacity Development and Augmentation (CD&A):		
A – WFP Staff Related Costs (Staff directly involved in Operations)		1,176,589
B - Implementation Inputs (Operational Agreements, Communication, Vehicle leasing and maintenance)		15,883,736
Total Capacity Development and Augmentation (CD&A):		17,060,325
Direct Support Costs (DSC):		
A - WFP Staff Related Costs (Staff involved in Management and Administration)		1,223,277
B – Recurring expenses and Other WFP Costs		370,457
C – Capital Equipment Costs		40,274
D – Local Security Costs		135,502
E – Travel and Transportation Costs		85,000
Total WFP Direct Costs:		1,854,510
Indirect Support Costs (ISC - 7 percent) :		1,324,038
TOTAL WFP COSTS		20,238,873

The project applies a partial cost recovery system, through nominal booking fees, which is expected to cover approximately 25-30% of the costs. The remaining 70-75% of the budget needs will be raised through donor contributions. In addition to the resources expected to be raised through donor contributions, UNHAS will continue charging the nominal booking fee on regular routes and full cost recovery will be applied to dedicated charter flights as directed by the BoD and outlined in the Standard Administrative and Operating Procedures.

17. The cost of this Special Operation is a 7.04% increase from the 2013 budget of US\$ 18,908,163. The primary reason is the change of the 9-seat BE350 to a 19-seat BE1900 type as requested by the BoD, increased fuel costs, an increase in other operational costs, such as requisite security upgrades. Staffing costs will also increase slightly due to additional national staff (logistic assistants) required for Bamian, Kandahar and Kabul).

⁶ Prior the implementation of revised projects structure in line with the revised WFP's Financial Framework in 2014, the Capacity Development and Augmentation (CD&A) cost component was presented Other Direct Operational Costs (ODOC).

18. The benefits envisaged for WFP under the UNHAS operation in Afghanistan are as follows:

- a. Provision of predictable air transport services to priority destinations in order to enable humanitarian staff and donor organisations to carry out their duties;
- b. Operational efficiency and effectiveness in the implementation and monitoring of humanitarian projects;
- c. A common service consistent with the call by the Secretary-General for greater unity of purpose and coherence at the country level so that UN entities can benefit from one another's presence through corresponding consultative and collaborative arrangements;
- d. A cost-effective service that can take advantage of economies of scale through continuous monitoring and a results-based management concept; and
- e. A client-oriented common service that is established through a User Group Committee and responds to user needs.

Efforts will be made to contain costs and ensure value-for-money throughout the project cycle.

Monitoring & Evaluation

19. Based on project historical statistics, key performance indicators will be monitored and reported at the end of the project and will include the following:

- a. Aircraft occupancy rate (target: 65 percent);
- b. Number of passengers transported against planned (target: 2,500 passengers per month);
- c. Utilization rate of contracted hours (target: 100 percent);
- d. Percentage of booking requests served against promised capacity (target: 95% servicing level);
- e. Seat occupancy rate (target: 65%);
- f. Number humanitarian organisations utilizing the service (target 160 user organisations); and
- g. Percentage response to medical and security evacuations (target: 100%).

The project will be monitored regularly and reviewed as necessary to suit the prevailing operational context in the country and to serve the needs of the humanitarian community accordingly. Additionally, WFP Aviation is developing a performance management tool that aims to measure the value-for-money (VfM) across UNHAS operations. The concept seeks to achieve an optimum balance between efficiency, effectiveness and economy in order to capture the impact of UNHAS operations on humanitarian activities. The tool will also allow air operation managers to better quantify and visualize fleet planning utilization. UNHAS Afghanistan is one of the countries where the performance management project will be tested. Ultimately, this tool will enhance transparency and improve reporting towards donors and other stakeholders.

Risk Assessment and Contingency Planning

20. A number of risks could impact the implementation of the SO. The main risks identified are presented through the three risk areas (contextual, programmatic and institutional). The subsequent narrative explains the risks and outlines mitigation measures to be taken.
21. **Contextual Risks.** Security in Afghanistan can deteriorate further, which may result in additional limitations of humanitarian travel. To mitigate this risk, UNHAS will work in close coordination with UNDSS to ensure timely communication of the security situations at destinations and will plan its operations accordingly. WFP or UNDSS Field Security Officers are present in every hub served by UNHAS, and can respond and assist in the event of any security incidents. UNDSS is also responsible for security in the new locations for UNHAS flights planned for in this project. Operational hazards will be identified through established WFP Aviation structures and the relevant risk analysis and mitigation actions will be implemented as required to maintain an acceptable level of risk. This includes support missions by WFP Aviation Security (AVSEC) officers to the operation.
22. **Programmatic Risks.** Humanitarian agencies may scale up their assistance in the country through increased number of staff, and/or expansion of activities into more remote areas. UNHAS will be able to meet the increased demand in humanitarian travel through efficient planning of flights. Additional aircraft capacity might be rapidly deployed for passenger and cargo transport, if required. Conversely, UNHAS may also scale down its activities if necessary
23. **Institutional Risks.** The success of the SO is conditional on adequate resources being available to WFP throughout the implementation period. A fundraising strategy to address shortfalls has already been developed. Jointly with BoD, UNHAS will continue advocacy efforts in order to ensure uninterrupted services for the humanitarian community.

Exit Strategy

24. Given the complex protracted situation in Afghanistan, restricted humanitarian access, and lack of safe air service providers in the area, WFP cannot envisage UNHAS operations to stop in the near future. In the unlikely event that the project should be discontinued, it might be due to the following reasons:
 - a. **Emergence of Credible Commercial Operators:** WFP Aviation will monitor the trends in the aviation industry in Afghanistan, and the level of effective oversight exercised by the Civil Aviation Authority that may facilitate compliant commercial operators in the country. However, considering the level of demand to remote humanitarian locations, it is highly improbable that compliant operators would emerge to serve all air travel needs of the humanitarian community over the next 12 months. Through the WFP Aviation Training Unit and Aviation Safety Unit, UNHAS Afghanistan will assist in the capacity building of potential service providers and the Civil Aviation Authority. Should credible commercial operators emerge, UNHAS will gradually phase out its fleet and concentrate on very remote destinations only, possibly with helicopters.
 - b. **Funding Shortage:** Donor involvement has been consistent in sustaining funding for the UNHAS operation and this is expected to continue. UNHAS

Afghanistan will continue to strengthen its advocacy efforts to ensure sustainable funding using all channels, including the Country Office, Regional Bureau, Headquarters and the Board of Directors to forestall funding shortage.

RECOMMENDATION

This Special Operation covering the period from 1 January to 31 December 2014 at a total cost to WFP of US\$ 20,238,873.00 is recommended for approval by the Executive Director with the budget provided.

APPROVAL

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Ertharin Cousin
Executive Director

Annex 1: Map of UNHAS existing and planned flight locations

