

BUDGET REVISION 5 TO PROTRACTED RELIEF AND RECOVERY OPERATION: ETHIOPIA 200290

Responding to Humanitarian Crises and Enhancing Resilience to Food Insecurity

Start date: 01 January 2012

End date: 31 December 2013

	Cost (United States dollars)		
	Current budget	Decrease	Revised budget
Food cost	579,926,142	(52,008,435)	527,917,707
External transport	100,844,508	(4,494,143)	96,350,365
LTSH	207,425,368	(6,075,622)	201,349,746
ODOC	28,319,206	(1,750,532)	26,568,674
DSC	63,149,798	-	63,149,798
ISC (7.0 percent)	68,576,552	(4,503,011)	64,073,541
Total cost to WFP	1,048,241,574	(68,831,744)	979,409,831

NATURE OF THE REVISION

1. This revision to protracted relief and recovery operation (PRRO) 200290¹ proposes to:
 - decrease the number of relief beneficiaries assisted by WFP for the March-June 2013 period from the planning figures of 3 million to a revised 1.94 million people to align with the Humanitarian Requirements Document (HRD)² and subsequent increase in beneficiaries in Afar region;³
 - increase the number of people assisted through targeted supplementary feeding by 156,000 from 931,000 to 1,087,000.
2. These consequences of the revision on the PRRO budget are the following decreases:
 - food tonnage by 60,937 mt, with a reduction in food cost of US\$52 million, reflecting decreased relief needs and commodity price adjustments;
 - related other direct operating costs (ODOC) by US\$1.75 million; and
 - landside transport, storage and handling (LTSH) by US\$6.10 million and external transport costs by US\$4.49 million.

¹ WFP/EB.2/2011/9-C/2

² <http://www.dppc.gov.et>

³ The Humanitarian Requirements Document was issued on 28th February 2013.

3. The total decrease in the budget is US\$68.83 million, including indirect support costs, a decrease of 7 percent in the total of this two-year PRRO.

JUSTIFICATION FOR BUDGET DECREASE

Summary of Existing Project Activities

4. PRRO 200290 (2012-2013), which is aligned with the United Nations Development Assistance Framework (UNDAF), and supports the Government's Growth and Transformation agenda, contributes to WFP Strategic Objectives 1 and 2.⁴ The operation contributes to the Government of Ethiopia's programmes focused on preventing food crises and enhancing resilience. The objectives of the PRRO are to:
 - Help emergency-affected households to reduce the impact of shocks by improving food security, resilience and recovery from disaster.
 - Support Productive Safety Net Programme (PSNP) households and communities in improving food security, enhancing resilience and recovery from disaster.
 - Support food-insecure households in reducing or stabilizing moderate acute malnutrition among children under 5 and pregnant and lactating women.
5. Since this PRRO started in January 2012, revisions have aligned the number of beneficiaries of relief and targeted supplementary feeding with the HRD that is released twice a year: January-February and June-July. Hence, this revision aims to realign the 2013 beneficiary figures in the PRRO for the first half of the year with the most recent HRD released at the end-February 2013.

Conclusion and Recommendations of the Re-Assessment

6. The Government-led, multi-agency assessment in November/December 2012 concluded that: *“although the overall good performance of the 2012 meher/deyr/karma rains⁵ has improved food security situation in most parts of the country, the situation remains of concern in some areas in pastoralist/agro-pastoralist as well as belg-dependent areas that have experienced consecutive poor seasonal rains.”*⁶
7. **Relief:** The HRD for January-June 2013 estimated the number of people in need of relief food assistance at 2.45 million. Within the coordination mechanism of the Food Security Prioritization Committee under the Disaster Risk Management and Food Security Sector (DRMFSS), the relief beneficiaries are divided between the non-governmental organizations under the Joint Emergency Operation (JEOP) and the WFP/DRMFSS. Thus, WFP will cover the needs of 1.85 million people, with the remainder receiving assistance through the JEOP. A subsequent assessment in Afar region resulted in an increase of WFP beneficiaries of 89,000. This revises the current PRRO relief

⁴ Strategic Objective 1: Save lives and protect livelihoods in emergencies; Strategic Objective 2: Prevent acute hunger and invest in disaster preparedness and mitigation measures.

⁵ *Meher* season = main cropping season season rains (June–September); *deyr* season = minor pastoral season rains (October–December); *karma* season = pastoral rains for Afar and northern Somali zones.

beneficiaries downwards from the existing planning figure of 3 million to 1.94 million, for food assistance for a four-month period between March-June 2013.

