

**Sudan - Special Operation 10368.0 – “Emergency Road Repair and Mine Clearance of key transport routes in Sudan in Support of EMOP 10503.0 and following phases”**

**B/R No.: 4**

**@ 10/04/2007**

**➤ BUDGET REVISION FOR SO FOR THE APPROVAL OF THE SENIOR DEPUTY EXECUTIVE 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>				
Regional Director,	.....	.....	.....	.....
Programme Officer, ODMF	.....	.....	.....	.....
Chief, ODMF	.....	.....	.....	.....
Chief, ODTL	.....	.....	.....	.....
Director, CFOB	.....	.....	.....	.....
Director, ODT	.....	.....	.....	.....
Associate Director of Operations	.....	.....	.....	.....
<b><u>APPROVAL</u></b>				
Senior Deputy Executive Director	.....	.....	.....	.....

PROJECT	Previous Budget	Revision	New Budget
Total WFP Direct Costs	US\$ 170,717,592	US\$ 48,964,254	US\$ 219,681,846
Indirect Support Costs (7% ISC)	US\$ 11,950,231	US\$ 3,427,498	US\$ 15,377,729
<b>Total WFP Costs (US\$)</b>	<b>US\$ 182,667,823</b>	<b>US\$ 52,391,752</b>	<b>US\$ 235,059,575</b>

<b><u>TYPE OF REVISION</u></b>			
<input checked="" type="checkbox"/> Additional DSC	<input checked="" type="checkbox"/> Additional ODOC	<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:**

1. This Budget Revision is for the extension in time of an additional 18 months (01.01.07 – 30.06.08), as well as additional ODOC and DSC, to allow for road maintenance, additional emergency repairs, mine clearance activities and capacity building, largely at the request of the Government of Southern Sudan Ministry of Transport and Roads. (GoSS MOTR)

Special Operation 10368.0 Budget Revision 3

## **JUSTIFICATION FOR THE REVISION:**

2. The first phase of the WFP emergency road repairs programme lasted from October 2003 until December 2004 and was in support to EMOP 10048.2. It consisted of six activities for the value of approximately US\$ 20 million, but was not fully funded due to the delay in signing the peace agreement.

3. Phase II of the emergency road repairs and demining programme started effectively in October 2004 (briefly overlapping with phase I) and lasted until December 2005, covered by this SO 10368.0. It consisted of a continuation of the three trunk road<sup>1</sup> repair projects started under phase I, new road repair contracts on another six stretches<sup>2</sup> (approximately 2200 km total, worst sections), and a demining component. Phase II had a total value of US\$ 89, 154, 897 and was 100% funded.

4. Phase III of the emergency road repairs started effectively in Oct 2005 and ran to end Dec 06. The project consisted of two new stretches, upgrades on three stretches of phase 2 roads in line with donor and Government requests, and expanded mine clearance activities, and maintenance activities. (See annex I – Monthly progress report and map.)

5. It should be noted that previous Budget Revision (BR 1), for a \$ 57,136,824.- increase, covered a period of five months (Aug-Dec 05). A second revision (BR II) covered an additional period of 12 months (Jan-Dec 2006), plus a correction (augmentation) in DSC and de-mining for 4 months in 2004 (Sept-Dec).

6. The objectives of the project were and remain, to provide immediate peace dividends to the war affected population; facilitate the return and resettlement of returning IDPs and refugees by providing safer and easier road access; reclaiming land in the flooded Bor area of return, creating employment opportunities and helping develop the transportation network and markets; reduce the cost of access to food and food production, thus stimulating self sufficiency and economic productivity; and to provide a reliable and cost effective alternative to air transport, permitting WFP and other relief agencies to transport larger quantities of aid by road, to more locations. Through this project the roads linking neighboring countries to Sudan (Uganda, Kenya, and Ethiopia) will be repaired and made more sustainable. Similarly, North to South and East to West will be connected, and the linkage of the River Nile to the road network will be established. Mine risk reduction and clearance activities are needed to allow the road contractors to operate.

7. Funding. The funding for phase III was very late in coming, and therefore many objectives of the phase III project are still under way and will continue into late 2007. The GoSS has recently donated US\$ 30 million of its own scant resources for this project, a sign of the impact and importance of this massive infrastructure project over the last two and a half years, and is now pledging to give approximately US\$ 41.5 million more to support this budget revision (please see annex II for letters of intent, and budget breakdown from the GoSS MOTR). This means the project would be approximately 80% funded as soon as this BR4 is approved and the contribution is confirmed. The Common Humanitarian Fund (CHF) is another possible source of further funding, particularly for airstrips. Funding may be available from Multi Donor Trust Fund (MDTF) for maintenance and the GoSS MOTR and key donors (DFID and Dutch Gov.) have said they would be willing to press for further WFP funding.

