

BUDGET REVISION OF SO FOR THE APPROVAL OF REGIONAL DIRECTOR

	<u>Initials</u>	<u>In Date</u>	<u>Out Date</u>	<u>Reason For Delay</u>
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ORIGINATOR

Country Office or Regional Bureau on behalf of Country Office
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CLEARANCE

Programme Officer, RMBP
Chief, RMBP
Chief, ODLT
Director, ODL
Chief, RMBB

APPROVAL

<input type="checkbox"/> Deputy Executive Director & Chief Operating Officer
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PROJECT			
	Previous Budget	Revision	New Budget
ODOC (US\$)	236,287,257	-4,800,000	231,487,257
DSC (US\$)	11,729,461		11,729,461
ISC (US\$)	17,361,170	- 336,000	17,025,170
Total WFP cost (US\$)	265,377,888	-5,136,000	260,241, 888

TYPE OF REVISION

<input type="checkbox"/> Additional DSC	<input type="checkbox"/> Additional ODOC	<input checked="" type="checkbox"/> Extension in time	<input type="checkbox"/> Change in project orientation
<input checked="" type="checkbox"/> Other – Decrease ODOC planned requirements			

Nature of revision:

1. This budget revision is required to extend in time the Special Operation 103680 for an additional 14 months, from 1st July 2010 to 31st August 2011;
2. Subsequently, to reduce the pre-2010 budget planning and shift the requirements for a value of US\$28,944,332.20 (net ISC) to years 2010 and 2011, and to reflect in WINGS the needs corresponding to the activities that will be undertaken during this additional period; and
3. To reduce the pre-2010 budget planning for a value of US\$ 5,136,000 (inclusive of ISC), to reflect activities planned by WFP that will now be implemented by the Government of South Sudan (GoSS)

Background:

4. The special operation (SO) 10368.0 “Emergency road repair and mine clearance of key transport routes in Sudan in support of EMOP 10048.2” (Food Assistance to Populations Affected by War and Drought) was launched in August 2004 with an initial duration of 12 months and at a total cost of US\$32,018,073. The project’s overall objective was to increase the transport capacity of the road network in Southern Sudan, linking regions, Northern Sudan and neighbouring countries.
5. Subsequently six budget revisions (BR) have been approved as follows:
 - BR 1: A 5 month-extension in time (from 1 August to 31 December 2005) and budget increase of US\$57,136,824 for the second phase of the project encompassing mine clearance and emergency road repair activities.
 - BR 2: A 12 month-extension in time (from 1 January to 12 December 2006) and budget increase of US\$93,427,026 for mine clearance activities and emergency road repairs during the third phase of the operation.
 - BR 3: An additional DSC to accommodate in kind contributions of stand-by deployments amounting to US\$80,280.
 - BR 4: An 18 month-extension in time (from 1 January 2007 to 30 June 2008) and budget increase of US\$52,391,752 to allow for the road maintenance, additional emergency repairs, mine clearance activities and capacity building, largely at the request of the Government of Southern Sudan Ministry of Transports and Roads (GoSS MOTR).
 - BR 5: A 10 month-extension in time (from 1 July 2008 to 30 April 2009) and budget increase of US\$17,009,642 to cover for delayed implementation due to both the late contributions confirmation and the incorporation of the rehabilitation of 5 airstrips in South Sudan.
 - BR 6: A 14 month extension in time and additional US\$ 13,308,671 to cover delays in funding promised by the GoSS in 2007 and a move from Airstrips to Maintenance projects only.

Achievements to date.

6. Despite numerous challenges, the project successfully rehabilitated 77 km and maintained 410 km of road in 2009. This brings the project total to 2,609 km of roads rehabilitated, and 1,568 km maintained to the end of 2009. In addition, the project installed 7 major bridges. The continued success of this project, implemented in partnership with the Government of South Sudan (GoSS), kept key areas of Southern Sudan accessible and provided the basic infrastructure foundation on which all development and humanitarian projects depend. Over the years the project has had massive impact reducing the Humanitarian reliance on air delivery, with subsequent cost savings, reducing costs of transport, both humanitarian and commercial, increasing Public Transport and reducing costs of goods, amongst many positive benefits.

