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Agenda item 9

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BUDGET INCREASES TO PROTRACTED RELIEF AND RECOVERY OPERATIONS – ETHIOPIA 200290

Responding to Humanitarian Crises and Enhancing Resilience to Food Insecurity

Cost (United States dollars)			
	Current budget	Increase	Revised budget
WFP food cost	447,122,963	39,088,042	486,211,005
Total cost to WFP	790,909,461	77,530,826	868,440,287

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NOTE TO THE EXECUTIVE BOARD

This document is submitted to the Executive Board for approval

The Secretariat invites members of the Board who may have questions of a technical nature with regard to this document to contact the WFP staff focal points indicated below, preferably well in advance of the Board's meeting.

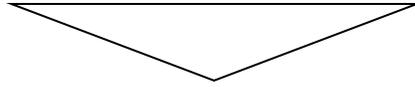
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Should you have any questions regarding availability of documentation for the Executive Board, please contact Ms I. Carpitella, Senior Administrative Assistant, Conference Servicing Unit (tel.: 066513-2645).

* Regional Bureau for East and Central Africa

DRAFT DECISION*



The Board approves the budget increase of US\$77.5 million for Ethiopia protracted relief and recovery operation 200290 “Responding to Humanitarian Crises and Enhancing Resilience to Food Insecurity” (WFP/EB.A/2012/9-B/1).

* This is a draft decision. For the final decision adopted by the Board, please refer to the Decisions and Recommendations document issued at the end of the session.

NATURE OF THE INCREASE

1. This budget revision to protracted relief and recovery operation (PRRO) 200290 responds to increased humanitarian needs and proposes to:
 - increase the number of relief beneficiaries assisted by WFP to 2.6 million people, in alignment with the Humanitarian Requirements Document (HRD) for Ethiopia released in early 2012 by the Government;
 - increase the food tonnage by 101,472 mt, at a food cost value of US\$39 million; and
 - increase the direct support costs (DSC) and other direct operational costs (ODOC) to cover additional capacity development activities related to the Food Management Improvement Project (FMIP) and the Disaster Risk Management Programme (DRMP), and to purchase communications and security equipment.
2. The total budget increase is US\$77.5 million, including indirect support costs. This represents an increase of 9.8 percent in the PRRO's total value.

JUSTIFICATION FOR BUDGET INCREASE

Summary of Existing Activities

3. The PRRO 200290 (2012–2013) is aligned with the United Nations Development Assistance Framework (UNDAF) 2012–2015, supports the Government's growth and transformation plan and contributes to WFP's Strategic Objectives 1 and 2.¹ The operation contributes to government programmes for preventing food crises and enhancing resilience. Its objectives are to:
 - help emergency-affected households reduce the impact of shocks, by addressing their food needs;
 - support households and communities covered by the productive safety-net programme (PSNP) in improving food security, resilience and recovery from disaster; and
 - support food-insecure households in reducing or stabilizing moderate acute malnutrition among children under 5 and pregnant and lactating women (PLW).
4. WFP is also enhancing government and community capacities in supply chain management and disaster risk management:
 - The FMIP assists WFP's government implementing partners in making the food aid supply chain more efficient, effective and accountable. To date, this assistance has been in compiling and verifying food dispatch, delivery and distribution data during 2008–2009; designing a new commodity tracking system for the Ministry of Agriculture's Disaster Risk Management and Food Security Sector (DRMFSS); and arranging long-term agreements for transport service, to be rolled out nationally in 2012. The Government has endorsed a plan for establishing a grain reserve silo.

¹ Strategic Objective 1 – Save lives and protect livelihoods in emergencies; Strategic Objective 2 – Prevent acute hunger and invest in disaster preparedness and mitigation measures.

