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UNITED STATES
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

TRANSFER AUTHORIZATION

Amendment 3

PROGRAM IDENTIFICATION:
Ethiopia PRRO # 10665.0

A.I.D. NO. 895-XXX-663-2011

PROGRAM APPROVAL DATE:
10/12/2010

PROGRAM TITLE:
World Food Program: World Food Program:
Responding to Humanitarian Crises and
Enhancing Resilience to Food Insecurity

In accordance with the provisions of the Food for Peace Act, Title II (as amended), the Commodity Credit Corporation (CCC) is hereby authorized to transfer 5,300 MT (450 MT Vegetable Oil and 4,850 MT of Yellow Split Peas) of FY 2010 commodities listed below to the World Food Programme (WFP) and provide an additional 32,650 MT (28,800 MT HRW Wheat, 3,600 MT Corn Soy Blend and 250 MT Vegetable Oil) for use in its Ethiopia program to meet the most urgent food needs of 32.2 million food insecure people in Ethiopia during the period from January 1, 2008 to December 31, 2011: **Title to the 5,300MT of transfer commodities will be shifted from Catholic Relief Services (CRS) in Ethiopia to WFP in Ethiopia at the request of the Office of Food for Peace. No procurement is necessary for these commodities.**

This program is described in the Protracted Relief and Recovery Operation No. 10665.0 which is incorporated by reference as part of this agreement, except as otherwise specifically provided in this Transfer Authorization (TA).

The commodities reserved herein are valued at approximately \$29,537,300 inclusive of:

1. \$3,337,600 in FY10 commodity value (for 5,300 MT of FY10 commodities transferred from CRS Ethiopia to WFP Ethiopia)
2. \$26,199,700 of FY 2011 commodities and commodity value, ocean and inland freight, internal transport, storage and handling (ITSH), and 202e costs, pursuant to the following instructions:

USAID T.A. No. 895-XXX-663-2011
World Food Program (WFP)
PRRO 10665.0 FY 2011

The commodities reserved herein are valued at approximately \$89,539,000¹ inclusive of ocean and inland freight, internal transport, storage and handling (ITSH) and 202e costs, pursuant to the following instructions.

Notwithstanding anything stated herein to the contrary, this TA only covers the provision of an in-kind contribution of commodities to WFP. This TA alone is not an obligating document and does not create a legal obligation on the part of FFP to make a monetary contribution to WFP. Costs/values identified in this TA, including those identified as "authorized," reflect amounts that FFP intends to provide to WFP through separate obligating documents, in line with full-recovery principles.

1. COMMODITIES AUTHORIZED:

1.A. FY 2010 Program Quantities (Metric Tons) Approved (for transfer/use in 2011):

Commodities	Previously Approved	Increase	Decrease	Total Metric Tons to Date
HRW Wheat	10,000	0	0	10,000
Sorghum	10,000	0	0	10,000
Vegetable Oil, 4 Ltr	0	450	0	450
Peas, Split Yellow	0	4,850	0	4,850
Total:	20,000	5,300	0	25,300

1.B. FY 2010 Commodities Authorized Herein (for transfer/use in 2011):²

Commodity	MT	Estimated Value (000)
HRW Wheat	10,000	\$3,270.0
Sorghum	10,000	\$2,570.0
Vegetable Oil, 4 Ltr	450	\$670.1
Peas, Split Yellow	4,850	\$2,667.5
Total:	25,300	\$9,177.6

¹ \$89,539,000 = value of FY 2011 funding (\$80,361,500) + value of FY 2010 commodities transferred herein (\$9,177,600).

² See attached Table I

1.C. FY 2011 Program Quantities (Metric Tons) Approved:

Commodities	Previously Approved	Increase	Decrease	Total Metric Tons to Date
Wheat, HRW, bulk w/bags	41,880	28,800	0	70,680
Corn Soy Blend	6,450	3,600	0	10,050
Vegetable Oil, 4 Ltr	2,540	250	0	2,790
Peas, Yellow Split	5,560	0	0	5,560
Total:	56,430	32,650	0	89,080

1.D. FY 2011 Commodities Authorized Herein:

Commodity	MTs	Estimated Value (000)
Wheat, HRW, bulk w/bags	70,680	\$26,717.0
Corn Soy Blend	10,050	\$5,778.8
Vegetable oil, 4 Ltr	2,790	\$4,154.3
Peas, Split Yellow	5,560	\$3,058.0
Total:	89,080	\$39,708.1

