

Country¹ & Project No.: Ethiopian PRRO 200290 Responding to Humanitarian Crises and Enhancing Resilience to Food Insecurity

B/R No.: 08

PROJECT REVISION FOR THE APPROVAL OF:

➤ Deputy Executive Director and Chief Operating Officer

	<u>Initials</u>	<u>In Date</u>	<u>Out Date</u>	<u>Reason For Delay</u>
<u>FROM:</u>				
Regional Director
<u>CLEARANCE through:</u>				
Assistant Executive Director, OS
Assistant Executive Director, RM
Assistant Executive Director, PG
<u>RELEASED FOR APPROVAL:</u>				
Chief of Staff, OED
<u>APPROVAL:</u>				
Deputy Executive Director and COO, OM

Start date: 01/01/2012	End date: 30/06/2015	Extension/Reduction period: N/A	New end date: 30/06/2015
Cost (United States dollars)			
	Current Budget	Increase (Decrease)	Revised Budget
Food and Related Costs	US\$ 1,218,750,757	US\$ 7,623,149	US\$ 1,226,373,905
Cash and Vouchers and Related Costs	US\$ 50,379,295	US\$ -	US\$ 50,379,295
Capacity Development & Augmentation	US\$ 5,315,713	US\$ -	US\$ 5,315,713
DSC	US\$ 116,218,474	US\$ -	US\$ 116,218,474
ISC	US\$ 97,346,497	US\$ 533,620	US\$ 97,880,117
Total cost to WFP	US\$ 1,488,010,736	US\$ 8,156,769	US\$ 1,496,167,504

CHANGES TO:

Food Tool

- ☐ MT
☐ Commodity Value
☐ External Transport
☒ LTSH
☐ ODOC

C&V Tool

- ☐ C&V Transfers
☐ C&V Related Costs

- ☐ CD&A
☐ DSC
☐ Project duration
☐ Other

Project Rates

- ☐ LTSH (\$/MT)
☐ ODOC (\$/MT)
☐ C&V Related (%)
☐ DSC (%)

DISTRIBUTION:

DED and COO
 Chief, OSLT
 PGG
 Country Director
 OD Registry

Chief, OSZP, OSZA, OSZI, RMBP
 Programme Officer, RMBP
 Programming Assistant, RMBP
 RMB

Regional Director
 RB Programme Advisor
 RB Programme Assistant
 RB Chrono
 Liaison Officer, OM @

¹ If a regional project, please specify the countries concerned.

NATURE OF THE INCREASE

1. Change in LTSH rate from US\$ 167.86/Mt to US\$ \$185.57/Mt.

JUSTIFICATION FOR THE REVISION

2. The LTSH rate has increased from \$167.86/Mt to \$185.57/Mt, representing an overall change of \$17.71/ Mt from the previous rate. This is mainly due to:
 - (i) A deficit of \$3.8 million factored in the current matrix revision at a recovery rate of \$9/Mt;
 - (ii) Inclusion of commodity insurance at a rate of \$3/Mt for all international purchases; and
 - (iii) Transport allocation plan adjustment factor at the rate of \$5.71/Mt.

The PRRO had gradually accumulated an LTSH deficit of \$3.8M due to discrepancy between the planning allocation figures used for the preparation of previous LTSH matrices and the actual food distribution figures between 2012 and 2014 as indicated below table. The variance between these figures of 17% combined with differences in transport rates per region were major contributors to the deficit. The average transport rate in Somali Region is \$100/Mt while the average rate for the rest of Ethiopia at the lower \$70/Mt.

Regions	Planned Mt	Planned Mt %	Actual Mt Moved (2012-2014)	Moved Mt %	Planned Cost US\$	Actual Cost for Mt Moved US\$
	A	B	C	D	E	F
Other Regions	430,823	54%	294,110	37%	\$29,936,578	\$20,558,310
Somali Region	361,911	46%	492,813	63%	\$35,925,832	\$49,133,497
Totals	792,734	100%	786,923	100%	\$65,862,410	\$69,691,807

Initial LTSH rate based on expected dispatches of 792,734Mt split as 46% for Somali Region and 54% for other Regions. Eventual tonnage moved was 786,923 Mt being 63% for Somali Region and 37% for other Regions. The higher proportion of food delivered into Somali Region therefore yielded to increased overall LTSH costs and resulting deficit.

This budget revision therefore results in a total budget increase of US\$8,156,769 broken down as US\$ 7,623,149 in LTSH and US\$533,620 in ISC. The CO has already obtained approval of the revised LTSH matrix from ODLT and the resulting budget increase is hereby presented for further approval.

Drafted by: [Yared Sahle] Country Office
Cleared by: [Rebecca Ssamba] Country Office on 23 Jan 2015]
Reviewed by: [S. Nsubuga] Regional Bureau on 26 Jan 2015]
Cleared by: [Valerie Guarnieri - Regional Bureau on 26 Jan 2015]