



World Food Programme

BUDGET REVISION OF SO FOR APPROVAL BY THE REGIONAL DIRECTOR

5) To:	Initials	In Date	Out Date	Reason for Delay
David Kaatrud Regional Director				
4) Through:	Initials	In Date	Out Date	Reason for Delay
Peter Guest Programme Adviser, RB				
3) Through:	Initials	In Date	Out Date	Reason for Delay
Thomas Thompson Logistic Officer, RB				
2) Through:	Initials	In Date	Out Date	Reason for Delay
Zainab Al Khdhairi Resource Management Analyst, RB				
1) From:	Initials	In Date	Out Date	Reason for Delay
Francesca Caponera, OIC Nepal Country Office		01/12/2016	01/12/2016	

Nepal Project No. 200848

Logistics and Telecommunications Augmentation and Coordination in Response to the Earthquake in Nepal

BR No. 905

PROJECT	Previous Budget	Revision	New Budget
Total WFP cost (US\$)	US\$ 33,271,673	US\$ 2,998,794	US\$ 36,270,467

TYPE OF REVISION

- ☒ Additional DSC
 ☒ Additional CD&A
 ☒ Extension in time
 ☐ Change in project orientation
☐ Other

NATURE OF REVISION:

- This budget revision extends in time Special Operation 200848 by 12 months, bringing the end date to 31 December 2017, and adjusts the budget plan in accordance with the revised operational needs as follows:
 - Increase in Capacity Development and Augmentation (**CD&A**) costs US\$ \$2,034,783 for 2017;
 - Increase in Direct Support Costs (**DSC**) US\$ 767,828:
 - US\$ 447,889 are added to the 2016 budget plan to offset a negative outstanding balance of commitment,
 - The increase to the 2017 budget plan is of US\$ 319,940;
 - Increase in Indirect Support Costs (**ISC**) US\$ 196,183;
 - Net increase is of US\$2,998,794.



JUSTIFICATION FOR THE REVISION:

2. Following two major earthquakes of 25 April 2015 and 12 May 2015 WFP launched the Special Operation (SO) 200848 to support the government and humanitarian community's relief efforts and, as the lead agency, to coordinate the response through Logistics and Emergency Telecommunications Clusters.
3. The July 2015 Budget Revision (BR) No. 1 of the SO 200848 included under the SO the Remote Access Operations (RAO), that enabled access to the most remote and mountainous locations within the earthquake affected areas. RAO provided technical guidance and quality assurance in trail rehabilitation as well as used porters and/or pack-animals to establish a common logistics supply chain to reach people living in remote high altitude villages inaccessible by road.
4. The subsequent BRs extended in time the SO up to the end of 2016 to allow the continuation of RAO transport activities up to July 2016, the procurement of non-food items (NFI) to preposition as emergency preparedness items and the expansion of the trail, road and bridges (TRB) rehabilitation activities.
5. The planned procurement of NFI will be finalized in early 2017 (commitments are already in the system, however, the items will require several months to arrive in country). Orders have been registered with UNHRD but due to the volume and nature of the items, UNHRD has had to go to the market to procure a number of items. Just on half of the requirement is en-route with the remainder expected to be delivered by mid-2017.
6. The TRB rehabilitation activities are also underway however, with some delays resulting from an earlier and longer than expected monsoon season, difficult access to the start of the respective trails, due to the increased number of landslides and the slow pace in which these slips are cleared, and late reception of the formal requirements from local Government representatives in the respective Districts. The political instability in Nepal is affecting the continuity and presence of District Authorities in increasing the difficulties in making decisions and coordination.
7. Furthermore, given the donors appreciation of WFPs work on TRB rehabilitation, additional funding has recently been confirmed by DFID for WFP to expand and extend this activity into 2017 with the improvement of 224 km of trails and complete engineer assessments of other 158 km across two worst hit Districts from last years' earthquakes.
8. Access to remote areas is key to food security in Nepal, a country which has significant logistics / access challenges owing to Nepal's mountainous and landslide-prone terrain which, paired with poor weather conditions which frequently disrupt communications. Up to September 2016, 214 trails have been rehabilitated, equivalent to 888 km of trails, under the SO.
9. Achievements of the SO since its start include the handling of 88,800 m³ of cargo for the humanitarian community comprising 164 organizations under the logistics cluster, establishment of a storage capacity for over 9,000 m², delivered food (1,378 mt) and non-food items (775 mt) through pack animals and around 25,900 porters.
10. The plan of activities for 2017 are engineering assessments (trails in Dolakha District - 95Km, rural access road in Sindhupalchowk District - 11Km, suspended bridge for river crossing in Sindhupalchowk District - 250m), construction services for improvement of existing trails (Sindhupalchowk District - 9.7 Km, Dolakha District - 95Km), rural access road (Sindhupalchowk District - 11Km) and design and build services for suspended bridges (three in Sindhupalchowk District - 546 m).



11. The key performance indicators for this operation have been revised and now include the following 2017 targets:
 - Number of engineering assessments for constructions services (target: 3)
 - Number of rehabilitated trails/rural access roads (target: 7)
 - Number of designed and built suspended bridges (target: 3)
12. In close coordination and following the official request from District Development Committee, WFP Engineering has assessed and completed the inventory surveys of two rural roads, two trails and two trail bridges, this inventory constitutes the basis for rehabilitation implementation plan. The details of the planned rehabilitation are in the budget, in worksheet 'CD&A Trail Rehab Plan' along with the construction services procurement plan.
13. The budget increase under CD&A is for the most part relevant to the TRB work, with over US\$1.8 million planned; under this cost component are also included the salaries of the engineers as well as travel costs required for the engineers to monitor work and ensure timely and quality work.
14. The DSC increase reflects mostly an increase in the 2016 budget plan where higher than expected expenditures were incurred and an increase for 2017 with running and support costs included under this cost component.