

## Crisis response revision of Ethiopia country strategic plan (2020–2025) and corresponding budget increase

	Current	Change	Revised
<b>Duration</b>	<b>1 July 2020 – 30 June 2025</b>	<b>No change</b>	<b>No change</b>
<b>Beneficiaries</b>	<b>20 915 195</b>	<b>(598 922)</b>	<b>20 316 273</b>
<i>(USD)</i>			
<b>Total cost</b>	<b>2 586 549 457</b>	<b>435 225 796</b>	<b>3 021 775 253</b>
Transfer	2 142 462 285	416 513 837	2 558 976 122
Implementation	134 583 204	3 907 272	138 490 476
Adjusted direct support costs	151 639 447	(3 533 420)	148 106 027
<b>Subtotal</b>	<b>2 428 684 936</b>	<b>416 887 689</b>	<b>2 845 572 625</b>
Indirect support costs (6.5 percent)	157 864 521	18 338 107	176 202 628

Gender and age marker code\*: 3

\* <http://gender.manuals.wfp.org/en/gender-toolkit/gender-in-programming/gender-and-age-marker/>.

### Rationale

1. The nature of this revision reflects: i) the scaling up of operations by WFP in the context of the COVID-19 crisis and other shocks to provide life-saving food and nutrition assistance to additional food-insecure and vulnerable populations; ii) adjustment of beneficiary numbers under the nutrition activity to align with the revised national guidelines for the treatment of moderate acute malnutrition (MAM); iii) addition of the Logistics Cluster activity; iv) addition of an on-demand service provision food procurement activity; and v) supply chain matrix adjustments.
2. Humanitarian requirements have increased in Ethiopia in 2020, mainly due to the impact of the COVID-19 pandemic, desert locusts, and displacements caused by conflict, drought and flooding. Ethiopia's 2020 Humanitarian Response Plan (HRP)<sup>1</sup> initially targeted seven million people for humanitarian assistance. Following the mid-year review of the HRP issued in August 2020,<sup>2</sup> the population targeted for assistance increased to 15 million and the 2020 requirements increased from USD 1 billion to USD 1.44 billion.

<sup>1</sup> [https://ethiopia.un.org/en/32688-2020-ethiopia-humanitarian-response-plan#:~:text=The%202020%20Ethiopia%20Humanitarian%20Response%20Plan%20\(HRP\)%20was%20officially%20released,cost%20of%20US%241%20billion.](https://ethiopia.un.org/en/32688-2020-ethiopia-humanitarian-response-plan#:~:text=The%202020%20Ethiopia%20Humanitarian%20Response%20Plan%20(HRP)%20was%20officially%20released,cost%20of%20US%241%20billion.)

<sup>2</sup> [https://reliefweb.int/sites/reliefweb.int/files/resources/ethiopia\\_hrp\\_mid\\_year\\_review\\_2020\\_-\\_31\\_aug\\_final.pdf](https://reliefweb.int/sites/reliefweb.int/files/resources/ethiopia_hrp_mid_year_review_2020_-_31_aug_final.pdf)



3. The Government has requested WFP to respond to: i) the increased food and nutrition requirements, specifically for COVID-19 quarantine and treatment centres, households affected by floods and the urban productive safety net programme (PSNP); ii) the revised national guidelines for the treatment of MAM<sup>3</sup> and the requirements due to COVID-19 and desert locusts; and iii) increased supply chain demands by activating the Logistics Cluster.
4. Given the limited availability of cereals for local purchase, the Government has requested WFP to procure and transport cereals on behalf of the National Disaster Risk Management Commission (NDRMC).<sup>4</sup> Furthermore, a donor has requested WFP to procure and transport a consignment of cereals to support the NDRMC's relief efforts.
5. The general elections, planned for August 2020, have been postponed to 2021 due to COVID-19. There is a risk of civil unrest before, during or after the elections which could increase the demand for crisis response. The main risks are conflict-induced displacement of people and access issues for humanitarian operations. WFP has invested in additional storage for buffer stocks and is increasing its transport fleet substantially.
6. To support the Comprehensive Refugee Response Framework, WFP is developing its livelihood interventions for refugees and host communities. WFP aims to enhance resilience to climate shocks and promote self-reliance.
7. Headline inflation, an indicator of the cost of living, has reached annual rates of over 20 percent in the first half of 2020;<sup>5</sup> these are the highest in seven years. Since the supply chain matrix was prepared for the initial country strategic plan (CSP) budget, there have been increases in the cost of transport, storage, handling, secondary transport services and field-level agreements. Local transport rates for commercial transporters increased by 30 percent, particularly in Somali Region, while transport premium costs increased by 30–50 percent for voluminous commodities.
8. The Ministry of Health and the Ethiopian Public Health Institute, with support from WFP, have set up a mechanism to monitor the cost and the non-affordability of healthy diets, leveraging government data (140 food prices in 240 market sentinel sites) to produce technical guidelines and advocacy messages, for example, cost gaps for a household to meet dietary requirements to inform social protection interventions.
9. The proposed budget revision maintains alignment with the HRP, as well as WFP's COVID-19 Medium-Term Programme Framework<sup>6</sup> to respond to the development emergency caused by the COVID-19 pandemic.

