World Food Programme

A Report from the Office of Evaluation

Full Report of the Mid-Term Evaluation of Special Operation No.10498 WFP Shipping Service in Aceh and Nias, Indonesia

Rome, January 2007

Ref. OEDE/2007/003

Acknowledgement

The evaluation team visited the Aceh-Nias region, Indonesia from 24 July 2006 to 18 August 2006. This document was prepared by the team leader on the basis of the mission's work in the field.

On behalf of the team, the author wishes to extend thanks to all those who facilitated the team's work in the field and in Headquarters.

Responsibility for the opinions expressed in this report rests solely with the author. Publication of this document does not imply endorsement by WFP of the opinions expressed.

Mission Composition

- Mr. François De Meulder, Transport and Logistic Consultant
- Mr, John Poulsen, Environmental Expert, Consultant

Acronyms

BRR	Rehabilitation and Reconstruction Agency for Nanggroe Darussalam Aceh and Nias
C&F	Clearing and Forwarding Agent
GOI	Government of Indonesia
IDA	International Development Association
IFRC	International Federation of Red Cross and Red Crescent Societies
IOM	International Office for Migration
IMO	International Maritime Organization
LCT	Landing Craft-Tank
MDE	Multi-Donor Fund
MDTFANS	Trust Fund for Aceh and Sumatra
MT	Metric Ton
NGO	Non-Governmental Organization
ODOC	Other Direct Operational Costs
ODTS	Ocean Transportation Services
OEDE	Office of Evaluation
PRRO	Protracted Relief and Recovery Operation
R&R	Rest and Relaxation
RO-RO	Roll On-Roll Off
SO	Special Operation
UNHCR	Office of the United Nation High Commissioner for Refugees
UNORC	United Nations Office of the Recovery Coordinator
WFPSS	World Food Programme Shipping Service

Table of Contents

LIST OF FIGURES

Executive Summary

This report documents the findings and recommendations of the evaluation of the WFP Shipping Service (SO 10498.0), as well as lessons learned. The evaluation has been managed by the Office of Evaluation (OEDE) at the request of the WFP Ocean Transportation Service (ODTS) to meet a requirement of the Fiscal Agency Agreement with the International Development Association (IDA), acting as trustee for the Multi-Donor Fund for Aceh and North Sumatra (MDFANS) that is funding the operation. The main purpose was to learn from the current operation and identify issues and opportunities emerging from the implementation to guide the design of any future phase.

After the Tsunami of 26 December 2004, only limited air, sea and road transport facilities existed to transport goods and materials to affected communities in the less accessible regions of Sumatra, Nias and Simeulue. This led to bottlenecks and contributed to delays in the implementation of the Plan of Action for temporary shelter. In October 2005, the United Nations Office of the Recovery Coordinator (UNORC) requested WFP to facilitate the sea delivery and logistic coordination of 600,000 mt of non-food items for rehabilitation and reconstruction in order to overcome the fore-mentioned logistical constraints. The provision of such a service by WFP to the humanitarian community was consistent with WFP's mandated role to be the lead agency for logistics when requested, as per the ad hoc Inter-Agency Principals' Meeting ("Strengthening Humanitarian Response") of 12 September 2005.

The Special Operation (SO) was approved by the Executive Director on 24 October 2005 for a period of 12 months and a planned budget of US$116,464,884. Its main objective was to provide timely and efficient sea freight services of relief, recovery and reconstruction materials in close coordination with and based on the needs as assessed by the Rehabilitation and Reconstruction Agency for Nanggroe Darussalam Aceh and Nias (BRR), agencies and the users, i.e. agencies and non-governmental organizations (NGOs).

In addition to a basic shipping service, WFPSS has provided logistics coordination, port captains, load consolidation, advice on packaging, equipment (mobile cranes, container handling equipment, fork lift trucks, and beach matting) to ensure that rebuilding materials can be delivered to the communities, and it assisted NGOs with limited logistic capacities.

The fleet operated by WFPSS as of December 2005 has steadily grown from zero to 12 vessels – 9 Landing Craft Tank (LCT) type vessels and three conventional coasters in July 2006. The WFP Ocean Transportation Service (ODTS) has competently screened and selected the appropriate type of ships within the restricted market of ships flying the Indonesian flag.

Total cargo shipped until July 2006 to as many as 27 locations amounted to 66,422 mt and included constructions materials, transitional shelter, vehicles, fuel, timber, and WFP food commodities for PRRO 10069.1. This figure has exceeded by 66 percent the target of 40,000 mt to be shipped during the first six months. Cargo was loaded at 18 different loading points. The range of loading and discharging points was impressive and exemplified the uniqueness of the operation.

The operation has assisted some 80 organisations involved in relief and recovery operations, including United Nations agencies, NGOs and Indonesian Government agencies such as the BRR. The British Red Cross, Canadian Red Cross, Concern, International Federation of Red Cross (IFRC), United Nations High Commissioner for Refugees (UNHCR) and WFP were among the main users.

The existence of a reliable and professionally organized shipping service and logistic support has given the BRR and UNORC assurance that a vital transport component for the successful implementation of the regional reconstruction and rehabilitation programme would be readily available with sufficient capacity to supply remote and inaccessible places. Furthermore, WFPSS supported the declared BRR policy of not using an already overstretched road infrastructure for the transport of heavy construction material.

WFPSS has given the displaced rural population the assurance that their concerns were addressed and that programmes were effectively being implemented. The pace of construction of new houses or temporary shelter was maintained and often increased and hence some agencies could bring forward their target date for the completion of their projects. The presence of WFPSS on remote beaches and landing sites has not caused any irreversible damage from an environmental point of view.

The absence of reliable and confirmed tonnage forecasts has been a problem for the operation from the very start. Very few NGOs were in a position to translate their respective programmes in volume or tonnage and into related transport costs. This has severely affected medium-term planning by WFPSS, and preparations for the transition and exit strategy. For the future, the possibility of obtaining commitments in writing on volumes/tonnages to be transported over a given period should be explored.

Freight was attracted to large extent on the basis that the service was free. This free service has resulted in an important rise of cargo shipped between April and July 2006. It is likely to disappear when cost recovery is reinforced and effectively, it did disappear for August 2006 when agencies and NGOs were requested to pay for the services. A general attitude of “laissez-faire” seems to have prevailed among the agencies and NGOs who failed to understand that their commitment was a compelling part of a sustained shipping service.

SO 10498 combines the characteristics of a “large scale relief operation” with those of a “short sea maritime transport operation”, depending on the “route” applied. The ferry route or the coastal trade road, for example, has a better chance to attract and interest commercial operators. Such a commercial pattern cannot be developed for the (occasional) landing of relief (and commercial) cargo on remote beaches, etc. on the smaller islands. This route will need to be supplied by UN agencies and NGOs. The “Voyage cost control sheet” should permit over time a better understanding of the different routes and contribute to guiding the exit strategy.

1 INTRODUCTION

The project document, submitted for the approval of the WFP Executive Director in October 2005, stipulates that " an evaluation of the project will be undertaken by WFP before the expiration of the Special Operation in October 2006 and will be designed to ensure accountability". Through this technical report an attempt is made to evaluate the effectiveness of this Special Operation, paying due consideration to the uniqueness of this large scale maritime transport operation and to gauge the possibilities of establishing in the Aceh-Nias region a self-supporting regular commercial short-sea service. At the same time this report aims to render to the WFP's Executive Board and the main stakeholders[1] a proper account of the way this Special Operation has been conducted so far. The documentt is based on an independent evaluation mission[2] that was fielded by WFP's Office of Evaluation (OEDE) from 24 July through 18 August 2006.

1.1 Evaluation purpose and objectives

The mid-term evaluation was conducted at the request of the WFP Ocean Transportation Services (ODTS). The evaluation was expected to serve three distinct purposes:

(i) To learn from the current operation and identify issues and opportunities emerging from the implementation of the current operation, in order to inform the design of the second phase;
(ii) To render accountability to the stakeholders;
(iii) To provide information for the implementation completion report to be presented to the Multi-Donor Trust Fund for Aceh and North Sumatra (MDTFANS) when the project is fully completed.

The objectives of the mid-term evaluation were twofold:

(i) to assess the operation's progress towards stated objectives, as well as the relevance, effectiveness, efficiency and sustainability of results, and
(ii) in light of the evaluation, to make recommendations for the any new phase of the operation.

1.2 Evaluation conduct and methodology

The scope of the evaluation was on-going Special Operation 10498.0. According to the terms of reference the evaluation should cover the period from 25 October 2005 through to 30 June 2006. Since 1 August 2006 was the date set for the switch from a free of charge to a cost recovery transport service, the period under review was extended to 31 July 2006. During its mission the evaluation team visited the World Food Programme Shipping Service (WFPSS) agencies

[1] The main stakeholders are:
- International Development Association, acting as Trustee for the Multi-Donor Trust Fund for Aceh and North Sumatra (MDTFANS) at the World Bank Office in Jakarta;
- The Office of the United Nations Recovery Coordinator for Aceh and Nias (UNORC) in Banda - Aceh;
- Bedan Rehabilitasi dan Rekonstruksi Nanggroe, Darussalam, Aceh and Nias (BRR) in Banda - Aceh;
- The United Nations World Food Programme – ODTS in Rome.

[2] The team was composed of Mr. Francois De Meulder, Master Mariner, international transport and logistic consultant (Team leader) and Mr. John Poulsen, environmental expert/consultant. Ms. Annemarie Waeschle participated as coordinating officer for the Office of Evaluation (OEDE) – Rome.

located in Medan, Banda, Calang, Simeulue and Nias. The mission also paid visit to the following ports and developed or undeveloped landing sites: Sinabang, Gunung-Sitoli, Malahayati, Ulee Lheue, Calang and Belawan.

The following four documents formed the baseline documents for the evaluation:

(i) Rehabilitation and Reconstruction Agency for Nanggroe Darussalam Aceh and Nias (BRR) Concept Note (mid 2005);
(ii) Approved SO 10498.0 document (dated 25 October 2005);
(iii) The Fiscal Agency Agreement between International Development Association (IDA)/MDTFANS and WFP (dated 17 February 2006)
(iv) The Technical Service Agreement between United Nations Office of the Recovery Coordinator (UNORC), BRR and WFP (dated October 2005)

Together with the staff, the team reviewed in detail the marketing of the shipping services, cargo documentation, the flow of cargo documents, the ships and commodities tracking systems, on and off chartering procedures, procurement, HR policy, administrative procedures and the financial and costing controls. The team devoted ample time to interviewing the shippers and receivers as users of the shipping services, the beneficiaries the third party service providers (such as ships' agents, port authorities, stevedores and suppliers). The Project Appraisal documents I and II, drafted by WFPSS, served as an easy reference for making sure that the evaluation remained within its original scope in terms of purpose and objectives.

Considering that the project offers in certain areas similarities with genuine commercial maritime operations and retains in other areas the particularities of a full fledged aid operation operating along totally different criteria, the evaluation favoured a bifocal approach assessing simultaneously the degree of:

(i) conformity with the code of conduct and good practices prevailing within the short-sea trade;
(ii) compliance with the WFP Financial Regulation and Rules and the official Special Instructions for the conduct of a Special Operation.

2 BACKGROUND TO THE EVALUATION

2.1 Context of Special Operation 10498

Ten months after the tsunami of 26 December 2004, humanitarian relief work continues to provide support to 450,000 Internally Displaced Persons (IDPs) through the provision of temporary or transitional shelter, permanent shelter, food and non-food items. The recovery phase had slowly superseded the emergency phase. Pledges and budgets were being turned into plans, contracts and purchases of material and equipment that were urgently required for the reconstruction work. Whilst overseas purchases and supplies were being landed with relative ease at the main viable Sumatra ports, it was obvious that shippers were feeling the constraints of limited logistics capacities along the North West and South West coast of Sumatra and along the coastline of the islands of Simeulue and Nias.

