

**Country & Project No.: NEPAL 10093.0  
B/R No.:107/910**

**BUDGET REVISION FOR THE APPROVAL OF REGIONAL DIRECTOR**

	<u>Initials</u>	<u>In Date</u>	<u>Out Date</u>	<u>Reason For Delay</u>
<b><u>ORIGINATOR</u></b>				
Country Office or Regional Bureau on behalf of Country Office	.....	.....	.....	.....
<b><u>CLEARANCE</u></b>				
Programme Officer, ODMF	.....	.....	.....	.....
Chief, ODMF	.....	.....	.....	.....
Chief, ODTF (change in LTSH and/or External Transport)	.....	.....	.....	.....
<b><u>APPROVAL</u></b>				
<input checked="" type="checkbox"/> Regional Director	.....	.....	.....	.....

<b>PROJECT : CP-NPL-10093.0 (2002-2006)</b>			
	<b>Previous Budget</b>	<b>Revision</b>	<b>New Budget</b>
<b>Food cost (US\$)</b>	<b>49,250,086</b>	<b>2,917,398</b>	<b>52,167,484</b>
<b>Total WFP cost (US\$) (including 7% ISC)</b>	<b>80,808,939</b>	<b>5,654,342</b>	<b>86,463,281</b>

<b><u>TYPE OF REVISION</u></b>			
<input checked="" type="checkbox"/> Additional commodity	<input checked="" type="checkbox"/> Additional DSC	<input checked="" type="checkbox"/> Additional ODOC	<input checked="" type="checkbox"/> Additional LTSH
<input type="checkbox"/> Additional external transport	<input checked="" type="checkbox"/> Extension in time	<input type="checkbox"/> Policy issue	<input type="checkbox"/> M&E
<input type="checkbox"/> Change in project orientation	<input type="checkbox"/> Other		

**NATURE OF REVISION:**  
Extension in time for 12 months from 01 January to 31 December 2007 with additional costs. This Budget Revision (BR) reflected an increase of US\$5.6 million for the one year extension of the CP. The overall approved tonnage has been revised to incorporate addition of 5,613 mts in the project's food basket. This additional tonnage was calculated by taking total 2007 requirement of 36,383 mts minus an estimated carry-over stock of 30,770 mts at the end of 2006.

With addition of 5,613 mts, the associated costs of LTSH, ODOC and DSC have been increased by the following :

LTSH	\$604,874
ODOC	\$220,000
DSC	\$1,542,160

**JUSTIFICATION FOR THE REVISION:**

The Country Programme was approved for five years from 2002 to 2006. An one-year extension to the end of 2007 is required to align the commencement date of the new Country Programme with that of the new UNDAF, the Poverty Reduction Strategy Paper (PRSP) and the next planning period of the Government of Nepal (GoN). This one year extension has been agreed with GON, other UN ex-com agencies and ODB.

This Budget Revision is proposed to secure resources required for the extended period keeping the same ration scale for commodities and for all activities. The proposed extension period will be utilized to:

- (i) pursue and strengthen the implementation of the four Country Programme Activities;
- (ii) consolidate the expansion of an already tested FFW pilot modality - Protecting Livelihood in Crisis (PLIC);
- (iii) undertake actions recommended by the Evaluation cum Appraisal mission that took place during May/June 2006;
- (iv) incorporate lessons learned in the preparation of the next Country Programme (2008-2012) as recommended by the CP Evaluation cum Appraisal mission.
- (v) combine the Global Food for Education Initiative, currently included in the Country Programme as a Supplementary Activity, with the core Food for Education (FFE) Activity.

As a result of the recent political developments in the country and particularly potential shifts in maoist activities, the expansion phase will be crucial to provide some clearer directions for future WFP supports to development activities including greater involvement of NGOs as partners.

**Hence, your approval of this budget revision is hereby sought.**

**DISTRIBUTION:**

Senior DED  
Chief, ODTF  
Country Director  
OD Registry  
FDD

Associate Director of Operations  
Chief, ODMP  
Programme Officer, ODMP  
Programming Assistant, ODMP  
CFOB

Regional Director  
RB Programme Advisor  
RB Programme Assistant  
RB Chrono