

PROJECT BUDGET REVISION FOR APPROVAL BY THE REGIONAL DIRECTOR

5) To:	Initials	In Date	Out Date	Reason for Delay
Regional Director				
4) Through:	Initials	In Date	Out Date	Reason for Delay
Programme Adviser, RB				
3) Through:	Initials	In Date	Out Date	Reason for Delay
Logistic Officer, RB (change in LTSH and/or External Transport)				
2) Through:	Initials	In Date	Out Date	Reason for Delay
Resource Management Analyst, RB				
1) From:	Initials	In Date	Out Date	Reason for Delay
Country Office				

**Nepal EMOP 200668
BR No. 2**

Total revised number of beneficiaries	2,037,000
Duration of entire project	27 April 2015 – 31 January 2016
Extension / Reduction period	1 month extension
Gender marker code	n.a.
WFP food tonnage	24,110

Start date: 27 April 2015 **End date:** 31 December 2015 **Extension period:** 1 month **New end date:** 31 January 2016

Cost (United States dollars)

	Current Budget	Increase (Decrease)	Revised Budget
Food and Related Costs	US\$ 33,131,716	US\$ 2,240,910	US\$ 35,372,626
Cash and Vouchers and Related Costs	US\$ 29,512,746	US\$ 1,979,500	US\$ 31,492,246
Capacity Development & Augmentation	US\$ -	US\$ -	US\$ -
DSC	US\$ 12,484,254	US\$ 414,200	US\$ 12,898,454
ISC	US\$ 5,259,011	US\$ 324,423	US\$ 5,583,434
Total cost to WFP	US\$ 80,387,727	US\$ 4,959,033	US\$ 85,346,760

CHANGES TO:
Food Tool

- ☒ MT
☒ Commodity Value
☐ External Transport
☒ LTSH
☒ ODOC

C&V Tool

- ☒ C&V Transfers
☒ C&V Related Costs

- ☐ CD&A
☒ DSC
☒ Project duration
☐ Other

Project Rates

- ☒ LTSH (\$/MT)
☒ ODOC (\$/MT)
☒ C&V Related (%)
☒ DSC (%)

NATURE OF THE INCREASE

1. This budget revision proposes a straightforward extension in time of WFP Nepal's emergency operation (EMOP) 200668, shifting the end date of the operation from 31 December 2015 to 31 January 2016, to enable the completion of the third phase of the three-phase response plan agreed with the Government of Nepal.
2. *This is the second budget revision for the Nepal Earthquake EMOP, and results from significant operational delays caused by the country-wide fuel crisis. This crisis, caused by unrest at the Indo-Nepal border, has resulted in essential commodity shortages, including fuel, and has had varying levels of impact on humanitarian operations in Nepal since September 2015 to the time of writing this document (December 2015).*
3. *This revision allows WFP Nepal to finalise its food and cash for assets programming. A month-long extension in time will allow the payment (in kind or cash) to the beneficiaries who have completed cash for assets or food for assets work activities in late 2015.*
4. *In total, this revision entails an increase of US\$1,070,512 in commodity, no additional cost for external transport cost, increase in land transport storage and handling by US\$1,081,958, US\$ 88,440 for other direct operation cost, US\$ 414,200 for direct support costs and increase in US\$ 1,850,000 in cash transfer and US\$ 129,500 in C&V related cost.*

JUSTIFICATION FOR THE REVISION

Summary of existing project activities

5. On 25 April 2015, a 7.8 magnitude earthquake struck Nepal, with its epicentre in Gorkha District, northwest of Kathmandu. An estimated 9,000 people were confirmed dead, 605,254 houses were destroyed and 288,255 damaged. An estimated 6.5 million people were reported as directly affected. Many powerful aftershocks - ranging in magnitude from 4.1 to the powerful 7.3 magnitude quake which struck Dolakha district, northeast of Kathmandu - took place in the weeks following the earthquake. The Government of Nepal reported that 39 out of 75 districts were affected in the Western and Central Regions, including Kathmandu Valley.
6. The worst-affected villages are located in sparsely-populated mountainous and hilly areas, as well as more densely-populated district centres. Access has been a major challenge, owing to the widespread destruction of transportation infrastructure including landslides that blocked roads, trails and mountain passes.
7. Through EMOP 200668, WFP and partner agencies aimed to support vulnerable and food-insecure people in the earthquake-affected Western and Central regions through a three-phase emergency response, lasting from April to December 2015:
 - a. Phase One: Within six weeks, WFP distributed initial relief rations – consisting of rice and high energy biscuits – to two million people across seven districts – Gorkha, Dhading, Nuwakot, Rasuwa, Sindhupalchok, Kavre and Dolakha, while planning for cash transfers where markets were showing appropriate recovery.