Only a limited choice of air, sea and road transport facilities was left along the tsunami ravaged coastline of the Aceh province. Aircraft and helicopters were in limited supply and totally inadequate to move large tonnages of recovery material on a grand scale. Sea movements depended on a dwindling inventory of commercial vessels with limited capacity and capability. The national cabotage rules had not been relaxed and were strictly enforced in Indonesia, thus hampering the positioning of suitable foreign flag vessels at short notice. Adequate landing sites were few, inadequate, uncharted or very poorly surveyed. Road movement was also precarious and quite a number of locations were totally cut of from the national road grid and could only be supplied from the sea. Waiting for the road infrastructure to be rehabilitated would not have been a viable alternative for this and would have delayed the recovery phase by at least 24 months. In the area there was no established culture for sustained regular shipping. Only to the outer islands were government ferries operating, but these were incapable of meeting the anticipated shipping requirements. A small number of wooden craft[3], mainly converted fishing boats, was still operational. Whilst providing excellent support, this fleet was primarily committed to the movement of daily consumables, however.

The Plan of Action for Temporary Shelter of UNORC established that over the next four years the tonnage of reconstruction materials requiring shipment over sea would be huge, in line with the extent of the infrastructure destroyed[4]. Plans were established to provide an integrated and sustainable sea freight service based on the stated needs of the users of the service, with a view to overcoming the logistical constraints currently causing bottlenecks and delays.

These shipping plans were driven by two main objectives:

(i) Provide on the part of UNORC (as representative body of the users) and BRR an active support to the ongoing and future reconstruction and rehabilitation projects of GoI/BRR, UN agencies and Non-Governmental Organizations (NGOs) in the region. The shipping service project was to act as an insurance cover that the regional reconstruction programme would get off the ground;

(ii) Put into action WFP's mandated role to be the lead agency for logistics when requested.

[3] Very seaworthy deep keeled wooden crafts with a deadweight capacity of 20 to 100 metric tons (mt). They have small hatch openings with no or very limited lifting gear and a speed of 6 - 7 knots, being often skipped by the owner himself. They are not suited for landing operations on beaches.

[4] The infrastructure destroyed was estimated at 116,000 homes, 1,000 schools, 1,585 kilometres of roads and 1,880 bridges.

2.2 Objectives and description of the Special Operation

In the initial stage the shipping project was designed to facilitate the sea delivery and logistics co-ordination for the movement of an estimated 600,000 mt of non-food items for the reconstruction and rehabilitation of Aceh and Northern Sumatra (including Simeuleu Island) and Nias during a period of twelve months (i.e. the period from October 2005 to October 2006). Of this volume a total of 140,000 mt was considered as confirmed and, therefore, constituted sufficient inducement to justify a large scale shipping operation. Based on this volume a Special Operations was approved for a period of twelve months, for a total value of some US$116.5 million. The project was approved by the WFP Executive Director on 25 October 2006.

Much more that a basic sea transport facility, the WFPSS ambitiously sought to provide a comprehensive inter-modal ship and shore shipping facility comprising:

(i) coordination of all the transport options;
(ii) the reception of cargo bookings on an appropriate support e.g. via internet or hard copy;
(iii) the reception on the dockside and the consolidation of parcel shipments where necessary;
(iv) the stevedoring operations at point of loading and discharge;
(v) advice on packing;
(vi) the supply of the appropriate handling equipment;
(vii) the sea carriage and delivery of cargoes to the designated landing sites taking at all time due care of the safety of crew, vessel, cargo and environment;
(viii) the supply of qualified staff at loading and discharging points or landing sites;
(ix) the management of all the mobilised human and financial resources:
state of the art software and communication facilities to disseminate all sea and land related logistical information to all the potential users of the Shipping Service.

3 PERFORMANCE OF THE SPECIAL OPERATION

3.1 Project Design

The main feature of this Special Operation is that it has at the same time the characteristics of a large scale relief and aid operation and of a commercial short sea maritime transport operation. Hence the degree of success depends to a large extent on a judicious and often fine-tuned match and integration of the strengths and constraints of two modus operandi which are governed by totally different set of rules and priorities. Whatever approach is preferred, the underlying idea is to get large quantities of reconstruction material transported and delivered over water and landed, irrespective of the difficulties encountered along the transport chain.

From the onset BRR established that:

(i) Cargo inducement could reasonably be set at 600,000 mt of reconstruction materials from UN agencies, the Government of Indonesia (GoI), the International Federation of Red Cross and Red Crescent Societies (IFRC), the International Office for Migration (IOM) and NGOs, of which 140,000 mt were considered as confirmed and would form Phase 1 of the Special Operation. Except for a summary projection of anticipated tonnage, these figures were essentially noncommittal, however, and not supported by reliable and verifiable evidence;

(ii) The traffic would be ongoing until 2009.

The initial WFP shipping concept was primarily based on an assessment of the requirements and operational constraints by a team of senior logisticians and senior shipping officers. The assessment was carried out during a short visit in the Aceh province during the second week of October 2005. Given the short time span to collect the necessary and often scanty data and to reach conclusions, the assessment can be considered as reasonably realistic and balanced. A BRR concept note was made available to support the operational design. Once the SO was approved by the WFP Executive Director, the Director of WFP's Ocean Transportation Service (ODTS) would seek and subsequently secure support from donors and the MDTFANS in the form of seed funding amounting to US$24.7 million. This grant was intended to cover the initial capital outlay for the purchase of cargo handling equipment (two Kalmar reach stackers, 20 Manitou forklifts, beach matting, etc), the charter hire and the operational costs for the Landing Craft Tanks (LCTs) required for the transportation of a cargo quantity of 40,000 mt, which was considered as a reasonable cargo inducement during the initial six months. It was also agreed that donations and MDTFANS funds towards the Special Operation would be applied in accordance with WFP Financial Rules and Regulations. It is important to note that the project document submitted for the Executive Director's approval indicated that the service would be organised on a strict cost-recovery basis.

Policy choices were made:

(i) The service would be provided on a cost recovery basis in order to recover the operating costs and ensure no duplication in funding by MDTFANS. A freight rate of US$80 per freight ton [5] was suggested by BRR at the design stage and supported by WFP – ODTS in Rome[6].

[5] Freight ton is either a weight of 1,000 KG or one cubic meter whichever figure is greater.

[6] See the BRR Concept note, paragraph 1.2 page 2 and SO 10498.0 project document on page 1 – penultimate paragraph.

(ii) At the end of the SO all unspent balances would be returned to MDTFANS and the equipment to GoI/BRR;
(iii) The participation of Indonesian and international commercial shipping operators would be actively sought, with the view to facilitating the transition and smooth hand-over of the shipping operation.

Assumptions were also made:
(i) A very substantial part of the traffic would arrive and be transported in containers;
(ii) The main primary port of entry was expected to be Belawan, with a container-feeder service operating to Sabang. Both ports were expected to function as distribution hubs.
(iii) The traffic so routed would be delivered along the West coast of Aceh and the islands of Nias and Simeuleu through a network of transport services which could include as many as 24 LCTs, 500 leased trucks and trailers and 1,000 twenty foot containers;
(iv) Landing sites would have to be constructed, or existing one repaired or expanded;
(v) Cargo would be loaded onto trucks either in break-bulk or in WFP containers and then moved over sea as Roll On-Roll Off (RORO) cargo;
(vi) Vessels would be chartered and trucks leased in line with the inducement.

As main stakeholders BRR, UNORC and WFPSS resolved that:
(i) WFPSS would work under the general guidance of the UNORC and a Board of Directors, chaired by UNORC and comprised of BRR and the agencies using the service. WFPSS was further instructed to report on a regular basis to UNORC, BRR, the Board of Directors and WFP/ODTS in Rome.
(ii) ODTS at headquarters would provide the necessary operational and technical guidance;
(iii) The overall output was defined as follows: provision of a sustained and cost effective shipping service to the users for the reconstruction and the rehabilitation of Aceh and Northern Sumatra.

The policy choices made at the onset of the project were straight-forward. It is significant to note that three official documents setting out the framework and the organisational structure of the Special Operation - the BRR Concept Note, the WFP Project Document and the Fiscal Agreement between BRR, IDA/MDTFANS and WFP - clearly refer to the cost recovery nature of the project. In December 2005, however, it was considered that conditions were not appropriate to start the service on a cost recovery basis and that it was preferable to start the service as a free service for the benefit of the national and international NGO community. The evaluation team did not come across a formal document reversing the initial policy choice and enacting this important change. The matter was approved by BRR and UNORC, however, and the decision was aired at numerous User Group Meetings in Banda Aceh and Medan.

Although the various assumptions made at the onset of the Special Operation (SO), as set out, did not materialise as anticipated, this does not invalidate the initial assessment. SOs (more than any other project) are prone to evolve from the anticipated course. It is important to be in a position to take corrective measures without undue delay, however. The Evaluation team is satisfied that great flexibility has been displayed at all times to make the SO meet the situation on the ground and avoid unwarranted capital outlays and unnecessary expenses. To this effect the fluctuating needs of the users were closely monitored at all times.

3.2 Organisation and Management of the Special Operation

As already mentioned it was decided that WFPSS would operate under the general guidance of a Board of Directors, chaired by the UNORC Recovery Coordinator. It was stipulated that the Board would be comprised of agencies using the services of WFPSS without specifying which agencies would sit on the Board. Eventually BRR – Banda, WFPSS – Banda, WFP-ODTS Rome and UNORC were considered right members of the Board. It was assumed that the UNORC Recovery Coordinator was representing the community of users and that WFP-ODTS Rome would oversee the day-to-day operations.

It was envisaged that WFPSS itself would be comprised of a Head of Unit, four sections (Logistics; Shipping; Finance and Administration; Human Resources) and 10 Offices (two at the major loading points and eight at the discharging points). The Organisation Chart in force in July 2005 (see Annex A) reflects in part the originally proposed set up with four sections: Shipping Operations, Logistics Coordination, Finance and Administration and Human Resources. Circumstances dictated the creation of a fifth section dealing with Funding, Liaison and Reporting. Performing essential public relation functions, this section is acting as a communication interface for the IDA/WB, WFP-Rome, external donors, the GoI, the shipping community and the general public. In addition to Banda the WFPSS is present in six different locations: Medan/Belawan (loading point), Ulue Lheue (loading/discharging point), Sibolga (loading point) and Calang, Sinabang, Gunung Sitoli (discharging points). Other sites are manned on an ad hoc basis: Malahayati, Lamno, Tapaktuan, Lhokseumawe, Meulaboh and Teluk Dalam.

The organisational chart in force in July 2005 at the time of the evaluation indicate 106 positions, with 6 percent of the positions left vacant. The number of positions for logistics features prominently. Much more than a shipping service (where cargoes are merely received and delivered under ships' tackle or at the ramp) the organisation chart seems to suggest a drive on the part of management to provide comprehensive shore side services as well. Considering that the main users community (national and international NGOs) is not familiar with commercial shipping procedures, this all-encompassing approach is justified from a service point of view. From the organisational chart it is also apparent that the shipping and logistics are, contrarily to the practice in the commercial shipping, considered as two distinct functions. The absence of full fledged ships' agency and stevedoring services at the loading and discharging points may explain this distinction.

The Support Services and Administration functions are well structured, whilst the Finance section is manned with only three officers; this is barely sufficient for the basic accounting procedures. It would have been appropriate to provide for a cost control unit capable of preparing voyage returns and costing analyses. Such a function has been incorporated in the Shipping Section.

