



1 Proponent Information: WFP LOGISTICS PHASE 1

Please fill in information on your organization

1.1 Contact information

Name of project proponent:	BRR
Country of origin:	Indonesia
Contact person:	John P. Brady
Contact information (phone/address):	081370098475 / Jl. Ir. Mohammad Thaher 20, Leung Bata, Banda Aceh
Email:	jbrady@sti.net

1.2 Background information

Please provide a brief background of your organization and its capabilities relevant to this project:

The Plan of Action for Temporary Shelter of the Office of the United Nations Recovery Coordinator for Aceh and Nias (UNORC) was signed by the Governor of Aceh and the Director of the Rehabilitation and Reconstruction Agency for Nanggroe Aceh Darussalam and Nias (BRR), on 29 September 2005. Pursuant to this Plan of Action, an estimated 600,000 metric tons of non-food items are planned for reconstruction in Aceh, (including Nias and Simeulue Islands) and Nias in the next twelve months.

WFP has been requested by the UNORC and the BRR to facilitate the sea delivery and logistics coordination of these items. Following an assessment of the requirements and operational constraints by a team of WFP senior logisticians and shipping officers to Aceh province in the second week of October 2005, WFP is committed to providing this service to the UN Agencies, the Government of Indonesia, the IFRC and other NGOs involved in the reconstruction.

This Special Operation will enable WFP to provide shipping services and logistics support to on-going humanitarian and reconstruction work through the establishment of a scheduled sea freight service along the East North and West Coasts of Aceh Province, Simeulue Island and Nias. The total cost of this operation is \$116,464,884 and has been divided into two phases.

In order to operate this service, WFP will seek, under this PCN, \$24,650,741 for Phase 1 of the overall project from the Multi-Donor Trust Fund for Aceh and North Sumatra (MDTFANS), a fund which supports the recovery process by providing grants for quality investments that are based on good practice, stakeholder participation and coordination with others. Should funding for the full amount of the project not be initially available, WFP proposes to submit a further request at a later date for Phase 2 of the Project estimated to cost \$91,814,143, subject to available MDTFANS resources. The MDTFANS is a partnership of the international community, Indonesian government and civil society. The MDTFANS funding for the WFP Shipping Services (WFPSS) will be contributed to this Special Operation, which funds will be applied in accordance with WFP Financial Rules and Regulations. The Users of the WFPSS will pay a cost per weight measurement to the MDTFANS at the rate of \$80 per weight measurement, so such that the Fund recovers some of the operating costs of the service and to ensure no duplication in funding by MDTFANS for transportation. At the expiration of this Special Operation, unspent balances will be returned to the MDTFANS.

BRR concept note

2.2 Project synopsis (Brief description of projects; no more than 30 words)

The overall output will be the provision of a professional and cost effective shipping service to non-governmental organizations and government agencies for the reconstruction and rehabilitation of Aceh and Northern Sumatra.

2.3 Implementing agency details

Implementing agency is the organization responsible for the execution of the project. It can be the same organization as the proponent.

Contact person:	BRR, details as above
Contact information (phone/address):	As above
Email:	As above

2.4 Approvals

2.4.1 Relevant government agency(ies) - if needed

Contact person:	Dr. Eddy Purwanto, Deputy, Department of Housing, Infrastructure and Land, BRR
Contact information (phone/address):	0651 43 43 4
Email:	Epo95@yahoo.com

2.4.2 List of outstanding approvals needed:

None.

2.4.3 List of approvals received:

The United Nations (UN) World Food Program (WFP) has already approved the project and agreed to be the operating agent. The UN Recovery Coordinator for Aceh and Nias has also approved the project.

2.5 Bottlenecks

What is a bottleneck?

A bottleneck is anything that slows down or impedes progress for the project to start or to continue. Examples include approvals needed, lack of supply chain, lack of funds, etc.

Please list the bottlenecks – if any – that the organization is currently facing:

Bottleneck	Organization/person that is causing the bottleneck	How can BRR assist in solving the bottleneck?

