

United Nations Development Programme

Programme of Assistance to the Palestinian People
برنامج الامم المتحدة الانمائي / برنامج مساعدة الشعب الفلسطيني



Reference: 00053403

Date: 12 May 2009

Dear Mr. Craig,

Subject: Amendment to Trust Fund Agreement (TF057369) – Avian Influenza Prevention and Control Project (AIPCP).

I have the pleasure to write to you regarding the Avian Influenza Prevention and Control project.

This letter seeks to request your approval for the extension of the project until May 31, 2010 in order to allow for the implementation of additional emergency activities to fulfill newly emerged needs as a result of the cancellation of the 10 million USD grant to the Palestinian Authority for Avian Influenza Control and Prevention Project (Phase II), and the development in the global and regional course and pattern of the disease.

The additional proposed activities were requested by the Palestinian Ministry of Agriculture in order to strengthen the capacity of Veterinary Services in the field of Influenza preparedness, surveillance, diagnostic capacity and efficient response to Zoonotic diseases outbreaks. Strengthening these capacities will ensure a significant reduction in risk of human infection is minimized. In addition, a request was made by the Palestinian Ministry of Health to reserve some funds in the maximum amount of \$200,000 for the purchase of antiviral drugs (Tami Flu). Please see attached the official request from the Ministry of Agriculture.

The planned new activities will remain consistent with the grant objectives, and will focus on improving the surveillance capacity of the MoA (Veterinary department) that goes in line with emergency response.

In addition to that, UNDP will further utilize the additional time in the project life for knowledge sharing purposes. UNDP will articulate the UN and World Bank experience as a model for effective AI prevention and control in the region, and consequently will organize a regional workshop to ensure the dissemination of the lessons learnt, and good practices.

To execute the additional activities in an effective and efficient manner, I would like to seek your approval to amend the Trust Fund (TF) Agreement for the Avian Influenza Prevention and Control Project in the following two areas:

First, extending the closing date for the TF agreement to ensure the successful completion of the new interventions identified during the World Bank mission together with the Ministry of Agriculture and the Ministry of Health until May 31, 2010;



Second, reallocating funds in certain categories of the eligible expenditures to accommodate the requested changes.

Third, adding a new separate disbursement category for Training and Workshops.

Kindly find below a detailed description and justification of these three proposed amendments. These amendments seek to better position the project towards the achievement of the desired outcomes and do not alter in any way the objectives or scope of the project.

Extension of closing date:

Based on realistic estimations, as detailed in the attached procurement plan, we are requesting a period of 12 months extension to the closing date to allow time for completion of activities.

For additional reference on the justifications for project extension, the project action plan, procurement plan, and the financial summary sheet are attached to this letter.

Reallocation of project Budget:

We are also requesting the Bank's approval to reallocate the Grant categories of eligible expenditures table under Article III of the grant agreement as follows:

Category	Original Budget	Last Approved Reallocation	Proposed Reallocation	% of Expenditures to be Financed
(1) Works	400,000	833,933	240,772	100%
(2) Goods	564,000	797,180	1,179,556	100%
(3) Consultancy Services	984,000	666,393	662,685	100%
(4) Compensation Payment	800,000	50,000	50,000	100%
(5) Incremental Cost	82,000	447,613	576,987	100%
(6) Training	0	0	80,000	100%
(7) Unallocated	0	34881	40,000	100%
(8) Administrative Fees	170,000	170,000	170,000	
Total		3,000,000	3,000,000	

Please note that the major reallocation of funds consists of the following:



Funds under the Works category were decreased as a result of the cancellation of the construction works for the Central Veterinary Lab in Ramallah due to time constraints.

Funds under the Goods category were increased to accommodate the emerging needs for building animal surveillance capacity, and for expanding the capacity of Ministry of Health to respond to potential outbreaks as a result of the emerging Swine Flu threat.

Funds under the Incremental Operating Cost category were increased to accommodate the additional project operation costs for the next 12 months.

The World Bank supervision mission team (April 2009) has tentatively agreed to the request from the Minister of Health to reallocate \$ 200,000 USD under the human health for the purchase of Tami Flu (Please refer to April 2009 Aide Memoire). In the event that this is not possible, given the present constraints of the grant agreement which does not allow the purchase of Tami Flu, the World Bank and the UNDP will go back to the Ministry of Health or the Ministry of Agriculture to re-discuss the reallocation of these funds for other emergency activities.

Third: a new disbursement category for Training and Workshops is added. This category will include the cost of local and regional training and workshops.

The need for a new disbursement category for training was identified during the World Bank's April mission due to the fact that the training was previously charged to incremental operating cost. Please see below a breakdown of incremental operating cost for the period from the project inception to April 2009.

Description	Amount USD
Training & Workshops	25813
Communication	10453
Transportation	13088
Publications & Advertisements	14813
Other cost of premises (MoH Central Public Health Lab)	2572
Translation	440
Stationary & Supplies	3970
PIU Salaries	221302
Miscellaneous	10419
Total	302870

The UNDP/PAPP is planning to organize a regional knowledge sharing workshop at the end of the project to share experience, disseminate the knowledge, lessons learnt and constrains faced during the implementation of the project. Other identified future trainings will also be charged to this new category.



Key Indicators to measure the achievements under the newly proposed activities:

- Three to five District Veterinary Offices (DVO) rehabilitated with minor but critical civil works and repairs.
- DVOs equipped with necessary equipments for surveillance and transportation.
- Provision and supply of Tami flu antiviral drugs to MOH.
- The evaluation of the regional knowledge sharing workshop conducted by the end of the project.

Our technical team, represented by the Project Implementation Unit under the Agriculture Development Portfolio in UNDP, is ready to discuss and clarify any issues related to this letter or the attached plans upon your request.

Finally, please allow me to express my deepest gratitude to the World Bank team for the tremendous cooperation and support they have offered thus far.

I look forward to receiving your acceptance to our proposed amendments.

Thank you for your attention and consideration.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Roberto Valent'.

Roberto Valent
Deputy Special Representative



Mr. David Craig
Country Office Director
World Bank
West Bank and Gaza

Cc: Ms. Lucie H.G. Tran
Task Team Leader
Operation Officer
Sustainable Development Department
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