1.E. Estimated FY 2011 U.S. Government Ocean and Inland Transportation, Internal Transport, Storage and Handling (ITSH) and 202e Costs for the Commodities Authorized in this TA, Not to Exceed the Following Amounts:

Freight and Funding	Estimated Costs (000)
Ocean	\$ 10,360.1
Inland (\$ 81.2/MT)	\$ 7,633.0
ITSH	\$ 15,444.9
202e	\$ 6,415.4
Total:	\$ 39,853.4

The value of this TA Amendment in U.S. dollars is: \$29,537,300³ inclusive of \$16,666,300 in commodity value for 37,950MT (including 5,300 MT of FY 2010 commodities and 32,650 MT of FY 2011 commodities); \$3,054,300 in ocean freight; \$2,649,900 in inland costs; \$4,968,900 in ITSH costs inclusive of ITSH at a rate of \$95.2/MT; and \$2,200,200 in 202e for the FY 2011 commodities authorized via this TA Amendment and proportional, allowable direct support costs (DSC), other direct operational costs (ODOC), and in-country indirect support costs (ISC). There is no commodity procurement necessary for the FY 2010 commodities in the Amendment. These commodities are acquired through transfer from the CRS program in Ethiopia. FFP anticipates providing WFP with the requested support costs required to receive the commodities described below.

The total value of this TA in U.S. dollars is: \$89,539,000 including \$49,685,700 in commodity value for 114,380 MT; \$10,360,100 in ocean freight; \$7,633,000 in inland costs; \$15,444,900 in ITSH and \$6,415,400 in 202e for the FY 2010 and FY2011 commodities authorized via this TA and proportional, allowable direct support costs (DSC), other direct operational costs (ODOC), and indirect support costs (ISC), as outlined in Section 3. FFP anticipates providing WFP with the requested supports costs required to receive the commodities described below.

2. Ocean and Inland Transport Funding: All actual ocean transportation costs will be charged to the FY 2011 WFP Emergency Ocean Freight Procurement Authorization (PA) ("to be established"). All inland transportation expenditures under this program will be charged to the FY 2011 WFP Emergency Inland Freight Procurement Authorization (PA) ("to be established"). Individual Purchase Authorizations will not be issued for this T.A.

WFP will be responsible for requesting, in writing, an increase to the transport funding authorized herein when it is determined that actual costs will exceed the level approved. Copies of actual transport contracts must accompany a request for additional funding.

3. Internal Transport, Storage and Handling (ITSH) Costs: A total of \$15,444,900 of ITSH funding is authorized by the Office of Food for Peace for the purposes of this TA. Estimated ITSH costs are being provided as follows:

ITSH	\$11,355,900
Direct In-Country Support Costs (5.5%):	\$3,441,800
Other Direct Operational Costs (5.5%):	\$647,200
Indirect In-Country Support Costs (3.0%):	\$0
Total:	\$15,444,900

³ See attached Table I

Direct Support Costs (DSC) are calculated based on the total DSC requirements per Annex 1 of PRRO 10665.0 LESS line items labeled:

- none

Other Direct Operational Costs (ODOC) are calculated on the total ODOC requirements per Annex 1 of PRRO 10665.0 LESS line items labeled:

- Cargo Insurance (7,664,400)

Our contribution for DSC and ODOC is based on FFP's contribution of 114,380 MTs representing 5.5% of the total WFP program needs of 2,065,861 MTs.

ITSH funding for the purposes of this TA, henceforth refers to those costs WFP identifies as LTSH, Direct Monitoring and Logistics Support Costs (DSC & ODOC), and In-Country Indirect Support Costs that have been approved for funding by FFP in accordance with FFP policy guidance.

4. 202e Costs: A total of \$8,415,400 of 202e funding is authorized by the Office of Food for Peace for the purposes of this TA. Estimated 202e costs are being provided as follows:

Direct In-Country Support Costs (DSC) eligible for 202e (5.5%):	\$391,900
Other Direct Operational Costs (ODOC) eligible for 202e (5.5%):	\$66,800
In-Country Support Costs (ISC) eligible for 202e (3.0%):	\$2,552,900
Indirect Headquarters Support Costs (ISC) eligible for 202e (4.0%):	\$3,403,800
Total:	\$8,415,400

Direct Support Costs (DSC) eligible for 202e are calculated based on total 202e requirements per Annex 1 of PRRO 10665.0 LESS line items labeled:

- none

Other Direct Operational Costs (ODOC) eligible for 202e are calculated based on total 202e requirements per Annex 1 of PRRO 10665.0 LESS line items labeled:

- none

Our contribution for DSC and ODOC is based on FFP's contribution of 114,380 MTs representing 5.5% of the total WFP program needs of 2,065,861 MTs.