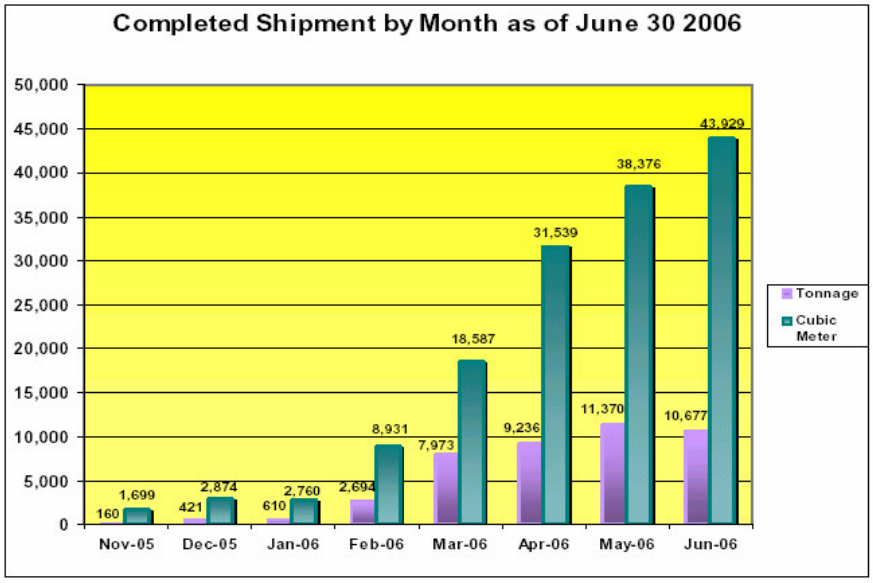
3.3 Achievements

3.3.1 Outputs

Quantity shipped:
As much as 66,422 mt (representing a total of 214,222 CBM) of construction material and food-aid were shipped during the period December 2005 through July 2006. This throughput should

be put in perspective with the 40,000 mt which was initially anticipated to be transported during the first six months period of the S.O. These figures are supported by a very wide variety of statistical data, which are updated daily and can be consulted on a dedicated website: www.wfpss.org.

Figure 1: Completed Shipment by Month



Commodities are many, including sawn timber, steel frames, corrugated sheets, plastic pipes, cement blocks, gravel, sand, watsan equipment, vehicles, rice, noodles and biscuits, vegetable oil, fuel oil in drums and supporting equipment. All the commodities were transported either in break-bulk, unit loads or as RORO cargo. Contrary to the assumption initially made, no cargo was containerised. The measurement tonnage figures are somehow enhanced by the inclusion of a lot of RORO cargo.

Analysis of the traffic:
The range of loading and discharging points is impressive and exemplifies the uniqueness of this operation. Cargo was loaded at 18 different loading points, the ports of Belawan, Ulee Lheue and Sibolga standing out as loading ports. Cargo was discharged at as many as 27 points, ranging from genuine cargo berths to simple makeshift jetties or landing sites on pre-surveyed shorelines. In one place the cargo (timber) is floated ashore by the villagers at the receiving end. The main discharging ports were Gunung Sitoli, Calang and Sinabang. The ports of Gunung Sitoli and Sinabang were also used for transhipment operations from coaster vessels to LCTs. The assumption that the deep-sea port of Sabang would be used as a major hub did not materialise. The port of Belawan functioned as the major gateway for international import cargo.

Figure 2: Completed Shipping Tonnage by Loading Port

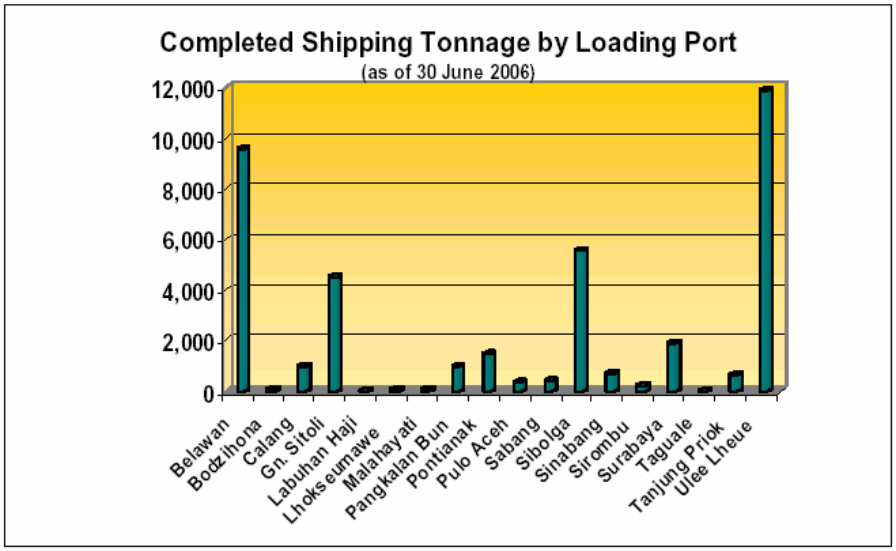
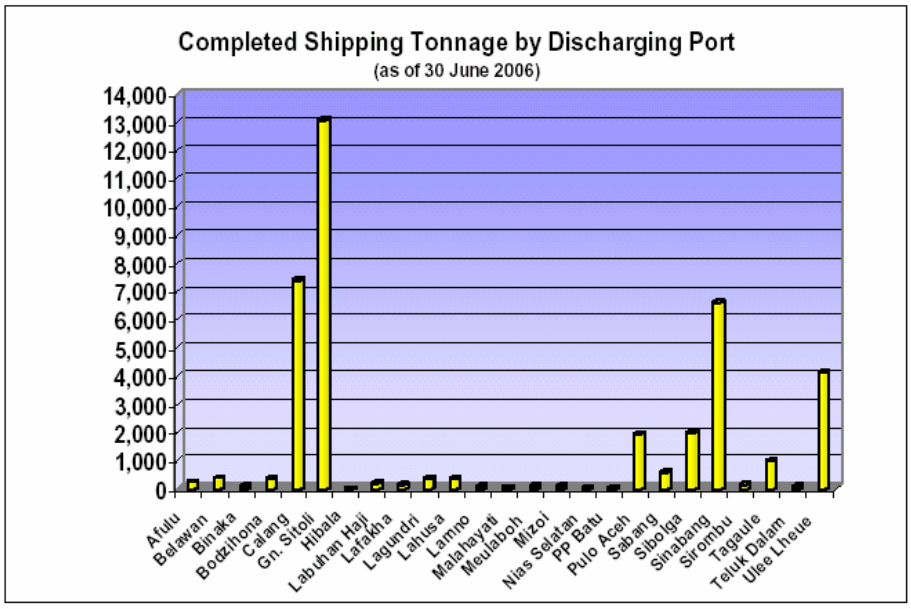


Figure 3: Completed Shipping by Discharging Port



Keeping in mind the possible exit strategies, it is important to note that the shipping services provided by WFP SS fall into four distinct categories:

(i) A regular ferry service between Sibolga (North Sumatra) and Gunung Sitoli (Nias Island);

(ii) A regional short sea coastal service around Aceh E and W coastlines encompassing the ports of Belawan, Ulee Lheue, Malahayati, Sinabang (on Simeulue Island), Gunung Sitoli (on Nias Island) and possibly Meulaboh;

(iii) A long sea trade from the islands of Indonesia to Nias (Kalimantan/Surabaya to Gunung Sitoli);
(iv) Extraordinary and unusual shipping operations to poorly undeveloped and often un-surveyed loading and discharging sites like the two jetties at Calang and the beaches to the North of the islands of Simeulue and Nias.

The first two types of operations can be listed under the heading of routine short-sea commercial cargo operations. The latter one must be categorised under an extraordinary humanitarian aid operation. Commercial parameters can hardly be applied to this latter type of operation.

Quality of the services provided:
All users are unanimous in praising the technical quality of the service provided by WFPSS considering the constraints imposed by weather and sea conditions and the sometimes severe limitations imposed by the local geography of the shores and landing sites/jetties.

The timely lifting of the cargo inducement proposed by the users and duly supported by a Cargo Movement Request (CMR) form, has been perceived, in general, by the users as excellent. All users indicated that their consignments had been lifted within the agreed time span, generally between 10 to 15 days.

The logistic services provided at the loading and discharging end of the sea transport made the shipping service truly comprehensive and inter-modal. The interface between the Port Captains, the logistics officers and subsequently the users (in their dual capacity as shipper and consignee) has been throughout excellent. The equipment provided (Manitou heavy-duty forklifts, Dura mats, tarpaulins, pallets, and radio-communication facilities between the respective WFPSS agencies) was plentiful, appropriate and greatly facilitated the cargo operations at both ends. The supporting cargo documentation, ranging from pre-booking forms, cargo movement request forms, non-negotiable cargo documents, stowage plans and final cargo receipt notes, was well designed and utilised in a professional manner. It should however be recognised that some agencies and NGOs were at the onset of the operation not very familiar with such specific maritime shipping documentation. In order to avoid possible claims the consignments should only be delivered to the bearer of the original cargo document, most often the Non-Negotiable Cargo Consignment Note. This is not always the case and could expose WFPSS to claims. The importance of this practice is not immediately evident when operating a free carriage service. Once users are expected to pay sea-freight, it is important that this commercial obligation is respected by WFPSS as a liner operator.

The technical expertise displayed by the management of WFPSS, the Port Captains, the ships' captains and the crews is further highlighted by the fact that no cargo was lost or damaged during the sea transport or during the loading and discharging operations. Satisfaction on this point is unanimous and, considering the difficult environment, this is no mean achievement.

For the communication and the marketing, management adopted a four pronged approach comprising:
(i) a comprehensive website from which the users could download all the required documents, find guidelines on shipping operations, trace or retrace all the minute details of the ongoing and past shipping operations and check the vessels' last known position;
(ii) publication of a weekly shipping bulletin giving ample details of the ongoing operations and the planning ahead;

(iii) a fortnightly users meeting (in Medan and Banda Aceh) where the ongoing operations were reviewed and guidance was provided.
(iv) both in Medan and Banda Aceh a team of shipping officers was continuously engaged in canvassing all the agencies and NGOs (large and small) for cargo bookings.

This four pronged approach gave the WFPSS the required visibility not only at the level of the main users of the service but also at the district, regency and national level. All these measures have caused the Shipping Service of WFP to be highly respected. Regretfully it appears that, when questioning the users, little effective and practical use was made of the massive flow of information provided by WFPSS on a continuous basis via different communication channels. The WFPSS website is visited occasionally but not intensively and certainly not as the prime source of information and planning tool. Users appear to rely foremost on the information they obtain directly from the various Port Captains and the logistics officers in the various WFPSS locations, supplemented by the information received from their own offices at both ends of the transport chain.

Two vessels were equipped with SATCOM telecommunication facilities. For the remaining vessels the communications were limited to short range Marifone-VHF and GSM communications. Consequently, some vessels were sometimes out of touch during a couple of days, making the accurate tracking of vessels difficult at times. Vessels should have enjoyed the facility offered by WFP's in-house SSB CODAN radio network.

Organisation of the shipping service:
The fleet operated by WFPSS grew steadily to a sizeable fleet of 12 vessels in the period from December 2005 to the last week of July 2006 – nine LCT type vessels and three conventional coasters with deck gear. ODTS in Rome displayed great competence in screening and selecting the appropriate type of ships in the secluded and restricted market of ships flying the Indonesia flag (Cabotage law). All ships are "in class", as is evidenced by the required documents as per rules and regulations of the various International Maritime Organization (IMO) conventions, the Indonesia Maritime Authority and the P+I Club. The vessels are of a reasonable standard considering the prevailing situation in the Indonesia maritime industry. One should realise, however, that these rules and regulations are not applied with the same stringency as for ships plying in international waters. Considering the absence of firm commitments on the part of the users, the conditions of the various Charter Parties were negotiated in such a way that WFPSS could at all times retain the utmost flexibility to change or reduce the structure and the size of the fleet, making it commensurate with the volume and the type of cargo on offer. This approach proved its worth when, in early August 2006, WFPSS was compelled to reduce its fleet as a consequence of introducing cost recovery, causing cargo bookings to disappear almost totally overnight. WFPSS management and the Port Captains have succeeded in gaining and maintaining the full support of the ships' captains for this special and unique operation. Some ships' owners indicated that they would be willing to expand their shore base in the Aceh province if the charter parties were entered for longer periods.

