


BUDGET REVISION OF SO FOR APPROVAL BY THE REGIONAL DIRECTOR

5) To:	Initials	In Date	Out Date	Reason for Delay
Mr. Muhannad Hadi Regional Director Cairo				
4) Through:	Initials	In Date	Out Date	Reason for Delay
Mr. Carl Paulsson Programme Adviser, RBC				
3) Through:	Initials	In Date	Out Date	Reason for Delay
Mr. Carlos Melendez, Logistic Officer, RBC				
2) Through:	Initials	In Date	Out Date	Reason for Delay
Ms. Lindita Bare, Resource Management Analyst, RBC				
1) From:	Initials	In Date	Out Date	Reason for Delay
Mr. Giancarlo Stopponi, Country Director, Ukraine CO				

**“Logistics Cluster Support to the Humanitarian Response in Ukraine”
Ukraine SO 200821 BR No. 1**

PROJECT	Previous Budget	Revision	New Budget
	US\$	US\$	US\$
CD&A	1,386,351	82,726	1,469,076
DSC	359,421	89,193	448,614
ISC	122,204	12,034	134,238
Total WFP cost (US\$)	1,867,976	183,953	2,051,929

TYPE OF REVISION

Additional DSC
 Additional CD&A
 Extension in time
 Change in project orientation
 Other

NATURE OF REVISION:

1. This Budget Revision caters for an extension in time of 4 months from 1st September to 31st December 2015 and adjust the budget plan in accordance with the operational needs of Logistics activities identified in the revised Ukraine Humanitarian Response Plan (Feb 2015) and indicated by the humanitarian community.
2. The additional activities will include:
 - a. Increase in staffing and vehicle support for at least two UN convoys a week to cross the contact line. This has previously not been necessary, due to simpler crossing procedures and the possibility to use several crossing points.
 - b. Increase in transport capacity including a dedicated leased fleet of twenty trucks, to grant flexibility and visibility;
 - c. Augmentation of the storage capacity in current logistics hubs;



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IMPLEMENTATION TO DATE

1. To date, the Logistics Cluster has transported over 400mt of relief items on behalf of over 12 agencies. Over 1800 mt (approx. 400 trucks) are to be delivered by mid-September. Warehousing services have been made available to humanitarian agencies for use in Dnipropetrovsk and Donetsk.
2. The Logistics Cluster has streamlined the lengthy and complex administrative procedures required for each transport by undertaking the part of the administrative procedure on behalf of individual organisations, providing a UN umbrella to facilitate access for NGO cargo, and promoting recognition of WFP / Logistics Cluster convoys at the checkpoints. This has reduced the number and type of documents required for permission and increased the speed of obtaining the Ministry permissions. Furthermore the Logistics Cluster is actively participating and leading in the process of simplification of crossing procedures and the establishment of “Green Corridors” in coordination with OCHA.
3. The Logistics Cluster has established common road transport between the staging area of Dnipropetrovsk across the contact line into Donetsk City and Luhansk City and coordinated over six humanitarian convoys in support of Logistics Cluster partners.
4. The Logistics Cluster has held 18 meetings in Kiev and Donetsk, averaging 25-30 participants and providing logistical coordination and information for some 20 organisations.
5. The Logistics Cluster Information Management unit has published over 40 updates and information management products including maps for storage facilities, access points and logistical road constraints. A dedicated operations page for Ukraine is activated on the Logistics Cluster website to disseminate information products to the humanitarian community. A Skype group for logistic partners was established as an informal mode of exchange and update of information.
6. The Logistics Cluster has implemented an on-line tracking tool (Relief Item Tracking Application, RITA) for the management of storage and transport information in order to provide coordinated transport and tracking support for humanitarian commodities.