202e funding, for the purposes of this TA, henceforth refers to those costs WFP identifies as helping to meet specific administrative, management, personnel and internal transportation and distribution costs for carrying out Title II programs and includes Direct Support Costs, Other Direct Operating Costs, and Headquarters Indirect Support Costs that have been approved for funding by FFP in accordance with FFP policy guidance.

These costs are to be funded as follows:

A FY 2011 PRRO Procurement Authorization and Purchase Requisition (PA/PR) 10665.0 ("to be established") associated with an Agency-issued Letter of Credit shall be issued to WFP for the costs outlined above.

Expenditures against the PA/PR grant established for approved ITSH funds for this country should not exceed the amount indicated in this document. WFP agrees to continue to determine and report to FFP/POD the amount of unliquidated balances in PA/PRs issued in prior years.

5. Commodity Specifications: All commodities will meet standard USDA specifications.

6. Shipping Instructions:

a) Calls forward submitted by WFP to DCHA/FFP and shall include the following information:

- . Delivery Schedule - Load Port Date
- . Port of Discharge
- . Consignee Names
- . Notify Party Names and Addresses

b) Send Bills of Lading/Phytosanitary Distribution to the following:

1. One negotiable copy and one phytosanitary certificate to consignee via international courier.
2. One negotiable copy to consignee.
3. Original and two copies to: USAID Transportation Division, USAID/M/OAA/TRANS, 1300 Pennsylvania Avenue, Washington, DC, 20523, Attention: Chief.
4. One copy to: USAID/DCHA/FFP, 1300 Pennsylvania Avenue, Washington, DC, 20523, Attention: Keith Adams, Program Operations Division

c) Transportation: The United States Government will be responsible for all arrangements and costs incurred in the procurement, inspection, and delivery of the commodities authorized herein F.A.S. or F.O.B. vessel at designated U.S. ports. WFP will be responsible for arranging ocean, inland and internal transportation required for this project. Transportation arrangements should be implemented consistent with the terms and conditions established in Section III of the Title II Standard Provisions mutually agreed upon by WFP and USAID on January 9, 2003.

WFP will be responsible for survey and claims activities for all tranches.

7. WFP 2011 Program Objectives, Uses of Commodity and Conditions of Transfer:

7.A. Program Objectives:

This PRRO contributes to the goal of the New Coalition for Food Security in Ethiopia, which is to attain food security for 8 million chronically food-insecure people and significantly improve food security for an additional 7 million people at risk of acute food-insecurity from shocks such as droughts and floods. As a humanitarian operation, the majority of resources in this PRRO contribute mainly to 1) saving lives through relief assistance, 2) supporting the Productive Safety Net Program (PSNP), 3) addressing the special nutritional needs of food-insecure mothers, young children through targeted supplementary food (TSF), and 4) addressing the needs of HIV/AIDS affected people. Through all four components and in partnership with sister agencies, WFP will strive to enhance country capacities to manage disasters and reduce food insecurity.

7.B. Uses of Commodity:

The commodities authorized herein are donated by the USG to support food assistance to 32.2 million food insecure persons in Ethiopia. This contribution [450 MT of vegetable oil and 4,850 MT of yellow split peas (to be transferred from CRS) and 28,800 MT of HRW Wheat, bulk w/bags, 3,600 MT of CSB and 250 MT of vegetable oil (all to be purchased) valued at approximately \$13,328,700, is earmarked for the relief component of the PRRO and may not be used to address needs under the TSF, Productive Safety Net Program, or Urban HIV and AIDS components of the PRRO. The commodities shall be distributed in the Somali Region through the Hubs and Spokes system. This contribution may not be used for other interventions without written authorization from the Director of the Office of Food for Peace.

WFP is prohibited from using the P.L. 480 Title II resources provided herein to guarantee or repay loans without prior written authorization from the Director of the Office of Food for Peace.

7.C. Conditions of Transfer:

1. WFP is solely responsible for appropriate utilization of these commodities, for monitoring their use and for reporting on this program.
2. WFP agrees that commodities made available under this agreement shall be distributed without regard to the political affiliation, geographic location, ethnic, tribal or religious identity of the recipients, and without regard to factors other than need.
3. WFP agrees that the military force of any government or insurgent groups shall not distribute, handle or allocate any of the commodities furnished under this TA without approval of the Director of the Office of Food for Peace (FFP).