The much smaller quantities of cargo than planned, as well as the judicious deployment of the fleet and the use of the (limited) capacities of Belawan and Ulee Lheue to the fullest, have made the need for a large hub on Sabang Island superfluous, thus saving substantial costs.

A clear distinction is not always made between the different modes of transport available: genuine break-bulk cargo (e.g. loose bags of rice), unit loads (e.g. unit loads of timber or structural steel) and RORO cargo (e.g. cargo remaining on trucks or trailers being driven on board under their own power). Each of these modes has its advantages and its drawbacks. Unfortunately the three modes of transport appear to be used indiscriminately on all vessels, except perhaps for the ferry service where the RORO mode is the standard mode of transport. Under the free shipping service arrangement it was not possible to induce the shippers to favour one mode of transport over another, though this would have been highly desirable. Often RORO was used where no indigenous land transport existed at the discharge point. When the cost recovery will have gained sufficient momentum, the freight rates should be modulated in line with the transport mode retained or chosen by the shipper. Shippers should be induced to opt for the most efficient mode of transport and be financially rewarded for doing so, considering the nature of the cargo.

Ideally, the loading and the off-loading of a LCT loaded to capacity (500 mt or 900 CBM) should be achieved in one full eight hours shift. This can be achieved with two Manitou forklifts (readily available, with WFPSS drivers already trained for this purpose) provided the cargo is presented in unit loads. This should be the benchmark for the calculation of the freight. If for RORO cargo the more pragmatic calculation of the freight per lane meters cannot be retained, then it should attract a rebate of 25 percent of the freight calculated for unit loads, provided the waiting time for the return of empty trucks does not exceed four hours. However, tide restrictions must be taken into consideration at the beach heads too. General break-bulk cargo (loose bags or cartons) should be positively discouraged and attract a surcharge of 25 percent, considering the often time consuming handling operations. The present cost recovery tariffs have been elaborated with great care and, by and large, they are a true reflection of the vessel's direct costs. But room exists for fine-tuning, while keeping the tariff simple to understand and to interpret and enhancing the most appropriate mode of transport..

Making the arrival of the vessel match the arrival of the cargo on the dockside is always difficult to achieve. Good shipping practice dictates that the cargo should be on the dockside prior to the vessel's arrival and not vice-versa. This golden rule should be applied throughout. In line with this principle an excellent project had reached a very advanced stage of agreement with the local Port Authority in Belawan. It provided for suitable transit reception and storage facilities (5,000 m2 of covered shed space) of cargo on the dockside pending the arrival of the vessel. Unfortunately, the project had to be shelved for reasons of costly and incompatible regulations proper to the WFP methods of work organisation and would have added an extra cost of US$7 per MT, to be borne by the users (i.e. requirements in terms of fencing, security guards, staffing). The resulting savings in terms of vessel's turn round time seems not to have been taken sufficiently into account. This issue was mitigated by the fact that users were able to store cargo awaiting loading in port authority warehouses at relatively cheap rates.

A critical analysis of the productive time of three LCTs (Labrita Adinda, Daily Express and Labrita Hanny) reveals that (respectively) 25 percent, 12 percent and 38 percent of the time the vessels were under charter could not be accounted for under the classical headings of sailing time, manoeuvring time for berthing/un-berthing, loading and discharging time, time for bunkering and off-hire period. Therefore, this must be considered as unproductive down time. This is not unusual and gives an idea of the multiplicity of constraints governing the entire service. Vessels are sometimes kept idle for want of cargo or kept for long hours waiting for empty trucks to return to the vessel. A vessel can be kept waiting for high water before beaching

or lose time beaching in difficult conditions at three different nearby landing sites, each time to land small shipments of construction material. The utilisation figures highlight the need for permanent alertness to keep the down time as low as possible.

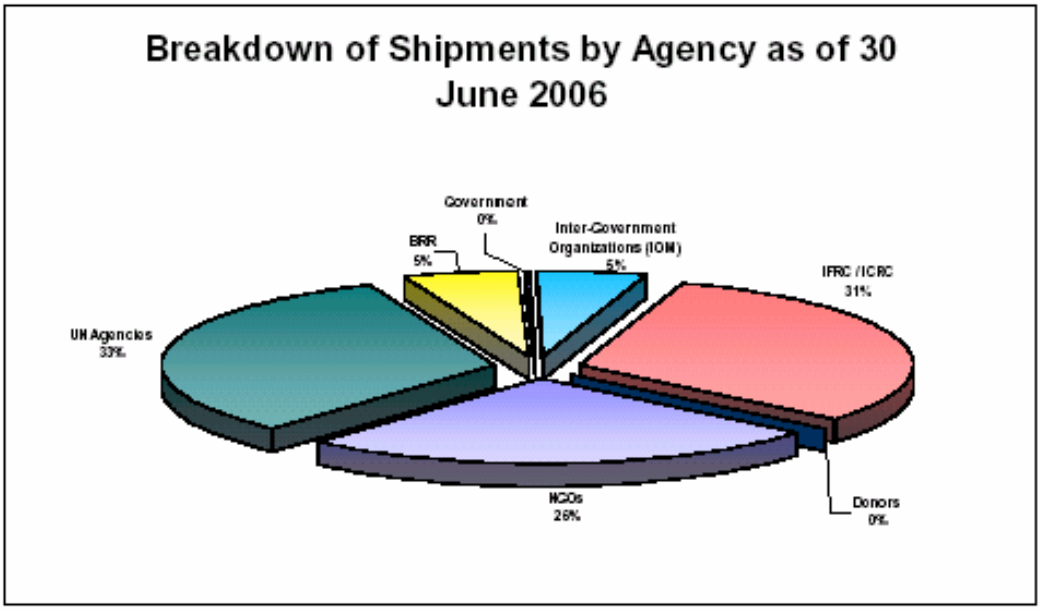
3.3.2 Benefits derived from WFPSS operation

For the BRR/UNORC:
The existence of a reliable and professionally organised shipping service was an assurance for the BRR that a vital transport component for the successful implementation of the regional reconstruction and rehabilitation programme would be readily available with sufficient capacity to deliver. Thanks to the existence of a reliable and sustained shipping service, reconstruction projects located in the most remote and inaccessible places of the region stood the chance to be initiated and carried out successfully.
Moreover, the WFPSS has given support to the declared policy of BRR to divert as much heavy construction material as possible from an already heavily overloaded road infrastructure. Thereby the available road transport facilities could be reserved for the transport of the normal commercial goods and consumables. The share of the cargo transported for account of BRR was still relatively small at 31 July 2006 (3,846 mt or 5.8 percent). The BRR indicated, however, that much larger tonnage could be anticipated in the near future as large projects come on stream in the latter part of this year (297,600 mt up to June 2007)[7].

From meetings with senior managers of UNORC and BRR it is clear that, from the onset, their main concern has been the creation of additional transport capacity in order to give the rehabilitation and reconstruction phase in the region the boost it was apparently lacking.

For the community of users:

Figure 4: Breakdown of Shipments by Agency



[7] Figure provided by BRR Banda and reported in the MDF project Appraisal Document (PAD) II

The fact that not less than 80 agencies and NGOs have made good use of the WFPSS is a clear indication that the service enjoyed the required visibility and that an unsatisfied demand for short sea transport existed. All agencies have recorded their appreciation for the services provided, indicating that the shipping service did enable them to respect their construction work schedule and very often helped them to make good any time lost. British Red Cross (BRC), Canadian Red Cross, Concern, International Federation of Red Cross and Red Crescent Societies (IFRC), United Nations High Commissioner for Refugees (UNHCR), WFP are among the main users of the service. No doubt the popularity of the service stemmed from the fact that the service was offered for free up to 31 July 2006. The comprehensive service offered by WFPSS liberated the NGOs, particularly the smaller ones, from many important logistic tasks for which they often lack the expertise or the qualified personnel.

It is significant, however, to note that, whilst most NGOs had a clear vision of the size of their project or programme, almost none was in a position to translate these programmes into volume or tonnage to be transported and into the related transport costs. Regarding forward planning, all users preferred to remain extremely vague and noncommittal. This attitude can be regretted because it precluded medium term planning by WFPSS and the planning of a more distant transfer of the operation to a commercial operator. To a certain extent the free service has indirectly contributed to such attitude of nonchalance.

For the rural population:
The pace of construction of new houses or temporary shelters was not only maintained but also often substantially enhanced to the extent that some agencies had already fixed a target date for the completion of their project. The presence of WFPSS on remote beaches and landing sites gives the population the assurance that their concerns are addressed and that projects are being implemented.

3.3.3 Other effects

On the environment:
The environmental expert on the evaluation team surveyed WFPSS beaches and landing sites and found that the shipping service has caused no impact nor irreversible damage from an ecological or environmental point of view. The consequences for the sea front and the shoreline are negligible. Whilst the operation is being conducted in a responsible manner, the evaluation team has not come across the "Environmental management" to which section 3.01(a) (iii) of the Fiscal Agency Agreement between MDTFANS and WFP refers. It was also noted that WFPSS, as operator of a fleet of vessels, did not provide or consider the removal and disposal of ship's garbage, cargo debris and residual ship's sludge, fuels and oil when vessels are in port. The report of the environmental expert is enclosed under Annex C.

The fact that the regulations of the IMO convention for the prevention of pollution by ships are not or only very lightly enforced in Indonesian coastal waters should be an inducement for WFPSS to act as a role model in this field. There could be room to cover these environmental requirements by a special clause in the Charter Party, requiring the Ship's Owner, the Master and the crew to comply at all times with the IMO regulations. Correct and complete entries in the Ship's Oil Record Book is the least which should be expected when a vessel is under WFP charter.

A one-page poster could be developed to recap all the key environmental issues and standards which WFP expects the ship's crew and users to comply with. This poster could be translated into different national languages and edited on a laminated sticker which can be posted at strategic places on board of the vessel but also at the ports, near the landing sites and in the users' offices.

On road transport:
The maritime transport has alleviated the strain on an already overloaded road system. Whilst it is the declared policy to favour maritime transport, it is also quite evident that BRR has no or limited legal means to halt the road transportation of construction materials. From November 2005 up to 31 July 2006 the choice of transport mode was primarily dictated by the opportunity to benefit from free maritime transport and ancillary logistic services versus a transport by road at cost. Major haulage companies in Medan indicated that the free shipping service offered by WFP had forced them to reduce their haulage rates on the Medan/Banda and Medan/Sibolga/Nias route by 10 to 15 percent, without supplying evidence for it, however. It seems that no road haulage company was forced to lay off part of its fleet. In view of the enforcement of the cost recovery scheme for maritime transport as from 1 August 2006 various comparative costing exercises are presently being conducted, although so far without clear conclusive results in favour of one mode of transport over another.

Management of the Special Operation in accordance to WFP rules and regulations (HR, Procurement, Finance, Reporting)
In general the entire operation has been organised and developed in conformity with WFP rules and regulations. The usual systems and support services for running food aid and relief operations have been activated for this operation. Thus, it gives WFP staff a sense of familiarity with well known operating and reporting systems. This approach has its drawbacks, however, as it complicates the way forward to a sustainable and viable operation on a strictly commercial footing. Indeed, it is unlikely that private commercial operators will be in a position to copy or avail themselves of the same operational, financial and administrative facilities as the ones WFPSS can master.

The procurement procedures are subject to WFP procurement rules. These rules are perceived by some field staff as cumbersome and not always suited when a quick response and decision are paramount. There have been incidents of protracted purchase requisition formalities. In this respect the obligation for the Head of the Shipping Service (answerable for the utilisation of a fleet of vessels with a daily running cost amounting US$50,000 to 60,000 for charter-hire and fuel alone) to seek prior approval from the WFP Country Director in Jakarta before engaging expenses in excess of US$5,000 should be re-considered. Such constraints do not appear to be appropriate for such an SO, where immediate response is required. For SOs there is a need to review the rules in respect of procurement of goods, equipment and services.

