

The Fact Sheet – 31st July 2010

Sea Delivery and Logistics Program (SDLP) - Phase 1 **World Food Programme Shipping Service (October 2005 – June 2007)**

The Sea Delivery and Logistics Program (SDLP) was established in 2005 following the December 2004 Indian Ocean earthquake and tsunami and the subsequent (March 2005) earthquake. The primary goal of the programme was to coordinate the transport and shipping of reconstruction materials in the province of Aceh, Nanggroe Aceh Darussalam (NAD), and Nias Island, areas most affected by the tsunami and earthquakes. Funded by the Multi-Donor Fund (MDF), the SDLP provides agencies involved in reconstruction, services related to actual shipping options as well as the coordination of the associated landside logistics tasks.

The World Food Programme Shipping Service (WFP Shipping Service) was set up in the third quarter of 2005 and provided shipping services under Phase 1 of the SDLP. It served 80 organizations including international non-governmental organizations, the UN and government agencies. The WFP Shipping Service HQ was based in Banda Aceh, with port offices in Belawan (Medan), Calang, Nias, Sibolga and Simeulue. Nine Landing Crafts (LCTs) and three Coasters were chartered, while cargo-handling equipment procured for the project included 16 Manitou shore-handling units, two Kalmar Reachstackers, 1,500 Duramats, and ten Mobi mats.

Apart from the cargo successfully transported in NAD-Nias in support of the humanitarian relief and recovery operation, the WFP Shipping Service also provided latent cargo traffic forecasting, port and cargo data, logistics and technical support, and port and vessel consultancy to humanitarian actors operating in the region. Achievements included minimal loss or damage to the cargo; no loss of life or serious injury to staff, ships' crew or sub-contractors; no claims; and no environmental damage at the beachheads in NAD-Nias.

From October 2005 to July 2006, the operation was provided as a cost-free service to the humanitarian community. From August 2006 onwards, the operation was run on a cost-recovery basis. Since the inception of the WFP Shipping Service and until the last vessel was re-delivered in March 2007, 256,006 CBM (98,185 mt) of cargo was transported through NAD – Nias ports, with US \$2,392,763 of revenue collected during the cost-recovery phase.

Sea Delivery and Logistics Program (SDLP) Phase 2 **World Food Programme Logistics Support Unit (July 2007 – December 2009)**

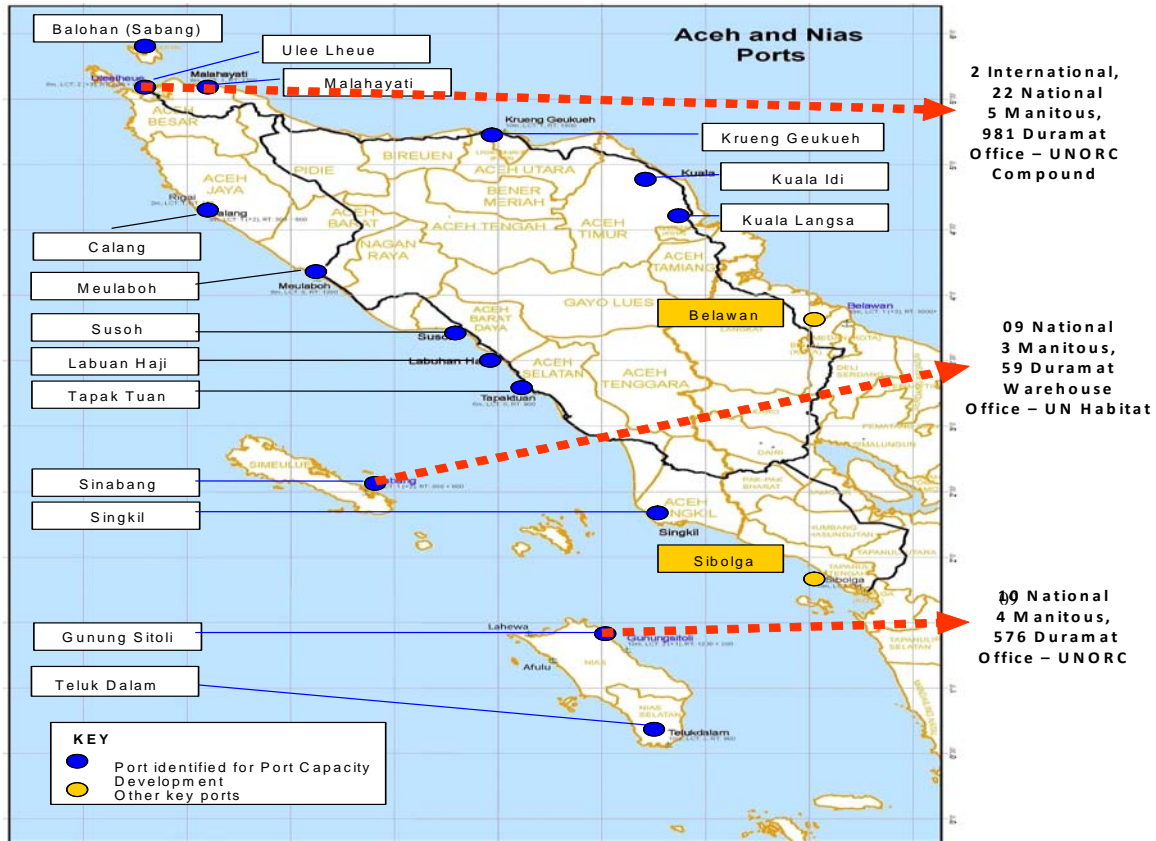
When the WFP announced cessation of the shipping service, the Director of the Badan Rehabilitasi dan Rekonstruksi (BRR) requested that WFP continue to provide logistics support in the region. A proposal for Phase 2 of the SDLP was put to the MDF by BRR in May 2007, with the stated objectives to:

- Provide continued logistics support to BRR, UN agencies, and non-governmental organizations engaged in the Aceh and Nias recovery program when the World Food Program Shipping Service concludes its present special operation in this regard on June 30, 2007. On BRR's departure, responsibilities will devolve on to the Governor of Aceh; and
- Build the capacity of ports management in Aceh and Nias by providing a comprehensive training program which will enable the relevant authorities to operate in a modern, effective, and efficient manner.



The SDLP Phase 2 continues to be funded by the MDF, using outstanding revenue from Phase 1 in addition to funds received from the cost-recovery phase of the Shipping Service. The WFP Logistics Unit, created to meet the new objectives of WFP’s role, remains based in Banda Aceh, with port offices in Nias and Simeulue. This phase consists of four main components.

SDLP Phase 2 – The World Food Programme Logistics Support Unit



Component 1	Logistics Support	Providing Logistics Support and consultancy to private sector and humanitarian organizations operating in the NAD-Nias area
Component 2	Training and Ports institutional capability	Assessing and evaluation ports and institutional capability and procuring and delivering training
Component 3	Identification and quantification of cargo prospects	Providing latent cargo demand forecasting and developing a database of existing and potential cargo
Component 4	Project implementation and evaluation	Effective and efficient project implementation

Component 2, related to training and building capacity of the ports, is the primary focus of the SDLP Phase 2 project. The Directorate of the Badan Rehabilitasi dan Rekonstruksi (BRR) identified 15 ports in the fourth quarter of 2007 for further assessment by the WFP Logistics Support Unit. Based on the results of these assessments, a port management training module was created which focused on

- the fundamentals of port management, basis from arrival in-bound to pilot to dropping off the out-bound pilot,
- linking all aspects of a vessels call to load ; and
- the discharge of various types of cargo.

The training will also incorporate short sea ferry type operations conveying passengers and commercial vehicles. With 18 training modules, and a maximum of 232 participants from ports in NAD-Nias, the training is scheduled for completion by the end of 2009.

Shore-handling equipment continues to be retained and operated by the WFP Logistics Support Unit on a cost-recovery basis as part of Component 1. Upon completion of the project, the ownership, use and maintenance of these units will be transferred to the Government of Indonesia.

