

## 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>22 962 008</b>	<b>No change</b>	<b>No change</b>
<i>(USD)</i>			
<b>Total cost</b>	<b>3 572 315 132</b>	<b>365 700 800</b>	<b>3 938 015 932</b>
Transfers	3 077 383 596	362 080 000	3 439 463 596
Implementation	153 985 212	3 620 800	157 606 012
Adjusted direct support costs	148 106 027	0	148 106 027
<b>Subtotal</b>	<b>3 379 474 835</b>	<b>365 700 800</b>	<b>3 745 175 635</b>
Indirect support costs (6.5 percent)	192 840 298	0	192 840 298

Gender and age marker code:\* 3

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

### 1. Rationale

1. The Government of Ethiopia has formally requested WFP to purchase and deliver on its behalf, 800,000 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 has risen in 2021 due to various factors such as drought, floods, desert locust invasion, 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 deliver consignments to various destinations. The wheat will be used for distributions in 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 365.7 million; this represents the budget for 800,000 mt of wheat.
4. WFP is handling this agreement with the Government of Ethiopia on a full-cost recovery basis.
5. The start date of the revision is 1 September 2021 and end date 31 December 2022.

### 2. Changes

#### Strategic orientation

6. There is no change 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 has been adjusted to accommodate the purchase and delivery of 800,000 mt of wheat. This will support the Government's efforts in meeting the food requirements of vulnerable populations affected by recurrent drought, floods, desert locust invasion, ongoing crisis in Tigray region 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, and Mombasa) are also being considered by the Government to deliver to various destinations depending on the cost and proximity to transport corridors. Moreover, WFP is also looking into engaging more transporters, as needed, to ensure sufficient trucking capacity to deliver the consignment on time.

## Beneficiary analysis

10. No changes.

## 3. Cost breakdown

	<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>	
Transfers	0	0	0	0	362 080 000	<b>362 080 000</b>
Implementation	0	0	0	0	3 620 800	<b>3 620 800</b>
Adjusted direct support costs						<b>0</b>
<b>Subtotal</b>						<b>365 700 800</b>
Indirect support costs (6.5 percent)						<b>0</b>
<b>Total</b>						<b>365 700 800</b>

Abbreviation: SDG= Sustainable Development Goal

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 at 1 percent. As the management cost recovery covers headquarters' costs, it replaces indirect support costs which therefore do not apply.

**TABLE 5: OVERALL CSP COST BREAKDOWN, AFTER REVISION (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>	
Transfers	2 215 466 946	319 177 751	30 627 480	58 157 394	816 034 024	<b>3 439 463 596</b>
Implementation	122 888 607	16 624 325	3 713 718	1 380 235	12 999 128	<b>157 606 012</b>
Adjusted direct support costs	110 842 338	18 369 098	1 837 868	2 579 544	14 477 179	<b>148 106 027</b>
<b>Subtotal</b>	<b>2 449 197 891</b>	<b>354 171 175</b>	<b>36 179 066</b>	<b>62 117 172</b>	<b>843 510 331</b>	<b>3 745 175 635</b>
Indirect support costs (6.5 percent)	159 197 863	23 021 126	2 351 639	4 037 616	4 232 053	<b>192 840 298</b>
<b>Total</b>	<b>2 608 395 754</b>	<b>377 192 301</b>	<b>38 530 705</b>	<b>66 154 789</b>	<b>847 742 384</b>	<b>3 938 015 932</b>