

## BUDGET REVISION 4 TO COUNTRY PROGRAMME 200253:

**Title of the project: Ethiopia Country Programme (2012 – 2015)**

**Start date: 01 January 2012   End date: 31 December 2015**

**Extension period: 6 months   New end date: 30 June 2016**

Cost (United States dollars)			
	Current Budget	Increase/ Decrease	Revised Budget
Food and Related Costs	244,655,577	(25,148,806)	219,506,771
Cash and Vouchers and Related Costs	34,110,468	5,003,541	39,114,009
Capacity Development & Augmentation	13,526,771	(1,277,015)	12,249,755
DSC	34,369,944	1,307,745	35,677,690
ISC	22,866,393	(1,408,017)	21,458,376
<b>Total cost to WFP</b>	<b>349,529,153</b>	<b>(21,522,553)</b>	<b>328,006,600</b>

### NATURE OF THE REVISION

1. This budget revision to Ethiopia country programme 200253 (2012-2015) proposes an extension in time for an additional six months, to align to the revised United Nations Development Action Framework (UNDAF) and the Government of Ethiopia's Growth Transformation Plan timeframe. It extends the project from January to June 2016 and aligns targeted beneficiary numbers to current requirements.

The specific changes during the extension period are:

- Decrease the food requirement by 48,981 mt, with a corresponding reduction in total food transfers of US\$13,576,602;
- Increase the cash and voucher transfer and delivery costs by US\$5,003,541;
- Decrease the external transport costs by US\$4,338,785;
- Decrease capacity development & augmentation costs by US\$1,277,015;
- Increase other direct operational costs (ODOC) related to food transfers by US\$148,820;
- Decrease the landside transport storage and handling (LTSH) costs by US\$7,382,240;
- Increase direct support costs (DSC) by US\$1,307,745.

## **JUSTIFICATION FOR EXTENSION-IN-TIME AND BUDGET REVISION**

### **Summary of Existing Project Activities**

2. The country programme 200253 consists of five components: i) disaster risk management capacity; ii) natural resource management capacity including community-based watershed management development using the Managing Environmental Resources better to Enable Transitions to sustainable livelihoods (MERET) approach; iii) food for education (FFE) in primary schools; iv) access to HIV care, treatment and support in urban areas; and v) promoting food marketing and rural livelihoods, especially for women.
3. The activities of the country programme remain as they are described in the original document and the subsequent three budget revisions. However, it is envisaged that there will be reductions in scope of the programme components in the remaining lifetime of the country programme and these are reflected in this budget revision.

### **Conclusion and Recommendations of the Re-Assessment**

4. The United Nations Country Team in Ethiopia is jointly implementing its third UN Development Assistance Framework (UNDAF), which has been jointly developed with the Government of Ethiopia seeking to strengthen national capacities to formulate evidence-based policies and strategies. Thus, the UNDAF is aligned to Ethiopia's five year national development plan, the Growth and Transformation Plan (GTP), in its content but aims now to extend the operational period of 1 January 2012 to 31 December 2015 by another six months to align to the timeframe of the GTP and the Ethiopian fiscal year.
5. In order to align with the new operational time-frame of the UNDAF, WFP will also extend its country programme until 30 June 2016. All activities under the country programme will continue in their current design as stipulated in the UNDAF.
6. In line with the agreed exit strategy with the Government, the plans for MERET have been revised downwards. MERET has already started exiting from mature and developed sites as per the phase-out strategy and the plan reflects a downward revision of the current MERET-supported sites from the original country programme plans.
7. During the past two years the national gross school enrollment rate was recorded at a 2.8 percent increase, much lower than expected<sup>1</sup>. This impacted the actual caseload of the FFE component. Therefore, the target has been reduced from an expected 10 percent primary school enrollment increase, to 3 percent for schools in Ethiopia's highlands and 5 percent in the Afar and Somali regions. For the latter, the target is set higher, as these regions are lagging behind compared to other parts of the country.
8. The recent home-grown school feeding initiative in Southern Nationalities & Nations People region will continue, and discussions have started with other regions to explore implementation.

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<sup>1</sup> The estimated enrollment rate increase in the original CP was based on a universal increase across targeted regions; however, in highland areas the gross enrollment rate was as high as 100% while it was 35% for Afar and 50% Somali regions. Since the proportion of students targeted in highlands was higher than in the low land, the estimated increase rates were overestimated. It was thus agreed with MoE to focus on stabilization of attendance and reducing drop outs on highlands while supporting enrollment increase in Afar and Somali regions.

