

**Myanmar PRRO-200299**  
**B/R No.: 901**

**PROJECT REVISION FOR THE APPROVAL OF:  
Deputy Executive Director and Chief Operating Officer**

	<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,	.....	.....	.....	.....
Project Budget and Programming Officer, RMBP	.....	.....	.....	.....
Chief, RMBP	.....	.....	.....	.....
Chief, OSLT (change in LTSH and/or External Transport)	.....	.....	.....	.....
Director, RMB	.....	.....	.....	.....
Director, OSZ	.....	.....	.....	.....
<b><u>APPROVAL</u></b>				
Deputy Executive Director and COO	.....	.....	.....	.....

<b>PROJECT</b>			
<b>Start date:</b> 1/1/2013	<b>End date:</b> 31/12/2015	<b>Extension/Reduction period:</b> .....	<b>New end date:</b> .....
	<b>Previous Budget (US\$)</b>	<b>Revision (US\$)</b>	<b>New Budget (US\$)</b>
Food cost <sup>1</sup>	107,999,691		107,999,691
External transport <sup>2</sup>	1,240,475		1,240,475
LTSH <sup>3</sup>	17,486,067	8,371,881	25,857,948
ODOC <sup>4</sup>	7,806,023		7,806,023
DSC <sup>5</sup>	22,185,112		22,185,112
ISC (7%) <sup>6</sup>	10,970,216	586,032	11,556,248
<b>Total WFP cost (US\$)</b>	<b>167,687,584</b>	<b>8,957,913</b>	<b>176,645,497</b>
<b><u>TYPE OF REVISION</u></b>			
<input type="checkbox"/> Additional commodity	<input type="checkbox"/> Additional DSC	<input type="checkbox"/> Additional ODOC	<input checked="" type="checkbox"/> Additional LTSH
<input type="checkbox"/> Additional external transport	<input type="checkbox"/> Other	<input type="checkbox"/> Re-orientation	<input type="checkbox"/> Extension or Reduction in time

**DISTRIBUTION:**

DED and COO	Regional Director	
Chief, OSLT	Chief, OSZP, RMBP, OSZR, OSZC	RB Programme Advisor
Country Director	Programme Officer, RMBP	RB Programme Assistant
OD Registry	Programming Assistant, RMBP	RB Chrono
PGG	RMB	Liaison Officer, OM @

<sup>1</sup> Food cost can comprise both commodities and cash/voucher transfers.

<sup>2</sup> The first leg of transport for commodities: from the donor country to the recipient country port, or in cases of regional commodity purchases, from the place of purchase to the recipient country.

<sup>3</sup> Landside, Transport, Storage and Handling - LTSH comprises the actions required to (a) care for and (b) physically deliver the commodities from the completion of external transport through to final distribution.

<sup>4</sup> Other Direct Operational Costs - ODOC include deliverable goods (non-food items), services and training to beneficiaries and/or to implementing partners.

<sup>5</sup> Direct Support Costs - DSC are those costs which are incurred directly in support of projects by a WFP Country Office.

<sup>6</sup> Indirect Support Costs - ISC is a fixed rate resourced from all donor contributions, which is used to cover (non-project) corporate overhead costs, i.e. PSA.

## **NATURE OF THE INCREASE**

- This budget revision to Myanmar protracted relief and recovery operation (PRRO) 200299 has been prepared to reflect the increase in the landside transport, storage and handling (LTSH) rate from US\$99.61 to US\$167.50 per mt. The revised rate was approved by the Logistics and Transport Service (OSLT) on 3 May 2013.
- The total increase to the project budget, including indirect support costs, is US\$8,957,913.

## **JUSTIFICATION FOR BUDGET INCREASE**

The main reasons for the change in the LTSH rate are as follows:

- Changes in delivery terms for local food purchases for Sittwe and Myitkyina (i.e. from Delivered at Place Sittwe and Myitkyina, to Delivered at Place Yangon). The delivery cost from Yangon to Sittwe and Myitkyina averages US\$68 and US\$120 per mt respectively.
- Revised salary scale and staffing structure with 26 percent increase for fixed-term and 60-87 percent increase for service contract holder staff. The high increase is related to the depreciation of the local currency. The 2013 maximum rates are also used for service contract holder staff instead of the 2012 minimum rate.
- The salaries of 9 pickup drivers were not budgeted for in the previous matrix. The drivers are required for WFP pickups allocated to sub/field offices, or logistics bases for movement of small quantities of food from WFP main warehouses to distribution points, especially in the direct implementation areas of Lashio and Wa regions where no commercial transporter is available.
- Higher handling and fumigation costs incurred. As no fumigation service provider is available at sub-office level, the fumigation company staff need to be deployed from Yangon, adding to the cost.
- Storage capacity has been increasing in the field in line with operational requirements. Extended delivery point storage cost has increased as follows: two warehouses in Magway and Lashio and additional Mobile Storage Units are being erected in Sittwe to enhance the capacity to respond to the Rakhine Crisis.
- The country programme distribution staff cost has been entirely budgeted under the LTSH budget.