This document provides an overview of the Inter-Organisation fuel provision services established by the Logistics Cluster (under WFP leadership) in response to the widespread fuel shortages experienced in Yemen from mid 2011 onwards.

The objective of the Logistics Cluster is to provide - in an efficient, coordinated manner - assets, facilities, services and staff, to ensure an uninterrupted supply chain of relief items to the affected population.

These services are not intended to replace the logistics capacities of the organisations but rather supplement them through the provision of common services. Furthermore, these services are not intended to compete with the commercial fuel market, but to fill identified gaps.

These services are offered for a limited period of time until the end of December 2011, and may be withdrawn before this date, in part or in full, for the following reasons:

- Changes in the situation on the ground.
- No longer a perceived need for prioritisation, facilitation or/and coordination.
- Funding constraints.

This document will be regularly updated as the situation evolves and operational requirements develop. Please check for updates at http://www.logcluster.org/ops/yem10a

(1) LOGISTICS CLUSTER SERVICE PROVIDED

- Collation of the monthly fuel requirements of participating humanitarian organisations
- Purchase of the required amount of fuel on a regular/monthly basis
- Distribution of the fuel to participating humanitarian organisations on a cost recovery basis
- Distribution to take place from dedicated fuel stations in Aden, Haradh, and Sana’a

(2) WHO CAN USE THESE SERVICES

- UN agencies and international NGOs operating in Yemen can participate in the fuel provision service. This service is not extended to national NGOs or non humanitarian bodies

(3) HOW TO REQUEST THESE SERVICES

a. Your organisation must first sign a Service Level Agreement (SLA) with WFP. This is a one time process and covers the non-operational aspects of all fuel provision services you utilise for a set period (currently until the end of December 2011). It is signed by your Head of Organisation

b. At the same time as you sign the SLA you should provide the Logistics Cluster with a completed Focal Point Assignment Form (Annex 1 of the SLA) which details the names, specimen signatures, contact details, and ID numbers of those focal points in your organisation who are authorised to collect your allocations of fuel. This is a one time process

c. Also, at the same time that you sign the SLA, you should submit your indicative monthly operational fuel requirements for both petrol and diesel to the Logistics Cluster (by filling in the Indicative Monthly Fuel Requirement Form - Annex 2 of the SLA). This is a one time process, although you can revise downwards your monthly requirement if after some time you find you have overestimated your requirements

d. When the Logistics Cluster has secured a batch of fuel for Aden, Haradh, or Sana’a, it will allocate a percentage of the fuel to your organisation using a standard methodology (see section 3 below)
e. The Logistics Cluster will send you a pro-forma invoice detailing the amount of fuel you have been allocated from the batch, the cost of the fuel (which may vary depending on batch/supplier), and details of your operational responsibilities and those of the Logistics Cluster
f. The pro-forma invoice will include a 4.5% management fee
g. In addition to the above, a meeting of the Fuel Users Group will be called in order to explain clearly the amount, arrival time, price, and allocation amounts for the batch of fuel and to talk through the pro-forma invoices which have been sent out
h. Your Head of Organisation will sign acceptance of the pro-forma and you will return it to the Logistics Cluster with a confirmation that you have paid the full amount to the bank account detailed on the pro-forma. Please note that if you do not accept the pro-forma within 5 days the pro-forma will be cancelled and your allocation of the batch reallocated
i. Once your payment has been processed/received by WFP, you will be given the original copy of a Release Order Form signed by the Logistics Cluster that details the amount of fuel you can collect, and from which Logistics Cluster fuel distribution site (Aden, Haradh, and Sana’a). A copy of the Release Order will remain with the Logistics Cluster
j. If you are not able to arrange for the collection of all of your allocation of fuel in one go, two or more Release Orders equalling your allocation can be prepared. You can then stagger the collection of your fuel allocation
k. Release Orders will include a ‘Collection Date’ which is the day when you should go to collect your fuel from the distribution site
l. Your focal point should then take the Release Order to the relevant Logistics Cluster distribution site and collect your fuel. They should also take their UN/NGO ID with them as this will be checked against the details you provided in your Focal Point Assignment Form (see point b. above)
m. Upon receipt of the Release Order the Logistics Cluster distributes the fuel from the pump
n. You must collect the full amount of fuel indicated on the Release Order, therefore it is your responsibility to have sufficient storage (drums, etc) and transport to collect the fuel and transport it from the distribution site
o. When the fuel has been distributed to you, your focal point and the Logistics Cluster focal point at the distribution site will sign two copies of a Goods Receipt Note confirming the distribution of the fuel to you. Your focal point takes one copy, and the Logistics Cluster focal point retains the other
p. You should collect your Release Orders of fuel as quickly as possible to free up storage space in the fuel tanks in order to allow for quick resupply. If your fuel sits in the tanks uncollected it will prevent the resupply of sufficient fuel for the next month