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- b. Phase Two: WFP introduced cash for assets programming in two earthquake-affected districts: Makwanpur and Sindhuli, where markets were already recovering. The interventions also included a blanket supplementary feeding programme for pregnant women, nursing mothers and children aged 6-23 months in order to prevent any deterioration of their nutritional status. In-kind interventions provided distributions of rice, pulses and oil. Beneficiaries reached in phase two totaled 1.1 million people in eleven earthquake-affected districts.
 - c. Phase Three: This final phase aims to reach just under 409,000 beneficiaries through conditional food for assets activities in Sindhupalchok, Gorkha, Dolakha, Dhading and Kavrepalanchok and cash for assets activities in Sindhupalchok and Nuwakot, totaling to six earthquake-affected districts. Nutrition interventions will provide targeted supplementary feeding programmes for children aged 6-59 months in Gorkha, Sindhupalchok and Dolakha districts. The completion of Plumpy Sup distribution is anticipated for January 2016.
8. Women in Nepal have a high workload relative to global average. In addition to child care and maintaining the household, women's livelihoods often include care of livestock, vegetable gardening, petty trade to raise cash for school fees, clothing, medicine, etc. Many of these livelihoods were seriously disrupted or lost as a result of the earthquakes.
9. WFP interventions helped to restore women's livelihoods and not just those of men, by involving women in the discussions related to the selection of the assets to build in the planning phase, ensuring representation of women in all of the project implementation committees and food distribution mechanisms, as well as participation in actual construction, offering equal wages. WFP invested a major effort in the sensitization of partners during planning phase on WFP priority targeting of very poorest women and men and the need to promote equitable participation in the project. WFP with its partners, designed C&V distribution sites in a way that ensured the safety of targeted groups of women and men, setting up arrangements in a gender-sensitive way (special lane for women). WFPs monitoring ensured that women were able to actively participate in all aspects of the project, in line with the Corporate Gender Policy and the Protection Policy.
10. In collaboration with many stakeholders, including the Government at both central and local level, other United Nations agencies, NGOs and donors, WFP has worked to ensure that effective coordination mechanisms are in place to avoid duplication of the Government's own efforts with those of the broader humanitarian community. At the national level, the Ministry of Home Affairs has provided overall coordination and leads government interventions. Field-level coordination falls under the mandate of regional and district authorities, which work closely with all humanitarian clusters.
11. The overall objective of this operation is to "Save lives and protect livelihoods in emergencies" in line with Strategic Objective 1 of the WFP Strategic Plan (2014-2017). More specifically, the proposed activities aimed to:
 - i) Meet the urgent food and nutrition needs of vulnerable people and communities and reduce undernutrition to below emergency levels;
 - ii) Protect lives and livelihoods while enabling safe access to food and nutrition for women and men;

- iii) Prevent deterioration of acute malnutrition among pregnant women, nursing mothers and children aged 6-59 months.

Conclusion and recommendation of the re-assessment

Summary of the findings and recommendations of the re-assessment

- 12. A Joint Assessment of Food Security, Livelihoods and Early Recovery was carried out by WFP, OCHA, UNDP, FAO and REACH in September 2015. This assessment follows a similar one done in May, finding that 1.5 million people were in need of immediate food assistance. This informed WFP's three-phase emergency response. The results of the September assessment indicate a decrease by one-third of earthquake-affected people in need of immediate food assistance. However, these vulnerable populations will need continued support into 2016, to restore their livelihoods and resilience. The findings of this assessment will be the basis for the agreement with the Nepalese Authorities and guide the targeting of activities under the planned follow up PRRO.***

Reasons for the change in project duration

- 13. The budget revision will extend CR EMOP 200668 from 31 December 2015 to 31 January 2016, allowing WFP to complete the activities under Phase III of the EMOP and pay the beneficiaries with the balance of food or cash, for work completed in December 2015 under the CFA and FFA activities.***
14. The delayed start of Phase III of the EMOP resulted from issues on quality of commodities and delays in delivery of commodities in the most remote areas and trail heads, given the poor funding of the UNHAS SO and ensuing monsoon which reduced availability of helicopters. However, the principal factor preventing the timely completion of the third phase of the EMOP is Nepal's current fuel crisis. Disruption to transportation and trade routes to and from the southern Indo-Nepal border started just two days after the 20 September promulgation of Nepal's constitution. Since then, the availability of supplies such as diesel fuel, cooking gas, food commodities and medication has been inadequate and unpredictable. The impact of this disruption has been wide-reaching and has had direct and indirect consequences for WFP emergency operations.
15. Though food supplies were procured and prepositioned prior to the beginning of the third phase, delays in distribution have been caused by sporadic supply of fuel for transportation from the corresponding main district logistics hub to distribution points or to trail heads, where these will be on forwarded to the most remote areas by porters and donkeys. As of the second week of December, overall progress in food distribution was at 41 percent. Similarly movement of food by air was restricted due to reduction in UNHAS helicopter capacity and more recently by lack of jet-fuel. Fuel restrictions have affected not only WFP's ability to adhere to its programmatic timetable but the capacity of cooperating partners' to implement activities in the field. Though WFP utilizes portage and mules through Remote Access Operations (RAO) to provide last mile transport to isolated earthquake-affected areas, they also depend on fuel for the road transport section of the supply chain.