## Changes

### Strategic orientation

10. There is no change in the strategic orientation of the CSP.

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<sup>3</sup> The direct impact of COVID-19 on children and pregnant and lactating women is difficult to assess because of the limited capacity to diagnose the presence of the virus. However, the expression of the symptoms due to the virus has a high likelihood to increase the risk of morbidity and mortality among beneficiaries with acute malnutrition due to their low levels of immunological defense.

<sup>4</sup> For relief food assistance under the Humanitarian Response Plan, geographic areas are allocated to the NDRMC, WFP and the Joint Emergency Operation Program (non-governmental organizations).

<sup>5</sup> Consumer Price Index - Central Statistical Agency of Ethiopia.

<sup>6</sup> <https://www.dropbox.com/s/2o5pqj6uol26vlg/COVID-19%20-%20WFP%20Medium%20Term%20Programme%20Framework%20PD%20FINAL%20DRAFT%205%20May.docx?dl=0>.



## Strategic outcomes

11. WFP has engaged with national and international academic partners to better forecast the impact of COVID-19 on food and health systems.<sup>7</sup> The consultation indicated a potential increase of mortality among children and pregnant and lactating mothers up to 40 percent due to the decreased access to food (increased prices, decreased affordability of both staples and nutrient-dense foods) and health services (reduced access and availability in urban and peri-urban sites).
12. *Strategic outcome 1, Activity 1: "Provide unconditional, nutrition-sensitive, in-kind and cash-based food assistance to crisis-affected populations and transitory clients of the PSNP."* WFP will introduce food assistance through cash-based transfers to returning migrants at the points of entry and mandatory quarantine centres, and cooked meals to COVID-19 infected people at treatment centres, implemented with NDRMC (322,204 beneficiaries); introduce a cash top-up to beneficiaries of the urban PSNP implemented with the Federal Urban Job Creation and Food Security Agency (17,460 beneficiaries). An additional contingency for people in the Somali Region based on the provisional planning figures for the 2021 elections has been included (573,340 beneficiaries). Based on these changes, the overall number of beneficiaries in this activity will increase by 913,004.
13. *Strategic outcome 1, Activity 2: "Support treatment and prevention of acute malnutrition for crisis-affected children aged 6-59 months and pregnant and lactating women and girls (PLWG)."*
  - i) The revised national guidelines for the management of MAM recommend that pregnant women and girls (PLWG) will be admitted into the programme at the time of conception rather than the third trimester. This increases the length of stay in the intervention from 120 to 180 days, thereby increasing the cost per treatment package for PLWG. The number of beneficiaries is reduced accordingly to align with the expected resources.
  - ii) COVID-19 restrictions, desert locust infestation, flooding and other shocks may lead to a spike in MAM in particular locations. If and when this happens, this will be detected in the regular prioritization exercise. Priority 1 woredas will be covered by WFP under Activity 2 through this budget, if not by another entity (e.g. the Rapid Response Mechanism)..
  - iii) The overall effect of these changes is a net decrease in the number of beneficiaries by 1.7 million between 2020–2025.
14. *Strategic outcome 2, Activity 5: "Provide nutrition-sensitive social protection, climate risk management services and capacity strengthening support for smallholder farmers, pastoralists, refugees and returnees most vulnerable to climate shocks."* WFP will scale up livelihood and resilience-building interventions for refugees and host communities in Gambella and Somali regions, to reach an additional 200,000 beneficiaries by the end of 2022.

