5) To: Division Room Approval and Date
Mr. Jim Harvey Chief of Staff OED 6G36

4) Through: Division Room Signature and Date
Ms. Barbara Noseworthy Assistant Executive Director (a.i) PG 6G72

3) Through: Division Room Signature and Date
Mr. Manoj Juneja Assistant Executive Director RM 6G00

2) Through: Division Room Signature and Date
Mr. Ramiro Lopes da Silva Assistant Executive Director OS 6G62

1) From: Regional Bureau Signature and Date
David Kaatrud Regional Director RBB

Nepal Special Operation 200849
BR No. 02

PROJECT

<table>
<thead>
<tr>
<th></th>
<th>Previous Budget</th>
<th>Revision</th>
<th>New Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>CD&amp;A (US$)</td>
<td>11,449,615</td>
<td>3,903,050</td>
<td>15,352,664</td>
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<tr>
<td>DSC (US$)</td>
<td>796,901</td>
<td>138,819</td>
<td>935,720</td>
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<tr>
<td>ISC (US$)</td>
<td>857,256</td>
<td>282,931</td>
<td>1,140,187</td>
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<tr>
<td>Total WFP cost (US$)</td>
<td>13,103,772</td>
<td>4,324,799</td>
<td>17,428,571</td>
</tr>
</tbody>
</table>

TYPE OF REVISION

☒ Additional DSC ☒ Additional CD&A ☒ Extension in time ☐ Other

NATURE OF THE REVISION:

Budget Revision One (BR 01) to Special Operation 200849 ‘ Provision of Humanitarian Air Services in Nepal’ incorporated additional activities and corresponding costs to cater for increased needs in air operations and extended the project in time for two months, from 27 July to 27 October 2015 subsequently revising the budget from US$ 8,449,753 to US$13,103,772.

This Budget Revision Two (BR 02) seeks to align United Nations Humanitarian Air Service (UNHAS) Nepal activities with the evolving trends in the context of humanitarian operations in the country. With humanitarian needs prevalent in Nepal, demand for air transport remains high, thus necessitating the continuation of UNHAS until the end of 2015. Nonetheless, it is envisaged that from November, operations will scale down in view of projections made by the humanitarian community. The BR therefore aims to extend the operation in time from 27 October 2015 to 31
December 2015 with necessary adjustments in the operational structure. It also factors in a partial cost recovery scheme, introduced upon recommendation by donors, in September.

The overall budget will increase by US$ 4,324,799 (from US$ 13,103,772 to US$ 17,428,571).

BACKGROUND

1. A magnitude 7.8 earthquake hit Nepal on 25 April 2015\(^1\). The earthquake was followed by several aftershocks of varying magnitude including two of magnitudes 7.3 and 6.3 both on 12 May 2015. The effects of the earthquakes necessitated the need for a large-scale humanitarian and relief response, which required regional augmentation of capacity and resources. The emergency was classified ‘Level 2’ by the United Nations.

2. The humanitarian community’s relief efforts are concentrated in the remote and difficult-to-reach mountainous regions and access remains the biggest operational constraint. Many areas in the northern districts have for long lacked road connections making relief efforts in the aftermath of the earthquakes even more challenging. Landslides triggered by the earthquake and subsequent aftershocks have further decimated Nepal’s already-damaged and limited road network. The monsoon season worsened the situation, making it even more important for airlifts of food and other relief supplies to continue.

IMPLEMENTATION TO DATE:

3. The UNHAS operation in Nepal started on 29 April 2015 and currently has a fleet of four helicopters, three Mi-8s each with a capacity of 2.5 mt for cargo operations and one AS350 suitable for performing assessments and transporting passengers. It is anticipated that in November, the fleet will be reduced to two Mi-8s and one AS350 and a further reduction of one Mi-8 and one AS350 is planned for December. The Chief Air Transport Officer (CATO) based in Kathmandu manages the operation with assistance from various aviation staff – both international and national.

4. Flight schedules are issued on daily basis and cargo requests are reviewed daily in coordination with the Logistics Cluster while passenger requests are managed by UNHAS. Due consideration is given to passengers carrying out needs assessments for programme interventions. Additionally, field assessments are carried out regularly in order to identify potential landing sites.