BRR concept note

Availability of funds to implement the project.		Facilitating funding through the MDTFANS.
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3 Project Sectors

Please insert "X" next to all relevant sub-sectors:

Sector	Sub-sector	
1. General (Public) Services	1. Executive and Legislative Organizations, Financial and Fiscal Affairs, as well as External Affairs	
	2. Foreign Aid	
	3. General Services	
	4. Basic Research and Development of Science and Technology	
	5. Government Debt	
	6. Regional Development	X
	7. R & D Government Public Services	
2. Defense	90. Other Government Public Services	
	1. Military defense	
	2. Civil Defense	
	3. Foreign Military Aid	
	4. R & D Defense	
3. Public Order and Safety	90. Other Defense Affairs	
	1. Police Services	
	2. Disaster Relief	X
	3. Legal Affairs	
	4. Judicature	
	5. Prisons	
	6. R & D Public Order, Safety and Legal Affairs	
4. Economic Affairs	90. Other Legal Affairs, Public Order and Safety	
	1. Trade, Business Development, Cooperatives and Small and Medium Scale Businesses	X
	2. Labor	X
	3. Agriculture, Forestry, Fisheries, and Maritime	
	4. Irrigation	
	5. Fuel and Energy	
	7. Industry and Construction	X
	8. Transportation	X
	9. R & D Economic Affairs	
	10. R & D Economic Affairs	
5. Environmental Protection	90. Other Economic Affairs	
	1. Waste Management	
	2. Waste Water Management	
	3. Pollution Abatement	
	4. Conservation of Natural Resources	
	5. Spatial Planning and Agrarian Affairs	
	6. R & D Environmental Protection	
90. Other Environmental Protection		

BRR concept note

	Affairs	
6. Housing and Community Amenities	1. Housing Development	X
	2. Community Development	X
	3. Water Supply	
	4. Street Lighting	
	5. R & D Housing and Community Amenities	
	90. Other Housing and Community Amenities	
7. Health	1. Medical Products, Appliances and Equipment	
	2. Individual Health Services	
	3. Public Health Services	
	4. Family Planning	
	5. R & D Health Affairs	
	90. Other Health Affairs	
8. Tourism and Culture	1. Development of Tourism and Culture	
	2. Youth and Sports	
	3. Publishing and Broadcasting Services	
	4. R & D Tourism and Culture	
	90. Other Tourism and Culture Affairs	
9. Religion	1. Advancement of Religious Life	
	2. Harmony in Religious Life	
	3. R & D Religious Affairs	
	90. Other Religious Affairs Services	
10. Education	1. Pre-primary Education	
	2. Primary Education	
	3. Secondary Education	
	4. Non-formal and Informal Education	
	5. Government Official Education	
	6. Tertiary Education	
	7. Subsidiary Services to Education	
	8. Religious Education	
	9. R & D Education	
	90. Other Education Affairs	
11. Social Protection	1. Sickness and Disability Protection and Services	
	2. Old Age Protection and Services	
	3. Protection and Social Services to Family of Heroes, Veterans and Freedom Fighters	
	4. Protection and Social Services to Children and Family	
	5. Empowerment of Women	
	6. Information and Social Guidance	
	7. Housing Assistance	
	8. Social Security and Assistance	
	9. R & D Social Protection	

BRR concept note

4 Project Location

Kabupaten	Kecamatan	Village/Kelurahan
Aceh Jaya	Setia Bakti	Calang
Sinabang	Simeuleu Timu	Suka Makmur
Nias	Gunung Sitoli	Gunung Sitoli
Aceh Besar	Meuraksa	Ulee Lheue
Aceh Barat	Waylabubon	Meulaboh
Kotamadya	Maimun Saleh	Sabang
Aceh Besar	Kuta Raya	Malahayati
Aceh Jaya	Udjung Mulah	Lamno
Other sites will be used for port services such as Belawan, Sibolga, Labuan Haji		