On 30 June 2006, WFPSS had 106 staff on its payroll, comprised of 41 international staff and 66 national staff (see Annex A). Annex B shows plans in hand to bring the number of staff down to 93, comprised of 34 international staff (minus 7) and national staff 69 (plus 3). A further reduction of staff could be achievable and was already being seriously considered during the evaluation team's visit in Aceh. Some services are definitely overstaffed, even taking into account WFP working methods and the necessity to bridge Rest and Relaxation (R&R) periods. Whilst the recruitment of a sufficient numbers of experienced Port Captains was fully justified

in the beginning stage, most ports, jetties and beaches have by now been critically surveyed, charted and assessed, thus rendering the continuous presence of a Port Captain, often with the status of international consultant, not paramount. The temporary recruitment of Indonesia (ex-) seagoing officers with an STCW95 Chief Mate's licence could be contemplated as an alternative.

A thin dividing line exists between the responsibilities of a logistics and that of a shipping officer. The workload of these two functions should be critically evaluated – ships seldom carry more than 30 different consignments for more than three or four shippers/consignees. This should not entail an excessive administrative burden. One all-round cargo officer would suffice to monitor the entire cargo flow from the shore side to the vessel or vice-versa. At the same time, given all the ICT facilities provided, the cargo officer should be in a position to process the cargo documentation: arrival advice, booking notes, tally sheets, stowage plan, non-negotiable cargo receipts, manifest, etc. In Medan there is definitely scope for a staff reduction among logistics and shipping officers.

The standard WFP accounting structure and financial reporting procedures have been adhered to and all the instructions in this respect appear to have been strictly complied with. The standard daily/monthly financial reporting figures are readily available. The true net costs of the shipping operation (vessel hire, fuel, port and cargo related costs) are all lumped together with the numerous other Other Direct Operational Costs (ODOC) cost items and budget lines typical of WFP food-aid operations, however. A request by the evaluation team to produce off-line the net vessels' costs (vessel hire, fuel, port and cargo related costs) could only be very partially satisfied, and figures provided did not permit meaningful conclusions. The expenses available for the use and the maintenance of the cargo handling equipment are fragmented and incomplete, if not unknown. It becomes difficult to determine precisely the true costs incurred by WFPSS for the full range of its managerial services (management, technical follow-up, communications, marketing, daily reporting on shipping and logistics support from the ancillary administrative and financial services).

The fact that the start up costs and the purchase of capital equipment (reach stackers, forklifts, ICT equipment) are also included in the ODOC costs, makes the analysis of the true costs even more complicated. Under the present arrangement it will almost be impossible to compare and balance the freight accrued from the cost recovery against the voyage costs of a vessel. The evaluation team was confronted with repeated statements that the charter hires and the fuel costs represents 80 percent of the total costs incurred. This may be true but it could not be verified nor was it possible to ascertain the exact level of the WFP management costs. It would have been interesting to calculate the WFP overhead per freight ton (or revenue ton) transported.

There is a need to develop a totally different accounting system differentiating between:
(i) the vessels' voyage costs (freight revenue, charter costs, fuel, port dues and charges, stevedoring costs, ships' agency costs and commissions);
(ii) the cargo related costs on the shore side, such as fuel and maintenance costs of the WFPSS cargo handling equipment (Manitou forklifts, cranes, beach mats, Kalmars etc) rent of warehouses, handling and storage of cargoes ashore;
(iii) management costs and overheads to operate the shipping service (administrative services, vehicle fleet, radio and ICT facilities, marketing, travelling, training, wages of WFP staff etc)

Prospective parties interested in taking over and operating the service on a commercial basis will consider this information as a prerequisite before entering into any form of joint venture or contractual arrangement. The evaluation team considers that this point requires urgent attention.

It is not suggested that WFP accounting procedures are not complied with or that expenses are presented in an unconsidered manner (which would not be compatible with the good practices laid down in WFP procedures). The foregoing merely highlights the fact that the regular and mandatory reporting formats produced by the accounting department are ill adapted to differentiate between the overall cost of operating a fleet of vessels and the WFP management cost component. To remedy this situation WFPSS should avail itself of a specifically designed cost control software for maritime operations and contract the services of a fully qualified and experienced Vessel and Voyage Costing Controller. The need for a good analytical overview of the fleet costs should not be underestimated.

The major concern of the management in the field of finance was essentially focused on the tracking and forecasting of the cash flow, remaining at all times inside the strict budgetary limits of the allocated funds or tranches thereof. The management must be commended for its cautious approach. Looking at the exit strategy, however, WFP must be in a position to give a true picture and clearly differentiate between the installation costs, the true net vessels' hire, fuel, port and cargo costs and the related cost recovery return.

4 KEY ISSUES

4.1 Pipeline projections

The absence of reliable and confirmed tonnage forecasts seems to have been a continuous problem from the onset of the project. UNORC/BRR embarked on this project with little firm commitment from agencies. Freight was attracted on the basis that the shipping service was free (for an initial four months and subsequently for an additional four months' period). WFP, IOM and IFRC already had vessels on hire. They were quick to off-hire their vessels to enjoy the quality service offered for free by WFPSS. Considerable money was wasted on downtime of vessels and there was wasteful duplication in logistical support to their individual shipping operations. From the onset this approach generated (in 3 to 4 months time) a steep surge of the cargo volume on offer. Such cargo was likely to disappear just as quickly when the cost recovery was introduced and, effectively, it did disappear. The sustained commitment of the agencies and NGOs once the cost recovery was introduced does not seem to have been measured. A general attitude of ambivalence seems to have prevailed among the NGO, who failed to understand that their commitment was an essential part of a sustained shipping service.

4.2 Vessels' productivity

An empirical and crude method of measuring the comparative productivity of various vessels operating in a similar trading environment can be obtained by dividing the tonnage carried by anyone vessel by the number of days the vessel was under charter. Annexe D gives the results of such a calculation. For the LCTs, the tonnage per day figure ranges from 23 mt/day (LCT Labrita Hanny) to 68 MT/day (LCT L.Hadinda). An LCT remaining under a productivity level of 50 mt/day with an average cost recovery return of US$80 per mt is very unlikely to cover its daily charter rate, fuel cost and the related port and cargo expenses. Although the interpretation of the mt/day calculation should be exercised with great caution, it constitutes general indicator of the productivity of a vessel. Considered in general the vessels' productivity was rather low. The general organisation of the maritime trade and the port working methods in the area are not conducive towards enhanced rotation of the vessels and there is room for improvement. The evaluation team came across numerous examples where the ship, the most valuable and costly piece of equipment, was kept waiting in order to meet or to accommodate special requests by the shipper or the receiver, events which were beyond the control of the WFP Shipping Service.

4.3 The timber documentation trap

The shipment of timber at Kalimantan ports (whereby the loading operations were repeatedly halted or delayed for want of proper cargo documentation) resulted in a net loss of 96 vessels' days idle time or some US$330,000 - excluding the costs for the presence of Port Captains for an unjustified length of time. UNHCR stepped in to address a supply shortage of timber in the construction programme on Nias. Lack of practical experience with all the peculiarities of the Indonesian timber trade on the part of UNHCR explains this important setback which impacts directly on the ship's utilisation figures[8]. The need for watertight assurances that shipments of Indonesian timber are physically on the dockside and in every respect load ready is hereby once more demonstrated. This case exemplifies a lack of familiarity with the peculiarities of the

[8] Arrangements are in the meantime in hand between UNHCR and WFPSS for the loss incurred by WFPSS to be compensated.

timber trade. In normal circumstances, the appointed ship's agent would have played a much more proactive role, but local practices precluded this.

4.4 Cost-Recovery

The declared goal of cost-recovery is to help establish a market on a more commercial basis and so create a level playing field for prospective commercial operators. This implies that the parameters for services rendered under the flag of WFP and those under the flag of a commercial operator become similar, which it obviously was not as long as the service was offered for free.

From the very outset the project document indicated that the users would have to pay freight (based on weight or measurement = freight or revenue ton) commensurate with the operating costs of the service. The project document does not specify what exactly should be understood under operating costs, however: start-up costs, basic ships costs, ports and cargo related costs, including or not the WFPSS management costs.

As already mentioned under paragraph 17, the evaluation team expressed surprise that a decision to operate the service on a cost recovery basis, which was confirmed in various official documents, was reversed without such decision, presumably a Board decision, being enacted in a formal document. The introduction of the cost recovery was delayed twice in order to allow the operation to gain sufficient momentum. The evaluation team feels that the free service generated an attitude of ambivalence on the part of the shippers and a lack of alertness to the full cost of this operation on the part of WFP. The concept of a free service may be justified in an emergency situation, but this Special Operation was being managed in a post-emergency environment.

Some NGOs claim to have been poorly informed about the introduction of the cost recovery. The evaluation team finds it hard to believe this, given the extensive notification done by WFPSS. Some NGOs indicated that the cost recovery would result in the downsizing of their construction projects. One NGO modified the design of their houses, replacing the timber floors by a concrete floor, in the expectation that villagers would procure by themselves the necessary gravel and sand. The implementation of a cost recovery approach from the beginning of the operation would have had the advantage of raising the awareness of all parties to the full cost of this Special Operation.

Although some NGOs claimed that the rates were excessive, the evaluation team is satisfied that the tariffs were worked out with great care, taking into consideration the empty return leg of the vessels and the extra time required to carry out cargo operations at landing sites with very restricted access.

It is unlikely that the rates which have been worked out will fully cover all the costs incurred for running this operation. The target must be to recoup the vessels' operating costs and the costs of the cargo handling operations ashore. Given that the national maritime industry displays reluctance to operate services in the Aceh area, a case can be made for a service which does not meet all the commercial prerequisites, thus justifying that the WFP management and overhead costs should be supported by the MDTFANS and the wider donor community.

4.5 Reporting to the Board of Directors

With reference to the reporting procedures mentioned under paragraph16 above, contacts between UNORC as representative of the users, BRR as representative of the GoI and the management of WFPSS have been frequent and sustained. The three main stakeholders have been acting consistently to the best of their abilities to make sure that the project fulfils the targets set. On the other hand it appears that the Board of Directors has never met in a formal manner and that, consequently, no formal records exist of resolutions taken jointly in respect of important decisions, such as the postponement of the cost recovery scheme, the closure of a regular ferry route, the chartering of new tonnage and the approval of freight rates.

The WFP project document states that the Board of Directors will also be comprised of agencies using the WFPSS. It appears that this proposal was not put into effect. Had it been done, the users may have felt more directly involved in the project.

4.6 Cash Flow

The cash flow history since November 2005 and its short term projection until end September 2006 indicate that WFPSS managed to exceed (in terms of tonnage and scope of services) the targets set when the first seed funding of US$24.7 million was allocated. The present PAD analyses in great detail the various cash flow scenarios combining or not the cost recovery with different levels of grants. It is very unlikely that a 100 percent cost recovery will be achieved during the next twelve-month period; a 50 percent cost recovery seems more likely. Given the special environment of this unique operation it is felt that the final aim should be to reach a situation whereby, for the next twelve-month period:

(i) at least 50 percent of the net vessels' costs (charter hire and fuel, stevedoring and port related costs) and the cargo shore handling costs (rental of warehouses, cargo handling equipment, fuel, spares, drivers' wages) are covered by the proceeds from the cost recovery;

(ii) the remaining 50 percent of the vessels' costs and the management costs of WFPSS are supported by a grant from the MDTFANS to the tune of about US$15 million.

This would create a fair balance between the imperatives posed by BRR and the MDTFANS for a cost recovery, paving the way for commercial shipping whilst also addressing the need to recognise that this SO still retains a strong humanitarian character. The cash flow projection in Annex D of the accompanying PAD document is, in the opinion of the evaluation team, the most likely to meet the suggestions set out above.