JUSTIFICATION FOR THE REVISION:

7. This budget revision adjust the requirements defined at the start of the emergency for the Special Operation, and align these with the current needs to December 2015. The changed activities include expanded services and revised staff functions as outlined below.
8. The operating environment in the Non-Government Controlled Areas (NGCA) of the districts of Donetsk and Luhansk remains volatile. Shelling and small arms fighting hamper road access to deliver humanitarian assistance to people remaining in the conflict zone. In addition, the administrative hurdles set by the Ukrainian Government for delivering aid into non-government controlled areas remain complex and arduous, while similar procedures are now being introduced in the NGCAs adding further complexity to aid-delivery. Even though suppliers of transportation and warehousing (on the GCA side) are available, the need for securing of access remains. Besides ICRC and private foundation convoys, the Logistics Cluster convoys are the only ones able to deliver cargo into the NGCA and 90 percent of the humanitarian community is using Logistics Cluster services.
9. The continuing conflict at Mariyinka has closed the only checkpoint previously open for cargo transport to cross the contact line. Furthermore, the Government of Ukraine has now restricted



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commercial traffic, and has provided a different ‘humanitarian convoy only’ checkpoint, which is congested by multiple convoys and civilian vehicular traffic. Deliveries by NGOs and UN agencies previously managed entirely by commercial transport providers, including WFP food packages are now required to be part of humanitarian convoys.

10. Due to the restrictions imposed on commercial logistics operators, an increasing number of humanitarian organizations are requesting Logistics Cluster transport and storage, information and logistics coordination services of the humanitarian convoys. Transporters are increasingly reluctant to cross the contact line without guarantees of UN support to exit the NGCAs. Additional staff and logistics capacity is therefore urgently required to overcome the severely limited access to the affected populations.

Increased operational requirements

11. Owing to the escalating crisis the Logistics Cluster has been requested to provide an increase in common services. Requests for transport have increased 300% over the last month, and requests are coming from organisations previously managing their own logistics, including national organisations, resulting in the increased transport requirement. The previous budget caters for the cost anticipated with increasing demand of transport services.
12. The Logistic Cluster has been requested to provide support to humanitarian convoys, and the number of convoys is expected to increase to three per week. This increase in operations will necessitate the recruitment of one additional National Logistics Officer, one National Logistics Assistant and three drivers. The previous budget caters for the cost anticipated with increasing number of convoys as the operation over the last months have been largely impeded by the security situation and concerns.
13. A dedicated fleet (leased trailers and prime movers) may be required in the near future if restrictions on convoys increase or sub-contracted transporters refuse to supply service due to increasing danger and restrictions in the NGCA. Minimum twenty vehicles with 20 MT capacity would be required to meet current transport requirements.
14. An update to the Ukraine Logistic Capacity Assessment is planned by the end of August 2015. The anticipated costs have been included in the previous budget and no additional budget is required.

Logistics Cluster Coordination, Convoy and Information Management Staff

15. As lead agency for the Logistics Cluster, WFP has established coordination cells in Kiev and Donetsk, with dedicated international staff; a Logistics Cluster Coordinator (Kiev), Information Management Officer (Kiev), and two Logistic Officers (Donetsk and Dnipropetrovsk). These are supported by national staff – Logistics Officer (Donetsk), Logistics Assistant (Kiev), Administration Assistant (Kiev) and three drivers (Donetsk and Dnipropetrovsk).

Logistics Cluster Exit Strategy

16. There are indications that so called “Green Corridors” from Government Controlled Area will be in place soon which will allow organizations to deliver cargo by themselves. If commercial cargo restrictions are removed by government, some cluster activities and assets may be transitioned to partner agencies that have a continuing presence serving the humanitarian community in Ukraine. Further, once procedures and access related issues on the Non-Government Controlled Area side are simplified, transport services will be handed over to organizations.



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RECOMMENDATION

17. In light of the above, this budget revision for the increase in costs of the SO from 31 August until 31 December 2015 with a budget increase of US \$ 183,953 is recommended for approval by Regional Director; with the attached budget.