Map of WFP Logistics Support Unit Office



Budget and Funds as at 31st July 2010

Statement of Account as at

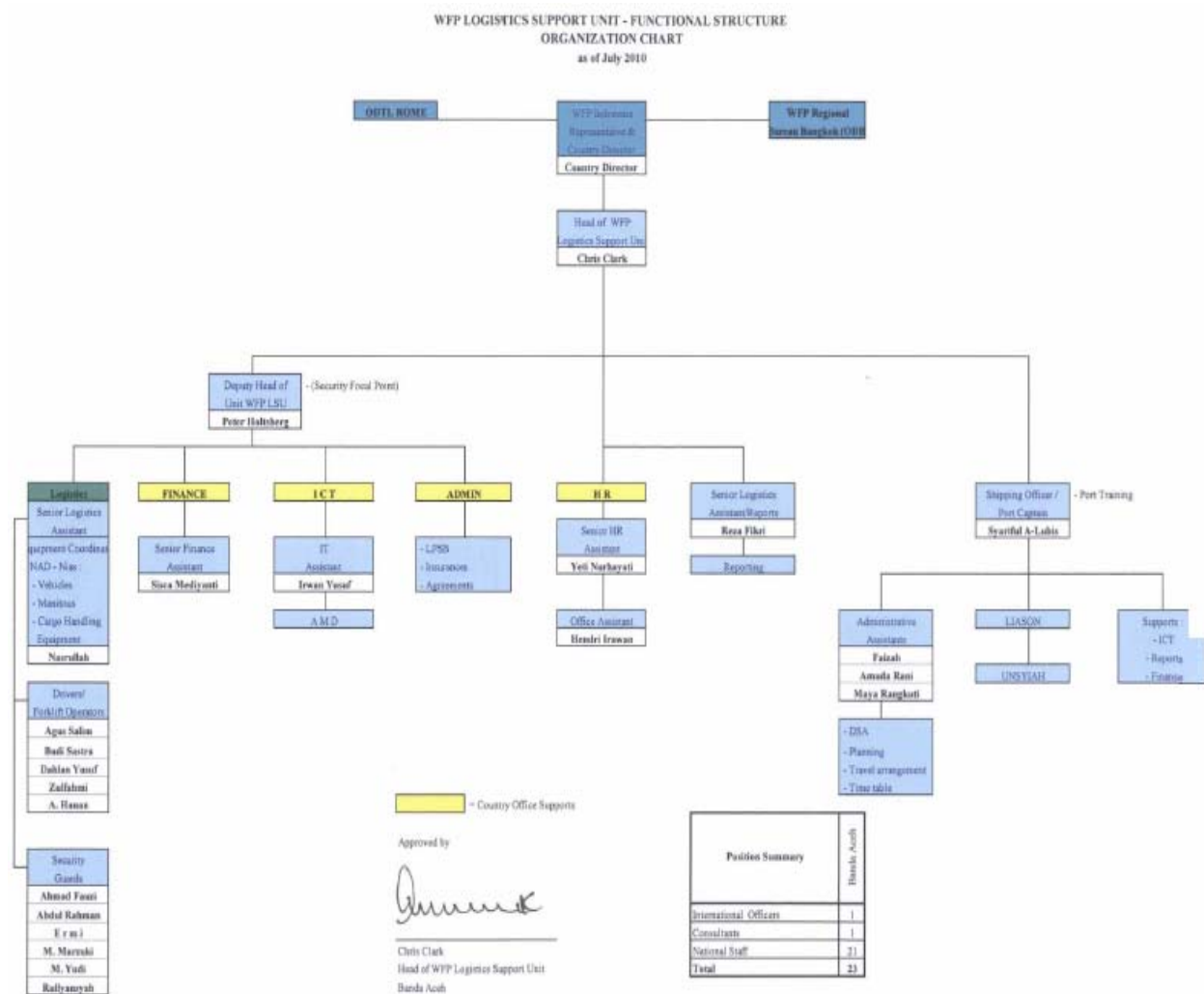
	31/5/2010	30/6/2010	31/7/2010
Confirmed Contribution *	7,300,841.00	7,300,841.00	7,300,841.00
Project costs to date:			
ODOC	2,433,216.15	2,588,690.83	2,635,418.73
DSC	2,631,834.64	2,732,485.87	2,835,867.53
Total Direct Project Costs	5,065,050.79	5,321,176.70	5,471,286.26
Indirect Support Costs	477,626.00	477,627.00	477,627.00
Total Project Costs to date	5,542,676.79	5,798,803.70	5,948,913.26
Balance of Contribution	1,758,164.21	1,502,037.30	1,351,927.74

Balance of Funds available at the 31st July \$1,351,927.74

Funds Expended as at 31st July 2010 - USD 5,950,012.26

	Component 1 Project Management 10 Pcnt	Component 2 Training 62 pcnt	Component 3 Logistics 23 pcnt	Component 4 Latent Cargo Forecasting 5 pcnt	Total
Budget	751,644	4,545,341	1,659,627	345,328	7,301,940
Expenditure	616,451.23	3,707,145.80	1,348,683.62	277,731.61	5,950,012.26
Balance	135,192.77	838,195.20	310,943.38	67,596.39	1,351,927.74

Organigram – Staff Structure



Component One

Logistics Support

Providing Logistics Support and consultancy to private sector and humanitarian organizations operating in the NAD-Nias area

Overview of services

The services offered by SDLP in Component 1 are to:

- Provide quay-side and cargo handling logistics support, through the rental of all-terrain handling equipment,
- Provide port and marine consultancy which would include beach head and tertiary port assessment and cargo and ship management through the intervention of port captains.
- Consult to assist humanitarian community on shipping, logistics and port operations incorporating primary, secondary and tertiary ports.