16. Cash implementation faced similar challenges with bank agents and cooperating partners facing difficulties in accessing fuel, posing delays in cash distribution. The introduction of SCOPE mobile app for beneficiary registration - the first time in any WFP country office – was a step forward in the cash programme implementation. However, it also presented a challenge for WFP and implementing partners in understanding and smoothly operating through it as well as had some serious glitches (as double counting or excluding beneficiaries) that had to be addressed in the midst of the implementation process.
17. Not only were overall emergency operations delayed due to the fuel crisis, but nutrition programming and the distribution of Plumpy Sup as part of TSFP targeting children aged 6-59 months in the third phase were further delayed until January 2016 due to long and complicated Nutrition Cluster negotiations on the use of the specific commodity.

Purpose of change in project duration and budget increase

18. ***The purpose of the one month extension of the EMOP is to allow the payment (with in kind food or cash) of beneficiaries for the work performed in December 2015, under the cash for assets and food for assets activities.***
19. ***The budget increase under this BR is the result of the increased duration of the EMOP and budgeting based on gross needs for the extended period.***
20. The BR does not introduce a new focus, nor changes in implementation strategy or expected outcomes. The BR does not introduce new activities. The food/cash transfer to beneficiaries' modalities remain unchanged.

FOOD REQUIREMENTS

21. The additional and total food quantity needed for completing the revised operation are detailed in the following table.

TABLE 1: FOOD/CASH ADDITIONAL REQUIREMENTS BY ACTIVITY				
Activity [or Component]	Commodity / Cash & voucher	Food requirements (mt) Cash/Voucher (US\$)		
		Current	Increase / Decrease	Revised total
Cash assistance for assets	Cash	23,037,760	1,850,000	24,887,760
Food Assistance for assets	Commodity	21,388	2,671	24,059
Targeted Supplementary Feeding	Commodity	42	9	51
TOTAL	Commodity	21,430	2,680	24,110
	Cash	23,037,760	1,850,000	24,887,760



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Drafted by: Joanna Purcell, Nepal Country Office on [15 Dec 2015]
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Reviewed by: [xxx] Regional Bureau
Cleared by: [xxx] Regional Bureau on [date]


ANNEX I-A

PROJECT COST BREAKDOWN			
	Quantity (mt)	Value (US\$)	Value (US\$)
<i>Food Transfers</i>			
Cereals	2,263	769,420	
Pulses	408	277,440	
Oil and fats	-	-	
Mixed and blended food	-	-	
Others	9	23,652	
Total Food Transfers	2,680	1,070,512	
External Transport		-	
LTSH		1,081,958	
ODOC Food		88,440	
Food and Related Costs			2,240,910
C&V Transfers		1,850,000	
C&V Related costs		129,500	
Cash and Vouchers and Related Costs			1,979,500
Capacity Development & Augmentation			-
<i>Direct Operational Costs</i>			4,220,410
Direct support costs (see Annex I-B)			414,200
Total Direct Project Costs			4,634,610
Indirect support costs (7.0 percent)			324,423
TOTAL WFP COSTS			4,959,033

ANNEX I-B

DIRECT SUPPORT REQUIREMENTS (US\$)	
WFP Staff and Staff-Related	
Professional staff [*]	49,124
General service staff ^{**}	81,576
Danger pay and local allowances	-
Subtotal	130,700
Recurring and Other	58,500
Capital Equipment	37,000
Security	-
Travel and transportation	188,000
Assessments, Evaluations and Monitoring¹	-
TOTAL DIRECT SUPPORT COSTS	414,200

* Costs included in this line are under the following cost elements: International Professional Staff (P1 to D2), Local Staff - National Officer, International Consultants, Local Consultants, UNV

** Costs included in this line are under the following cost elements: International GS Staff, Local Staff - General Service, Local Staff - Temporary Assist. (SC, SSA, Other), Overtime

¹ Reflects estimated costs when these activities are performed by third parties. If WFP Country Office staff perform these activities, the costs are included in Staff and Staff Related and Travel and Transportation.