5 Project Descriptions and Outputs

5.1 *Project description - this would include why project is needed, desired outcomes, main activities, and explanation of links between needs, activities, outputs, and outcomes:*

Shipping and logistics has been identified as one of the key bottlenecks affecting reconstruction, particularly for communities along the west coast of Aceh, and the islands of Simeulue, and Nias. Ports in Aceh require minor improvements to facilitate landing craft operations and reconstruction for the long-term. The Banda Aceh-Calang-Meulaboh road is frequently impassable in a number of locations. The increasing pace of housing starts and reconstruction works, coupled with the onset of rainy season, make it imperative that this logistics bottleneck is immediately addressed and resolved. This is a vital issue adversely affecting the reconstruction and relief operations of all NGOs, donors, and government agencies. More importantly, it is impacting the quality of life for all of the residents living in the affected areas.

On the basis of figures provided by the Reconstruction and Rehabilitation Agency (BRR), there is a total of 600,000 mt of shelter and related construction materials to be shipped into Aceh and North Sumatra over the coming twelve months, detailed as follows:

Banda Aceh : 280,000 mt
Calang : 67,000 mt
Meulaboh : 78,000 mt
Sinabang : 21,000 mt
Gunung Sitoli : 154,000 mt

The operational plan and integrated cost analysis for the overall project have been prepared on the basis of a scenario in which all construction material will be delivered by sea. This is consistent with the strong preference of the Rehabilitation and Reconstruction Agency for Nanggroe Darussalam Aceh and Nias (BRR) to deliver by sea where possible, to prevent further deterioration of an already degraded system of roads in the region.

BRR concept note

From the initial port of arrival of this material in the Aceh and North Sumatra region WFP will undertake the delivery to points in WC Aceh and the Islands of Nias and Simeulue through a network of transport services involving, at its anticipated height, possibly as many as twenty four landing craft, 500 leased trucks and one container / RORO feeder vessel. The efficient operation of these assets will necessitate capital expenditure by the WFP Shipping Service on immediate, if simplistic, improvements to port facilities in Malahayati, Calang, Sinabang and Gunung Sitoli.

Rudimentary, short-term berthing places will be established and, in two of these ports, special purpose steel matting provided to permit secure truck access up to 250 metres ashore. Forklifts of various capacities will also be provided in the ports of Sabang, Lamno, Calang, Sinabang, and Gunung Sitoli. All cargo would then be transhipped at Belawan and Sabang, including that destined for the islands.

Belawan Operations: Cargo arriving in carriers' containers will be de-vanned and transferred into WFP owned containers, or loaded in break-bulk onto trucks leased by WFP, for onward shipping in Roll-on/Roll-off (RORO) condition. Users will be responsible for customs clearance. Belawan transshipment cargo will initially be shipped in WFP chartered landing craft / tug-barges to final points of delivery. As the operation evolves and the number of containers to be handled increases, it is foreseen that the services of a WFP chartered container / RORO vessel will be required to move cargo in greater quantities to Sabang, and possibly directly to Gunung Sitoli, improved berthing conditions permitting.

Sabang Operations: In those instances where the ultimate destination is the region of Banda Aceh itself, or those North Western ports of Calang, or Meulaboh, WFP will recommend to the various procuring agencies that they attempt to negotiate the shipping of their containers directly to the island port of Sabang, immediately North of Banda Aceh. Although Sabang is a well established deep-water port, it is not a container port. WFP will need to provide adequate container handling capacity. At the outset it is foreseen that 6 forklifts would need to be accessed, two of heavy-lift container capacity and four of lighter, general cargo capacity. In cases where it is possible to arrange direct shipment to Sabang, carriers containers would be devanned in the main port of Sabang and the cargo will be loaded onto trucks, either in WFP containers or break-bulk, then driven onto WFP landing craft at a Roll-On Roll Off facility already in place at a nearby ferry terminal. These landing craft would service Malahayati, Ulee Lheue, Lamno, Calang and Meulaboh and also the island ports of Sinabang and Gunung Sitoli.

