

Country & Project No.: PRRO-NPL-10676.0
B/R No.: 907

BUDGET REVISION FOR THE APPROVAL OF REGIONAL DIRECTOR

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

PROJECT: PRRO-NPL-10676.0 "Food Assistance for Conflict-Affected Populations in Nepal"

	Previous Budget	Revision	New Budget
Food cost	US\$ 39,690,982	US\$ 117,132	US\$ 39,808,114
External transport	US\$ 4,967,961	US\$ 0	US\$ 4,967,961
LTSH	US\$ 42,065,030	US\$ 0	US\$ 42,065,030
ODOC	US\$ 8,640,663	US\$ 1,318,130	US\$ 9,958,793
DSC	US\$ 6,898,668	US\$ 0	US\$ 6,898,668
ISC (7%)	US\$ 7,158,431	US\$ 100,468	US\$ 7,258,899
Total WFP cost (US\$)	US\$ 109,421,734	US\$ 1,535,731	US\$ 110,957,465

TYPE OF REVISION

- | | | | |
|--|---|---|--|
| <input checked="" type="checkbox"/> Additional commodity | <input type="checkbox"/> Additional DSC | <input checked="" type="checkbox"/> Additional ODOC | <input type="checkbox"/> Additional LTSH |
| <input type="checkbox"/> Additional external transport | <input checked="" type="checkbox"/> Extension in time | <input type="checkbox"/> Other | |

NATURE OF REVISION:

This Budget Revision includes:

- 1) A three month extension in time. Project end date is extended from 30 June 2009 to 30 September 2009;
- 2) Additional two-month food rations for 40,000 people displaced by the Koshi flood,
- 3) Resource transfer from IR-EMOP 10771.0 and EMOP 10790.0 to PRRO 10676.0;
- 4) Increase in ODOC, to include implementation costs for a micronutrient powder (MNP) intervention;
- 5) MNP value revised upwards to US\$20,353.79/mt;
- 6) De-earmarking of 1,011 mt lentils and replacing with yellow split peas

JUSTIFICATION FOR THE REVISION:

1) Due to insufficient rains in late 2008, the winter crop harvest is expected to decrease by between 30-70% in many districts across Nepal. Based on preliminary evidence, 1 million people (in addition to the current 1.5 million beneficiaries

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supported under PRRO 10676.0) will require food assistance up to the next crop harvest. As results of a WFP-FAO-Government of Nepal Rapid Crop and Food Security Assessment would be available in May or early June, PRRO 10676.0 will be extended by three months (from June to September) in order to allow sufficient time to develop a larger budget revision or a new EMOP without halting food assistance to the beneficiaries at a critical time. The extension would also allow the completion of all on-going projects that have been delayed due to numerous strikes across the country, hampering the timely procurement and delivery of food and non-food items.

2) Under the floods component of the operation, WFP has been providing relief food assistance to IDPs affected by the Koshi floods since September 2008. While many IDPs have returned to their place of origin, a two-month GFD contingency stock for 40,000 people is built into the current PRRO in the event that the situation is not conducive for their return, by continuing assistance to the residual camp caseload until the government is able to take over this responsibility. In addition to the rice and pulses currently available under OBOC, the increase of vegetable oil (20 mt), salt (3 mt), and wheat-soya blend (137 mt) are included in this revision.

3) Under this revision, 522 mt of rice, pulses, salt, and vegetable oil will be transferred from IR-EMOP 10771.0 and EMOP 10790.0 to PRRO 10676.0.

4) Beginning in April, WFP will launch a nutrition intervention under its food and cash for work programs. Children 6 – 59 months among those households participating in food/cash for work schemes will receive micronutrient powder (1 sachet per child per day). NGO partners involved in food/cash for work schemes will handle the distribution of the micronutrient powder along with the standard food commodities of rice and pulses. This intervention will require a significant initial investment to develop an information and communication strategy; print IEC materials; raise awareness among district government staff and the community; train government health workers, community health workers, food distributors, and mothers; and set up a monitoring and evaluation system. WFP will contract an organization with expertise on implementing a similar government program, to develop and print IEC materials, and conduct training and advocacy/awareness raising campaigns. WFP in collaboration with the Ministry of Health and Population and UNICEF will develop an appropriate monitoring and evaluation strategy. WFP's field surveillance team and program staff will incorporate monitoring of the intervention into their work plans.

5) The cost of micronutrient powder has been revised upwards from \$20,000 to \$20,353.79, based on the exact value provided by the manufacturer (DSM).

6) Due to the current unavailability of lentils in the local market, the Indian ban on the export of the lentils (barring regional procurement), and scarcity in the international market, part of the lentils allocation (1,011 MT) has been replaced with yellow split peas. This commodity is available in the local market at much lower cost per mt, and is also accepted by the beneficiaries.

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