- The DRMP supports WFP's government counterparts involved in disaster risk management. Its activities include:
 - i) supporting the *woreda*² disaster risk profiling programme;
 - ii) strengthening early-warning and assessment capacities in monitoring rainfall, crop and pasture performance and forecasting yields, particularly for the Livelihoods, Early Assessment and Protection (LEAP) system; and
 - iii) supporting the preparation of comprehensive guidelines for early-warning, contingency planning and disaster risk reduction planning, particularly at the community level.

CONCLUSION AND RECOMMENDATIONS OF THE REASSESSMENT

5. Following normal/above normal rains in July to September 2011, good crop production in October to November 2011 was expected to improve food security and the recovery of people affected by the 2011 drought. WFP's planning figure for relief assistance in 2012–2013 was 2.8 million beneficiaries, with WFP covering 70 percent, or 2 million beneficiaries, and the Joint Emergency Operations Plan (JEOP) – a consortium of international non-governmental organizations (NGOs) – the remaining 800,000.
6. However, the 2012 HRD and a multi-stakeholder, Government-led food security assessment³ undertaken in November–December 2011 indicated that 3.2 million people would require relief food assistance in the first half of 2012, mainly because of a poor harvest and the continuing impact of the 2011 Horn of Africa drought.
7. These increased requirements left JEOP unable to provide its planned 30 percent share, so WFP's coverage needs to increase to 80 percent, to cover 2.6 million beneficiaries – 600,000 more than expected.
8. In 2011, DRMFSS conducted a commodity audit of the PSNP. The audit's findings are applicable to all food programmes – particularly relief assistance – and underline the need for improved food storage and handling along the supply chain, and greater accountability. DRMFSS has called on the FMIP to address these issues.
9. Parliament is currently considering a new disaster risk management policy, and DRMFSS and development partners have drafted an investment framework for disaster risk management, requesting WFP to carry out vulnerability analysis, early warning and risk planning. Adoption of the new policy will require greater decentralization and efforts to ensure that the lower levels of administration are prepared for their new responsibilities, including humanitarian response. Progress in disaster risk management is increasingly urgent.
10. WFP has prepared a nutrition strategy for Ethiopia, aligned with the WFP nutrition policy approved by the Executive Board in February 2012. To reduce stunting, WFP plans to pilot the development and use of a locally produced chickpea-based ready-to-use supplementary food (RUSF). Pilot results may lead to the adoption of RUSF for treating acute malnutrition in this PRRO.

² The *woreda* is a unit of local government.

³ With WFP, the United States Agency for International Development, the Office for the Coordination of Humanitarian Affairs and international NGOs.

11. The outlook for the next harvest is not good because of delayed and poor rainfall. Needs may remain high during the second half of 2012. Any further adjustments required will be reflected in the mid-year revision of the HRD.

PURPOSE OF EXTENSION AND BUDGET INCREASE

12. This budget revision reflects the increase in the number of beneficiaries requiring assistance from WFP (Table 1).

TABLE 1: BENEFICIARIES BY ACTIVITY				
Activity	Category of beneficiaries	Current	Increase	Revised
Relief	Acutely food-insecure	2 000 000	600 000	2 600 000
PSNP	Chronically food-insecure	1 356 000	-	1 356 000
TSF	Acutely malnourished children under 5 and PLW	817 000	-	817 000
TOTAL		4 173 000	600 000	4 773 000
Total adjusted *		3 977 000	600 000	4 577 000

* To reflect a beneficiary overlap of 24 percent of TSF beneficiaries also receiving relief and PNSP.

13. No changes in the food rations are proposed.
14. The PRRO seeks to strengthen food logistics, accountability for commodities, and management through the FMIP. The FMIP and DRMFSS aim to:
- develop a commodity tracking and reporting system for the whole supply chain;
 - improve business processes and harmonize them across regions in the country;
 - develop supply chain training programmes for government staff, with local specialized institutions;
 - strengthen transport contracting procedures; and
 - enhance storage capacity at the federal, regional and community levels.
15. Support to the DRMP will focus on improving vulnerability analysis, early warning and risk planning to facilitate disaster prevention, mitigation and preparedness.
16. Increased DSC and ODOC are required to support the Government of Ethiopia in enhancing preparedness and response capacities, and to maintain WFP communications and security standards. WFP will continue to ensure complementarity with activities under country programme 200253.