Reason for the Revision:

7. In 2007, WFP entered into two memoranda of understanding with the GoSS. The GoSS pledged US\$55.137 million for roads and airports in Southern Sudan. Unfortunately, the funding pledged did not come through in time to completely exploit the 2008 – 2009 dry seasons. The first installment of US\$15 million was transferred in March 2008, and the second US\$15 million in August 2008. This left an outstanding a shortfall of US\$25.4 million.

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8. In June 2009 the donors and GoSS signed the ‘Juba compact’, which set out how donors would help the GoSS with the financial crises they were experiencing due to a loss in oil revenues. This set out conditions and projects that the Multi Donor Trust Fund (MDTF) would support to help the GoSS. One such project to be supported by the donors through the MDTF was the GoSS Ministry of Transport and Roads (MTR) roads maintenance programme, with WFP’s shortfall as part of this.
9. Following this WFP worked closely with the MTR and The World Bank (WB), who administer the MDTF, to finalize agreements for a new grant agreement between MTR and WB, and an amendment to the MTR/WFP agreement of 2007 which would enable the shortfall of 25.379 Million to be funded. In addition, a US\$ 620,000 was confirmed, bringing the total commitment by the GoSS of US\$ 26 Million, covered by the MDTF grant.
10. The Grant Agreement and the WFP/MTR agreement were signed in late March 2010.
11. Further, WFP also received, in April 2010, an additional US\$ 1 million from the Common Humanitarian Fund in Sudan for the Emergency Bridging programme, part of the SO’s ongoing activities..

WFP therefore requires a 14 months extension of special operation 10368 in order to implement and complete the activities that could not be executed during the previous years.

12. In addition, in 2008 and 2009, WFP planned to implement a weighbridge programme, and handover activities to include Maintenance training base set up for the GoSS MTR. These activities were budgeted at US\$ 5,136,000 (inclusive of ISC). However the GoSS in early 2010 requested the implementation of these activities to be handed over by to the Ministry of Transport and Roads. These activities will now be planned and included in the GoSS MTR 2011 work plan and budget. In order to avoid the duplication of work plans with the MTR, a reduction of the WFP budget plan is therefore necessary

Activities to be undertaken during 2010 - 2011;

13. The following activities will therefore be implemented in 2010 and 2011

A. Maintenance of key roads opened by WFP in Southern Sudan to include;

- Nadapal-Juba (340km)
- Juba-Bor(180km)
- Juba-Yei (115km)
- Rumbek-Wau (250km)
- Imhejek-Loming (85km)
- Ongoing maintenance project – Faraksika-Rumbek (135km)

B. **Key Handover activities:** WFP will hand over all project assets to the GoSS and is working closely with the Ministry Of Transport and Roads on a handover strategy and plan for training and maintenance activities to be taken over by the MTR. (More details are available in the handover document- Annex 2);

C. **Reporting:** By the end of the project, comprehensive studies on the socio economic impact of the activities undertaken will be finalized and a “lessons learned” initiative will be finalized to capture standards and procedures for implementing large scale infrastructure rehabilitation projects.

D. **HIV/AIDS** training for contractors personnel.

The value of pre-2010 planning that was not implemented due to the delay in the settlement of a confirmed contribution and hence will be implemented during the extension period 2010 – 2011 is:

- ODOC US\$ 27,025,237.20 (net of ISC)
- DSC US\$ 1,919,095.00 (net of ISC)

Monitoring and Evaluation;

14. The following key indicators have been set for the final phase of the project;

- 2010 – 700km road maintained
10 key bridges repaired
400 Sudanese National trained and employed on projects.
- 2011 - 405km road maintained
400 Sudanese Nationals trained and employed on projects.
Handover of 3 maintenance bases and all equipment to the MTR

Exit Strategy;

15. There is a clear exit strategy and timeline for the projects completion – see **Annex 2** Project Exit strategy Paper revised to reflect the recent changes.

Attachments;

Annex 1 shows the expected programme of works to complete all currently funded works by the end of August 2011. A 14 month extension to the programme is required to complete all activities.

Annex 2 includes the Project exit strategy paper, revised to reflect the above work plan changes.

Recommendation;

In light of the above, this budget revision, for an extension in time of the project of 14 months, from 1st July 2010 until 31st August 2011 at no additional cost to complete the planned programme of work, and a reduction of the pre-2010 budget plan to reflect the activities not undertaken by WFP and transferred to the GoSS, is recommended for approval by the Deputy Executive Director & Chief Operating Officer.

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