8. This Revision seeks to extend in time the operation to finalize all objectives for phase III works. The GoSS Ministry of Transport and Roads has in writing urged WFP to finish all aspects of its phase III operations, and to maintain all roads under its programme until the end of 2007/2008 dry season (dry seasons run approximately from November to May) (see annex III) and has now pledged further funds for specific activities (see point 7 above), namely maintenance of certain stretches, additional funds for certain road stretches to cater for increased standards required on the roads, and four new roads to be constructed, as well as a component of demining funding for the new roads. Item 554080 of the budget revision worksheet shows the main elements of work to be carried out in addition to the ongoing road stretches. Further clarification of these items under 554080 are highlighted below;

8A. Wau-Abyei road has a shortfall of approximately 2.5 million which needs to be carried over and funded through this budget revision. The contract amount was US\$14.2 million. US\$ 6 million was given by MDTF, leaving a shortfall of US\$ 8.2 million, from which we have approx US\$ 5.7 shortfall covered by the BR3, leaving a shortfall of US\$ 2.5 million to be carried over to this budget revision.

<sup>1</sup> The three stretches of phase I are Kaya-Rumbek, Narus-Juba and Bor dyke/road

<sup>2</sup> The six additional stretches of phase II are Yei-Juba-Mundri, Rumbek-Yirol-Shambe, Nimule-Juba, Juba-Bor, Jekau bridge/road, and Rumbek-Wau

**8B. GTZ – BOR Dikes.** This project has been ongoing since phase I, but only in July 2006 was an Environmental Impact Assessment report completed for the project by USAID. The report contained key information to be able to complete the design of the project and enable GTZ to produce a final budget to complete the work. (see annex IV). This project is seen as key by the GoSS and therefore \$4 million of their \$30 million contribution was earmarked for this project, leaving approximately a one million USD shortfall to be carried into BR4.

**8C. Shortfalls to existing contracts.** The GoSS MOTR has specifically requested WFP to increase the standards of the roads under its programme. The Kaya-Faraksika, Faraksika-Rumbek, and Tonj-Wau roads all have shortfalls to be able to be completed to the required standard (8m wide carriageway being a key element), and these shortfalls have been identified by the supervising engineers on site and documented in scoping reports. Another factor that has led to shortfalls has been the time between tender and awarding of contracts, contracts were tendered in mid 2005, with expectations of MDTF funding by September 2005. However the process was slow and only materialized in October 2006. During this time the roads were increasingly heavily used, with traffic counts going from 40 to 50 vehicles per day (vpd) up to 400 vpd. Also the lack of weight restrictions in place by GoSS led to terrible damage to the roads, therefore increasing costs. All supervising company reports are available for scrutiny/justification but are large and bulky, so not included here in the annexes.

**8D.** The maintenance programme has been expanded in this budget revision, as per the request of the Ministry of Transport and to protect the investments made on the roads previously repaired by the project. Gravel roads will constantly deteriorate under heavy use but, with timely and appropriate intervention, the life of the road can be prolonged. The degradation of a road is dependent on many factors. Two are particularly destructive: seasonal rains and vehicles axle load: one single overloaded truck can damage an entire road. The degradation due to rains is manifested by the appearance of potholes, tires rut marks, reduced thickness of the wearing surface, silting of drains and culverts, overgrown vegetation etc. The degradation in the first year may be relatively small but, if no maintenance is carried out on a regular basis, the increments in the following years can be exponential, with the risk to have rendered vain all the rehabilitation work done before. The roads repaired in this project have already seen heavy increases in traffic, which has been beneficial to the economy of South Sudan but unfortunately damaging to the roads. There has been consistent overloading of the vehicles traveling on these roads, even in the wet season, and the government has not yet been successful in enforcing weight restrictions. As it is expected that heavy wear will continue, maintenance remains an extremely important part of the operation. The maintenance strategy is based on two elements: a short term intervention whereby packages will be tendered to commercial companies for maintenance of road stretches; and a long term intervention in conjunction with Ministry of Transport and other agencies involved in Sudan, to develop an inventory of roads / condition reports and an approach to machine based and labor-based maintenance works. Please see Annex V for a detailed summary of the roads included in this maintenance programme and the programme of work.