Malahayati and Ulee Lheue Operations: These two ports serve the greater Banda Aceh area, destined to receive about 280,000 mt of material. Simple improvements to the loading area at Malahayati will be undertaken by WFP. Trucks ex Belawan or Sabang will roll off Landing Craft / Tug-Barges with trailers delivered at points a short distance from the shore. Ulee Lheue will be used primarily for RORO operations.

Calang Operations: Calang is a key location in the operation, with two landing places in opposite bays having been identified for improvement and use. However, given that neither of these landing points is a natural location for the discharge of cargo, both having been artificially created in environmentally sensitive beach-heads, provision has been made for a floating jetty / barge to be made available at this port. UNDP will soon be commencing a project to construct a temporary container pier at Calang and BRR and WFP will work with them to ensure compatibility.

Lamno Operations: At this point there is no cargo listed for shipment to Lamno, but it is foreseen that over the course of the operation, there will be a requirement to move construction materials to this region. This port will be made operational as requirements eventuate.

Meulaboh Operations: The port facilities at this previously significant town have been heavily damaged and it is difficult to identify an appropriate point on the shoreline at which to berth a landing craft. However, a Singapore based NGO is constructing a new pier which should be completed by February, possibly in December, and will offer several hundred metres of quay and about 6-7 metres draft. We have no cargo presently listed for delivery to Meulaboh, and by the time there is a requirement, the new pier should have opened.

BRR concept note

Sinabang Operations: This port was heavily damaged by the March 28th earthquake and requires extensive rehabilitation. WFP will undertake immediate low level improvements to the landing area, to permit an effective and efficient discharge operation.

Gunung Sitoli Operations: Nias is scheduled to receive some 25,000 mt of timber over the coming four months and ranks as a primary focus over that time. Given the poor condition of the port, we foresee locating a floating jetty / barge to serve both as a landing platform and possibly as floating storage.

Other Locations: Budgetary provision has been made for the servicing of a total of eight locations – one other than listed above – in preparation for the likelihood that this may become necessary.

As this network of break-bulk RO-RO services develops, attention will be given to the possibility of developing a full container service to at least some of the ports of discharge, with the view ultimately to avoiding the double – handling at the primary ports of entry, Belawan and Sabang. There are other scenarios which we also have in mind to investigate and develop as appropriate which would add efficiency and serve to reduce operational costs.

Of the 600,000 mt of cargo upon which this plan is predicated, about 148,000 mt has been confirmed to date, with first shipments foreseen towards the end of October and then only in small quantities. The operation would build gradually with landing craft being chartered and trucks being leased as required. Given the lead time involved, it is recommended that an initial two landing craft be secured as soon as possible to ensure that coverage is provided. Similarly, immediate commencement of the improvements to the ports is vital to the success of the operation, as is the initiation of action for the procurement of the fork-lifts.

It is clear that the requirement for ocean transport services for the delivery of construction materials to WC Aceh and the Islands will be ongoing for years. The WFP has indicated that it is willing and able to continue to provide such a service, and will be actively encouraging the participation of local Indonesian commercial entities, with the view to facilitating a transition and a smooth hand-over to such local organisations, in accordance with a time frame to be agreed with BRR.

5.2 *List of key project outputs (e.g. wells for one kelurahan, X km of roads, numbers of schools, numbers of houses, etc.)*

		Deliverables timeline				
No.	Outputs	2005	2006	2007	2008	2009
Ex.	200 permanent houses	150 houses	50 houses			
Phase 1 (under this PCN)						
1	140,000 MT cargo moved	50,000 MT	90,000 MT			
Phase 2 (under a future PCN)						
	460,000 MT cargo moved		460,000 MT			

6 Impact assessment

Please describe project impact on the following (may be not applicable, depending on project):

6.1 Economic multiplier: *please specify numbers of local workers employed, how many farmers/fishermen are affected, capital created, etc.*

BRR concept note

The overall project will employ 212 national staff plus 50 international staff to be brought into Aceh and Nias for a total cost of \$4,825,727. It will provide work for an unknown number of ships' crew, cargo handlers, and related support personnel. There will be \$7,126,600 expended for equipment and capital costs. Related services will require a local expenditure of \$9,081,000.