4. WFP shall provide reports to the USG that include the following information:

- a) Number and types of beneficiaries targeted and reached, by location of distribution and by gender and age where available;
- b) Any change (from proposal or previous report) in key information, such as number and types of beneficiaries, ration levels, and location of distribution (where possible, provide assessment and reassessment reports, including from secondary sources);
- c) Whether the program (i) improved or (ii) maintained nutritional status of the beneficiaries;
- d) Activities implemented by local host entities or joint activities undertaken; and
- e) Progress (or progress not made) in meeting the stated primary objective(s) for the program.

5. WFP shall provide to DCHA/FFP an accounting of the ITSH costs supported by this agreement and shall revise its estimates, based on a review of actual costs, at least once every six months for the period of the Emergency. Adjustments to authorized ITSH amounts will be considered, but the Office of Food for Peace reserves the right to limit its ITSH contribution to the WFP program. WFP will furnish the USG such other reports and information as the USG may reasonably request concerning the implementation of the program.

6. Payments for indirect support costs will be used for PSA expenditures in full and will not flow to the PSA Equalization Account. All PSA expenditures will be paid on a reimbursement basis only.

7. WFP certifies that (1) there is adequate storage available in the region for these commodities; and (2) the provision of these commodities will not result in a substantial disincentive to or interference with local production or marketing.

8. WFP shall provide within 30 days of signature the following:

(a) A detailed matrix of program costs associated with this contribution. This matrix should include a break-out, by commodity type and tonnage provided, of the contribution as a percentage of the total program requirements; the commodity value; ocean freight; Inland/Overland costs (when applicable); ITSH; 202e; direct support costs; in-country indirect support costs (including a break out of non-food items and milling costs); and reasonable, allowable, and allocable headquarters indirect support costs;

(b) An "Assessment of ITSH Costs" report for the country program, detailing the information used to formulate the program's ITSH rate.

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA



5-9-11

Dina Esposito
Director
Office of Food for Peace
Bureau for Democracy, Conflict and Humanitarian Assistance
U.S. Agency for International Development

Date

Request and Acceptance: The assistance described in this Transfer Authorization is hereby requested and the terms and conditions of this Agreement and of the Title II Standard Provisions mutually agreed upon by WFP and USAID on January 9, 2003, and incorporated herein by reference, except as otherwise specifically provided herein, are hereby accepted.

FOR THE WORLD FOOD PROGRAMME



5/9/11

Signature

Date

Name: ALLAN JULY

Title: DIRECTOR, WFP US RELATIONS OFFICE

Table 1: FY10 Commodities Transferred from Ethiopia/CRS JEOP #FFP-A-00-08-00078 and Value of Current Contribution

Commodity	Total MTs	Commodity Value	Ocean Freight	Inland Freight	ITSH	202a	Total Cost
Wheat, Hard, Red, Winter, bulk, w/bags*	10,000	\$ 3,270.0			-	\$ -	\$ -
Sorghum, bulk, w/bags	10,000	\$ 2,570.0			-	\$ -	\$ -
Pears, Split Yellow	4850	\$ 2,667.5			-	\$ -	\$ -
Vegetable oil, 4 Ltr	450	\$ 670.1			-	\$ -	\$ -
Total	25,300	\$ 9,177.6	\$ -	\$ -	\$ -	\$ -	\$ -

Total TA Amendment

Commodity	Total MTs	Commodity Value	Ocean Freight	Inland Freight	ITSH	202a	Total Cost
WFP/PRRO #106650 Mod 3.1					\$ 693.7	\$ 406.7	\$ 1,100.4
CRS Transfer - Pears, Split Yellow	4850	\$ 2,667.5			-	\$ -	\$ 2,667.5
CRS Transfer - Vegetable oil, 4 Ltr	450	\$ 670.1			-	\$ -	\$ 670.1
WFP/PRRO #106650 Mod 3.2	32650	\$ 13,328.7	\$ 3,054.3	\$ 2,649.9	\$ 4,273.2	\$ 1,793.5	\$ 25,099.6
Total	37,950	\$ 16,666.3	\$ 3,054.3	\$ 2,649.9	\$ 4,966.9	\$ 2,200.2	\$ 29,537.6