A simplified summary of the above steps is given in the below flow chart:
(4) ALLOCATION OF AVAILABLE FUEL

All efforts are made to secure 100% of the consolidated fuel requirements of those UN agencies and international NGOs who have signed SLAs. However, due to the nature of the crisis in Yemen, it is likely that less than 100% of the required amount of fuel will be available for distribution by the Logistics Cluster. As such, a clear system of allocation is required:

- The Logistics Cluster, through WFP, will make every effort to purchase 100% of the fuel required
- Fuel will be bought in batches from suppliers whenever available
- For each batch that is received, the Logistics Cluster will allocate a percentage of the fuel to each organisation that has signed an SLA
- The percentage each organisation is allocated will be equal to the percentage their requirements are of the total fuel requirements of the project. For example:
  - If organisation X has a monthly requirement of 1000 litres of fuel while the consolidated monthly requirements of all those organisations that have signed an SLA is 50,000 litres of fuel, then organisation X’s requirements are equal to 2% of total requirements. Therefore, organisation X would be allocated 2% of each batch of fuel which the Logistics Cluster receives.
In light of the above, it is therefore extremely important that organisations carefully calculate the indicative monthly fuel requirements that they provide to the Logistics Cluster and reduce them to the lowest possible amount.

Because the Logistics Cluster, through WFP, is procuring fuel based upon organisations’ stated requirements, it is extremely important that organisations purchase the fuel from the Logistics Cluster once it has been secured. If organisations do not purchase the fuel then WFP is left with a heavy financial liability. In order to avoid this, if an organisation does not accept to buy two consecutive allocations of fuel (i.e. does not sign two consecutive pro-forma invoices) then WFP will terminate the relevant SLA and the organisation will be excluded from the fuel provision scheme.

(5) COST OF FUEL

Depending on the supplier, the state of the market, and other variables, the cost of each batch of fuel may differ. It is important to avoid that some organisations receive fuel at a low price and others at a higher price. Therefore the practice of sharing each batch of fuel amongst all organisations (described in section 4 above) will ensure that price fluctuations are shared equally by all participating organisations.

An organisation must purchase its allotment from the first batch of fuel before it can purchase its allotment from a subsequent batch. This is to prevent cases of an organisation agreeing to purchase its allotments from cheap batches while refusing to purchase higher priced batches. This will further ensure that price fluctuations are shared equally by all organisations.

The Logistics Cluster will of course make every effort to maximise the amount of cheap fuel it procures, and minimise the amount of higher price fuel bought. Higher price fuel is procured only in order to fill gaps in the supply of cheap fuel.

The cost of the fuel charged to organisations in their pro-forma invoices will include the cost of the delivery of the fuel from source/place of importation to the relevant Logistics Cluster fuel distribution site.

In addition to the above, a 4.5% management fee will be charged as per corporate WFP policy. This is because, while the Logistics Cluster is managing the distribution of the fuel to organisations, the actual purchase of the fuel from suppliers is being pre-financed by WFP.

(6) POINTS OF CONTACT

- The point of contact for all enquiries related to this service is:
  Qaseem Ghausy
  Logistics Cluster Officer, WFP Sana’a
  Email: Qaseem.ghausy@wfp.org
  Cell: (+967) 733 278 728

- The alternate point of contact is:
  Alessandro Scaletti
  Head of Logistics, WFP Yemen
  Email: alessandro.scaletti@wfp.org
  Cell: (+967) 735 188 177

(7) FUEL DISTRIBUTION SITES CAPACITY

The Logistics Cluster has three fuel distribution sites; one each in Aden, Haradh, and Sana’a. Storage capacity in these locations is being augmented and by the end of August 2011 capacity is planned to be:
Aden: 100,000 litres of fuel storage and two fuel pumps
Haradh: 100,000 litres of fuel storage and two fuel pumps
Sana’a: 180,000 litres fuel storage and four fuel pumps

(8) BASIC PROCEDURES RELATED TO HANDLING FUEL

 When you come to collect your fuel you must turn off your vehicle’s engine while the pumping of fuel takes place
 It is forbidden to smoke, light matches, or use lighters within the Logistics Cluster fuel distribution sites
 It is forbidden to use electrical devices such as cell phones and computers while the pumping of fuel takes place
 All people must be out of a vehicle when it is being refuelled
 You should ensure that the fuel drums/tanks which you bring to collect your fuel in are in good condition, have working seals, and are safely loaded on your transport