Fighting Hunger Worldwide

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Decision Memorandum

To:	Deputy Executive Director and Chief Operating Officer	Date:	11 February 2010
Through:	Valerie Guarnieri, Director, Programme Division (ODX)		
From:	Al Kehler Chief, Programme Design Service (ODXP)		

Subject: **TECHNICAL REVISION OF MALAWI PRRO 105860 BUDGET PLAN**

Background:

The Malawi country office and the Regional Bureau prepared a budget revision in mid-2009 to adjust the budget plan of PRRO 105860 "Assistance to Food Insecure People Suffering from the Effects of Natural Disasters and HIV/AIDS" (there was a Programme Committee Meeting on 5 June 2009). The revision intended to reflect a reduction in the food requirements due to better-than-expected harvests in 2008 and 2009 and an unexpectedly high level of food assistance provided by the Government of Malawi. Importantly, the revision sought to adjust the rates for direct support costs (DSC) to ensure that programming contributions would generate adequate support costs for the country office in view of reduced requirements. The proposed revision included:

(i) increases of US$5.6 million for external transport and US$1.8 million for DSC; the increase in non-food costs requires the approval of the DED and COO; and

(ii) decreases of US$15.4 million food value and US$5.1 million land transport, storage and handling (LTSH).

There are no changes in the orientation of the PRRO.

The budget revision was being prepared just before the migration of data from WINGS 1 to WINGS 2. In view of the pause between WINGS 1 closing and WINGS 2 going live, the budget revision had an early release (allowing new contributions to be programmed at the appropriate DSC rates) with the intention of a formal release when WINGS 2 was operational.

With the recent decision that budget plans be based to reflect gross requirements on an annual basis, the budget released in WINGS is considered appropriate for formal release, currently reflecting the correct requirements for 2010.

cc:

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Issue:

The budget plan for Malawi PRRO 105860 "Assistance to Food Insecure People Suffering from the Effects of Natural Disasters and HIV/AIDS" has been early released but now requires formal approval.

Recommendation:

Approval of this Decision Memorandum will constitute formal approval by the DED and COO for the technical revision of the budget plan of PRRO 105860.

Decision by the Deputy Executive Director and Chief Operating Officer

Approve: AM Abdulle

Date: 19 Feb 2010

Disapprove: .....

Discuss with me: .....