



**World Food Programme**

**Executive Board  
Second Regular Session**

**Rome, 9–13 November 2015**

## **PROJECTS FOR EXECUTIVE BOARD APPROVAL**

*Agenda item 8*

*For approval*



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## **BUDGET INCREASES TO PROTRACTED RELIEF AND RECOVERY OPERATIONS— ETHIOPIA 200712**

### **Responding to Humanitarian Crises and Transitioning Food-Insecure Groups to More Resilient Strategies**

<b>Cost (United States dollars)</b>			
	<b>Current budget</b>	<b>Increase</b>	<b>Revised budget</b>
Food and related costs	777,154,567	118,916,561	896,071,127
Cash-based transfers and related costs	75,626,360	-	75,626,360
Capacity development and augmentation	11,055,545	-	11,055,545
<b>Total cost to WFP</b>	<b>1,039,224,251</b>	<b>131,097,570</b>	<b>1,170,321,821</b>

Gender marker code 2A  
<https://www.humanitarianresponse.info/system/files/documents/files/gm-overview-en.pdf>

Executive Board documents are available on WFP's Website (<http://executiveboard.wfp.org>).

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## NOTE TO THE EXECUTIVE BOARD

### **This document is submitted to the Executive Board for approval.**

The Secretariat invites members of the Board who may have questions of a technical nature with regard to this document to contact the focal points indicated below, preferably well in advance of the Board's meeting.

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## DRAFT DECISION<sup>\*</sup>

The Board approves the proposed budget increase of USD 131 million for Ethiopia protracted relief and recovery operation 200712 “Responding to Humanitarian Crises and Transitioning Food-Insecure Groups to More Resilient Strategies” (WFP/EB.2/2015/8-C/4).

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\* This is a draft decision. For the final decision adopted by the Board, please refer to the Decisions and Recommendations document issued at the end of the session.

## NATURE OF THE INCREASE

1. This budget revision to Ethiopia protracted relief and recovery operation (PRRO) 200712 increases and expands WFP's relief food and nutrition support in response to reduced access to food following failure of the *belg* and poor performance of the *kiremt* rains linked to the prevailing El Niño event.<sup>1</sup> The Government of Ethiopia recently declared that 7.8 million people require humanitarian assistance in 2015. Complementing the Government's efforts, WFP will provide relief assistance to 6 million people, while a consortium of non-governmental organizations (NGOs) – the Joint Emergency Operations (JEOP), supported by the United States of America – will reach 1.8 million. Beneficiary numbers may increase further in 2016 following a harvest assessment in October/November.
2. The budget revision will increase:
  - i) the number of relief beneficiaries assisted by WFP from the planned 2 million in 2015 and 1.44 million in 2016 to 6 million until June 2016, in line with the Government's most recent humanitarian requirements document (HRD) and the additional needs resulting from deteriorating food security conditions;
  - ii) the food tonnage by 197,893 mt, at a cost of USD 71.1 million, reflecting increased relief and nutrition needs;
  - iii) other direct operational costs by USD 2.3 million;
  - iv) landside transport, storage and handling costs by USD 37.5 million; and
  - v) external transport costs by USD 7.9 million.
3. The budget revision covers WFP's relief food and nutrition response from November 2015 to June 2016. The total budget increase is USD 131 million – 13 percent – including indirect support costs.

## JUSTIFICATION FOR BUDGET INCREASE

### Summary of Existing Project Activities

4. PRRO 200712 contributes to government programmes that address structural food insecurity and malnutrition, by;
  - i) providing short-term food assistance to vulnerable households in periods of acute emergency stress, and addressing moderate acute malnutrition among children under 5 and pregnant and lactating women;
  - ii) supporting the Government's Productive Safety Net Programme (PSNP), including through the phased transition of long-term relief beneficiaries to PSNP 4; and
  - iii) preventing chronic malnutrition among children under 2 and pregnant and lactating women.