RISK ASSESSMENT AND CONTINGENCY PLANNING

Contextual Risks

17. If the next harvest is worse than forecast, the number of relief beneficiaries and relief food requirements may increase again. To mitigate this risk, WFP will strengthen its engagement in early-warning and emergency food needs assessments through the DRMP, to ensure that planning figures are updated promptly. If necessary, WFP will implement a further budget revision.

18. In drought-affected areas such as the Somali region, insecurity could constrain assessments, distributions and monitoring. WFP will work with the Government and the United Nations Department of Safety and Security to secure access to people in need of food.

Programmatic Risks

19. WFP's capacity development under the FMIP will increase logistics capacity, warehousing and the pre-positioning of food. However, limited government implementation capacity could reduce the FMIP's effectiveness. Limited local implementation capacity and high staff turnover will be challenges.

Institutional Risks

20. Where needed, WFP will borrow cereal stocks from the Emergency Food Security Reserve Administration. However, an unexpected increase in the number of people in need may create competing demands from other programmes/institutions, hampering WFP's ability to borrow.

FOOD REQUIREMENTS

21. The increased food costs are based on current food prices in local, regional and international markets. The additional 101,472 mt is to cover the food needs of the additional 600,000 beneficiaries.

TABLE 2: FOOD BY ACTIVITY				
		Food requirements (mt)		
Activity	Food	Current	Increase	Revised total
Relief	Cereal	540 000	82 164	622 164
	Pulses	54 000	8 216	62 216
	Vegetable oil	16 200	2 465	18 665
	Blended food	56 700	8 627	65 327
PSNP	Cereal	292 896	–	292 896
	Pulses	24 408	–	24 408
	Vegetable oil	7 322	–	7 322
TSF	Vegetable oil	4 649	–	4 649
	Blended food	30 638	–	30 638
TOTAL		1 026 793	101 472	1 128 265

ANNEX I-A

PROJECT COST BREAKDOWN			
Food ¹	Quantity (mt)	Value (US\$)	Value (US\$)
Cereals	82 164	24 407 435	
Pulses	8 216	5 583 842	
Oil and fats	2 465	3 480 308	
Mixed and blended food	8 627	5 616 457	
Total food	101 472	39 088 042	
Subtotal food and transfers			39 088 042
External transport			9 211 674
Landside transport, storage and handling			14 463 596
Other direct operational costs			4 513 298
Direct support costs ² (see Annex I-B)			5 182 106
Total WFP direct costs			72 458 716
Indirect support costs (7.0 percent) ³			5 072 110
TOTAL WFP costs			77 530 826

¹ This is a notional food basket for budgeting and approval. The contents may vary.

² Indicative figure for information purposes. The direct support costs allotment is reviewed annually.

³ The indirect support costs rate may be amended by the Board during the project.

ANNEX I-B

DIRECT SUPPORT REQUIREMENTS (US\$)	
Staff and staff-related costs	
International professional staff	869 160
Local staff – national officers	159 859
Local staff – general service	41 049
Local staff – temporary assistance	81 269
Hazard pay and hardship allowance	3 312
International consultants	784 320
Staff duty travel	497 986
Subtotal	2 436 956
Recurring expenses	
Office supplies and other consumables	80 000
Communications services	905 050
Office set-up and repairs	1 065 000
Subtotal	2 050 050
Equipment and capital costs	
Communications equipment	695 100
Subtotal	695 100
TOTAL DIRECT SUPPORT COSTS	5 182 106

