

**Country & Project No.: Ethiopia – SO 10721.1****B/R No.: 1****@ 19 November 2008****BUDGET REVISION OF SO FOR THE APPROVAL OF REGIONAL DIRECTOR**

	<u>Initials</u>	<u>In Date</u>	<u>Out Date</u>	<u>Reason For Delay</u>
<b><u>ORIGINATOR</u></b>				
OIC, Country Office	.....	.....	.....	.....
<b><u>CLEARANCE</u></b>				
Programme Officer, OMXP	.....	.....	.....	.....
Chief, OMXP	.....	.....	.....	.....
Director, FLB	.....	.....	.....	.....
Director, OML	.....	.....	.....	.....
<b><u>APPROVAL</u></b>				
<input type="checkbox"/> Regional Director	.....	.....	.....	.....

**PROJECT:** SO 10721.1 “Logistics Augmentation for Somali region operations”

	<b>Previous Budget</b>	<b>Revision</b>	<b>New Budget</b>
<b>Total WFP cost (US\$)</b>	US\$ 2,788,471	US\$ 2,997,048	US\$ 5,785,519

**TYPE OF REVISION**

- ☒ **Additional DSC**      ☒ **Additional ODOC**      ☒ **Extension in time**      ☐ **Change in project orientation**  
☐ **Other**

**NATURE OF REVISION:**

This budget revision and extension in time until end June 2009 is essential to support the WFP operation in the Somali region, and aims at maintaining the established hubs in the Somali region (located at Gode and Degehabour) and expand with an additional hub (to be located at Kebridehar) to facilitate secondary transport and ensure timely and safe dispatch of emergency commodities. Should the current situation with blocked roads continue and make delivery to final delivery points (FDPs) impossible, this budget revision includes provision for airlifts of food as a contingency plan to the hardest affected areas. Furthermore the budget revision will correct a surplus in the DSC planning figure for 2008, due to delayed start-up of the operation.

**The proposed budget revision includes a budget increase and an extension in time until 30 June 2009 to ensure the continued operation and expansion of WFP’s hubs and storage facilities. The budget increase amounts to US\$ 2,997,048, with the following breakdown:**

**ODOC increase by US\$ 2,261,900; DSC increase by US\$ 539,079; ISC increase by US\$ 196,069.**

### **JUSTIFICATION FOR THE REVISION:**

This Special Operation was approved on 10 September 2008; its implementation was delayed by one month awaiting Government approval. Although the food dispatch from Dire Dawa started the same day that Government approval was received, movement has been hampered by adverse road conditions and security restrictions.

It has become apparent that the operation will be extended in time, and that there is a need for an additional hub, in order to increase the flexibility to move quickly to Final Delivery Points (FDPs) as soon as security clearance is granted from the Government. Establishment of an additional hub in Kebridehar has been supported by the Government.

The unpredictable security situation, resulting in shifts in roads blocked for WFP and change of regulations on ad-hoc basis for the passage of humanitarian aid, equipment, staff etc. requires WFP to continue dedicated efforts in strengthening the logistics augmentation and coordination with Government agencies and local security authorities in aiming at overcoming logistics bottlenecks.

The overall objectives of the SO remain the same and will continue to focus on providing adequate transport and storage of humanitarian aid consigned to the Somali region in coordination with the Government and within the framework of the WFP PRRO 10665.0.

Some of the areas in the Gode zone have not been reached for months, due to flooded roads and security restrictions. WFP has prepared a contingency plan for airlifts to Gode hub and possibly also airdrops directly to FDPs in order to get food to the most needed. Should the current conditions continue and/or deteriorate WFP will proceed with implementation of this plan.

This Budget Revision for extension of the project in time until 30.06.09 at a total cost increase of US\$ 2,997,048 is recommended for approval by the Regional Director.

### **DISTRIBUTION:**

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