Project Component Development Objective

The Logistics Support role of the SDLP has as its objective the provision of logistics support and consultancy to private sector and humanitarian organizations operating in the NAD-Nias area. The objective is defined as:

Efficient and safe cargo transportation to support recovery efforts of multiple stakeholders

Project approach and activities

The LSU had a network of offices and representatives in the NAD-Nias region, which has contracted since the withdrawal of the shipping services. The SDLP operated offices, port depot facilities and consultancy at Banda Aceh, Ulee Lheue, Gunung Sitoli (Nias Island) and Sinabang (Simeulue Island). Cargo handling equipment held at strategic locations, in Banda Aceh (Ulee Leue), Nias and Simeulue Islands. As of 31 December 2009, all port offices have been closed. Banda Aceh is the sole remaining office.

Kalmar



Manitou forklift



Duramat

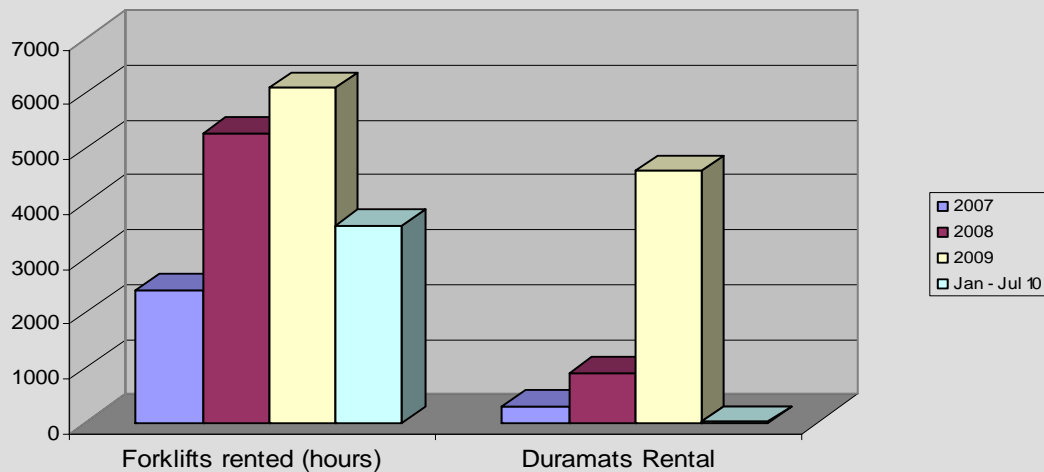
Cargo Cluster Light

Cost Recovery

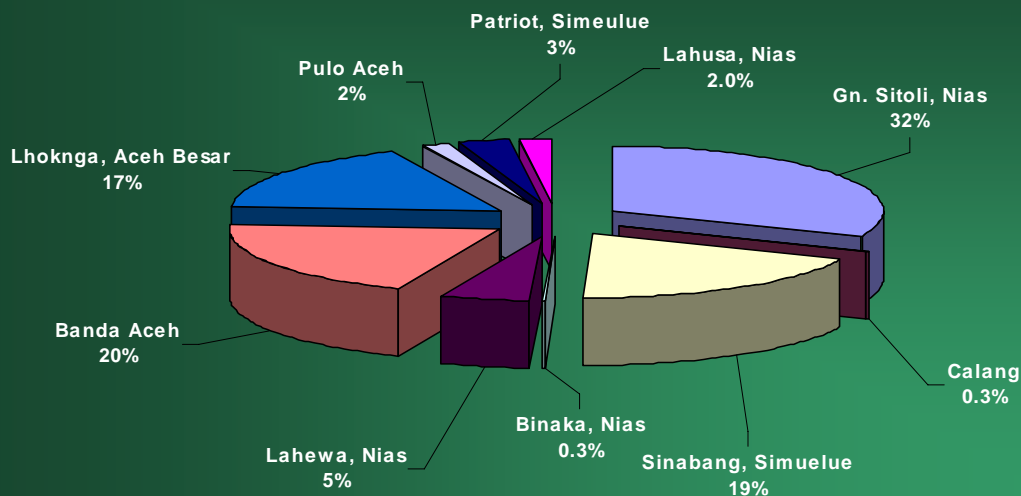
Equipment	Duramat
US\$	US\$
\$302,332.83	\$46,159.40