8. **Targeted supplementary feeding:** In the lowland parts of the country (mainly pastoralists and agro-pastoralists) there were shortages of water, food and animal feed. In some areas, increases in the admissions to outpatient therapeutic feeding programmes (OTPs) started as early as October 2012. In parts of Oromia region - in East Harerge and West Harerge – there has been a 31 percent increase in the OTP admissions. Therefore, with the release of the “hotspot”⁷ *woredas* (districts) in February, there is an increase in the beneficiaries of targeted supplementary feeding by 156,000.
9. The WFP beneficiaries for the PSNP are unchanged at 1,356,000 for 2013. The current and revised beneficiaries for all components of the PRRO are shown below in table 1 below.

TABLE 1: BENEFICIARIES BY COMPONENT FOR JANUARY-JUNE 2013				
Component	Category of beneficiaries	Current	Change: (Decrease) or Increase	Revised
Relief	Disaster-affected food-insecure households	3 000 000	(1 061 000)	1 939 000
Targeted Supplementary Feeding	Acutely malnourished children under 5 and pregnant and lactating women	931 000	156 000	1 087 000
Productive Safety Net Programme	Food-insecure households with poor access to markets/ low capacity for cash transfers	1 356 000	0	1 356 000
TOTAL		5 287 000	(905 000)	4 382 000

10. Preliminary indications show that the *belg*⁸ rains, normally between February-May, are delayed and could have an adverse effect on the *belg* harvest, which is consumed mainly during the second half of the year. In Afar region, the delayed rainfall season in the neighbouring highlands and the hotter temperatures in the lowlands are already reducing water availability, which in turn is affecting milk supplies and other local food production. The impact of the *belg* season and the food security of the pastoral areas - where rains have been equally poor at the beginning of 2013 - will be evaluated in May-June by the Government-led multi-stakeholder assessment; the HRD for the July-December period may be revised accordingly.
11. The planning figures for the relief component for July to December 2013 (3 million people) are unchanged by this revision: beneficiaries for this period will be revised when

⁷ The nutrition “hotspot” list is intended to guide government and nutrition partners in the prioritization and allocation of available resources in planning and implementing nutrition and related responses.

⁸ *Belg* season = Minor cropping season (February-May)

the new HRD is released in June-July 2013 following the mid-year assessments (*belg* and *gu*⁹ seasons). If needed, there will be another revision to align this PRRO to the new HRD.

12. The LTSH cost for the PRRO is being revised from US\$162.92/mt to US\$171.22/mt owing to an increase in time-bound costs per ton because of the tonnage reduction (from 791,447 mt to 269,264 mt) and changes in the logistics network. Efforts will continue to further rationalize the logistics network, as well as to monitor closely the transport market to adjust the LTSH rate downwards when possible.

FOOD REQUIREMENTS

13. The overall food requirements for the PRRO will be reduced by 60,938 mt:
- a decrease of 64,294 mt for relief for the months between March to June 2013; and
 - an increase of 3,356 mt for targeted supplementary feeding.

Component	Food requirements (mt)		
	Current	Change (decrease or increase)	Revised total
Relief	468 497	(64 294)	404 204
Targeted Supplementary Feeding	20 103	3 356	23 459
Productive Safety Net Programme	162 313	0	162 313
TOTAL	650 914	(60 938)	589 976

APPROVAL

The proposed budget revision, resulting in the revised budget for project PRRO 200290, is recommended to the Executive Director for approval.

 Ertharin Cousin
 Executive Director
 United Nations World Food Programme

 Date

⁹ *Gu* season = main rainfall season from March-June in Somali Region)

BUDGET REVISION COST BREAKDOWN			
Food¹⁰	Quantity (mt)	Value (US\$)	Value (US\$)
Cereals	- 52 060	(32 679 057)	
Pulses	- 5 206	(11 364 585)	
Oil and fats	- 1 121	(8 928 937)	
Mixed and blended food	- 2 551	(964 144)	
Total food	- 60 938	(52 008 435)	
Total food, cash and voucher transfers			(52 008 435)
External transport			(4 494 143)
Landside transport, storage and handling			(6 075 622)
Other direct operational costs			(1 750 532)
Direct support costs			0
Total WFP direct costs			(64 328 733)
Indirect support costs (7.0 percent) ¹¹			(4 503 011)
TOTAL WFP COSTS			(68 831 744)

¹⁰ This is a notional food basket for budgeting and approval. The contents may vary.

¹¹ The indirect support cost (ISC) percentage may be amended by the Executive Board during the project.