


PROJECT BUDGET REVISION FOR APPROVAL BY THE CHIEF OF STAFF

5) To:	Division	Room	Approval and Date
Mr. Jim Harvey Chief of Staff	OED	6G36	
4) Through:	Division	Room	Signature and Date
Ms. Elisabeth Rasmusson Assistant Executive Director	PG	6G72	
3) Through:	Division	Room	Signature and Date
Mr. Manoj Juneja Assistant Executive Director	RM	6G00	
2) Through:	Division	Room	Signature and Date
Mr. Ramiro Lopes da Silva Assistant Executive Director	OS	6G62	
1) From:	Regional Bureau	Signature and Date	
Valerie Guarnieri Regional Director	RBN		

**Somalia PRRO 200844
BR 02**

Total revised number of beneficiaries	2,450,000
Duration of entire project	3 years
Extension / Reduction period	-
Gender marker code	2A
WFP food tonnage	250,112

Start date: 01/01/2016 **End date:** 31/12/2018

Cost (United States dollars)

	Current Budget	Increase (Decrease)	Revised Budget
Food and Related Costs	USD 341,812,213	USD (3,565,861)	USD 338,246,351
CBT and Related Costs	USD 196,736,229	USD (8,188,178)	USD 188,548,051
Capacity Development & Augmentation	USD 3,038,925	USD -	USD 3,038,925
DSC	USD 158,376,416	USD (6,608,709)	USD 151,767,707
ISC	USD 48,997,465	USD (1,285,392)	USD 47,712,072
Total cost to WFP	USD 748,961,247	USD (19,648,141)	USD 729,313,107

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 DECREASE

1. Reduction of cash-based transfer related budget by USD 8,188,178.
2. Reduction of landside transport, storage and handling (LTSH) budget by USD 3,565,861.
3. Reduction in direct support costs (DSC) budget by USD 6,608,709.

JUSTIFICATION FOR THE REVISION

Summary of existing project activities

4. Under the Protracted Relief and Recovery Operation (PRRO) 200844, WFP provides food assistance to more than 1.4 million vulnerable Somalis in food insecure areas through four main programme areas:
 - i. nutrition: a combination of curative and preventative nutrition assistance for moderately malnourished children and mothers as well as targeted behaviour change communication aimed at tackling the underlying causes of malnutrition;
 - ii. relief: cooked meals to the most food insecure people in Mogadishu or general food distributions and unconditional cash-based transfers to protect populations at risk of acute food security resulting from shocks;
 - iii. livelihoods: cash-based transfers or in-kind food assistance in exchange for participation in community asset creation or vocational training activities; and
 - iv. social safety nets: school meals and support to TB and HIV patients.

Purpose of budget decrease

5. *WFP Somalia is proposing the following changes:*

- a. ***Reduction in cash-based transfers related costs: The associated cost of delivering cash-based transfer has reduced because time bound partnership cost has remained constant while the value delivered has increased. This has resulted into economy of scale for delivering a higher transfer value and a reduced partnership cost per US dollar delivered to beneficiaries. In addition, the CO has started to realise the proceeds of the large scale beneficiaries' registration conducted over the last one year. In locations where there has been extensive registration, WFP is currently incurring less cost for paying registrars to update beneficiaries' data instead of a full registration process. As a result of the budget changes, the programming rate has reduced from 16 percent to 10 percent.***
- b. ***Reduction in LTSH rate: Following implementation of the Berbera cost sharing agreement with Yemen and Ethiopia County Offices, the Berbera fixed costs have reduced by an estimated 10 percent as they are being absorbed by Yemen and Ethiopia operations. LTSH costs are further reduced because the Yemen operation occasionally uses the time charter vessel Douro, reducing the charges to the Somalia country office.***
- c. ***Decrease in DSC costs: the following changes have resulted in a reduction of DSC costs:***



World Food Programme

- *A decrease of some International Logistics Officer positions, as well as some DSC capital and recurring costs (armored vehicle and maintenance, IT equipment and communication, escort, office utilities & supplies), covered under the logistics cost sharing agreement for the Berbera port with the Yemen and Ethiopia Country Offices;*
- *A reduction of the 2016 Office Setup budget to USD 2.37 million;*
- *Two international positions which were never filled have been removed from the original budget in Garowe and Beletweyne, as the CO is building national staff capacities;*
- *The staff costs were adjusted to reflect the transition of some logistics staff involved in SCOPE reports to the cash-based transfers related costs;*
- *A reduction in the use of the cash facilitators' services provided by the cash transfer agents Dahabshiil; and*
- *Finally, the third party monitoring budget was decreased based on actualised cost.*

Drafted by: Michele Pict, Country Office
Cleared by: Edith Heines, Country Office
Reviewed by: [Iaria Dettori] Regional Bureau
Cleared by: [Valerie Guarnieri] Regional Bureau on [date]

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	-	-	
Total Food Transfers	-	-	
External Transport		-	
LTSH		(3,565,861)	
ODOC Food		-	
Food and Related Costs ¹		-	(3,565,861)
C&V Transfers		-	
C&V Related costs		(8,480,010)	
Cash and Vouchers and Related Costs		-	(8,188,178)
Capacity Development & Augmentation		-	-
<i>Direct Operational Costs</i>			(11,754,039)
Direct support costs (see Annex I-B)			(6,608,709)
Total Direct Project Costs			(18,362,748)
Indirect support costs (7.0 percent) ²			(1,285,392)
TOTAL WFP COSTS			(19,648,141)

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

² The indirect support cost rate may be amended by the Board during the project.

ANNEX I-B

DIRECT SUPPORT REQUIREMENTS (US\$)	
WFP Staff and Staff-Related	
Professional staff *	(1,397,509)
General service staff **	(273,040)
Danger pay and local allowances	(28,332)
Subtotal	(1,698,881)
Recurring and Other	(635,400)
Capital Equipment	(3,542,428)
Security	(72,000)
Travel and transportation	(60,000)
Assessments, Evaluations and Monitoring³	(600,000)
TOTAL DIRECT SUPPORT COSTS	(6,608,709)

* 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

³ 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.