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<sup>7</sup> Johns Hopkins University analysis on the Lancet at global level <https://www.dropbox.com/s/eo7rxao1dr7ljqj/Roberto%20-%20Early%20estimates%20of%20the%20indirect%20effects%20of%20the%20COVID-19%20pandemic%20on%20maternal%20and%20child%20mortality%20-2020.pdf?dl=0> and for Ethiopia setting [https://www.dropbox.com/s/k3cylvv7doeslxf/LIST\\_COVID19\\_Indirect\\_WFP\\_ETHIOPIA\\_V2.pdf?dl=0](https://www.dropbox.com/s/k3cylvv7doeslxf/LIST_COVID19_Indirect_WFP_ETHIOPIA_V2.pdf?dl=0)



15. *Strategic outcome 4, Activity 7: "Provide advisory and technical services to federal and regional government and the private sector for strengthening food assistance delivery platforms and national and regional systems, including social safety nets programme management, early warning and emergency preparedness systems, and supply chain solutions and management."* The budget for this activity will be increased to enable the procurement, shipping and transport of 72,440 mt of wheat on behalf of NDRMC. This will contribute directly to Government priorities outlined in the 2020 HRP with a specific focus on the desert locust crisis response.<sup>8</sup> To address underlying capacity gaps, this activity includes provision of enhanced and sustainable supply chain management capacity to the Government at federal and regional levels and increased private sector engagement.
16. *Strategic outcome 5, Activity 10: "Provide coordination and logistics services to the humanitarian community through the Logistics Cluster."* The new Logistics Cluster activity will augment operational capacities in terms of air and land transport, warehousing, coordination and information management to support the humanitarian response of the Government and partners.
17. *Strategic outcome 5, Activity 11: "Provide on demand food procurement to government and humanitarian partners."* This activity will enable the purchase and delivery of 300,000 mt of wheat on behalf of NDRMC. Port congestion is a chronic issue in the Djibouti-Ethiopia corridor, as is limited transport capacity to uplift cargo. WFP is actively engaged with partners to mitigate these challenges through enhanced upstream supply chain planning, leveraging opportunities for containerized and bulk cargo, increased use of rail services, acquisition and contracting of dedicated additional road transport capacity, and, in partnership with the Ministry of Transport, development and use of alternative corridors.

### **Country office capacity**

18. WFP has sufficient capacity to support the scale-up of operations as part of the COVID-19 response.

### **Monitoring and evaluation**

19. Although WFP has maintained a deep field presence throughout the COVID-19 pandemic, staff mobility has, to some extent, been affected. Mobility restrictions are necessary in order to minimize the risk of COVID-19 transmission not only to WFP staff but also to beneficiaries. However, WFP has taken a number of measures to mitigate any impact of this on oversight. Remote monitoring approaches and mobile telephone-based process monitoring are in place. This includes an enhanced Third Party Monitoring (TPM) arrangement in Somali region. Vulnerability analysis and mapping approaches and the WFP customer relations management hotline are used as the primary data collection vehicles. Where the context permits, WFP will complement these innovative approaches through enhanced direct monitoring by its own staff.

### **Accountability to affected populations, protection risks, restrictions of gender and disabilities**

20. WFP continues to uphold the commitment towards needs-based programming informed by gender analysis, with the aim of ultimately transforming lives and gender relations amongst the affected men, women, boys and girls. Livelihood projects, and other resilience-building interventions, will be transformative in terms of empowerment of rural women. This budget revision will align with the percentage provisions of the gender budget in the initial CSP budget.
21. WFP and partners have adopted COVID-19 risk mitigation measures for food and cash distributions, which include physical distancing, handwashing, use of personal protective

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<sup>8</sup> This was part of revision 3 of the ICSP (<https://docs.wfp.org/api/documents/WFP-0000115024/download/>) but due to a change in the timeframe, it will take place within the CSP period.



equipment and double distributions to reduce frequency of large gatherings, and social and behaviour change communication. WFP remains committed to maintaining the highest possible level of engagement with affected communities, both through innovative, remote approaches (e.g. customer relations management hotline) and – where the context permits – direct interaction at project sites.