5. As of 6 October, UNHAS had transported 3,183 passengers and 2068.6 mt of humanitarian cargo on behalf of 163 organizations comprising NGOs, UN agencies, donors, government counterparts and other humanitarian partners reaching some 155 destinations. In spite of adverse weather conditions posed by the monsoon season, UNHAS remains flexible and adapts the flight schedule to meet the ever changing needs of the humanitarian community.

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\(^1\) ACAPS, Global Emergency Overview, Briefing Note Update 4 Nepal Earthquake.
JUSTIFICATION FOR THE REVISION:

6. This budget revision to continue the provision of air services to various locations in Nepal is deemed necessary due to the following factors:

   a. **Continuous Need for Humanitarian Assistance:**

   Nepal’s government is re-constructing infrastructure with the goal of extending access to all 75 districts, but 14 districts remain unreachable by road making access the biggest logistical constraint for the humanitarian community. The country’s unique setting and the monsoon season make it more challenging to deliver aid to many communities in Nepal’s mountainous terrain, which are accessible only by air. Requests received for UNHAS services have been 40 percent higher than anticipated in BR 01 and demand for its services continues to remain high in the country. From October to December 2015, UNHAS anticipates to move approximately 1,800 mt of life-saving relief items on behalf of various organizations to several locations within the country, whilst aid workers are reliant on UNHAS to access areas in need.

   b. **Lack of Alternative Means of Transport:**

   Humanitarian partners in Nepal are exploring alternative and less costly means to access affected populations in the country. The Logistics Cluster has put in place a structured prioritization system for all transport requests designated by the Inter Cluster Coordination (ICC) team which is endorsed by the Humanitarian Coordinator and airlifts are used only as a last resort. However, demand for air transport remains high as many areas in need are only accessible by air. Meanwhile, WFP, in conjunction with the Access Infrastructure Working Group (AIWG), is currently working to open up rural road and trail networks that have been damaged by the earthquakes and rains. Opening these alternatives will enable access by land but this might take some time thus air transport remains the only viable means to access distant locations. Humanitarian organizations in Nepal are now initiating early recovery mechanisms and movement of cargo and aid workers is crucial in this context. UNHAS operations are therefore required to support the implementation of these programmes, which are deemed crucial to support affected populations in Nepal.

   c. **Introduction of Partial Cost Recovery:**

   UNHAS Nepal relied fully on donor contributions until end of August and service was offered free of charge to the humanitarian community. In line with the recommendations from the HCT and donors, a partial cost recovery scheme was introduced on 1 September 2015. Users are now required to pay token fees to subsidize operational costs while the rest is covered through donor contributions.

7. This BR will enable UNHAS to continue operations in support of the emergency operation in Nepal in line with the following objectives set in the initial original project.
• To provide safe, effective and efficient access to beneficiaries and project implementation sites for NGOs, UN agencies, donor organizations and diplomatic missions in Nepal;
• To transport cargo to support relief efforts towards the earthquake emergency;
• Facilitate aerial damage and/or rapid needs assessments for humanitarian actors with a view of achieving a well-targeted response;
• To ensure capacity for evacuations of humanitarian staff.

8. The key performance indicators (KPIs) below are aligned with those in the original project document:

- Number of Needs Assessments carried out monthly (target: 3);
- Percentage of passenger bookings served (target: 95%)\(^2\);
- Percentage of cargo movement requests served (target: 95%)\(^3\);
- Response to medical and security evacuations duly requested (target: 100%);
- Number of agencies using the service (target: over 20).

As the situation evolves, the implementation plan will be revised, according to the needs of the humanitarian community.

**RECOMMENDATION**

In light of the above, this budget revision, for an extension in time for two months until 31 December 2015 with a subsequent budget increase of **US$4,324,799** is recommended for approval by the Chief of Staff, with the budget provided.

\(^2\) This does not include unserved bookings due to flight cancellations resulting from bad weather or insecurity.

\(^3\) This does not include unserved bookings due to flight cancellations resulting from bad weather or insecurity.
UNHAS Helicopter Landing Zone as of 10th August 2015

UNHAS Nepal Destination Map