4.7 Transition and exit strategy

WFPSS has endeavoured to create a climate of confidence and mutual trust with the ship owners participating in this SO. Contacts are maintained with the Indonesia Ships' Owners Association. WFPSS has made it known that private commercial operators are welcome to take over the project in full or in part. The message has spread to the short sea shipping circles operating in and outside Indonesian territorial waters. So far, the response has been timid, with concrete proposals still not forthcoming. WFPSS has provided ample statistical data regarding the past performance in terms of volumes, itineraries, identity of shippers and receivers and tonnage forecast. What is missing are, as explained before, the detailed figures concerning the net

vessels' costs operating in the system together with the cost recovery return figures achieved. The continuation of the shipping service over the next twelve months period should enable WFPSS and prospective operators to gain a better insight of the sustainability of the service in terms of volume of cargo, vessels' cost and anticipated returns.

It is clear that the services proposed by WFP go beyond the boundaries of the short sea maritime transport and include the reception and the delivery of consignments at both the loading and discharging ends. In the maritime industry these are activities which, as a rule, are jointly undertaken by the ship's agent and the Clearing and Forwarding (C&F) agent. It is unlikely that Indonesian ships' owners will feel attracted by or will venture into landside operations. There is therefore an argument to approach national and international logistics operators.

5 RECOMMENDATIONS

The following points are offered for consideration by WFPSS management:

1. The provision for a comprehensive analytical accounting reporting system which clearly differentiates between:
   (i) the vessels' operating costs (hire, fuel, port and cargo related costs);
   (ii) the capital outlay for the purchase of cargo handling and supporting equipment;
   (iii) the ongoing and recurrent costs for managing the WFPSS service.
   (iv) At a later stage a voyage cost control sheet could be introduced, complete with the anticipated cost recovery returns
2. To implement the above recommendation, the recruitment of a qualified and experienced Shipping Cost Control Accountant should be considered. This officer should be familiar with all the cost components of sea transport operations.
3. As the cost recovery gains momentum, freight rates should be fine-tuned so as to differentiate between the three different modes of transport chosen by the users.
4. As soon as the tonnages stabilise, it would help if the sailings were promoted and advertised as per regular weekly, fortnightly or monthly sailing schedules, published a month in advance.
5. When the outbound traffic picks up again in sufficient quantity at Belawan, the project for the provision of adequate reception and transit facilities at the dockside should be reviewed. A monthly rental of US$7,000 could be justified, in view of the anticipated gains from an enhanced ship's turn around time. A comprehensive rental agreement with the Belawan port authority for the use of the brand new Kalmar reach stacker would more than offset the cost for the rental of the 5,000 m2 dockside warehouse.
6. The search for interested parties willing and capable to take over the WFPSS could be enlarged so as to encompass reputable clearing and forwarding agents or large companies specialising in large-scale logistic operations.
7. The purchase of two Kalmar reach stackers with extensible 20' and 40' spreaders (despite the absence of clear indications as to the volume of containers to be handled) was based on the anticipated need to beat the long delivery times for such equipment. The capital outlay amounted to US$900,000. With the benefit of hindsight, the hire of such equipment (e.g. in Singapore) could have been envisaged as a less costly alternative.
8. Although less important it would also pay dividends to look into the following points:
   (i) Provide the vessels on charter to WFPSS with better radio communication facilities;
   (ii) Reduce the number of Port Captains (with the status of international consultants) and replace these by duly certified Indonesian Chief Officers.
   (iii) Review the TOR of the Shipping and Logistics officers and evaluate whether these two functions can be streamlined;
   (iv) An environmental management plan, as provided for in the Fiscal Agreement, should be drafted.
9. In order to prepare the terrain for the exit strategy, WFPSS should open its service to commercial cargoes, giving the service wide publicity and developing specific marketing strategies. However, such a move should receive prior backing and support from the GoI and the BRR.

6 LESSONS

Special Operation 10498.0 has not evolved along the lines originally set out in the concept document. While most assumptions did materialise and were acted upon in a professional manner, others did not and could sometimes lead to erroneous decisions being taken. The volumes of cargo were far off the mark, and the plan to embark on wide scale containerisation of the cargo was very wisely cancelled.

That two Kalmar container stackers were ordered was in line with the original plan. That these machines, together worth US$0.9 million, stand idle and could be put to good use for the project was a calculated risk. Whilst the management of WFPSS has been capable of displaying appreciable flexibility in managing this project in other areas, the systems and procedures in force within WFP do not always permit to find corrective solutions capable of reversing unintended effects. In short, these expensive Kalmar stackers should have been leased or rented out on a commercial basis in order to generate revenue for the operation.

Special Operation 10498.0 combines the characteristics of a large scale relief operation with these of a short sea maritime transport operation. Not all the transport operations at present undertaken along the different routes bear the same characteristics. The characteristics vary greatly according to the routes plied. The ferry route (Sibolga – Gunung Sitoli) and the coastal trade linking Belawan and Ulee Lheu/Malahayati with Sinabang (Simeulue) and Kunung Sitoli (Nias) stand a better chance to develop a commercial pattern. On the contrary, the occasional landing of relief (and commercial) cargo on remote beaches, jetties and beachheads (on Nias and Simeulue) will remain ad hoc and will continue to retain the characteristics of a unique expedition warranted by exceptional circumstances. The former should attract and interest commercial operators; the latter will remain earmarked for robust UN agencies and NGOs. The usual commercial and economical parameters will here not apply. Over time the Voyage Cost Control Sheet should permit a better understanding of these different trading patterns.

The absence of strong commitment on the part of leading aid agencies and NGOs is an important lesson to be retained from this operation. The possibility to obtain firm written commitments from the aid agencies and NGOs on volumes or tonnages to be transported over a certain period should be explored.

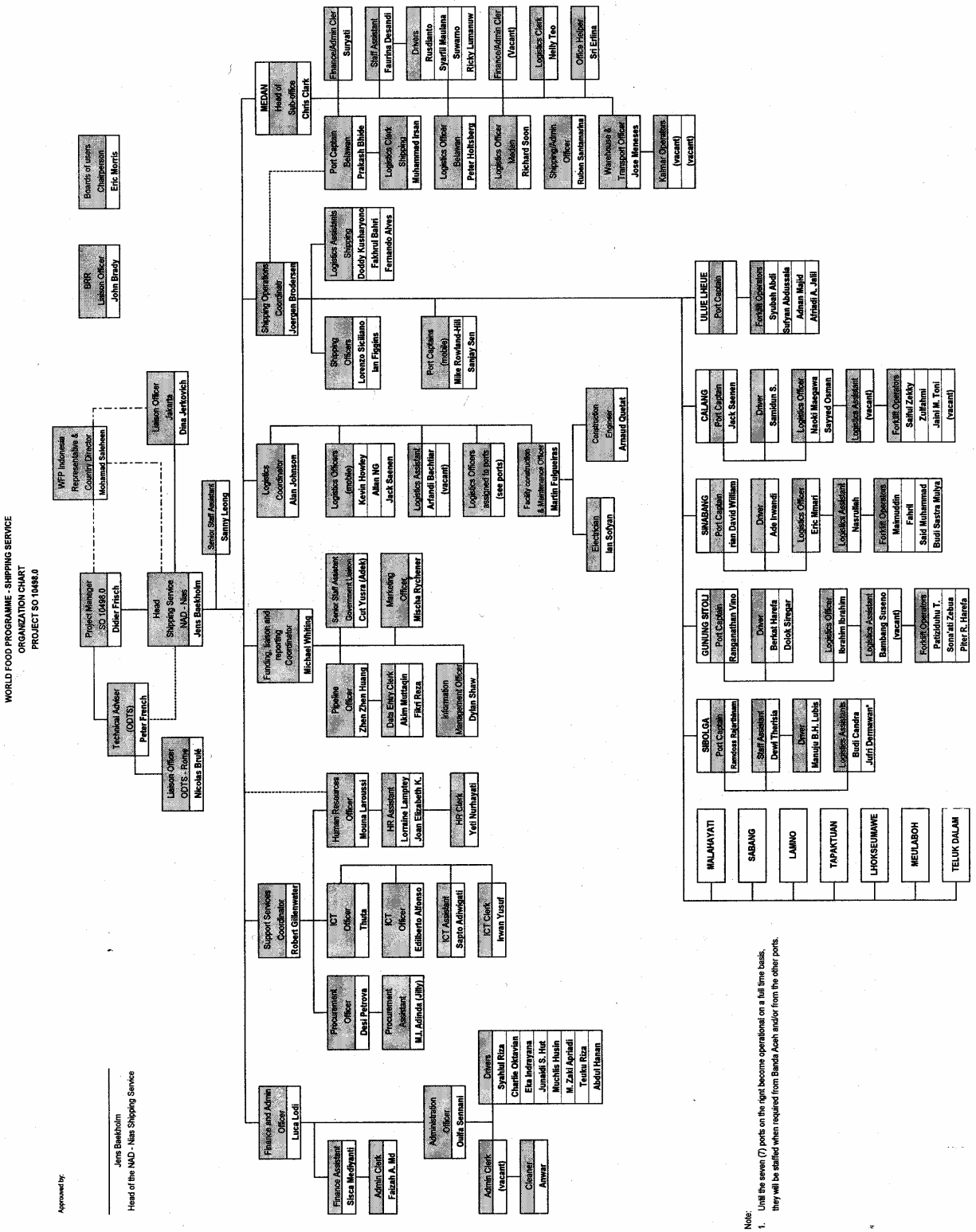
The important setbacks suffered by WFPSS in moving important shipments of local timber for the account of UNHCR highlights the fact that venturing as ships' operator in the commercial world is often fraught with risks. WFPSS can be left exposed and vulnerable to malicious practices of traders and public services with little or no recourse.

The chains of command and of responsibility, together with the reporting lines, do not run strictly in parallel. In some documents the responsibility of UNORC as an organisation features prominently. In others it is WFP–ODTS Rome and or MDTFANS. Eventually it is WFP carrying the largest legal and financial responsibility as sole entity organising the service and entering into chartering agreements. Finally it is not entirely clear to whom WFP–ODTS Rome is eventually answerable: GoI through BRR and/or the donor community via the IDA/MDTFANS. In the end the ownership of the operation appears to be vested with WFP. Caution is therefore recommended before embarking in any change of name for the service.