## Beneficiary analysis

TABLE 1: DIRECT BENEFICIARIES BY STRATEGIC OUTCOME AND ACTIVITY							
Strategic outcome	Activity	Period	Women (18+ years)	Men (18+ years)	Girls (0-18 years)	Boys (0-18 years)	Total
1	1	Current	726 880	713 900	882 640	921 580	<b>3 245 000</b>
		Increase/decrease	204 513	200 861	247 424	260 206	<b>913 004</b>
		Revised	931 393	914 761	1 130 064	1 181 786	<b>4 158 004</b>
	2	Current	7 498 999	-	4 515 499	4 515 499	<b>16 529 997</b>
		Increase/decrease	(776 631)	-	(467 647)	(467 648)	<b>(1 711 926)</b>
		Revised	6 722 364	-	4 047 852	4 047 851	<b>14 818 071</b>
	3	Current	187 610	174 470	178 120	189 800	<b>730 000</b>
		Increase/decrease	-	-	-	-	-
		Revised	187 610	174 470	178 120	189 800	<b>730 000</b>
2	4	Current	-	-	328 705	385 871	<b>714 576</b>
		Increase/decrease	-	-	-	-	-
		Revised	-	-	328 705	385 871	<b>714 576</b>
	5	Current	274 374	274 374	336 170	351 001	<b>1 235 919</b>
		Increase/decrease	43 000	39 000	57 200	60 800	<b>200 000</b>
		Revised	317 374	313 374	393 370	411 801	<b>1 435 919</b>
3	6	Current	174 876	171 834	211 536	221 754	<b>780 000</b>
		Increase/decrease	-	-	-	-	-
		Revised	174 876	171 834	211 536	221 754	<b>780 000</b>
<b>Total (without overlap)</b>	<b>Current</b>	<b>8 155 740</b>	<b>1 470 821</b>	<b>5 598 210</b>	<b>5 690 424</b>	<b>20 915 195</b>	
	<b>Increase/decrease</b>	<b>(233 545)</b>	<b>(42 118)</b>	<b>(160 309)</b>	<b>(162 950)</b>	<b>(598 922)</b>	
	<b>Revised</b>	<b>7 922 195</b>	<b>1 428 703</b>	<b>5 437 901</b>	<b>5 527 474</b>	<b>20 316 273</b>	

## Transfers

	Strategic outcome 1				Strategic outcome 2
	Activity 1		Activity 2		Activity 5
	General food distribution				Livelihoods
Beneficiary type	Returnees	Urban PSNP	Children 6–59 months	Pregnant and lactating women and girls (PLWG)	
Modality	CBTs		Food		CBTs
Super Cereal Plus	-	-	-	250	-
Blended food (Plumpy'Sup)	-	-	100	-	-
Total kcal/day	-	-	535	984	-
% kcal from protein	-	-	10.5	17	-
Cash-based transfers (USD/person/day)	7.04	0.36	-	-	0.4
Number of feeding days per year	7	90	90	180	90

	Current budget		Increase		Revised budget	
	Total (mt)	Total (USD)	Total (mt)	Total (USD)	Total (mt)	Total (USD)
Cereals	1 103 358	279 404 086	106 840	22 937 462	1 210 199	302 341 548
Pulses	107 936	41 843 129	3 440	1 401 242	111 376	43 244 371
Oil and fats	55 288	47 271 804	1 032	1 012 480	56 320	48 284 284
Mixed and blended foods	451 543	528 687 466	2 513	15 707 896	454 056	544 395 363
Other	26 164	11 298 607	0	0	26 164	11 298 607
<b>Total (food)</b>	<b>1 744 289</b>	<b>908 505 093</b>	<b>113 825</b>	<b>41 059 080</b>	<b>1 858 114</b>	<b>949 564 173</b>
Cash-based transfers		523 090 753		75 843 917		598 934 671
<b>Total (food and CBT value)</b>	<b>1 744 289</b>	<b>1 431 595 846</b>	<b>113 825</b>	<b>116 902 998</b>	<b>1 858 114</b>	<b>1 548 498 844</b>

## Cost breakdown

22. The increase in costs under strategic outcomes 1 and 2 is a result of the scaling up of operations to provide food and nutrition assistance to additional beneficiaries, increased food transfer costs



and increased cooperating partners' costs, particularly transport and staffing costs and inclusion of mobile health and nutrition teams in Afar and Somali regions. For Activity 2, it is also driven by the increase in the standard treatment package for PLWG.

