


PROJECT BUDGET REVISION FOR APPROVAL BY THE CHIEF OF STAFF

5) To: Jim Harvey	Division	Room	Approval and Date
Chief of Staff	OED	6G36	
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Assistant Executive Director	PG	6G72	
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1) From: Felix Gomez, DRD	Regional Bureau	Signature and Date	
Regional Director	OMD		

**Mali PRRO 200719
BR No. 1**

Total revised number of beneficiaries	2 610 790
Duration of entire project	36 months
Extension / Reduction period	n.a.
Gender market code	n.a.
WFP food tonnage	150 856

Start date: 01/01/2015 End date: 31/12/2017 Extension/Reduction period: NA New end date: NA

Cost (United States dollars)

	Current Budget	Increase (Decrease)	Revised Budget
Food and Related Costs	183 214 847	11 622 168	194 837 015
Cash and Vouchers and Related Costs	44 246 845	0	44 246 845
Capacity Development & Augmentation	10 155 619	0	10 155 619
DSC	52 482 286	2 567 760	55 050 046
ISC	20 306 972	993 295	21 300 267
Total cost to WFP	310 406 569	15 183 223	325 589 792

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. *This budget revision to Protracted Relief and Recovery Operation 200719 (PRRO) proposes to increase landside transport, storage and handling (LTSH), other direct operational costs (ODOC), and direct support costs (DSC), for a total budget increase of USD 15,183,223. There are no other changes to the project in terms of beneficiary numbers, implementation, activities etc.*
2. *Specifically, the budget revision proposes to:*
 - Increase LTSH and ODOC food by USD 11.6 million; and
 - Increase DSC by USD 2.6 million.

JUSTIFICATION FOR BUDGET INCREASE

Summary of Existing Project Activities

3. *The PRRO is based on a convergence strategy linking emergency food and nutrition assistance, strengthening of assets and access to markets, and human capital development in communities vulnerable to food and/or nutrition insecurity. WFP focuses its intervention on the most vulnerable communes identified through assessments and tools like the Integrated Contextual Analysis (ICA). Activities under the PRRO are linked in time and space. WFP closely coordinates its work with the Government and partners to participate in an integrated approach to addressing the underlying reasons for food and nutrition insecurity, to contribute to resilience and to break the inter-generational cycle of hunger and malnutrition, with the ultimate aim of achieving “Zero Hunger.”*
4. People affected by conflict, disaster or economic stress are assisted with food, specialized nutritious foods, vouchers or cash; undernutrition will be addressed through blanket and targeted supplementary feeding programmes for children and pregnant and lactating women. Asset creation and rehabilitation support the recovery of communities and families are also included. Local purchasing increases market access for smallholder farmers. A safety net comprising of nutritious fortified foods is provided for primary school children in unstable, conflict or disaster prone communes to address short-term food insecurity and reduce micronutrient deficiencies.
5. Mali is experiencing sustained but fragile recovery from a 2010 pastoral crisis, 2011 drought, and 2012/2013 political and security upheaval which worsened widespread food insecurity, eroded coping capacities, and weakened the resilience of vulnerable populations. Severe and moderate food insecurity currently affects 1.5 million people who have exhausted their traditional coping mechanisms. While humanitarian assistance and malnutrition prevention continue to be necessary in the North to address short-term food and nutrition needs, early recovery programming is required in the North and the Sahelian band to restore livelihoods. Treatment of acute malnutrition is required countrywide.
6. The security situation in northern Mali remains volatile, despite a gradual reestablishment of state authority and the presence of international and national military forces. Renewed clashes could trigger population movements, further disrupt livelihoods and pose additional protection risks.



7. The PRRO will assist an average of 1.1 million beneficiaries in vulnerable communities each year and maintains a strong emergency response capacity.

Purpose of Extension and Budget Increase

8. ***The PRRO began in January 2015. However, the LTSH rate approved in the matrix in July 2014 prior to project approval is no longer able to cover actual LTSH costs. Transport costs, distribution costs and other LTSH related costs have greatly increased. The security situation in Mali is further affecting transport rates to the North. This situation is highlighted by the fact that Emergency Operation 200525 (EMOP) - for which the PRRO is a follow-on - closed with a huge LTSH deficit and that the PRRO rates are even lower than the EMOP rates. WFP proceeded with a revision of the LTSH matrix in January 2015, which has been approved.***
9. ***This budget revision addresses increasing LTSH costs but also makes provision for associated costs to be generated from the resource transfer of some 6,616 mt from the EMOP and Country Programme 105830 Component 1 (School Feeding) to the PRRO. The LTSH, ODOC and DSC closing balances under the EMOP cannot cover the amounts required for this resource transfer. The LTSH deficit of the EMOP led to the reallocation of USD 800,000 from DSC to LTSH. Therefore, there are no balances available under both budget lines. And due to field level agreement amendments following the results of the “cadre harmonisé,” most of the ODOC balance was used up to pay higher invoices. Partners have also invoiced WFP some USD 400,000 related to fixed cost invoices.***
10. There are no changes in modalities of food/cash to beneficiaries.

ANNEX I-A

PROJECT COST BREAKDOWN			
	Quantity (mt)	Value (USD)	Value (USD)
<i>Food Transfers</i>			
Cereals	0	0	
Pulses	0	0	
Oil and fats	0	0	
Mixed and blended food	0	0	
Others	0	0	
Total Food Transfers	0	0	
External Transport		0	
LTSH		10 302 461	
ODOC Food		1 319 707	
Food and Related Costs			11 622 168
C&V Transfers		0	
C&V Related costs		0	
Cash and Vouchers and Related Costs			0
Capacity Development & Augmentation			0
<i>Direct Operational Costs</i>			11 622 168
Direct support costs (see Annex I-B)			2 567 760
Total Direct Project Costs			14 189 928
Indirect support costs (7.0 percent)			993 295
TOTAL WFP COSTS			15 183 223


ANNEX I-B

DIRECT SUPPORT REQUIREMENTS (USD)	
WFP Staff and Staff-Related	
Professional staff *	0
General service staff **	0
Danger pay and local allowances	0
Subtotal	0
* Recurring and Other	1 507 104
Capital Equipment	0
Security	0
Travel and transportation	1 060 656
Assessments, Evaluations and Monitoring	0
TOTAL DIRECT SUPPORT COSTS	2 567 760

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