TYPE OF SERVICE	2007	2008	2009	Jan - Jul 10	Total
NGO Assistance	63	45	22	1	131
Commercial Firm Assistance	35	71	50	11	167
UN Agency Assistance	23	42	71	27	163
BKRA GoI Assistance	35	201	133	68	437
Forklifts rented (hours)	2407.25	5260.21	6083.78	3581	17332.24
Duramats Rental	290	898	4576	6	5770

Summary of Equipment Rental



Completed Equipment Rental by Discharging Port as at 31 July 2010



	Fixed Cost	Variable Cost
Insurance	\$ 53,236.11	
Operator Salary	\$ 145,479.85	
Fuel		\$ 20,120.36
Maintenance		\$ 55,698.21
Spare Parts		\$ 123,255.85
Training for operator		\$ 7,376.88
Other (MCI)		\$ 292.44
Total	\$ 198,715.96	\$ 206,743.74

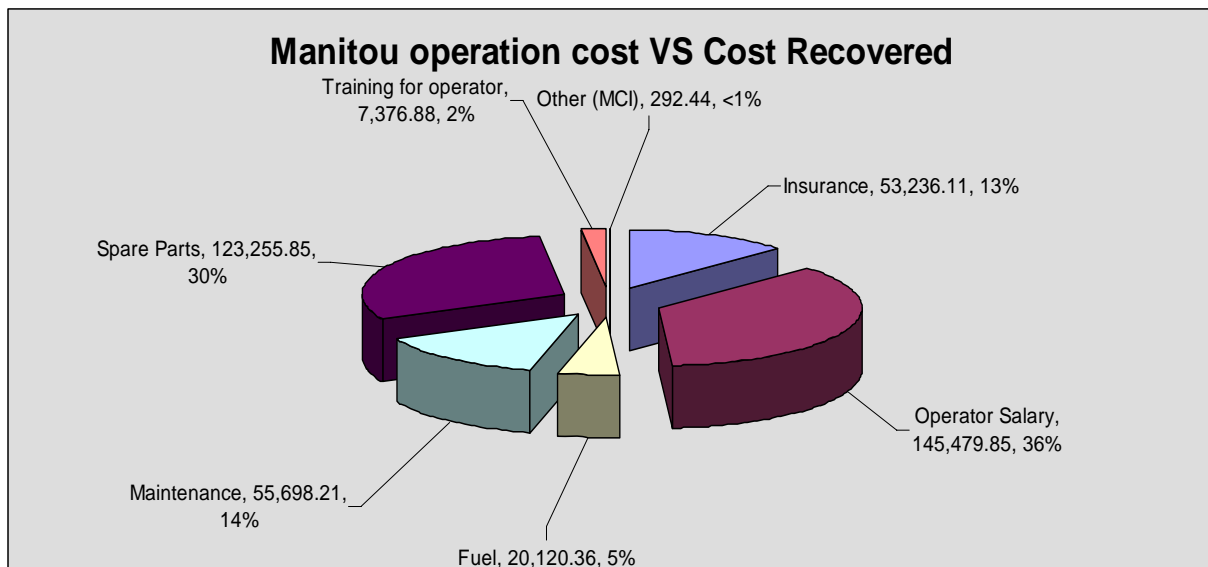
Total Cost \$ 405,459.70

Cost recovered \$ 305,840.21

DSA recovered 6,402.08

Total cost recovered \$ 312,242.29

COST RECOVERED UP TO DATE 77.01%



Equipment Release

Items transferred			
Items transferred	Date of transfer	Location	Remark
One Landcruiser	TBC	Banda Aceh	Transfer to Unsyiah Kuala University
One Landcruiser	TBC	Banda Aceh	BPBA (Badan Penanggulangan Bencana Aceh)
Duramats forty five (45) pieces	TBC	Sabang	Balohan Port, Handover in Banda Aceh
Desktop 7 (seven) units	TBC	Singkil, Susoh, Tapaktuan, Calang, Sabang, Ido and Kuala Langsa	Dinas Perhubungan, Handover in Banda Aceh
Desktop 4 (four) units and 1 (one) unit Laptop	12-Jul-10	Meulaboh, Sinabang, Malahayati, Lhokseumawe and Banda Aceh	Dinas Perhubungan, Handover in Banda Aceh
One Manitou forklift	27-Jul-10	Simeulue	Dinas Perhubungan Simeulue, Handover in Banda Aceh
One Manitou forklift	12-Jul-10	Meulaboh	Dinas Perhubungan Meulaboh, Handover in Banda Aceh
Two Landcruisers	TBC	Aceh West Coast	PENDING
Two Landcruisers	28-Jun-10	Banda Aceh	Transfer to PMU
Computer (CPU) and Monitor @ 1 unit	23-Jun-10	Banda Aceh	Transfer to Unsyiah Kuala University
Duramats two hundred fifty (250) pieces	16-Jul-10	Banda Aceh	Currently the duramats was loaned by UNICEF, awaiting officially transfer to UNICEF
Two Manitou forklift	06-Jul-10	Lhokseumawe	PELINDO Lhokseumawe, Handover in Banda Aceh
Two Manitou forklift	07-Jul-10	Sabang	Balohan Port, Handover in Banda Aceh
Hilux vehicle, one unit	3 June 2010	Simeulue	Dinas Perhubungan, Handover in Banda Aceh
Duramats, 100 units	19-Feb-10	Banda Aceh	Ulee Lheue port (through PMU)
Manitou, two units	19-Feb-10	Banda Aceh	Ulee Lheue port (through PMU)
Hilux vehicle, one unit; duramats 544	Dec-09	Nias	Transferred to ILO (MDF project)
Generator, one unit	Dec-09	Banda Aceh	Transfer to Unsyiah Kuala University
Manitou Bucket one (1) unit	Apr-09	Lhokseumawe	Collected by Pelindo I Lhokseumawe on 22 May 2009