<sup>1</sup> The *belg* rains in February–May feed the June harvest, which produces 15 percent of national food production; the June–September *kiremt* rains feed the main harvest in November/December, producing the remaining 85 percent.

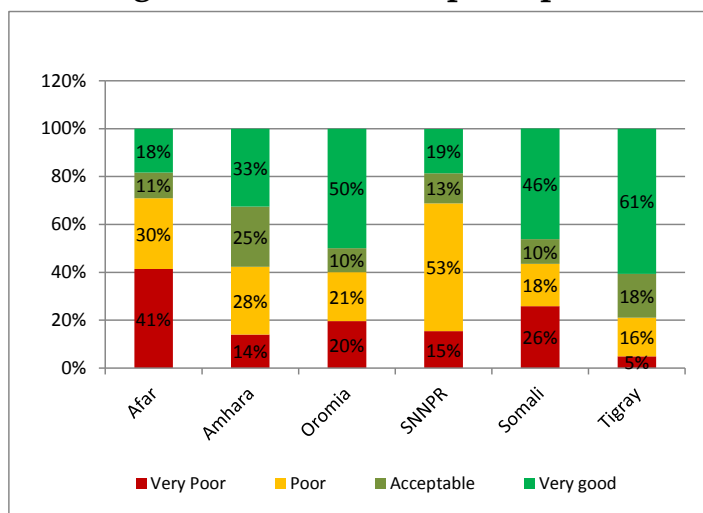
## CONCLUSION AND RECOMMENDATIONS OF THE RE-ASSESSMENT

5. Failure of the *belg* and pastoral rains resulted in crop losses of up to 85 percent and lack of pasture and fodder for livestock in six regions: Afar, Amhara, Oromia, the Southern Nations, Nationalities and Peoples Region (SNNPR), Somali and Tigray. In June 2015, a Government-led, inter-agency food security assessment with WFP, other United Nations agencies and selected NGOs indicated that 4.5 million people required humanitarian assistance, up from 2.9 million in February; an HRD was released in August.
6. Since July 2015, WFP has provided life-saving food assistance to approximately 3.5 million people<sup>2</sup> through general food distributions. Targeted supplementary feeding reached an additional 250,000 malnourished children under 5 and pregnant and lactating women.
7. Since release of the HRD, conditions have deteriorated further and most regions have requested the Federal Disaster Risk Management and Food Security Sector to increase the number of relief beneficiaries, resulting in a total of 7.8 million people. Delays and long dry spells during the main rains and the associated El Niño event have compounded the problem. Projections of the main harvest in November are below average and households will exhaust their food stocks in early 2016.
8. In conjunction with the Government and the Famine Early Warning Systems Network, WFP undertook a mid-season crop assessment in September to determine the effects on the main harvest. The assessment indicated that reduced access to food and the deterioration of livelihoods resulting from climate-related shocks has left households in Afar, Amhara, Oromia, SNNPR, Somali and Tigray highly vulnerable to destitution and in urgent need of food and nutrition assistance. In Amhara, almost 45 percent of the land remains fallow after repeated planting. In the East and West Hararge zones of Oromia, crop losses and livestock deaths have reduced incomes and food sources by almost 60 percent, leaving households almost completely dependent on emergency assistance. Northern pastoral areas such as Afar and the Sitti zone in Somali will face food gaps until the next rains in February 2016.
9. Alarming household food security indicators confirm that the poorest people will be the hardest hit by the drought. Data from WFP's community and household surveillance in August found poor or very poor consumption patterns in almost 50 percent of sampled households in the six most affected regions (Figure 1).