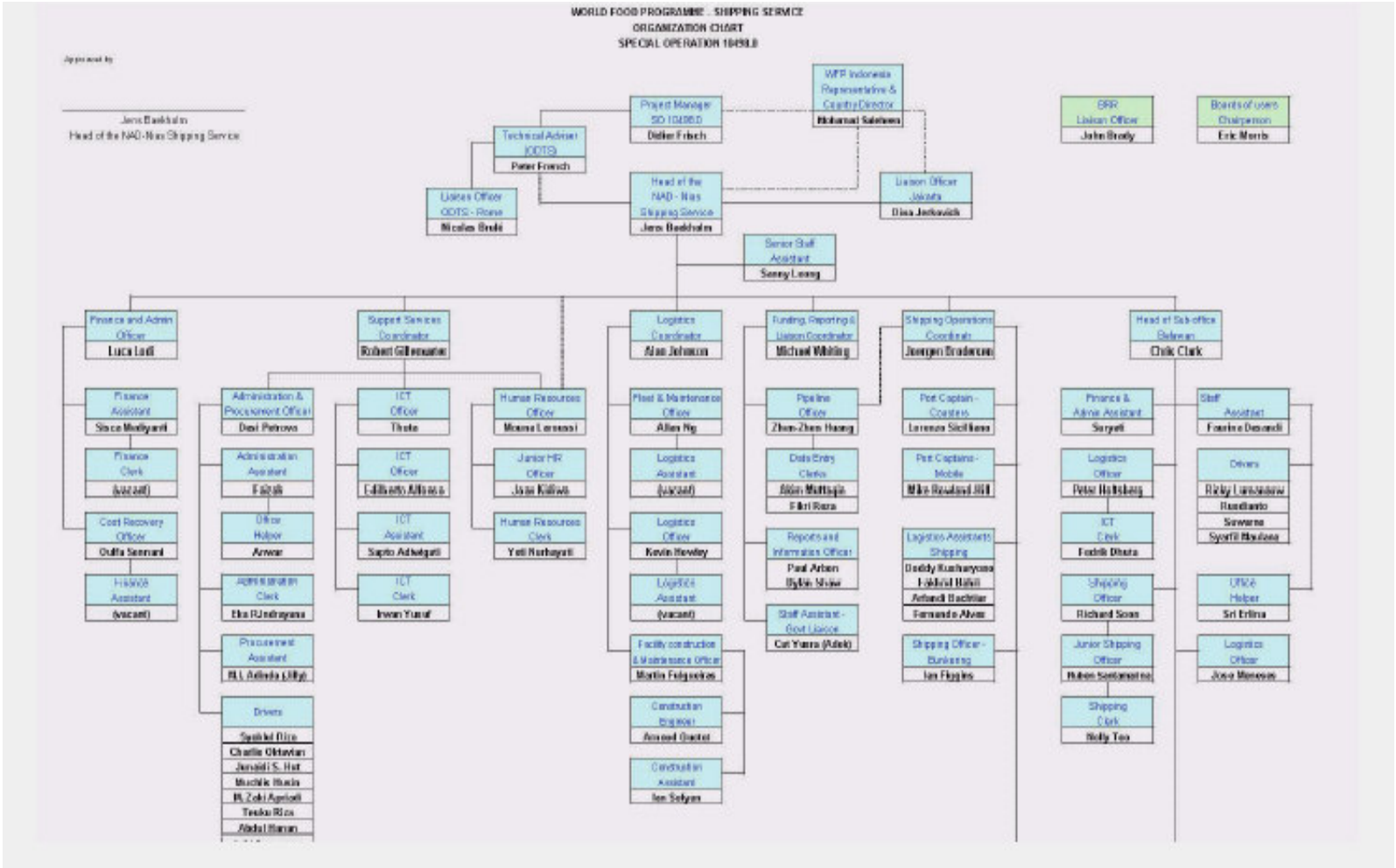
The design of a proper exit strategy is proving more difficult than anticipated. Though pressed by IDA/MDTFANS, WFPSS has not yet found the correct formula which may lead to a solution. Solving issues such as the accuracy of the tonnage projections, the identification of the true vessels' operating costs and indications as to the extent of the cost recovery return figures should shed some light in the coming months. In the absence of this basic information it will be difficult to chart a sensible exit strategy as requested by IDA/MDTFANS.

Annexes

Annex A: Organisational Chart for Special Operation 10498.0 in force in July 2006



Annex B: Proposed Organisational Chart for Special Operation 10498.0 (up to 10 August 2006)



Annex C: Evaluation of the environmental impact of the operation by J. Poulsen, Environmental Expert (Consultant)

The environmental standards followed by WPFSS should be in line with the Build-Back-Better philosophy of the recovery and reconstruction of Aceh and Nias, as promoted by the UN and BRR. This includes adherence to the environmental standards and regulations of the IMO and WPF Environmental Review Guidelines.

General Findings

- It is noted that the WFP Special Operations document does not include a section on environment.
- The PAD provides specific details on what will be performed and what environmental precautions will be taken.
- Neither the WFP Special Operations document nor the PAD include any budget lines specifically addressing environmental issues.
- The key issue is to define the appropriate reference / benchmark against which the environmental concerns are assessed.

  Existing Indonesian standards: It should be noted that, although good environmental standards do exist in Indonesia, they are typically not adhered to, let alone enforced. Indonesian authorities rarely conduct checks of ships and ports, neither documentation nor inspection on the ground.

  In addition, the PAD provides a comprehensive and accurate overview of the overall ecological and environmental context in which the proposed WPFSS efforts are to be developed and executed.
- The process of loading and off-loading, respectively, was observed. Some ships were inspected. Logbooks from ships were inspected. The logbooks contain limited or no information on environmental matters.

Specfic Findings

Ships

Ships contracted by WPFSS are 'in class' according to international standards, and only ships in class are being contracted. Appropriate certificates were available for all ships. The extent to which Indonesian authorities regularly check that standards are adhered to, is not clear from the assessment. However, it should be noted that the legal responsibility of these environmental issues rests on the captain of the contracted ships. Although, legally speaking, it is the sole responsibility of the ship owner to adhere to environmental standards, WFPSS has an obligation to strongly encourage and promote that good environmental standards are followed. Ships and cargo are often important vectors for transfer of invasive species, through ballast water, on/within containers, etc. This risk from the ships themselves is considered negligible in the present context, as all contracted ships are exclusively used for local transport.

As far as the cargo itself, the risk is only relevant for materials originating from outside Indonesia. Usually the cargo is very well packed, the wood is treated, and generally leaving very little opportunity for transfer of invasive species.

The largest risk is related to transport of foods (e.g., rice, etc.) and the transfer of pests (insects, small mammals and weeds) and parasites/parasitoids (which are using the specific crops as hosts/vectors). However, shipping of foods by WFPSS should not pose any significant

additional risk, because a) the food to be transported by WFPSS is likely to be very small compared to the normal/regular transportation of food by Indonesian ships, and, b) transported foods will primarily be from Indonesia and neighbouring countries.

Ports and landing sites

- The permanent ports used by WFPSS are well established and busy ports, and the WFPSS use of the ports is usually only a small proportion of the overall activities at the port.
- The environmental standards used by other ships in the ports were clearly very poor compared to that used and expected from the WFPSS ships. It was frequently observed that other ships would simply throw overboard all waste (household, etc.) even in the harbour area.
- Although the condition and location of fuel storage tanks/drums, vehicle fuelling pumps and connections were found not to pose any undue risks, it was also noted that WFPSS had not been proactive in reducing the risk of spills.
- Hazardous materials and applicable biohazard prohibitions were not posted at any of the loading ports of embarkation, which the team visited.
- Fueling pumps and connections were not located within a bermed impermeable spill containment area.
- No impermeable containment area for used lubricating oil and other automotive maintenance fluids was found. It should be noted that, on Nias, these fluids were stored and recycled.
- Fire suppression equipment appropriate for fuel oils as well as transport goods were not detected at any of the ports or landing sites.
- Oil spillage

  No equipment or facilities to deal with oil spillage was observed at any of the ports visited during the mission.

  Clean-up of oil spillage is the sole responsibility of the ship owner, including any cost associated with it.

  Although oil spillage was not directly observed during any of the site visits, it is considered unlikely that oil spillage under normal circumstances will be cleaned up to any significant degree (unless perhaps if the spillage is very large and/or if the spillage is widely reported in the media).

  It is also noted that diesel oil (as used in the vessels) does not generally pose as big a risk for pollution as petrol would, due to both the evaporative and chemically convertible nature of diesel oil.
- The location of landing sites depends upon local conditions, primarily accessibility from the sea, and distance and convenient transportation routes from the landing sites to the final destination (i.e. where the houses are built). It thus aims at optimising efficiency of distribution of construction materials.
- We found that landing sites were spatially well defined and confined. The inspected landing sites were making efficient use of the area being used. Landing sites were constructed on areas with minimal or no existing tree vegetation. Therefore, the landing sites had minimal or no negative impact on existing vegetation on-land.
- Further, plastic mats had been placed to enable vehicles to drive on the vegetation.
- The potential negative impact of the ships on the vegetation (coral reefs, etc.) was negligible, as inspected landing sites were constructed on sandy shores with no visible coral reef vegetation.

- None of the ports and landing sites seemed to have reception facilities for disposal of ship waste and waste water.

  It is noted that the ship waste from the cargo itself is likely to be negligible, because most cargo is either containerized and/or has little 'packing material', hence leaving very little or no waste material when loading and/or unloading the vessels.

  It is the responsibility of ship owners to ensure that waste disposal is done appropriately, but WPFSS should strongly encourage and promote the responsible disposal of waste and the use of reception facilities where available.

Training

- Only the WFPSS port captains had been trained in proper hazardous materials management and disposal procedures, fire prevention and response, and first aid treatment. Although staff onboard the contracted ships were not interviewed, it is considered very unlikely that the ships' crew had undergone such training.
- Designated potable water and temporary sanitation facilities were not made available for the workforce at the inspected landing sites. However, at several landing sites, local coffee shops provide access to potable water and simple sanitation facilities, widely used by staff from WFPSS, ships and the various NGOs typically working at the landing sites.

Calang

- The port of Calang is undergoing repair.
- All transportation is done on existing roads, which are also used by all other organizations, agencies active in Calang.
- The ecosystem is delicate. However, the tsunami caused such massive destruction and disturbance of the ecosystem that the use of the confined area as port should cause only small additional disturbance. A plan for the rehabilitation of the port area should be prepared.
- There is no provision for removing, at the end of project, the temporary jetties, neither at the port nor at the landing sites.

Conclusions

- The proposed project poses no extraordinary risks to the environment, considering the general ecological and environmental context (described in the PAD) in which the project is to be implemented.
- However, the specific concerns addressed above should be addressed through the following recommendations, to ensure that the operations are in line with both the PAD and with IMO regulations:

Recommendations

- Design and implement half-to-one day environmental training/awareness courses for the shippers' staff. This training could be made compulsory by making WFPSS contracts conditional upon that shippers and their crew have attended such training, e.g., by including this as a provision in the Charter Party, with specific reference to appropriate conventions such as the Convention for the Prevention of Pollution of the Seas. The training / awareness courses should include proper hazardous materials management and disposal procedures, fire prevention and response, and first aid treatment.
- Develop a one-pager with key environmental guidance and standards, which WFPSS expects the crew members to adhere to.

  This could be translated into several languages, as appropriate, and developed as a laminated piece to be posted at different strategic places at ports, landing sites and on the contracted ships and in/at shippers' office.
- WFPSS must implement the Environmental Management Plan, as detailed in the PAD, including 'health and safety', 'emergency management', 'hazardous materials management', 'water and sanitation for Stevedores', and, 'solid waste disposal'. This is particularly pertinent for undeveloped landing sites.
- WFPSS should develop a Master Plan concerning reception facilities.
- WFPSS must ensure that each port should be equipped with a "reception facility", to enable waste, to be collected whenever a ship arrives/unloads/loads[9].

  The waste should be disposed off at appropriate sites.

  Upon completion of off-loading at each landing site, waste should be collected and transported to the main port (e.g., Gunung Sitoli on Nias).

  Shippers bear the responsibility to use the facilities, while WPFSS has an obligation to monitor that this is indeed done.

  WFPSS should ensure that all ports and landing sites have available potable water and temporary sanitation facilities.
- WFPSS should ensure that simple, but specific, rehabilitation plans for ports (especially Calang) and landing sites are prepared (based upon the principles described in the 'site closure' section of the PAD).
- WFPSS should ensure that charter documents and logbooks for all contracted ships provide information on environmental issues, including information on sludge disposal (i.e. oil record book).
- WFPSS should develop a simple environmental monitoring plan, to enable regular monitoring and evaluation of the WPFSS operation. This should encompass ports, landing sites and ships.
- The budget should be revised to include budget line(s) to encompass expenses for the suggested efforts to address the above-mentioned environmental issues.

[9] Waste will not be accepted at landing sites (cf. PAD).

Annex D: Comparative Table of Vessels' Productivity. (up to 10 August 2006)

Vessel	Type	MTs lifted	CBM lifted	On Hire	Off Hire	Number of days on hire	MT/day
LABRITA HANNY	LCT	5997	20,777	20/11/2005		259	23
SUMBER POWER	LCT	5896	15,451	20/11/2005		264	22
LABRITA NAKITA	LCT	7422	45,735	28/02/2006		164	45
PACIFIC SPIRIT	LCT	5240	14,491	10/02/2006	31/07/2006	172	30
SON BAK/L.ADINDA	LCT	17,029	57,129	05/12/2006		219	68
DAILY EXPRESS	LCT	4677	10,093	23/03/2006	09/08/2006	140	33
NIAJA YAYA 99	LCT	6028	19.708	21/04/2006	01/08/2006	103	58
NIAJA YAYA 12	LCT	4278	12,461	27/05/2006		76	56
BINTANG SAMUDERA	LCT	3053	8,644	01/06/2006		71	43
PRIMA SAMUDERA	Coaster	4040	4,191	13/04/2006	07/08/2006	117	34
J.SPRING	Coaster	1877	2,133	01/03/2006	21/03/2006	21	89
LAUT MAS (+)	LCT	497	902	14/04/2006	25/04/2006	12	41
BUNGA SEJATI	Coaster	1379	3,168	07/07/2006		35	39
SRI BAHARI (++)	Coaster	nil	nil	28/06/2006	08/08/2006	42	

(+) replaced temporarily the LCT Labrita Hanny.
(++) Vessel loaded no cargo.