Manitou Bucket one (1) unit	22-Dec-08	Aceh Besar	Allocated in Pelindo I - Malahayati
Duramats Forty-four (44) units	30-May-08	Simeulue	BRR Simeulue
Laptops twenty-seven (27) units	28-Apr-08	NAD	Transferred to BRR, in support of the UNORC KRF initiative.
Office Equipments Forty (40) units	12-Feb-08	Nias	All Office Equipments allocated in BRR - Gunung Sitoli
Manitou Bucket one (1) unit	21-Jan-08	Aceh Besar	Allocated in Pelindo I - Malahayati
Duramats three-hundred (300) units	07-Dec-07	NAD - Nias	UNDP Waste Management Project KKP office in Jantho, DLKP Office in Lhokseumawe, KKSP Office in Lhokseumawe, Dispenda Office in Sigli, KKPK Office in Bireuen, Dispenda office in Calang, DKPLH office in Meulaboh, KLKP office in Suka Makmue, DKK Simeulue, Kimpraswil office in Gn. Sitoli
VSAT one (1) unit	04-Oct-07	Nias	Allocated in BRR - Gunung Sitoli
Hilux vehicles six (6) units	06-Sep-07	NAD - Nias	All vehicles allocated in Malahayati, Meulaboh, Calang, Tapak Tuan, Sinabang, Gunung Sitoli
Manitou four (4) units	05-Sep-07	NAD - Nias	All Manitous allocated in Malahayati, Lhokseumawe, Meulaboh, Gunung Sitoli
Kalmar Reachstacker two (2) units	05-Sep-07	Belawan (Medan)	Released to Pelindo 1 - utilised in Malahayati and Sabang
VSAT two (2) units	05-Sep-07	NAD	Allocated Pelindo I Malahayati - Sabang

Component Two

Training and Ports institutional capability

Assessing and evaluation ports and institutional capability and procuring and delivering training

Overview

This Component, centering upon the assessment, nomination and training of key staff in the sea ports of NAD-Nias, has assumed a key if not central role in the SDLP. It was a key element in the BRR Concept Note submitted to MDF in May 2007 and subsequently endorsed by the World Bank and MDF (July 2007). While the Logistics Support continues to be important, it will become a lesser role as WFP prepares to exit. The sustainable operation of the key ports in the region becomes of critical importance

if the project and the goodwill and commitment of bodies such as the MDF is to have an ongoing positive impact on the economy of the region and the well-being of the remote coastal communities that have come to rely on the services developed by WFP and its logistics support unit. As BRR commented in their 2007 Concept Note;

“As to the port capacity development portion, this proposal complements the approved IREP/IRFF program which includes much of the port infrastructure development aforementioned. There is little point in building ports without ensuring there is sufficient capable staff to efficiently operate them.”

