



**MEETING OF THE SEA USERS' GROUP
HELD AT WFP SHIPPING SERVICE OFFICE
JL.JEND. SUDIRMAN No.: 15, GEUCEU – BANDA ACEH
ON 14 July AT 11:00 HRS**

<u>Name</u>	<u>Organisation</u>	<u>E-Mail Address</u>	<u>Telephone</u>
Michael Whiting	WFP SS	michael.whiting@wfp.org	0811 987365
Zhen-Zhen Huang	WFPSS	huang.zhen-zhen@wfp.org	0812 6991221
Sanny Leong	WFPSS	Sanny.leong@wfp.org	08126991758
Mischa Rychener	WFPSS	mischa.rychener@wfp.org	08126992246
Morten Christensen	WFPSS	Morten.christensen@wfp.org	08126988090
Lorenzo Siciliano	WFPSS	Lorenzo.siciliano@wfp.org	08126992519
Robert Gillenwater	WFPSS	Robert.gillenwater@wfp.org	08126991220
Yuri Shendrik	Merlin	logco@merlin-indonesia.org	08126030259
John Brady	BRR		0812 6991098
Nina Brekkli	IFRC	Nina.brekki@ifrc.org	0811827492
Henry Isleib	IFRC	Henry.isleib@ifrc.org	0812 1003598
Ludovic Berthy	OXFAM	Lberthy@oxfam.org.uk	08126989612
Francine Roffi	ACF	Acf_logaceh@yahoo.fr	081534043696
Simon Foster	Concern	Simon.foster@concern.net	081360414705
Ewie	European Commission	Silvia-dian.anggoro@ic.europa.eu	065141655
Munysi	UNICEF	mseksianto@unicef.org	08121053078
Fatmawati	BRCS	flamamma@brcs.or.id	08126992437

ITEM 1: Opening of meeting and adoption of minutes from 30 June meeting:

Peter French opened the meeting by asking agencies for feedback about the upcoming transition into cost-recovery. IFRC told the group that their Transitional Shelter Programme will be affected as a result. Since they are in the middle of their budget cycle, amendments cannot easily be made to include additional funds for transport and therefore the programme team is working overtime to search for funding to support the additional cost to IFRC. In addition, they have surveyed the market in an attempt to find a company that offers a similar service to no avail.

Peter told the group that it was not the decision of WFPSS to adopt cost-recovery and the team is actively seeking additional funding however we will not know until later next week how much, if any, money the operation will receive from the MDF. He also mentioned that we must have a unified approach to funding, as the service is for everyone's use.

John Brady told the group that BRR will also be subject to paying for the service. They have recognized that they will build less houses as a result since the cost of transport is a significant one that has not been budgeted for. Cost-recovery was always in the pipeline and has been delayed until this stage because of the slow start to the housing construction. He





reminded users that the tariffs were designed with the intention of covering the cost of the operation and not for the sake of making a profit.

Last week's minutes were adopted without any changes.

ITEM 2: Overview of ships on Charter:

Morten Christensen gave an overview of the ships on charter. WFPSS is currently operating 9 LCTs and three coasters, most loading out of Belawan for Simeleue and Nias. One of our coasters has been stuck in Sampit for a month and a half due to documentation issues with the timber shipment. Another one of our coasters is in Samarinda and has been waiting for 14 days for the cargo to arrive. Morten pointed out that this is a common problem that WFPSS continues to see in its operations. Often times the cargo is not ready and the vessel has to wait at the loadport for the arrival of the cargo or sail with significantly less cargo than her maximum capacity.

Peter told the group that once the CMRs are received, a significant amount of planning goes into the operation and when cargo is not delivered at the load port in time, this causes delays and costs are significant. He pointed out that there will be implications under cost recovery as WFPSS will take a sort of ½ commercial approach to the subject by establishing an agreement with the user regarding a reasonable amount of time needed to load. If the NGO fails to provide the cargo in the agreed time and loading is delayed as a result, the NGO will be penalized accordingly. He recommended that users insert a clause in their agreements with suppliers for custom quick despatch such that if the delay incurs penalty from WFPSS, they can charge it back to the supplier.

CONCERN asked what the scenario would be if the ship was delayed and they incurred costs for temporary storage, double transport etc. Peter told the group that the costs incurred would be the responsibility of the NGO but WFPSS has an obligation to provide the vessel when they say it will be ready.

Zhen-Zhen gave an overview of completed shipments to date. The number of users has increased from 74 to 80 since last week. She mentioned that since the announcement of Cost-Recovery, bookings have flowed in steadily and currently all vessels are booked until the end of July.

ITEM 3: Cost Recovery

Peter told the group that WFPSS is concerned that some contracts with suppliers have stipulated delivery to the final destination, effectively creating a situation in which we have been putting money into the pockets of suppliers. Agencies assured that they typically request two rates from the suppliers: one for delivery with WFPSS and one for direct delivery.





ITEM 5: AOB

One NGO wanted to know if anyone could provide information about the regulations on selling/donating assets upon the completion of a project. Mike W. told the group that for items that were imported, the agency should have been required to fill in a customs form declaring what the intention was for those items at the completion of the project: exportation or donation. As a general rule, he told the group that they should not sell or auction anything that was imported so as to avoid complications.

He recommended visiting the WFPSS website which contains a link to customs regulations or contacting a customs expert at the one-stop-shop, Tim-Terpadu. In addition, they may stop by WFPSS offices and speak with Cut Yusra who can provide them with general info on customs regulations.

The next user group meeting will be held at 1100 hrs on 28 July 2006.