**8E. New Roads.** The GoSS has budgeted for four new roads to be built under this SO by WFP: Duk-Waat-Akobo, Narus-Boma, Faraksika-Chukudum and Juba-Kajo-Keji. These will be low volume, quick access, feeder roads. These funds will go towards starting work as soon as possible to provide a direct visible impact, whilst at the same time WFP intends to produce designed and detailed drawings/surveys and costs for full scale rehabilitation. These are intended for use by the GoSS, or other agencies such as UNOPS, for works in 2008 as WFP phases out of the road rehabilitation activities on this scale.

**8F. De-mining.** The mine surveys, risk reduction and clearance activities must continue for as long as road repairs are ongoing. An RFP has been tendered for the de-mining activities, and a small increase to the ODOC element is also included in this budget revision, which is intended to be used to continue into 2007 the de-mining survey and spot clearance along the feeder roads identified in 8E above.

**8G.** The project will continue to include HIV/AIDS awareness activities for contractors' personnel (approx 2000 Sudanese Nationals envisaged in 2007) and nearby communities. These awareness activities include road signs, condom distribution, radio shows, peer education, workshops, mobile VCT services, special events, and distribution of education and communication material.

**8H.** WFP Sudan has been requested to rehabilitate a number of airstrips within South Sudan by the Humanitarian Community through the Deputy Humanitarian Coordinator. Key airstrips in Southern Sudan will be identified by UN agencies / UNHAS for further survey and decisions of appropriate upgrade standards. Following this, costs can be calculated, and a final decision on which airstrips will be rehabilitated can be made with all stakeholders. Budget line in breakdown is a current estimate. Funding has already been secured to survey and price the following five priority airstrips (Aweil, Kuajok, Nassir, Bor and Bentiu).

9. DSC - There was an estimated balance \$650,000 of DSC remaining at end 2006, which has been deducted from the needs for 2007 requested in BR4. This is primarily due to the project never being adequately staffed and because many projected DSC costs have been paid directly by the USAID budget. This has been both in staff costs of engineers and office rental for the engineering office. The expanded project will require full staffing and the migration of all of these costs from USAID to WFP. (See annex VI).

10. Performance indicators and monitoring strategies are described in the original SO document. The main KPIs include traffic volume, price development and availability of basic commodities (trade), transport rates and savings per mt/km/corridor, tonnage delivered by road and air transport, number of mines and UXOs identified and disposed, cost of removing them per km/item, and km of road stretch handed over to road contractors. A budget for financial and performance project evaluation has been included, in line with the WFP Evaluation Policy.

11. It is envisaged that this will be the final phase of this Special Operation and of the WFP roads programme in South Sudan. In 2007, it is anticipated that WFP will remain the only agency with the capacity to undertake emergency road repair of the scale required to open up the South. UNOPS have, with USAID funding, started preparations for the roads Faraksika to Yambio, Yambio to Tambura and Tambura to Wau. They are in the early stages of operations, and do not envisage a major impact in dry season 2007, but should gain momentum in 2007 for dry season 2008. Other players such as the World Bank (Multi Donor Trust Fund / Joint Assessment Mission), and the EU will start their own infrastructure programme towards end 2007 or early 2008. They have indicated that they wish to contribute towards immediate impact in the infrastructure sector, but recognize that their own appraisal missions, project formulation and design, tendering and contracting and other related tasks have not yet started. In view of this, a contribution was made from the MDTF to the WFP project in August 2006. USAID have shifted a good part of their budget for road repairs from WFP and will focus instead on capacity building, structures and other infrastructure (towns, power). The UNMIS peacekeeping forces will concentrate initially on demining and constructing their camps, after which they will focus on basic access (only 8 meters width is being mine cleared, and that is insufficient to allow for the road repairs undertaken under this SO or future interventions for eventual paving of the roads). Coordination between WFP and the above parties is good and no overlap is occurring.

12. There is a very clear and strong link between this project and the Joint Assessment Mission (JAM) infrastructure cluster for the reconstruction of Sudan. This cluster has listed most of the trunk roads covered by this project as top priority for immediate repair, and to show peace dividends to the population. The repairs undertaken in this project follow international FIDIC<sup>3</sup> standards and are designed to serve as a "stepping stone" and first investment for subsequent upgrading to asphalt standards, as envisaged by the JAM to take place at a later stage.

Approval for this Budget Revision and Extension in Time is hereby requested.

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<sup>3</sup> Federation Internationale des Ingenieurs Civiles