The major port reconstruction programs being carried out, including those funded under IREP/IRFF with funding by, inter alia, MDF, will leave the region with a sea ports network much improved, not only in terms of the port facilities left after 26 December 2005 and March 2006, but also improved substantially on how they were before the emergency. This will carry the region and its communities forward economically and socially.

To complement that quantum step forward for the region, the institutional capacity of the ports and their management is in similar need of improvement. Prior to the emergency, it is clear from discussion with port staff that skills were in short supply and records and systems lacking. After the emergency, many experienced and at least partially skilled key staff had also disappeared leaving some ports (e.g., Calang) with virtually no facilities and no staff. This can be attributed partially to loss of life in the tsunami and earthquake, but also the migration of persons with reasonable mobility of skills during the period of insecurity (GAM).

If the major physical improvement in facilities is to provide a sustainable outcome, the institutional strengthening of ports is essential. The assessment, evaluation and, ultimately, suitable training of key staff through the Port Capacity Development component of this project is vital to this initiative.

There are no specialist training organizations or facilities that are able to accommodate the needs to develop people to manage the ports that are being constructed in NAD- Nias, the training that is evident is in the main offered through the ministry of transportation that is provided administrative training to civil servants with virtually non-existent technical training.

The law promulgated by the government of Indonesia: Undang – Undang Republik Indonesia no. 17 Tahun 2008 tentang Pelayaran (Shipping Law), allowing for the privatization of ports nationwide, will require the provision for trained, certified and component management and support staff.

The knowledge gained over the duration of the shipping service project is invaluable and such knowledge, experiences will be transferred through training of port staff, train the trainers encompassing the port management linking to the overall logistics chain.

Course and Modules

The training of staff from 18 ports in Aceh and Nias commenced on the 16th of December 2008 and ended on the 5th of June 2010, we trained 2018 persons, 17 % of which were women, in 137 courses over 88 days with a total number of 550 class runs.

One final training course is being arranged to commence on the 5th of July, with Dinas Perhubungan and Simmopel (The port data collating agency) in training port managers and data capture staff in the collating of data process. This training initiative links to the Latent Cargo Demand Forecasting.

On completion of the training, we shall identify 4 ports as 'pilot projects', to support the process, computer equipment will be placed with internet links.