6.2 Sustainability assessment: please specify ownership transfer, funding, and human resource plans for ongoing maintenance of the relevant outputs of the project.

At the end of the project period, all equipment and infrastructure improvements will be turned over to the Indonesian government, without charge, at the direction of the BRR. No funds will be provided for the ongoing operation or utilization of this infrastructure or equipment.

6.3 Supply chain/resource impact:

<i>Example: Cement</i>	<i>Example: 8 tons</i>	<i>Specific suppliers the implementing agency will get the materials from</i>	<i>Person in your implementing agency in charge for sourcing the materials</i>	<i>How does your organization source the materials (buy directly from suppliers, import from other countries, use local supply, etc.)?</i>
Materials needed	Amount needed (in units)	Source(s) for Materials	Contact info	How will you source the materials
n/a*	n/a	n/a	n/a	n/a

This project is, in effect, establishing an effective basis for a supply chain which does not presently exist.

6.4 Environmental assessment: please specify mitigation plan and risks to environment

Virtually all aspects of this plan are to restore what was previously in place prior to the earthquake(s)/tsunami. Accordingly, little further impact on the environment is foreseen.

6.5 Social impact assessment: please specify mitigation plan and risks to social environment (culture, religion, gender, etc.)

Only positive social impact through enhancement of the quality of life is anticipated. This will be brought about through the importation of recovery supplies to rehabilitate and reconstruct housing, government buildings, mosques, other infrastructure, etc.

6.6 Magnitude of impact: please specify number of people that will be directly impacted from this project

It is estimated that there are approximately 450,000 Internally Displaced Persons (IDPs) that will benefit through improved housing, access to government buildings and mosques, enhanced commerce, and rehabilitated ports, roads, and bridges.

BRR concept note

7 Cost and funding

7.1 Budget estimate

7.1.1

WFP is seeking endorsement from BRR for a proposal to the MDTFANS to support Phase 1 of the project from 23 Oct 05 to 22 Feb 06, with a request for an earmarking of funds for Phase 2. Resources for Phase 2 would be requested once detailed evaluations are made of cargo actually moved and that projected for the latter part of the year. User of the service will be charged a fee per ton which will partially cover the cost. If the total of 600,000 MT is moved during the period, it will reduce the cost of this service by \$48,000,000.

Total budget estimate	Amount	Currency
<u>Phase 1</u>	24,650,741	US\$
<u>Phase 2</u>	\$91,841,143	US\$

7.1.2 Budget by output (e.g. cost per house, cost per teacher trained)

Output unit	Budget estimate	Currency
<u>Phase 1</u>		
140,000 metric tons of cargo moved	24,650,741	US\$
<u>Phase 2</u>		
480,000 metric tons of cargo moved	91,814,143	US\$

Outputs

Sector	Output	Unit
<u>Phase 1</u>		
Infrastructure	Grade beaches, build concrete ramps, install "mobi-mat" to stabilize surface of landing areas	4 – 2 areas at Calang, 1 at Malahayati, 1 at Lamno
<u>Phase 2</u>		
n/a*		

*By Phase 2, all infrastructure will be in place. Only variable costs will be incurred based on the amount of cargo tonnage moved.

7.1.3 Budget by kabupaten/kota

Kabupaten / Kota	Budget estimate	Currency

BRR concept note

See note below*

*The budget has been calculated on an overall plan that includes not only Aceh and Nias, but operations also in Medan and potentially Sibolga. The budget amount that may accrue to any one kabupaten/kota is very variable based on amount of tonnage actually moved, how it is moved, and peculiarities of the area. Thus, thus trying to attribute budget amounts at this point is not meaningful although it is clear this project will generate significant work and income for those areas.

