

**Remarks by Mr. Abdou Dieng at November 2013 Executive Board
6th budget revision of PRRO 200290**

Good Afternoon, Mr. President, and members of the Executive Board.

The document being presented is budget revision number six of PRRO 200290.

Let me first start by thanking all donors who have supported this PRRO since its start in January 2012.

This PRRO was approved in the November 2011 Executive Board for a two year period ie 2012-2013, for a value of USD 814 million.

Since then, five budget revisions have been undertaken, which increased the budget to US\$980 million and the number of beneficiaries to 5.3 million people. As you know, humanitarian appeals for relief needs in Ethiopia are done every six months, and the previous budget revisions were conducted mainly to align our relief numbers with those of the successive appeals.

The present budget revision extends the project duration by one-and-a-half years from January 2014 to June 2015, and increases the budget from the current \$980 million to \$1.5 billion.

The main purpose of the extension, and the reason why we are presenting this budget revision is to align the duration and focus of the PRRO with the national Productive Safety Nets Programme, which has been extended and the new phase will start in mid-2015.

Overall, this budget revision proposes to:

- Increase the food requirements by 631,000 MT valued at \$ 252 million;
- Increase the value of the cash transfers by US\$27 million.
- Increase other costs by US\$230 million
- The total value of the revision is US\$ 509 million.

Few highlights:

While the relief component, will continue to be based on historical analysis of data on humanitarian needs, weather and food price predictions for 2014, we expect beneficiary numbers to remain more or less the same as this year, i.e. 2.7 million people of which 2 million will be supported by WFP.

In 2013, we started a cash pilot under the relief component targeting 190,000 people. Cash transfers allow beneficiaries to better meet their food preferences and are in line with the national “cash first principle”. This budget revision will increase cash transfers under relief from the current 190,000 to 300,000 people. Potential impact on local markets will continue to be closely monitored.

Under the Productive Safety Nets Programme component, we will continue to support about 1.2 million people while we will also introduce a cash pilot for 100,000 PSNP beneficiaries.

The national PSNP started in Ethiopia in 2005 and is currently in its second phase, which will end in mid-2015. A consultative process has already started in Ethiopia to redefine the parameters of the new PSNP. We are currently involved in all technical review committees of the designing of the new PSNP. Our new PRRO, starting July 2015 will be based on the new PSNP.

Our work on the FMIP with the Government has started to bring in some changes in the modalities of management of food resources by the Government. This will continue over this project cycle.

We have already held a series of consultations with donor representatives locally, who are supportive of the process and in agreement with the rationale of the extension, and I trust we will also receive your support today.

Finally, I would like to thank you again all for the support you have already provided to this operation.

We count on your continued support for the coming year and a half, for which US\$508 million are needed to further support the national efforts toward greater food security and resilience in Ethiopia.

Thank You