The Map shows the identified ports

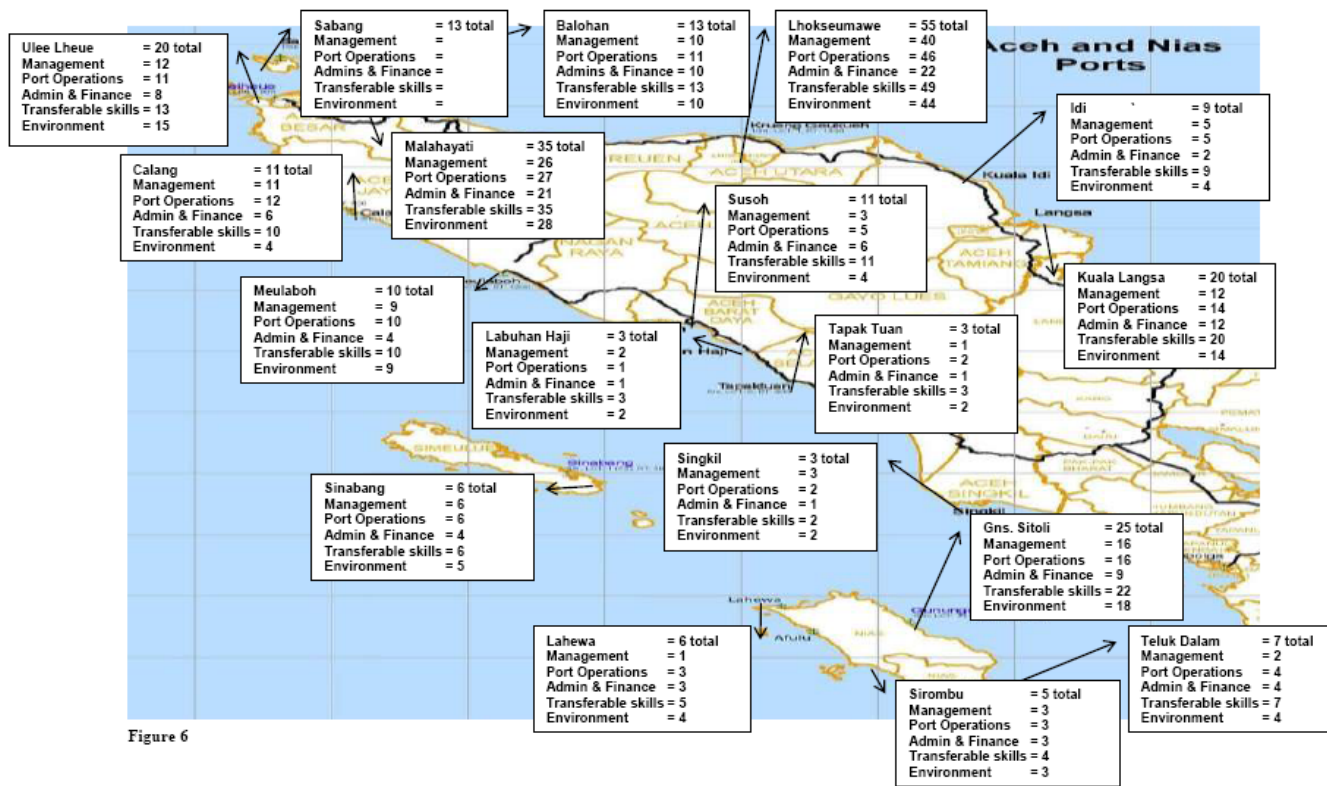


Figure 6

Component Three

Identification and quantification of cargo prospects

Providing latent cargo demand forecasting and developing a database of existing and potential cargo

Overview

The ports of NAD-Nias are being reconstructed or improved and institutional capacity is being addressed in Component 2 of this project, the Port Capacity Development training program, aimed at improving port management. A major part of the training will be aimed at developing management skills, and a significant element in that is strategic planning of port development. To develop a strategic or master plan for a commercial port requires a comprehensive understanding of trade and traffic volume, historic, current and, most important, a reasonably robust view of future potential, including that to be generated by major industrial or agricultural initiatives. The ports of the region generally do not have historic figures or they are not in a usable form. Planning port related infrastructure or superstructure, often high capital items with long life (wharves and other marine structures are often depreciated over 40 to 50 years) without access to robust data on past and future cargo flows is high risk.

Economic assessments carried out to underpin investment in the region's ports were hampered by lack of useful statistics. In some cases records had been kept but had been destroyed in the tsunami. Much cargo moving in coastal shipping was carried in an ad hoc fashion without commercial documentation

and, because domestic cargo is not of interest to customs authorities, there is no recourse to customs data, usually the best source of information.

The development of the database is important for port planning and for identifying the nature and handling characteristics of cargo expected to be generated by industrial, mining or agricultural initiatives. It will also encourage government and port entities to seek and record more robust data.

The recording of cargo movements into and out of the Ports of Indonesia, especially secondary and tertiary, at present is not seen as a practice or a marketing facilitation to plan the future port activities, encompassing staff and training needs, the type of cargo handling equipment required, the configurations of vessels that will use the port, all such data has links to the development of the hinterland and livelihood projects.

Statistics obviously are maintained on an annual basis for traffic flows that are obtained from Manifests, shipping and landing orders.

While the main thrust of this component is to enable long term planning, there is a clear link to the overall MDF objective of tsunami recovery. Re-establishing cargo tracking and enabling forecasting will support the creation of adequate transportation facilities and services, facilitating recovery of the economy.

As an example, the port of Malahayati is currently being developed into a bulk handling port, with silo and unloading equipment set to streamline the current method of manhandling cement that sees vessels taking days to unload. There is talk of the port becoming the gateway for livestock imports, with cattle imports planned. For a port authority, such potential can lead investment in suitable infrastructure that will have open access, rather than leaving it to the private sector to develop facilities that will then be dedicated to that company only. The database proposed would provide robust information on which the port operator can base capital developments, and allow better access to commercial finance.

Way Forward

Monitoring and Evaluation Matrix

The project close out includes and detailed Monitoring and Evaluation review, all of the ports that were surveyed in 2007, were visited and the port questionnaires were updated. The map below shows the ports visited and the time line of the surveys.

Natural Transition

The special operations has been involved in the transition m and the natural progression is through to sustainable development that may be through the DRR initiative or joint programming in the development and establishment of a master plan for the ports of Aceh.