Annex E: Analysis of various cash flow projection as from July 2006. (from PAD II)

AA. OPERATION RELYING ENTIRELY ON CASH RECOVERY (USD Millions)

Month/Detail	Jul. 06	Aug. 06	Sep. 06	Oct. 06	Nov. 06	Dec. 06	Jan. 07	Feb. 07	Mar. 07	Apr. 07	May-07	Jun. 07	Total
Opening Balance	14.63	10.97	7.39	3.99	1.14	-1.17	-2.93	-4.37	-5.81	-7.25	-8.69	-10.13	14.63
Monthly Cost	3.66	3.58	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	41.24
Predicted Income (A)	0.00	0.00	0.00	0.55	1.09	1.64	1.96	1.96	1.96	1.96	1.96	1.96	15.04
Balance B/F	10.97	7.39	3.99	1.14	-1.17	-2.93	-4.37	-5.81	-7.25	-8.69	-10.13	-11.57	-11.57

BB. OPERATING ON GRANT OF USD26 MILLION AND COST RECOVERY (USD Million)

Month/Detail	Jul. 06	Aug. 06	Sep. 06	Oct. 06	Nov. 06	Dec. 06	Jan. 07	Feb. 07	Mar. 07	Apr. 07	May-07	Jun. 07	Total
Opening Balance	14.63	10.97	7.39	18.57	15.72	13.41	21.37	19.93	18.49	17.05	15.61	14.17	14.63
Monthly Cost	3.66	3.58	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	41.24
Predicted Income (A)	0.00	0.00	0.00	0.55	1.09	1.64	1.96	1.96	1.96	1.96	1.96	1.96	15.04
Grant			14.58			9.72							24.30
Balance B/F	10.97	7.39	18.57	15.72	13.41	21.37	19.93	18.49	17.05	15.61	14.17	12.73	12.73

CC. OPERATING ON A GRANT OF USD15 MILLION AND COST RECOVERY (USD Million)

Month/Detail	Jul. 06	Aug. 06	Sep. 06	Oct. 06	Nov. 06	Dec. 06	Jan. 07	Feb. 07	Mar. 07	Apr. 07	May-07	Jun. 07	Total
Opening Balance	14.63	10.97	7.39	12.40	9.55	7.24	11.09	9.65	8.21	6.77	5.33	3.89	14.63
Monthly Cost	3.66	3.58	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	41.24
Predicted Income (A)	0.00	0.00	0.00	0.55	1.09	1.64	1.96	1.96	1.96	1.96	1.96	1.96	15.04
Grant			8.41			5.61							14.02
Balance B/F	10.97	7.39	12.40	9.55	7.24	11.09	9.65	8.21	6.77	5.33	3.89	2.45	2.45

DD. OPERATING ON GRANT OF USD15 MILLION AND COST RECOVERY FROM 50% OF AVAILABLE CARGO (USD Millions)(The Evaluation team considers this projection the most likely in the given circumstances).

Month/Detail	Jul. 06	Aug. 06	Sep. 06	Oct. 06	Nov. 06	Dec. 06	Jan. 07	Feb. 07	Mar. 07	Apr. 07	May-07	Jun. 07	Total
Opening Balance	14.63	10.97	7.39	14.10	12.67	11.52	16.87	16.78	16.69	16.60	16.51	16.42	14.63
Monthly Cost	3.66	3.58	1.70	1.70	1.70	1.08	1.08	1.08	1.08	1.08	1.08	1.08	19.90
Predicted Income (B)	0.00	0.00	0.00	0.27	0.55	0.82	0.99	0.99	0.99	0.99	0.99	0.99	7.58
Grant©			8.41			5.61							14.02
Balance B/F	10.97	7.39	14.10	12.67	11.52	16.87	16.78	16.69	16.60	16.51	16.42	16.33	16.33

EE. OPERATING ON GRANT OF USD 6 MILLION AND A COST RECOVERY FROM 50% OF AVAILABLE CARGO (USD Million)

Month/Detail	Jul. 06	Aug. 06	Sep. 06	Oct. 06	Nov. 06	Dec. 06	Jan. 07	Feb. 07	Mar. 07	Apr. 07	May-07	Jun. 07	Total
Opening Balance	14.63	10.97	7.39	9.05	7.62	6.47	5.59	4.88	4.17	3.46	2.75	2.04	14.63
Monthly Cost	3.66	3.58	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	24.24
Predicted Income (B)	0.00	0.00	0.00	0.27	0.55	0.82	0.99	0.99	0.99	0.99	0.99	0.99	7.58
Grant ©			3.36			2.24							5.60
Balance B/F	10.97	7.39	9.05	7.62	6.47	5.59	4.88	4.17	3.46	2.75	2.04	1.33	3.57

NOTES: All income is subject to ISC of 7%.

A. The income stream shown is derived from the existing tariff as at 12 Jul 06 and figures provided by UN agencies, NGOs and BRR for movement of material through
to the end of June 2007. The receipt of cash against invoices is anticipated to drag with a significant amount still outstanding at the end of Jun 07.

B. This income stream is similar to (A) above, but is based on WFP Shipping Service only shipping 50% of the available cargo.

C. The amount shown is less the 7% Indirect Service Charge agreed in the Technical Service Agreement and the Fiscal Services Agreement.

Annex F: List of persons met

ABDUL HAQ AMIRI	Deputy Head	UN Off. Human. Resident Coordinator Jkt.
ADITYA LAKSMONO Rudy	Head Marketing Division	Jagat Marin International Jkt.
AGUS HIDAYAT	International Trade Manager	Bureau Veritas Jkt.
ALMON PRIMA SE	Logistic Officer	PT Mayaguna Tr. Log. Jkt.
ANDREAS John	President Director	PT. Benua Samudra Sentosa Jkt.
ARRY SETIA DHARMA	Logistic officer	PT Mayaguna Tr. Log. Jkt
BAEKHOLM Jens	Head of WFP – Shipping Services	WFP – SS Banda Aceh
BAMBANG BUDI PRASETYO	Director Operations	BULOG Jkt.
BASSAM Hana	Logistics Officer	WFP Jkt.
BAYUMURTI HANDOKO	National logistics officer	WFP Jkt.
BENNI H. SORMIN (Dr)	Assistant representative	FAO Jkt.
BINASOY Mario	Finance & Administration Officer	WFP – Jakarta
BLAMOH Gregory	Head of office	WFP Calang
BLOEM Maurice	Regional Director	Church World Service Jkt.
BHATTI Abdul	Senior Logistics Officer	WFP - Banda
BROWN Alan	Private Sector Partnership Consultant	WFP – Jakarta
BRULE Nicolas	Liaison Officer	WFP – ODTS Rome.
BUDIANTO Wijaya	Vice President Industrial Sales	Bogasari Flour Mills Jkt.
BURATTO François	Head Field Procurement	WFP – Rome
BUSETTO Bradley	Deputy Country Director	WFP Jkt.
BURNS Terry	Technical Advisor	BRR – NAD Nias Banda
CORANARO Francesco	Pipeline Officer	WFP Jkt.
ENAL TWAKAL TAHRIR M.	Chief Division Soc. Ass. Affair	Coord. Min. for People's Welfare Jkt.
EDUARD Robert S.	Division Cellular Project	Indosat Jkt.
FOSTER Simon	ACD Systems	Concern Banda
FRENCH Peter	Technical Advisor	WFP – ODTS Rome.
FRISCH Didier	Project Manager	WFP – ODTS Rome
GERAETS Claudia	Food security coordinator	Action contre la faim –Banda
GOEL Usha	Officer in charge	WFP Jogjakarta
GRYNDERUP POULSEN J.	Environmental Policy Expert	UNORC - Banda
HADI RIYANTONO	Director	PT. Bhanda Ghara Reksa
HARDI Carolyn	Procurement Officer	WFP Jkt.
HARITOS Tony	CEO	Haritos Shipping & Logistics
HERU RIZA ch. (ir)	Vice-president	Sucofindo Jkt.
IBRAHIM IBRAHIM	Logistics Officer	WFP-SS Nias
INTAN	Director	PT. Janani Abadi Line Jkt.
ISLEIB Henry	Logistics delegate	Int. Fed. Of Red Cross & Red
ISKANDAR A. K.	Senior Manager	Sucofindo Jkt.
KALHOJ John	Logistics Coordinator	Int.Fed. of Red Cross & Red Cr.Soc. Banda
KOENIGER Michael	Program Coordinator	Church World Service Jkt.
KOTTMAN Mette	Counsellor	Royal Norwegian Embassy Jkt.
KUMAR Charles	Logistics Assistant	WFP - Medan
LEITMANN Josef L.	Fund Manager	World Bank Jkt.
LIMIN Erick	Managing Director	Limin Marine Pte. Ltd. - Singapore
MANSOOR A. Alli	Director Emergency Operations	United Nations Children's Fund Jkt.
MARSONO	Production Manager	PT.Tiga Pilar Solo/Sagren
MASRIANTO	Operations officer	Samudera Indonesia Group Medan
MUELLER Uwe	Project Manager	German agro Action Simeulue
MORRIS Eric	UN Recovery coordinator	UNORC Banda
NDIANABO Eugène	Head of logistics – Off. In charge	WFP - Medan
NORDENTOFT Hendrik .	Deputy Regional Representative	UNHCR – Jakarta
NSUBUGA Steve	Chief Logistics Officer	WFP - Rome
PURWATO Eddi	Deputy for operations	BRR NAD – Nias Banda
RAHARDJO Tony	Programme officer	I.O.M. Jkt.
RAMASAMI VELU	Central Procurement Manager	British Red Cross Banda
RICO Susana	Deputy Director Fundraising Dept.	WFP - Rome
ROGER Erik	President Director	Bureau Veritas Jkt.
SABANDAR William	Representative	BRR NAD – Nias
SALEHEEN Mohamed	Representative & Country Director	WFP Jkt.
SAMARENDRA Ghose	CDP & Administration Officer	WFP Jkt.

SCHARPFF Henning	Head of office	WFP - Banda
SIANIPAR John	National Officer CDP	WFP – Jkt.
SITI KONIO	Officer in charge	WFP Lombok
SONY	Director	PT. Benua Samludra Sentosa
SPRENGER Markus	Architect Head of Project	German Agro Action Simeulue
SHIMOMURA Masae	Programme Officer	WFP Meulaboh
STOPPONI Giancarlo	Head of office	WFP Surabaya
SUHARTO T.B. (Drs)	Director	PT. Mayaguna Tr. Log. Jkt.
SUVANTO Janne	Head of Programme	WFPJkt.
SUYONO H.	Operations Manager	Samudera Indonesia Group
TAJIMA Maiko	Donor Relations Officer	WFP - Rome
TSULADZE Gela	Logistics delegate	Int. Fed. Red Cross & Red Cr. Soc. Medan
USAMI Naoto	Senior Project Officer	AMDA Nias
UTOMO Tjipto	Programme Officer	WFP Simeulue
WATFORD Lewes	Manager Logistics	Austr/Indo Partn. For Reconstr. Banda
WIMHÖFER Georgia	Monitoring & Evaluation Officer	World Bank Jkt.
WHITING Michael	Liaison & Funding Officer	WFP-SS Banda
YANTI SURYANTI	Marketing Officer	PR. Bhanda Ghara Reksa Jkt.
ZHANG Diane	Finance and Legal Officer	World Bank Jkt