



World Food Programme

PROJECT BUDGET REVISION FOR APPROVAL BY THE REGIONAL DIRECTOR

5) To:	Initials	In Date	Out Date	Reason for Delay
Mr. Carlo Scaramella Regional Director a.i.				
4) Through:	Initials	In Date	Out Date	Reason for Delay
Ms. Ellen Kramer Programme Adviser, 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
Country Office				

**State of Palestine PRRO 200709
Food Assistance for the Food-Insecure Population in the West Bank and Gaza Strip
BR No. 01**

Total revised number of beneficiaries	566,940
Duration of entire project	24 months
Extension / Reduction period	n.a
Gender marker code	2a
WFP food tonnage	79,079

PROJECT: Palestine PRRO 200709

Start date: 01 January 2015 **End date:** 31 December 2016 **Extension/Reduction period:** N/A **New end date:** N/A

	<u>Cost (United States dollars)</u>		
	Current Budget US\$	Increase US\$	Revised Budget US\$
Food Related Costs	59,380,789	(115,109)	59,265,680
Cash and Vouchers and Related Costs	54,052,800	-	54,052,800
Capacity Development & Augmentation	2,449,504	-	2,449,504
DSC	19,796,068	-	19,796,068
ISC	9,497,541	(8,058)	9,489,484
Total cost to WFP	145,176,702	(123,167)	145,053,535

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. *The purpose of this budget revision is to capture the changes to the Land, Transport, Storage and Handling (LTSH) budget due to minor operational changes and the implementation of LESS, which has financial implications. The overall budget for the project will decrease by USD (-123,167) to a total value of USD 145,053,535.*

JUSTIFICATION FOR THE REVISION

2. *In the initial LTSH matrix for this PRRO, a rate of USD 151.93 was approved for International Purchases (IP), while a rate of USD 36.51 was approved for Local Purchases (LP). With this revision, the Palestine Country Office is suggesting to decrease the rate for IP to USD 145.79, while increasing the LP rate to USD 46.21.*
3. *The changes to the LTSH rate are a consequence of a number of factors*
 - I. *In line with the joint RM/OS Directive on 'LESS Investment and Repayment Process', the Country Office has included the mandatory USD 3 per metric ton in the matrix;*
 - II. *A number of fixed cost such as warehouse rent and staff were already covered by the previous project for the first six months of 2015 leading to a decrease in the international rate;*
 - III. *The price of warehouse labour went considerably down and were adjusted accordingly; and*
 - IV. *Some adjustments were made to the distribution cost.*
4. *In addition to the above, the Country Office analysis shows that the current LTSH budget is in deficit of some USD 594,651/-18.81%. This deficit is however mainly a consequence of an outstanding Resource Transfer, which is expected to bring the LTSH budget in surplus. This Budget Revision is therefore also intended to help the LTSH reach a balance in the near future.*

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		-115,109	
ODOC Food		-	
Food and Related Costs ¹		-	-115,109
C&V Transfers		-	
C&V Related costs		-	
Cash and Vouchers and Related Costs			-
Capacity Development & Augmentation			-
<i>Direct Operational Costs</i>			-115,109
Direct support costs (see Annex I-B)			-
Total Direct Project Costs			-115,109
Indirect support costs (7.0 percent) ²			-8,058
TOTAL WFP COSTS			-123,167

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 *	-
General service staff **	-
Danger pay and local allowances	-
Subtotal	-
Recurring and Other	-
Capital Equipment	-
Security	-
Travel and transportation	-
Assessments, Evaluations and Monitoring³	-
TOTAL DIRECT SUPPORT COSTS	-

* 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.



**World Food
Programme**

ACRONYMS USED IN THE DOCUMENT

DSC	direct support cost
ISC	indirect support costs
IP	International Purchases
LP	Local Purchases
LTSH	landside transport, storage and handling
ODOC	other direct operational costs
PRRO	protracted relief and recovery operation
WFP	World Food Programme