**Annex 3: Budget Reallocation Request outline**

March 1, 2024

*AEs should use the below outline for providing information related to requests for Schedule A adjustments. This information may either be submitted as part of the Explanatory Notes, or as a separate, standalone document.*

As outlined in the below table, [AE] is requesting to reallocate [$XX amount] from [Project/Activity/sub-activity X] to [Project/Activity/sub-activity Y]. This represents a [X%] increase in budget for [Project/activity/sub-activity Y], and a [Y%] decrease in budget for [Project/Activity/sub-activity X].

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Original Program Budget** | **Current Approved Budget** | **Proposed Adjustments (Display all #'s as positive)** | | **Proposed Adjusted Budget** |
| **Project (Main)** |  |  | **Increase (+)** | **Decrease (-)** | **(2+3-4)** |
| Activity (Sub) | **1** | **2** | **3** | **4** | **5** |
| **Project 1** |  |  |  |  |  |
| Activity 1 |  |  |  |  |  |
| Activity 2 |  |  |  |  |  |
| **Project 2** |  |  |  |  |  |
| Activity 1 |  |  |  |  |  |
| Activity 2 |  |  |  |  |  |
| **Project 3** |  |  |  |  |  |
| Activity 1 |  |  |  |  |  |
| Activity 2 |  |  |  |  |  |
| **Monitoring and Evaluation** |  |  |  |  |  |
| Activity 1 |  |  |  |  |  |
| **Program Management and Oversight** |  |  |  |  |  |
| Activity 1 |  |  |  |  |  |
| Activity 2 |  |  |  |  |  |
| **Grand Total** |  |  |  |  |  |

**Background**

This request for reallocation is a result of [a change in cost and/or a change in the project/program components].

*Please describe the specific reasons for the reallocation request. For instance:*

* *Are additional/fewer funds required because of higher/lower costs than expected? If yes, then explain briefly.* 
  + *What costs are different than expected?*
  + *How was that cost estimate calculated? By whom?*
* *Are additional/fewer funds required because components are being added or removed? If yes, then explain briefly.* 
  + *Does this align with the project logic as set out in the Compact and latest M&E Plan?*
  + *Would the additional component(s) provide additional benefits (more of the already anticipated benefits or another benefit stream)/would removing the components reduce the expected benefits? Would adding/removing the component(s) reach additional beneficiaries/reduce the number of beneficiaries?*

**Timing**

* *Why is the request coming at this time?*
* *Is there a time sensitive need for the funds? What factors are driving decision making?*

**Impact**

* *Why are the funds not needed for the originally intended purpose?*
* *Why would the proposed project benefit more from this funding than that previously planned purpose?*
* *What would be the impact of not reallocating the funds?*

**Risk analysis**

* *Please identify any risks associated with the proposed reallocation. These should include cost, schedule, timeline, completion, environmental, social, results or other risks that may arise as a result of this action.*