ANNEX II: LOGICAL FRAMEWORK

Results	Performance indicators	Assumptions, Risks
PRRO Component 1: Relief and TSF		
Strategic Objective 1: Save lives and protect livelihoods in emergencies		
UNDAF/WFP outcome 1.1 National and subnational institutions and disaster-prone communities have systematically responded to disasters, reduced impacts of disasters and improved food security	<ul style="list-style-type: none"> ➤ % of households with at least borderline food consumption score Target: 90% ➤ % of beneficiary households with lower than average scores on the coping strategies index Target: 80% 	Assumptions <ul style="list-style-type: none"> ➤ Government's commitment and leadership in addressing impacts of disasters continues Risks <ul style="list-style-type: none"> ➤ Government counterparts have inadequate capacity to distribute timely emergency assistance
Output 1.1.1 Food distributed in sufficient quantity and quality to targeted women, men, girls and boys in conflict and disaster-affected areas	<ul style="list-style-type: none"> ➤ Number of women, men, girls and boys receiving food, as % of planned Target: 100% ➤ Tonnage of food distributed, as % of planned Target: 100% 	Assumptions <ul style="list-style-type: none"> ➤ Donors fund relief interventions adequately Risks <ul style="list-style-type: none"> ➤ Security incidents, particularly in Somali region, affect the timely delivery and distribution of relief assistance
Output 1.1.2 Women are the holders of food entitlement and collectors of general food distributions	<ul style="list-style-type: none"> ➤ % of household entitlements for general food distributions issued in women's names Target: 50% ➤ % of general food distributions collected by women Target: 70% 	Assumptions <ul style="list-style-type: none"> ➤ Government increases its commitment to issue food entitlements in women's names Risks <ul style="list-style-type: none"> ➤ Women are reluctant to collect food assistance at distribution points
UNDAF/WFP outcome 1.2 Food-insecure people, in particular women, children and vulnerable groups, will have access to emergency nutrition services.	<ul style="list-style-type: none"> ➤ Supplementary feeding performance indicators: Recovery rate for malnourished children 6–59 months Target: > 75% ➤ Defaulter rate for malnourished children 6–59 months and PLW Target: < 15% ➤ Death rate for malnourished children 6–59 months Target: < 3% 	Assumptions <ul style="list-style-type: none"> ➤ The health, nutrition, water, sanitation and hygiene sectors provide an integrated response ➤ Other contributing factors – household food security, caring practices, basic health services, etc. – are improved Risks <ul style="list-style-type: none"> ➤ An epidemic breaks out ➤ Donors' lack of interest in supporting the TSF programme results in resource shortages



ANNEX II: LOGICAL FRAMEWORK		
Results	Performance indicators	Assumptions, Risks
<p>Output 1.2.1 Nutritious food distributed in sufficient quantity and quality to targeted women, girls and boys.</p>	<ul style="list-style-type: none"> ➤ Numbers of women, girls and boys receiving food and non-food items, by category and as % of planned Target: 100% ➤ Tonnage of food distributed, by type, as % of planned Target: 100% 	<p>Assumptions</p> <ul style="list-style-type: none"> ➤ Donors support TSF programme ➤ Food items in TSF basket are available in time for local procurement <p>Risks</p> <ul style="list-style-type: none"> ➤ Security incidents affect timely delivery and distribution of TSF assistance
PRRO component 2: Support to PSNP, FMIP and DRMP		
Strategic Objective 2: Prevent acute hunger and invest in disaster preparedness and mitigation measures		
<p>UNDAF/WFP outcome 2.1 National and subnational institutions and disaster-prone communities have systematically reduced disaster risks and improved food security¹</p>	<ul style="list-style-type: none"> ➤ Disaster preparedness index score Target: ≥ 7 ➤ % of beneficiary households with lower than average scores on the coping strategies index Target: 80% ➤ % of households with increased household asset scores Target: 60% ➤ % of communities with increased average community asset score Target: 70% 	<p>Assumptions</p> <ul style="list-style-type: none"> ➤ Community and household behaviour towards asset building improves <p>Risks</p> <ul style="list-style-type: none"> ➤ Frequency and magnitude of shocks/hazards increased because of global climate change
<p>Output 2.1.1 Food of sufficient quantity and quality distributed to targeted women, men, girls and boys in PSNP-targeted <i>woredas</i></p>	<ul style="list-style-type: none"> ➤ Number of women, men, girls and boys receiving food, as % of planned Target: 100% ➤ Tonnage of food distributed, as % of planned Target: 100% 	<p>Assumptions</p> <ul style="list-style-type: none"> ➤ Community and household motivation for timely completion of public works improves <p>Risk</p> <ul style="list-style-type: none"> ➤ Resources for PSNP interventions in pastoral areas are lacking