9. The majority of Orphans and Vulnerable Children (OVC) receiving in-kind food support will graduate from the assistance in 2016, as a result of USAID's planned complementary family economic development initiative<sup>2</sup>. This initiative is expected to transit OVC and their families into food security. In addition, People Living with HIV/AIDS (PLHIV) and clients under Prevention of Mother to Child Transmission (PMTCT) who will be receiving individual and household food assistance are expected to move to economic strengthening initiatives by 2016. As a result, the planned beneficiaries under component four will remain as planned<sup>3</sup> in 2014 and 2015, and will be significantly reduced in 2016.
10. The USAID's family economic development initiative will link food insecure families to income generation activities (IGA) and asset building activities such as urban gardening and small animal rearing. The economic strengthening activities are implemented by WFP and USAID partners and focus on IGAs linked to village saving and loan associations that provide small loans and matching funds, so by the time beneficiaries graduate from WFP assistance they have a livelihood to support themselves.
11. This budget revision also increases the number of beneficiaries receiving assistance through cash and voucher transfer modality under component four: Access to HIV Care, Treatment and Support to Urban Areas. This increased number corresponds to beneficiaries newly-enrolled in 2016.
12. In the preparation phase of Ethiopia's next GTP, WFP is already engaged with Government counterparts, United Nations sister agencies and other development partners. WFP activities will be designed to support the long term vision of an Ethiopia free from malnutrition, with the ability to manage disaster risks, and where all people at all times have access to food.

### **Purpose of Extension and Budget Revision**

13. The purpose of the six month extension until 30 June 2016 is to: i) align the country programme with the new time-frame of the UNDAF and the Governments' GTP timeline; ii) reflect actual increase in net primary school enrollment rates; iii) accommodate the phase out/handover strategy in MERET, as well as urban HIV and AIDS activities during the phase out period; and iv) adjust the budget to more realistic funding levels. Components 1 (disaster risk management capacity) and 5 (promoting food marketing and rural livelihoods), that do not include a food or cash transfer activity are not affected by this budget revision.

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<sup>2</sup> The national OVC programme, run by the Ministry of Women, Children and Youth Affairs, refers OVC to WFP based on a nationally agreed selection tool. As the USAID complementary family economic development initiative expands its coverage over the next two years, the Ministry envisions a reduced number of OVC being referred to WFP for assistance starting in 2016.

<sup>3</sup> Planned figures as per Budget Revision 3.

**TABLE 1: BENEFICIARIES BY OR COMPONENT**

Component	Category of beneficiaries	Current			Increase / Decrease			Revised (2016*)		
		Boys / Men	Girls / Women	Total	Boys / Men	Girls / Women	Total	Boys / Men	Girls / Women	Total
Component 2: Natural resource management including community - based watershed management development using the MERET approach	Food insecure rural areas	327,500	321,500	649,000	(269,500)	(264,500)	(534,000)	58,000	57,000	115,000

Component 3: Food for education in Primary Schools	Primary school age children	485,300	431,700	917,000	(122,200)	(108,700)	(230,900)	363,100	323,000	686,100
Component 4: Access to HIV care, Treatment and support in Urban areas**	OVC, PLHIV, PMTCT	186,368	188,618	374,986	21,868	22,132	44,000	208,236	210,750	418,986
<b>TOTAL</b>		<b>999,168</b>	<b>941,818</b>	<b>1,940,986</b>	<b>(369,832)</b>	<b>(351,068)</b>	<b>(720,900)</b>	<b>629,336</b>	<b>590,750</b>	<b>1,220,086</b>

\*The revised total refers to the extension period (Jan-Jun 2016). However this BR also revises the beneficiary numbers for Components 2 in 2015 and Component 3 in 2014/2015 as follows:

- Component 2: Revised in 2015: 143,500
- Component 3: Revised in 2014: 648,500. Revised in 2015: 672,600.

