

AFGHANISTAN PRRO 200447
B/R No.:902

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>
<u>FROM:</u>				
Regional Director
<u>CLEARANCE through:</u>				
Assistant Executive Director, OS
Assistant Executive Director, RM
Assistant Executive Director, PG
<u>RELEASED FOR APPROVAL:</u>				
Chief of Staff, OED
<u>APPROVAL:</u>				
Deputy Executive Director and COO, OM

PROJECT PRRO-AFG-200447 "Assistance to Address Food Insecurity and under nutrition"

Start date: 01 Jan 2014 **End date:** 31 Dec 2016 **Extension/Reduction period:** N/A **New end date:** N/A

Cost (United States dollars)

	Current Budget	Increase (Decrease)	Revised Budget
Food and Related Costs	US\$ 305,429,389	US\$ -5,087,899	US\$ 300,341,490
Cash and Vouchers and Related Costs	US\$ 39,344,970	US\$ 0	US\$ 39,344,970
Capacity Development & Augmentation	US\$ 1,926,000	US\$ 0	US\$ 1,926,000
DSC	US\$ 117,753,656	US\$ 0	US\$ 117,753,656
ISC	US\$ 32,511,781	US\$ -356,153	US\$ 32,155,628
Total cost to WFP	US\$ 496,965,796	US\$ -5,444,052	US\$ 491,521,744

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
 ODOC
 C&V Related (%)
 DSC (%)

DISTRIBUTION:

DED and COO
 Chief, OSLT
 PGG
 Country Director
 OD Registry

Chief, OSZP, OSZA, OSZI, RMBP
 Programme Officer, RMBP
 Programming Assistant, RMBP
 RMB

Regional Director
 RB Programme Advisor
 RB Programme Assistant
 RB Chrono
 Liaison Officer, OM @

NATURE OF THE REVISION

1. The Budget Revision to Afghanistan PRRO 200447 reflects the reduction in LTSH rate from US\$247.64 per metric ton to US\$224.60 per metric ton as per the approval of OSLT on 25th July 2014.
2. The total decrease in the project including ISC is US\$5,444,052.

JUSTIFICATION FOR THE REVISION

The main reasons for LTSH rate decrease are the actualisation of the transport and distribution costs obtained under the implementation of the project. This includes a removal of 15% and 10 % increments previously factored under transport costs from transshipment points to EDPs and beyond EDPs.

A general reduction in attacks/food losses against WFP fleet and commercial trucks combined with close monitoring of convoys have ensured stable transport rates.

Supply chain design remains the same as previously planned with approximate 60% International purchase through Karachi, 37% Regional purchase through Pakistan/Kazakhstan/East Europe & Baltic countries and 3% Local Purchase.

Breakdown of LTSH Matrix by Cost Component

	Logistics Costs					
	Previous Matrix		Increase/ Decrease	New matrix		Variation (%)
Tonnage (mt)	323,101		-75,796	247,305		-23%
Cost Component	Value USD	USD/mt	USD/mt	Value USD	USD/mt	(%)
MISCELLANEOUS:	26,816,602.00	5.24	-3.15	517,400.00	2.09	-60.08%
PORT HANDLING & STORAGE:	2,760,376.00	8.54	0.35	2,199,729.17	8.89	4.11%
TRANSPORT:	26,816,602.00	83	-0.01	20,523,195.94	82.99	-0.01%
INTERMEDIATE STORAGE & HANDLING:	2,046,484.00	6.33	-0.97	1,325,908.61	5.36	-15.35%
DP OPERATIONS	18,710,953.00	57.91	0.27	14,389,204.44	58.18	0.47%
DISTRIBUTION:	27,983,503.00	86.61	-23.04	16,588,369.30	67.08	-22.55%
Total	80,011,418.00	247.64	-23.04	55,543,807.46	224.60	-9.30%

(Source: LTSH matrix comparison)