



**World Food Programme**

**BUDGET REVISION OF SO 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 or Regional Bureau on behalf of Country Office				

**Ethiopia SO 200752  
BR No. 01**

<b>PROJECT</b>	<b>Previous Budget</b>	<b>Revision</b>	<b>New Budget</b>
<b>Total WFP cost (US\$)</b>	<b>US\$ 4,057,595</b>	<b>US\$ 2,224,387</b>	<b>US\$ 6,281,982</b>

**TYPE OF REVISION**

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

**NATURE OF REVISION:**

The objective of this BR is to extend the project by 10 months up to 31/07/2016. The project has experienced unanticipated operational delays and has incurred minimal expenditures to date. To this effect, the unspent 2014 budget has been moved to 2015 - 16 to match the extension in time (01/10/2015 - 31/07/2016).

This BR is also meant to eliminate the negative OBC resulting from the programming of funds generated from an FX exchange rate gain of \$116,250. As the project was initially formally fully resourced, programming of this exchange gain resulted in a negative OBC that needs to be covered. These funds shall be used to help cover additional budget demands following higher than predicted inflation of construction prices in the Somali Region over the extended project duration.



## World Food Programme

wfp.org

Furthermore through this BR an additional \$2.1m is planned to cover the cost of the bridge itself which was initially thought to have been covered as per the original estimates of the overall construction budget.

### **JUSTIFICATION FOR THE REVISION:**

The deterioration of the road conditions over the previous rainy season has meant the regional roads authority has an increased workload in road repair delaying accessibility to the construction site. On top of the unforeseen technical difficulties the SO has also suffered from the lengthy procurement process which has taken more than 10 months between the launch of the RFP and the approval by the PCC.

Also, following the submission of the civil engineering aspect of the works, a budget shortfall for the purchase of the bridge itself was identified and the related costs are now included in this budget revision. The CO was reluctant to commence the works until the additional funding to cover this shortfall is secured. Accordingly, negotiations are underway with the donor (UK) on the potential coverage of this additional need, currently estimated at \$2.1M (ISC inclusive).

The unanticipated delays have also resulted in the project entering its closure alert period, while actual works are yet to start. To this end, an extension in time is also being requested for the same duration of the experienced delays to date.