23. Budget changes under strategic outcome 4 are due to the inclusion of a grant migrated from the interim CSP for the provision of cereals from a donor to the Government of Ethiopia for the HRP.
24. The increase in costs under strategic outcome 5 reflects the introduction of the Logistics Cluster and the on-demand service provision food procurement activities.
25. The revision of the supply chain matrix has also contributed to an additional USD 120 million in food transfer costs over the duration of the CSP. This increase is related to the additional cost of transport, storage, handling and secondary transport services and field-level agreements.
26. The slight reduction in direct support costs is a result of the alignment with the supply chain matrix and an adjustment to support the additional activities indicated in this revision.

**TABLE 4: COST BREAKDOWN OF THE REVISION ONLY (USD)**

	<b>Strategic Result 1/ SDG Target 2.1</b>	<b>Strategic Result 1/ SDG Target 2.1</b>	<b>Strategic Result 2/ SDG Target 2.2</b>	<b>Strategic Result 5/ SDG Target 17.9</b>	<b>Strategic Result 8/ SDG Target 17.16</b>	<b>Total</b>
	<b>Strategic outcome 1</b>	<b>Strategic outcome 2</b>	<b>Strategic outcome 3</b>	<b>Strategic outcome 4</b>	<b>Strategic outcome 5</b>	
<b>Focus area</b>	<b>Crisis response</b>	<b>Resilience building</b>	<b>Root causes</b>	<b>Crisis response</b>	<b>Crisis response</b>	
Transfer	161 650 960	69 647 387	0	24 487 998	160 727 492	<b>416 513 837</b>
Implementation	1 490 000	0	0	0	2 417 272	<b>3 907 272</b>
Adjusted direct support costs						<b>(3 533 420)</b>
<b>Subtotal</b>						<b>416 887 689</b>
Indirect support costs (6.5 percent)						<b>18 338 107</b>
<b>Total</b>						<b>435 225 796</b>



<b>TABLE 5: OVERALL CSP COST BREAKDOWN, AFTER REVISION (USD)</b>						
	<b>Strategic Result 1/ SDG Target 2.1</b>	<b>Strategic Result 1/ SDG Target 2.1</b>	<b>Strategic Result 2/ SDG Target 2.2</b>	<b>Strategic Result 5/ SDG Target 17.9</b>	<b>Strategic Result 8/ SDG Target 17.16</b>	<b>Total</b>
	<b>Strategic outcome 1</b>	<b>Strategic outcome 2</b>	<b>Strategic outcome 3</b>	<b>Strategic outcome 4</b>	<b>Strategic outcome 5</b>	
<b>Focus area</b>	<b>Crisis response</b>	<b>Resilience building</b>	<b>Root causes</b>	<b>Crisis response</b>	<b>Crisis response</b>	
Transfer	1 929 801 096	352 992 447	30 627 480	58 157 394	187 397 705	<b>2 558 976 122</b>
Implementation	112 369 975	16 624 325	3 713 718	1 380 235	4 402 224	<b>138 490 476</b>
Adjusted direct support costs	113 650 836	21 781 086	2 012 168	2 778 431	7 883 505	<b>148 106 027</b>
<b>Subtotal</b>	<b>2 155 821 907</b>	<b>391 397 859</b>	<b>36 353 366</b>	<b>62 316 060</b>	<b>199 683 434</b>	<b>2 845 572 625</b>
Indirect support costs (6.5 percent)	140 128 424	25 440 861	2 362 969	4 050 544	4 219 831	<b>176 202 628</b>
<b>Total</b>	<b>2 295 950 331</b>	<b>416 838 720</b>	<b>38 716 334</b>	<b>66 366 604</b>	<b>203 903 264</b>	<b>3 021 775 253</b>