7.2 Funding plan (committed amount is amount committed by donors to fund the project, and disbursed amount is amount already received by the implementing agency, not how much fund has been used)

Put an X to note whether this is on-budget or off-budget projects: On-budget X Off-budget

Donor name	Committed/pledged amount	Disbursed (Received) amount	Currency	Type of Fund (Loan/Grant)
N/A				

8 Local Community Support

8.1 Local Community Involvement

No.	Steps on local community involvement	Done/not done	Description (explanation of activity performed or planned)
1	Held community-wide meeting to discuss projects and have minutes of meeting from this	Not done	Indirectly, since the entire community will benefit from the construction of temporary and permanent housing.
2	Solicited input from women/children and marginalized/disadvantaged groups (e.g. handicapped, etc.)	Not done	This group will directly benefit from the construction of the temporary and permanent housing.
3	Solicited input from and gained approval of local government officials (e.g. kepala desa, camat)	Not done	Meetings have been ongoing as the development of this project have progressed. It is envisioned that this will be a continuing requirement vital to the success of the project. Meetings to confirm and discuss commencement will be held upon approval of Phase I
4	Plan to post information in a high-visibility public place listing amount of investment, beneficiaries, timeline for development and whom to call in your organization in case of any concerns	Not done	Will be undertaken when project and funding approved.

8.2 References for local community involvement

BRR concept note

Please provide 2-3 contact persons & details of local community representatives (1 government official, 1-2 civic/community leader(s))

Contact person	Role with respect to project	Contact details (phone number)
Not yet available		

9 Monitoring Process

9.1 Anti-corruption mechanisms

Please describe any anti-corruption mechanisms that your organization has (or planned to have) installed for the following:

Procurement:

Tender processes follow WFP procedures and guidelines to ensure transparent and competitive award of contracts through open international competitive tendering.

9.2 Project progress monitoring process

Fund disbursement process:

Financial management will be undertaken through WFP's internal control framework. Payments will be made directly by WFP to government implementing partners and contractors based on benchmarks in agreements / contracts. Funding will be disbursed after agreed milestones are met and satisfactory documentation has been received.

9.2.1 Please describe monitoring arrangement (methods) for the project:

Financial reporting/auditing:

Financial and substantive reporting will be undertaken as per WFP procedures. All WFP-supported projects are subject to WFP audit rules and regulations. Projects in response to the tsunami disaster are subject to internal and external audit, including periodic management reviews and reviews of internal control mechanisms, as well as annual external audits. Project activities by implementing partners are also subject to audit provisions, including WFP reviews of financial reporting and supporting documentation, as well as external audit of implementing partner accounts for certain projects.

Monitoring:

The project will have a Board of Users comprised of representatives from users of the service such as NGOs, governmental agencies, the World Bank, and BRR. It will be chaired by the UN Aceh Recovery Coordinator. The Board will receive reports on the operation of the service and determine its efficiency and overall effectiveness. It will be further monitored by a WFP Compliance Officer. The head of the

BRR concept note

WFPSS will submit monthly utilization reports and financial statements to the Board of Users, UNOCR, and the BRR.

Monitoring of contractors and implementing partners will be undertaken by the relevant Government partners together with WFP, through regular and routine on-site inspections to review deliverables against agreed schedules, review of records and documentation of implementing partners for equipment provision and cash for work beneficiaries, as well as expenditure tracking to ensure accountability and transparency in the use of program resources.

9.2.2 Milestones for projects deliverables

Milestone	Timing
Phase 1 Commencement	
Prepare beaches for landing craft	2 weeks after approval of project
Move international staff to Aceh	2 weeks after approval of project
Rent office space	3 weeks after approval of project
Lease/purchase equipment	3 weeks after approval of project
Commence cargo operations	NLT four weeks after approval of project; can start small scale immediately upon approval
Phase 2 Implementation	
To be determined based on operations in Phase I	Primarily continuation of Phase I

Thank you for supporting for our effort in coordinating Aceh-Nias' reconstruction.
Together, we can build back a better Aceh and Nias.