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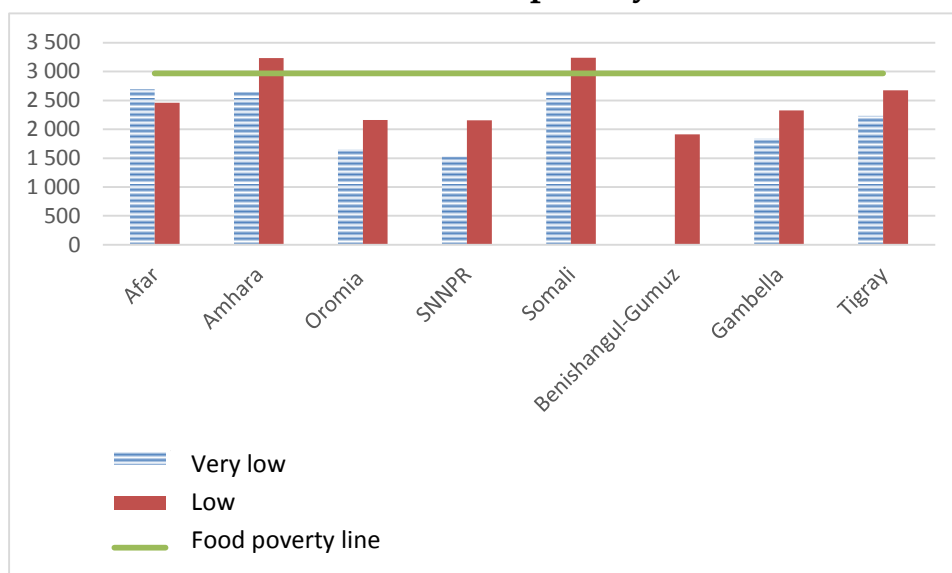
<sup>2</sup> JEOP served the remaining 1 million of the 4.5 million people requiring relief assistance.

**Figure 1: Regional food consumption patterns (%)**



10. Households with very poor or poor consumption patterns have very limited purchasing power. Their mean per capita expenditures on food are below the national food poverty line (Figure 2). With food prices increasing – by almost 150 percent of the five-year average for basic cereals in Somali households’ ability to purchase a basic food basket will weaken further.

**Figure 2: Mean annual per capita food expenditure in relation to the food poverty line**



Source: WFP community and household surveillance, August 2015.

11. “Hotspot priority 1” *woredas* (districts) increased from 97 in May to 142 in August 2015, confirming the increasing malnutrition and deteriorating food security.<sup>3</sup> Enrolment in acute malnutrition programmes is significantly higher than it was at this time last year, and screening indicates that the global acute malnutrition (GAM) rate is above the 15 percent emergency threshold in 56 percent of surveyed *woredas*.

<sup>3</sup> *Woredas* are classified seasonally; “priority 1” *woredas* are those with deteriorating nutrition status.

12. The compounding effect of El Niño, which has already affected the current crop season, is expected to lead to prolonged dryness in Afar and the Sitti zones of Somali, stressing livestock assets further. The projected above-average rainfall in southern areas may lead to floods, with possible damage to crops, livestock and people. Relief and nutrition needs are therefore expected to continue increasing into the first half of 2016, possibly leaving more than 15 million people in need of support through relief and the national PSNP.<sup>4</sup> From January 2016, the PSNP plans to increase the coverage of its food and cash-based transfers to support approximately 8 million chronically food-insecure people, leaving at least 6 million people in need of WFP support from November to June 2016.

## PURPOSE OF BUDGET INCREASE

13. This budget revision aligns WFP's response with the increased relief and nutrition needs of vulnerable people following failure of the *belg* rains, patchy rains in pastoral areas and the effects of El Niño.
14. No changes are proposed in transfer modalities. Cash-based transfers will be the preferred modality where market conditions are appropriate and/or cash infusions can stimulate market supply. However, as the coming harvest is expected to be poor, food – purchased locally, regionally or internationally – will be essential in addressing limited food availability and access constraints in the six most affected regions.
15. Nutrition interventions will seek to prevent and treat moderate acute malnutrition. WFP will expand the targeted supplementary feeding programme to reach the Government's revised target of 700,000 children under 5 and pregnant and lactating women, and will accelerate its work with the United Nations Children's Fund and the Government to ensure monthly nutrition screening and support. In areas with the highest GAM rates, WFP will introduce blanket supplementary feeding for up to 100,000 children aged 6–23 months. Coordinated efforts will be made to ensure that households targeted for nutrition support also receive food assistance through relief or the PSNP.

