

**Country & Project No.: Nepal PRRO 10676.0
B/R No.: 908**

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\$ 39,808,114	US\$ 0	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\$ 9,958,793	US\$ 0	US\$ 9,958,793
DSC	US\$ 6,898,668	US\$ 0	US\$ 6,898,668
ISC (7%)	US\$ 7,258,899	US\$ 0	US\$ 7,258,899
Total WFP cost (US\$)	US\$ 110,957,465	US\$ 0	US\$ 110,957,465

TYPE OF REVISION

- Additional commodity
 Additional DSC
 Additional ODOC
 Additional LTSH
 Additional external transport
 Extension in time
 Other

NATURE OF ADJUSTMENT:

Increased requirements identified for 2009, requiring a corresponding extension in time from 30 Sep to 31 Dec 2009. Requirements will be met by de-earmarking 2008 OBC (20,757 mt) to be moved to 2009 OBC.

JUSTIFICATION FOR THE ADJUSTMENT:

According to the Rapid Crop and Food Security Assessment issued in late May, the 2008/09 winter drought (in particular of wheat and barley) in Nepal was one of the worst on record, and has had a significant impact on crop production across Nepal. The yearly crop production for 2008/09 resulted in a negative production balance of 133,000 metric tons of cereal (-

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REG	FLB	Liaison Officer, OMB

2.5%) for all of Nepal. The poor crop harvest comes on top of sustained high food prices for over a year. Sixty-six percent of rural households that were heavily impacted by the drought are already experiencing food shortages, the worst hit areas being in the Far- and Mid-Western Hill and Mountain districts.

WFP will provide support for drought-affected populations additional to the current caseload for three months from July – September 2009 through the existing food for assets modality. Rice and pulses will be provided to the beneficiaries. An extension in time is requested up to 31 December 2009 to allow for any unforeseen delays.

The 2008 outstanding balance of commitments (OBC) has been de-earmarked and added to the 2009 OBC. The overall budget remains the same.

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