

## PROJECT BUDGET REVISION FOR APPROVAL BY THE REGIONAL DIRECTOR

5) To:	Initials	In Date	Out Date	Reason for Delay
Mr. Muhannad Hadi Regional Director				
4) Through:	Initials	In Date	Out Date	Reason for Delay
Mr. Carl Paulsson, Senior Programme Policy Officer, RB				
3) Through:	Initials	In Date	Out Date	Reason for Delay
Mr. Carlos Melendez, Logistic Officer, RB (change in LTSH and/or External Transport)				
2) Through:	Initials	In Date	Out Date	Reason for Delay
Ms. Lindita Bare, Resource Management Analyst, RB				
1) From:	Initials	In Date	Out Date	Reason for Delay
Mr. Menghestab Haile Country Director, Egypt				

Egypt EMOP 200835 - Assistance to Egyptian returnees from Libya  
BR No.04

<b>Total revised number of beneficiaries</b>	60,000
<b>Duration of entire project</b>	14 Months (01 May 2015 – 30 June 2016)
<b>Extension / Reduction period</b>	3 Months (31 March 2016 - 30 June 2016)
<b>Gender market code</b>	1
<b>WFP food tonnage</b>	-

**Start date:** 01 May 2015    **End date:** 31 June 2016    **Extension period:** 3 Months    **New end date:** 30 June 2016

### Cost (United States dollars)

	<b>Current Budget</b>	<b>Increase</b>	<b>Revised Budget</b>
Food and Related Costs	US\$ -	US\$ -	US\$ -
Cash and Vouchers and Related Costs	US\$ 3,680,247	US\$ 1,385,852	US\$ 5,066,098
Capacity Development & Augmentation	US\$ -	US\$ -	US\$ -
DSC	US\$ 677,153	US\$ (131,383)	US\$ 545,769
ISC	US\$ 305,018	US\$ 87,813	US\$ 392,831
<b>Total cost to WFP</b>	US\$ 4,662,417	US\$ 1,342,281	US\$ 6,004,698

### 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 BR04 to Emergency Operation (EMOP) 200835 seeks to extend the project in time for three months from April to June 2016 and increases the value of monthly assistance from USD10 to USD13 per month per returnee. There is no change in the implementation modality.

## JUSTIFICATION FOR THE REVISION

### Extension in time

2. In response to the Libyan crisis, in early 2015 the Government of Egypt requested WFP's assistance to support 60,000 returnees, affected by heightened conflicts and forced to return to their home areas in Egypt, through a three month EMOP. The main objective of the operation is to address the short-term food needs of the vulnerable returnees to Egypt and help them to be reintegrated into their home communities.
3. Since the approval of the project document, the WFP Egypt Country Office has made enormous efforts to coordinate with the designated line ministries to mobilize resources for the project and to undertake required beneficiary targeting and registration.
4. Given the challenges for resource mobilization in the regional context where donors' efforts and resources are mostly directed towards the most recent regional emergencies such as those in Yemen, Syria and Iraq. WFP has advanced a total of USD 1 million out of the SRAC funding facilities for the start-up of the first round of distributions to targeted beneficiaries. However, no allocations could be carried out due to the outstanding signature of the Memorandum of the Understanding (MoU) between WFP and the Government.
5. The MoU has now been signed by WFP and the Government. The targeted beneficiary list has already been validated. The allocated SRAC funds can be transferred to beneficiaries through already defined modalities and cooperation arrangements. Considering the continued beneficiary needs of such assistance, a three-month extension is required.

### Increase in the monthly assistance value through CBT

6. Domestic prices increased in 2015, due to several factors, including supply side shocks and the depreciation of the Egyptian pound (EGP) vis-à-vis the US dollar. According to the Consumer Price Index monthly bulletins of the Central Agency for Public Mobilization and Statistics (CAPMAS), the overall inflation rate in consumer prices reached 11.9 percent at end of 2015, while inflation in food prices increased to 15.5 percent. Furthermore, in rural Upper Egypt, the return destination for most of the returnees, the overall inflation rate is even higher and reached 13.2 percent at end of December 2015, while inflation in food prices was up to 16.2 percent. Consumer prices are expected to increase further during March-May 2016, due to seasonal factors combined with the expected depreciation in the EGP.



7. Economic growth is also expected to slow down in 2016, compared to 2015, indicating that job creation is expected to slow down as well. The World Bank 2016 forecast for real GDP growth was recently revised downwards to 3.8 percent, compared to June estimates of 4.5 percent. The expected slowdown in economic activity results from the low investment rate which is not expected to recover easily with the underlying challenges in the foreign exchange market and the energy sector.
8. The unemployment rate remains persistently high, at 12.8 percent (September 2015) while real wages are on the fall (Prime Investment). The aforementioned factors constitute additional challenges facing household purchasing capacity which necessitate an increase in the value of the monthly assistance along with the requested time extension.

*Drafted by:* Bahodur Khodjaev, Country Office  
*Cleared by:* Menghestab Haile, Country Office  
*Reviewed by:* Xuerong Liu, Regional Bureau  
*Cleared by:* Ellen Kramer, Regional Bureau



**World Food  
Programme**

## ANNEX I-A

PROJECT COST BREAKDOWN			
	Quantity (mt)	Value (US\$)	Value (US\$)
<i>Food Transfers</i>			
Cereals	-	-	
Pulses	-	-	
Oil and fats	-	-	
Mixed and blended food	-	-	
Others	-	-	
<b>Total Food Transfers</b>	-	-	
External Transport		-	
LTSH		-	
ODOC Food		-	
<b>Food and Related Costs <sup>1</sup></b>			-
C&V Transfers		1,740,000	
C&V Related costs		- 354,148	
<b>Cash and Vouchers and Related Costs</b>			<b>1,385,852</b>
<b>Capacity Development &amp; Augmentation</b>			<b>-</b>
<i>Direct Operational Costs</i>			1,385,852
Direct support costs (see Annex I-B)			- 131,383
<b>Total Direct Project Costs</b>			<b>1,254,469</b>
Indirect support costs (7.0 percent) <sup>2</sup>			87,813
<b>TOTAL WFP COSTS</b>			<b>1,342,281</b>

<sup>1</sup> This is a notional food basket for budgeting and approval. The contents may vary.

<sup>2</sup> The indirect support cost rate may be amended by the Board during the project.

**ANNEX I-B**

<b>DIRECT SUPPORT REQUIREMENTS (US\$)</b>	
<b>WFP Staff and Staff-Related</b>	
Professional staff <sup>*</sup>	-
General service staff <sup>**</sup>	-
Danger pay and local allowances	-
<b>Subtotal</b>	<b>-</b>
<b>Recurring and Other</b>	<b>- 38,833</b>
<b>Capital Equipment</b>	<b>- 30,000</b>
<b>Security</b>	<b>- 5,000</b>
<b>Travel and transportation</b>	<b>- 57,550</b>
<b>Assessments, Evaluations and Monitoring<sup>3</sup></b>	<b>-</b>
<b>TOTAL DIRECT SUPPORT COSTS</b>	<b>- 131,383</b>

\* Costs to be 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 to be 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

<sup>3</sup> 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.