<b>Current</b>	<b>Increase</b>	<b>Revised</b>
2 million	4 million	6 million**

\* The total beneficiary figures for supplementary feeding will not change as the programme parameters can absorb the estimated increases

\*\* Of these, an estimated 200,000 will receive cash-based transfers

<sup>4</sup> The PSNP supports chronically food-insecure households through public work schemes, providing unconditional support to households whose members cannot work. PRRO 200712 supports the PSNP in pastoral areas of Somali and Afar.

## FOOD REQUIREMENTS

16. The food requirements of the PRRO will increase by 197,893 mt to meet increased relief needs in the remainder of 2015 and the first half of 2016.
17. Since the August HRD, the Government has made available approximately USD 35 million as immediate emergency funds for the affected regions, and an additional 116,000 mt of cereals, pulses and oil for relief food assistance. These contributions will cover the fifth and part of the sixth rounds of relief in 2015. Under a separate agreement, WFP is assisting the Government in purchasing SuperCereal/corn-soya blend plus internationally for approximately USD 35 million, for delivery as soon as possible.
18. The additional food requirements for the remainder of 2015 and the first half of 2016 (Table 2) take into account the Government's contributions and the net total food quantity required. No additional food is required for targeted and blanket supplementary feeding as these activities are already covered by the original budget.

<b>TABLE 2: FOOD REQUIREMENTS (mt)</b>		
<b>Current</b>	<b>Change</b>	<b>Revised total</b>
1 194 001	197 893	1 391 894

## ANNEX I-A

PROJECT COST BREAKDOWN			
	Quantity (mt)	Value (USD)	Value (USD)
<b>Food</b>			
Cereals	160 238	49 604 272	
Pulses	16 024	8 711 657	
Oil and fats	4 807	4 112 978	
Mixed and blended food	16 825	8 672 554	
<b>Total food</b>	<b>197 893</b>	<b>71 101 461</b>	
External transport		7 928 275	
Landside transport, storage and handling		37 558 629	
Other direct operational costs – food		2 328 195	
<b>Food and related costs<sup>1</sup></b>		<b>118 916 561</b>	<b>118 916 561</b>
Direct support costs (see Annex I-B) <sup>2</sup>			3 604 533
<b>Total direct project costs</b>			<b>122 521 094</b>
Indirect support costs (7.0 percent) <sup>3</sup>			8 576 477
<b>TOTAL WFP COSTS</b>			<b>131 097 570</b>

<sup>1</sup> This is a notional food basket for budgeting and approval. The contents may vary.

<sup>2</sup> Indicative figure for information purposes. The direct support cost allotment is reviewed annually.

<sup>3</sup> The indirect support cost rate may be amended by the Board during the project.



**ANNEX I-B**

<b>DIRECT SUPPORT REQUIREMENTS (USD)</b>	
<b>Capital equipment</b>	<b>683 333</b>
<b>Travel and transportation</b>	<b>2 921 200</b>
<b>TOTAL DIRECT SUPPORT COSTS</b>	<b>3 604 533</b>

**ANNEX II**

**Ethiopia PRRO 200712**



The designations employed and the presentation of material in this publication do not imply the expression of any opinion whatsoever on the part of the World Food Programme (WFP) concerning the legal status of any country, territory, city or area or of its frontiers or boundaries.

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## ACRONYMS USED IN THE DOCUMENT

GAM	global acute malnutrition
HRD	humanitarian requirements document
JEOP	Joint Emergency Operations
NGO	non-governmental organization
PRRO	protracted relief and recovery operation
PSNP	Productive Safety Net Programme
SNNPR	Southern Nations, Nationalities and Peoples Region