¹ Indicators aligned with UNDAF 2012–2105.

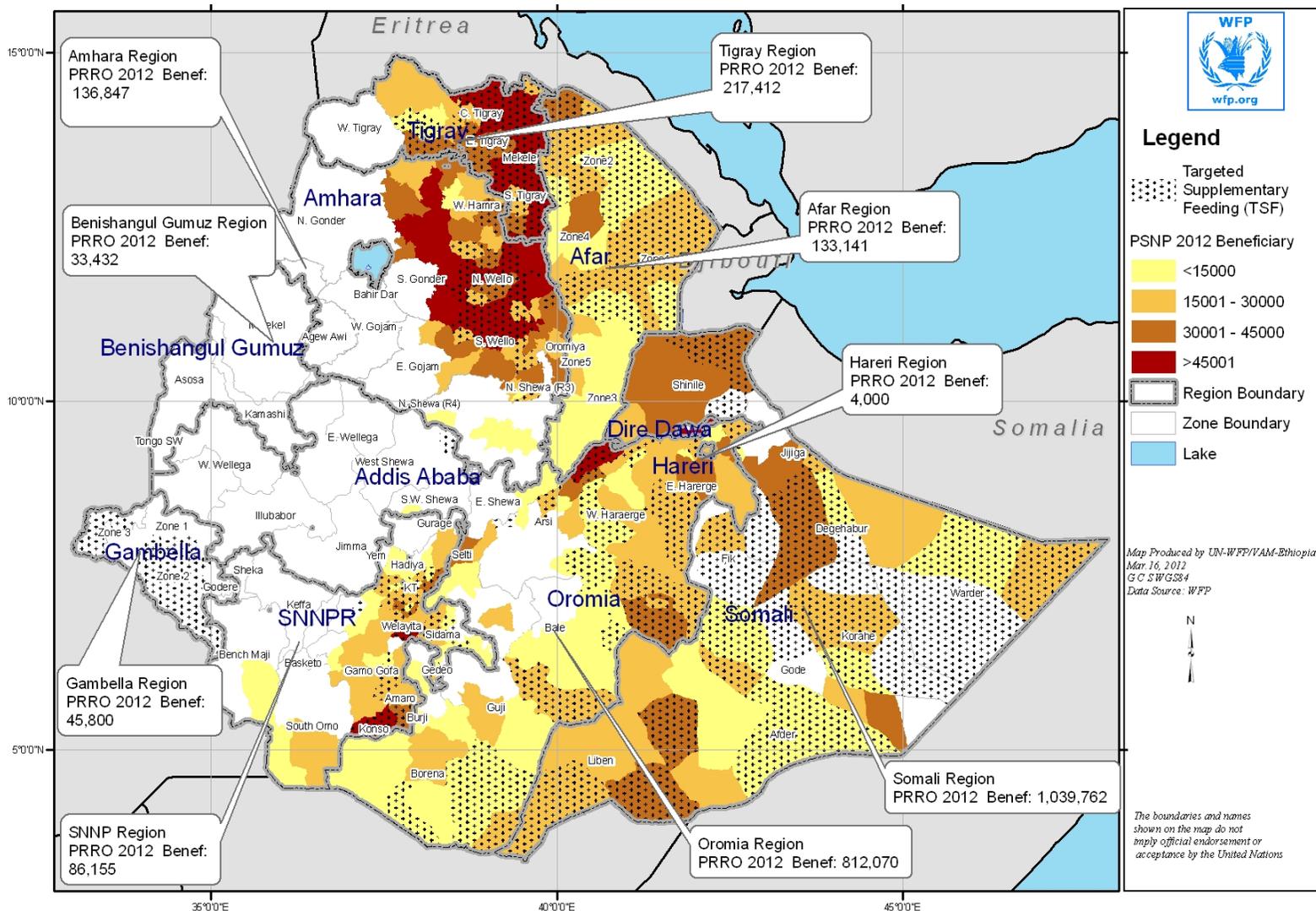


ANNEX II: LOGICAL FRAMEWORK

Results	Performance indicators	Assumptions, Risks
<p>Output 2.1.2 Disaster mitigation measures put in place with WFP capacity development support, including institutional support to partners for strengthening early-warning information, hotspot monitoring and food management</p>	<ul style="list-style-type: none"> ➤ Risk reduction and disaster preparedness and mitigation systems put in place, by type ➤ Targets: <ul style="list-style-type: none"> - 15 pieces of weather equipment and 5 hydrometers - hotspot monitoring guidelines disseminated to all regions - new food commodity tracking database operating in 20 locations - improved food management forms and processes rolled out to all regions - transport contract tendering reduced to 4 times a year ➤ Number of partner staff trained on risk reduction and disaster preparedness and mitigation systems² <p>Target: 1,840 staff members</p>	<p>Assumptions</p> <ul style="list-style-type: none"> ➤ Donors are committed to supporting early-warning systems ➤ Government capacity improves at all levels ➤ Partners allocate adequate administration and capital budget for coordinating and monitoring public works <p>Risks</p> <ul style="list-style-type: none"> ➤ Turnover of skilled staff is high, particularly at the lower levels
<p>Output 2.1.3 Disaster mitigation assets built or restored by target communities, based on public works plans using community-based watershed development principles</p>	<ul style="list-style-type: none"> ➤ Risk reduction and disaster mitigation assets created or restored, by type <p>Target: 