

MEETING MINUTES

WFP Office, Sana'a, Yemen

07 December 2011

Chair: Logistics Cluster Coordinator

Participants: UNICEF, UNDP, WHO, UNFPA, OCHA, UNHCR, MSF-F, ADRA, Mercy Corps, Oxfam, ECHO, MSF-S, IOM, Save the Children, MSF-S, IRD, FAO, AMIDEAST, WFP

- Action Points:**
- Humanitarian Organisations shall submit their fuel requirements on a bi-monthly basis to the Logistics Cluster.
 - On a monthly basis, the Logistics Cluster will communicate to the Agencies on the fuel price before starting the process of the procurement of each consignment.

Agenda:

1. INTRODUCTION
2. REVIEW/UPDATE STATUS OF FUEL PROVISION SERVICE
3. SUPPLY FUEL MECHANISM
4. SUBMISSION OF FUEL REQUIREMENTS TO THE LOGISTICS CLUSTER

INTRODUCTION

- The Logistics Cluster Coordinator welcomed the participants. The meeting was requested in order to introduce the heads of the participating organisations to the technical details of the fuel provision operation and to finalise the process of fuel provision through the SLA and the Pro-forma Invoice.

REVIEW/UPDATE OF FUEL PROVISION SERVICE

- The Logistics Cluster Coordinator briefed participants on the fuel situation in the country; the contributing factors to the fuel situation crisis since May 2011 were discussed. The Logistics Cluster Coordinator also provided a report covering the fuel supplied, through the Logistics Cluster, from June to November 2011 to the humanitarian community. The Logistics Cluster Coordinator confirmed that WFP has purchased the fuel on behalf of those Humanitarian Organisations who have signed Service Level Agreements (SLAs).
- The Logistics Cluster Coordinator also briefed the participants regarding the current fuel distribution system's capacity:
 - Sana'a is reported to be fully operational.
 - Haradh and Aden are expected to be fully functional by mid- January 2012.

SUPPLY FUEL MECHANISM

- The Logistics Cluster Coordinator explained in detail the SLA mechanism.
- The SLA is the legal framework under which services are provided. It is a mandatory tool designed for use between WFP Country Offices and other organisations/agencies for the provision of direct bilateral logistics services. The main body of the agreement does not include "operational terms and conditions". These operational terms and conditions are contained instead in a Pro-Forma Invoice.
- The Pro-forma invoice forms part of the legal framework of the SLA and is the document that financially commits the client organisation. It serves as the best estimate of the costs of carrying out the services requested by a client organization. It is composed by two pages:
 - The first page has a brief description of the service to be carried out.
 - The second page lists all the service details, operational terms, conditions and rates for the specific service.

It is important to note that WFP CO will not begin any service until the pro forma invoice has been accepted and signed by the client.

- As part of the cost recovery mechanism, clients will be charged a Management Cost Recovery fee (4.5 %) which will cover all costs for maintaining an administrative infrastructure to oversee the account.
- The final invoice, based on the pro-forma invoice, lists all the costs for works accomplished/services rendered to the client.
- Seven organisations out of 30 have not yet signed the SLA.

- All the participating organisations have agreed on the above mechanism.

SUBMISSION OF FUEL REQUIREMENTS TO THE LOGISTICS CLUSTER

- The Logistics Cluster Coordinator suggested that all the organisations submit two months of fuel requirements at a time, in order to issue the pro-forma invoice, and all agreed. The importance of placing a relevant order to the official fuel dealers was highlighted.

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- The meeting participants asked if it was possible for organisations to collect their fuel in stages, rather than accepting the entire amount at once. The Logistics Cluster Coordinator responded that while organisations would not be required to take delivery of all their allotted fuel at one time, there is insufficient capacity to store fuel on behalf of the humanitarian community indefinitely.

Organisations must collect their entire fuel allotment within two months of receiving notice that it is available.

- In the case of a variation in fuel rates, participants asked what the final cost would be for the organisations. The Logistics Cluster Coordinator responded that the cost of fuel will be based on the price paid to procure it. However, it is anticipated that there would be no cost variation.
- It was asked if the Logistics Cluster would charge additional money for fuel supplied in Haradh or Aden. The Logistics Cluster responded that rate in all locations will be based on the rate paid by WFP for the fuel (Cost plus 4.5 % administrative fee) in those locations, Haradh and Aden.

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