

## 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>20 316 273</b>	<b>No change</b>	<b>20 316 273</b>
<i>(USD)</i>			
<b>Total cost</b>	<b>3 021 775 253</b>	<b>270 022 465</b>	<b>3 291 797 717</b>
Transfers	2 558 976 122	265 663 000	2 824 639 122
Implementation	138 490 476	4 925 074	143 415 550
Adjusted direct support costs	148 106 027	0	148 106 027
<b>Subtotal</b>	<b>2 845 572 625</b>	<b>270 588 074</b>	<b>3 116 160 699</b>
Indirect support costs (6.5 percent)	176 202 628	(565 610)	175 637 018

Gender and age marker code\*: 3

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

### Rationale

1. The Government of Ethiopia through the Ministry of Finance and the National Disaster Risk Management Commission (NDRMC) has formally requested WFP to purchase and deliver on its behalf 700,000 mt of internationally sourced wheat for a timely response to food assistance requirements under the Government's responsibility.
2. The number of people in need of food assistance in Ethiopia is expected to increase in 2021 due to various factors such as drought (La Niña), floods, desert locust infestations, ongoing crisis in Tigray and internal displacements of people in different parts of the country. The Government will not be able to cover its net wheat requirements through its procurement channels and WFP has been approached to facilitate the procurement of wheat from the international market and to deliver consignments to various destinations. The wheat is planned to be used for distribution in the areas where the Government implements its relief response under the Humanitarian Response Plan and the Productive Safety Net Programme.
3. This revision increases the budget of the Ethiopia country strategic plan (CSP) by USD 270 million; this represents the budget for 600,000 mt of wheat, taking into consideration the outstanding balance of commitments in the CSP which can absorb the difference.
4. The Ethiopia country office is handling this agreement with the Government of Ethiopia on a full cost-recovery basis.
5. The start date of the revision is 1 January 2021 and the end date 31 December 2021.

### Changes

#### Strategic orientation

6. There are no changes in the strategic orientation of the CSP.



### **Strategic outcomes**

7. No new strategic outcomes will be introduced through this budget revision and the CSP line of sight does not change.
8. This service provision is carried out under strategic outcome 5, Activity 11: "Provide on demand food procurement to government and humanitarian partners". The budget plan will be adjusted to accommodate the purchase and delivery of 700,000 mt of wheat on behalf of NDRMC. This will support Government's efforts in meeting the food assistance needs of vulnerable populations affected by recurrent drought, floods, desert locust infestations and internal displacements.
9. Prolonged delays in cargo movements and custom clearance procedures risk supply chain disruptions. To mitigate this risk, WFP has received a guarantee from the Government that shipments under the agreement will be prioritized for transport and other logistical arrangements, which otherwise would be negatively affected because of the high demand for transporters required for the seasonal import of fertilizers, cereals and other cargo. In addition to Djibouti Port, other ports (Berbera, Port Sudan and Mombasa) are also being considered by NDRMC to deliver to various destinations depending on the cost and proximity to transport corridors. Moreover, WFP is also looking into engaging transporters from the Sudan, as needed, to ensure sufficient trucking capacity to deliver the consignments on time.

### **Beneficiary analysis**

10. No changes

### **Transfers**

11. The transfer costs include: the commodity and bags, shipping, port operations, bagging, stevedoring, transport to the final delivery points and superintendence at destination.
12. The implementation costs include: the management cost recovery and the Ethiopia country office staffing costs related to the implementation of this service provision activity. As the management cost recovery covers headquarters costs, it replaces indirect support costs which therefore do not apply.



## Cost breakdown

	Strategic Result 1/ SDG Target 2.1	Strategic Result 1/ SDG Target 2.1	Strategic Result 2/ SDG Target 2.2	Strategic Result 5/ SDG Target 17.9	Strategic Result 8/ SDG Target 17.16	Total
	Strategic outcome 1	Strategic outcome 2	Strategic outcome 3	Strategic outcome 4	Strategic outcome 5	
Focus area	Crisis response	Resilience building	Root causes	Crisis response	Crisis response	
Transfers					265 663 000	<b>265 663 000</b>
Implementation					4 925 074	<b>4 925 074</b>
Adjusted direct support costs						
<b>Subtotal</b>						<b>270 588 074</b>
Indirect support costs (6.5 percent)						<b>(565 610)</b>
<b>Total</b>						<b>270 022 465</b>

	Strategic Result 1/ SDG Target 2.1	Strategic Result 1/ SDG Target 2.1	Strategic Result 2/ SDG Target 2.2	Strategic Result 5/ SDG Target 17.9	Strategic Result 8/ SDG Target 17.16	Total
	Strategic outcome 1	Strategic outcome 2	Strategic outcome 3	Strategic outcome 4	Strategic outcome 5	
Focus area	Crisis response	Resilience building	Root causes	Crisis response	Crisis response	
Transfers	1 929 801 096	352 992 447	30 627 480	58 157 394	453 060 705	<b>2 824 639 122</b>
Implementation	112 369 975	16 624 325	3 713 718	1 380 235	9 327 298	<b>143 415 550</b>
Adjusted direct support costs	106 734 201	20 740 210	1 926 703	2 674 878	16 030 036	<b>148 106 027</b>
<b>Subtotal</b>	<b>2 148 905 271</b>	<b>390 356 982</b>	<b>36 267 901</b>	<b>62 212 506</b>	<b>478 418 039</b>	<b>3 116 160 699</b>
Indirect support costs (6.5 percent)	139 678 843	25 373 204	2 357 414	4 043 813	4 183 745	<b>175 637 018</b>
<b>Total</b>	<b>2 288 584 114</b>	<b>415 730 186</b>	<b>38 625 314</b>	<b>66 256 319</b>	<b>482 601 784</b>	<b>3 291 797 717</b>