100% of planned</p> <ul style="list-style-type: none"> ➤ % of public works plans based on community-based watershed development plan guidelines ➤ Target: 100% % of public works meeting satisfactory standards and sustainability rating <p>Target: 90%</p>	<p>Risks</p> <ul style="list-style-type: none"> ➤ Government and communities have poor implementation capacities, particularly in pastoral areas

² Training provided to 200 partner staff on LEAP and early-warning guidelines and systems, 600 regional government staff on new hotspot monitoring guidelines, and 1,000 field staff on commodity management. 40 government managers receive supply chain management diploma.

ETHIOPIA PRRO 200290 2012 ACTIVITIES



The designations employed and the presentation of material in this publication do not imply the expression of any opinion whatsoever on the part of the World Food Programme (WFP) concerning the legal status of any country, territory, city or area or of its frontiers or boundaries.

LIST OF ACRONYMS USED IN THE DOCUMENT

DRMFSS	Disaster Risk Management and Food Security Sector
DRMP	Disaster Risk Management Programme
DSC	direct support costs
FMIP	Food Management Improvement Project
HRD	Humanitarian Requirements Document
JEOP	Joint Emergency Operations Plan
LEAP	Livelihoods, Early Assessment and Protection
NGO	non-governmental organization
ODOC	other direct operational costs
PLW	pregnant and lactating women
PRRO	protracted relief and recovery operation
PSNP	productive safety-net programme
RUSF	ready-to-use supplementary food
SNNP	Southern Nations, Nationalities, and People's Region
TSF	targeted supplementary food
UNDAF	United Nations Development Assistance Framework