\*\*231,045 beneficiaries will receive cash and vouchers under component 4, out of which 13,225 receive direct cash

## FOOD REQUIREMENTS

**TABLE 2: FOOD/CASH AND VOUCHER REQUIREMENTS BY COMPONENT**

Component	Commodity / Cash & voucher	Food requirements (mt) Cash/voucher (US\$)		
		Current	Increase	Revised total
Component 2: Natural resource management including community - based watershed management development using the MERET approach	Commodity	140,000	(33,870)	106,130
Component 3: Food for Education in Primary Schools	Commodity	108,779	1,504	110,283
Component 4: Access to HIV care, Treatment and support	Commodity Cash & Voucher	62,177 US\$17,952,315	(16,615) US\$4,736,970	45,562 US\$22,689,285

in Urban areas				
<b>TOTAL</b>	<b>Commodity Cash &amp; Voucher</b>	<b>310,956 US\$17,952,315</b>	<b>(48,981) US\$4,736,970</b>	<b>261,975 US\$22,689,285</b>

**Approved by:**

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Ertharin Cousin  
Executive Director, WFP

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Date

## ANNEX I-A

PROJECT COST BREAKDOWN			
	Quantity (mt)	Value (US\$)	Value (US\$)
<i>Food Transfers</i>	-	-	
Cereals	(46,404)	(14,095,167)	
Pulses	(2,915)	(1,483,760)	
Oil and fats	(260)	(400,969)	
Mixed and blended food	587	2,371,483	
Others	12	31,810	
<b>Total Food Transfers</b>	(48,981)	(13,576,602)	
External Transport		(4,338,785)	
LTSH		(7,382,240)	
ODOC Food		148,820	
<b>Food and Related Costs <sup>4</sup></b>			<b>(25,148,806)</b>
C&V Transfers		4,736,970	
C&V Related costs		266,571	
<b>Cash and Vouchers and Related Costs</b>			<b>5,003,541</b>
<b>Capacity Development &amp; Augmentation</b>			<b>(1,277,015)</b>
<i>Direct Operational Costs</i>			(21,422,281)
Direct support costs (see Annex I-B)			1,307,745
<b>Total Direct Project Costs</b>			<b>(20,114,535)</b>
Indirect support costs (7,0 percent) <sup>5</sup>			(1,408,017)
<b>TOTAL WFP COSTS</b>			<b>(21,522,553)</b>

<sup>4</sup> This is a notional food basket for budgeting and approval. The contents may vary.

<sup>5</sup> The indirect support cost rate may be amended by the Board during the project.

**ANNEX I-B**

<b>DIRECT SUPPORT REQUIREMENTS (US\$)</b>	
<b>WFP Staff and Staff-Related</b>	
Professional staff *	583,625
General service staff **	523,918
Danger pay and local allowances	18,000
<b>Subtotal</b>	<b>1,125,543</b>
<b>Recurring and Other</b>	<b>(269,441)</b>
<b>Capital Equipment</b>	<b>596,396</b>
<b>Security</b>	<b>63,788</b>
<b>Travel and transportation</b>	<b>(262,600)</b>
<b>Assessments, Evaluations and Monitoring<sup>6</sup></b>	<b>54,060</b>
<b>TOTAL DIRECT SUPPORT COSTS</b>	<b>1,307,745</b>

\* Costs to be included in this line are under the following cost elements: International Professional Staff (P1 to D2), Local Staff - National Officer, International Consultants, Local Consultants, UNV

\*\* Costs to be included in this line are under the following cost elements: International GS Staff, Local Staff- General Service, Local Staff - Temporary Assist. (SC, SSA, Other), Overtime

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<sup>6</sup> Reflects estimated costs when these activities are performed by third parties. If WFP Country Office staff perform these activities, the costs are included in Staff and Staff Related and Travel and Transportation.



## ANNEX I-C

TRANSFER BY COMPONENT							
	Component 1	Component 2	Component 3	Component 4	Component 5	Component 6	Total
Food Transfers (mt)	-	(33,870)	1,504	(16,615)	-	-	(48,981)
Food Transfers (US\$)	-	(10,291,040)	3,698,135	(6,983,696)	-	-	(13,576,602)
C&V Transfers (US\$)	-	-	-	4,736,970	-	-	4,736,970
Capacity Development & Augmentation (US\$)							-



## **MAP**

Please ensure that:

- The map is fully legible at this scale (i.e. A4).
- The map is legible in black and white.

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## **ACRONYMS USED IN THE DOCUMENT**

[Note: Include acronyms for UN agencies, MDGs and UNDAF even if they appear only once in the document.]

ANNEX IV - [LTSH-matrix](#)

ANNEX V - [Project Budget Plan](#)

ANNEX VI - [Project Statistics](#)

ANNEX VII - [Project Budget Estimate](#)

**ANNEX VIII – Macro Risk Analysis and contingency plan (in the case of cash and vouchers)**