

**Ethiopia SO 107211 “Logistics Augmentation for Somali region operations”**  
**B/R No.: 05**

**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>				
Country Office	.....	.....	.....	.....
<b><u>CLEARANCE</u></b>				
Project Budget & Programming Officer, RMBP	.....	.....	.....	.....
Chief, RMBP	.....	.....	.....	.....
Chief, ODLT	.....	.....	.....	.....
Director, ODL	.....	.....	.....	.....
<b><u>APPROVAL</u></b>				
<input checked="" type="checkbox"/> Regional Director	.....	.....	.....	.....

**PROJECT: ETHIOPIA SO 107211**

	Previous Budget	Revision	New Budget
ODOC	US\$ 8,889,890	US\$1,327,920	US\$ 10,217,810
DSC	US\$ 3,451,393	US\$ 120,060	US\$ 3,571,453
ISC	US\$ 863,890	US\$ 101,359	US\$ 965,249
<b>Total WFP cost (US\$)</b>	<b>US\$ 13,205,173</b>	<b>US\$1,549,339</b>	<b>US\$ 14,754,512</b>

**TYPE OF REVISION**

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

**NATURE OF REVISION:**

- Six months extension in time from 1 July 2010 to 31 December 2010
- Additional ODOC: US\$1,327,920 and DSC: US\$ 120,060
- Completion of planned activities
- Reduction of activities through the removal of a component of the operation

**BACKGROUND:**

This Special Operation was launched in September 2008 with a duration of six months. In April 2009, a budget revision was approved to both expand and extend activities through to the end of 2009 in support of WFP's operations in the Somali region, as well as to strengthen the transport corridors into Ethiopia. In January 2010, another budget revision was approved to extend the project in time allowing WFP to implement the activities which could not be implemented in 2009 and include new activities in 2010 as follows:

- a) Jijiga hub augmentation;
- b) Further rehabilitation of Gode, Degahabur, and Kebridehar hubs;
- c) Djibouti Corridor augmentation
- d) Setting up of additional hubs in the Somali Region (Afder, Liben).

#### **KEY ACHIEVEMENTS:**

##### **Jijiga hub augmentation:**

Jijiga hub had a capacity of 16,500MT and needed to be further augmented due to the opening of the Berbera corridor, which triggered a need for additional storage space to handle the current and planned tonnage arriving through this corridor. Therefore, the Somali Regional Government donated a warehouse in Hartishek for use by WFP, located 72 Kms from Jijiga with a capacity of 11,200MT. WFP increased this capacity by setting up nine mobile storage tents of 500mt capacity each, thus increasing the total capacity to 15,700MT. This warehouse is strategically located in order to facilitate downstream hubs and act as a storage facility primarily for consignments from Berbera.

##### **Further rehabilitation of Gode, Degahabur and Kebridehar hubs:**

Storage capacity in the three hubs has been augmented during the first half of 2010 with the erection of additional mobile storage units; 2500MT of storage capacity was added in Gode, 2500MT in Degahabur and 4500MT in Kebridehar, in addition to the rehabilitation of existing warehouses including associated works such as drainage systems and generator houses to comply with MOSS compliance regulations.

##### **Djibouti Corridor augmentation**

A plot of land was made available free of charge for the exclusive use of WFP by the Djiboutian government and an MOU for the establishment of a WFP logistics hub on the land is currently being reviewed by the Djiboutian government.

##### **The setting up of additional hubs in the Somali Region (Afder, Liben):**

Initial site assessment works to establish a suitable location for the hubs took place in early 2010. The procurement of five storage units and warehouse equipment for the set-up of the hubs was subsequently completed.

#### **JUSTIFICATION FOR THE EXTENSION:**

This extension in time into the second half of 2010 is required to complete the planned activities and remove the Djibouti corridor augmentation component of this operation.

##### **Completion of the planned activities:**

##### **Rehabilitation of Gode, Degahabur and Kebridehar hubs:**

The rehabilitation of existing hubs has been slower than projected because of the lack of materials available in the market, and long lead times needed to have the materials procured and delivered into the Somali region. This, combined with a deterioration of the security situation which included increased attacks by the ONLF, slowed down the rehabilitation process. Subsequent upgrade security works carried out, and a revised plan, which took into account the longer lead times, will enable the rehabilitation process to be completed by the end of 2010.

##### **Setting up of additional hubs in Afder and Liben:**

Final approval to establish hubs in Afder and Liben was only received from the Government in December 2009. Initial assessments have been done to identify a suitable location for the hubs. The delay in implementing this component of the project has been caused by the high level of attention given by the authorities to the organization of the Federal and Regional government elections that took place early this year, as well as the subsequent restrictions on staff movement.

##### **Removal of a component of the Operation: Djibouti Corridor augmentation:**

The corridor augmentation has proven to be a drawn out process as the finalization of the agreement whereby the Djiboutian government donated a plot of land to WFP to erect a transit storage facility has taken longer than envisioned. Due to the complex and long term nature of these activities, the Ethiopia CO has revised its strategy and decided that a separate project for the augmentation of this corridor is necessary. The separation of this component will therefore enable WFP to complete the Somali region activities and thus close this special operation by the end of 2010.

## **EXIT STRATEGY**

The capacity building and handover strategy is based on a gradual transfer of responsibilities to the Government for the execution of programmes with aspects such as commodity management, transport contracting, funds management and tracking and reporting. The continued need for WFP's presence in the Somali region is primarily due to the necessary interaction and coordination with government agencies to overcome major logistics bottlenecks. However, through associated projects under this operation, WFP is continuously building the capacity of the government counterparts to ensure a smooth transition and hand over of logistics activities and hub management responsibilities.

Once all construction activities are completed and hubs are operational, this project will be closed. All subsequent running costs will be mainstreamed into the PRRO 106650.

**In light of the above, this budget revision for an extension in time of six months until 31st December 2010 at an additional cost of US 1,549,339 is recommended for approval by the Regional Director.**

### **DISTRIBUTION:**

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