

ET  
338.19  
OSI  
6.2

4630202

PO-AAW-772  
CSN = 53191

August 6, 1974

TO: See Distribution  
FROM: AFR, Norman Olnick and FFP, Edwin K. Fox  
SUBJECT: "Management Team" Report on Drought-Related PL 480 Title II Assistance to Ethiopia

Attached is our joint report on certain aspects of the management of drought-related PL 480 Title II assistance to ~~the Sahel~~ Ethiopia.

The Team's objectives, findings and conclusions are described in the report.

Highlights of the report are:

- The current situation in Ethiopia as it relates to famine is dramatically improved over that of a year ago.
- Within the IEG there now exists a recognition of the disaster, a determination to respond to it and a machinery (albeit imperfect) to cope with it.
- The machinery at the national level, i.e., the R&R Commission, has been considerably strengthened.
- The machinery at the provincial level remains inadequate and requires further strengthening.

The Team reviewed with IEG officials and others the need for further strengthening of IEG relief capabilities through possible use of some additional expatriate experts to be provided by the donor community. Follow through on this aspect is continuing in Addis.

- The problem of donated grain accumulating at ports has been largely resolved.
- The basic problem for the emergency phase is at the provincial level - i.e., problems relating to the distribution of food after reaching provincial main storage centers. Impediments to more effective distribution include inadequate organizational infrastructure, insufficient storage facilities, impassable roads during the rains and the need for additional 4WD trucks and vehicles for administrative needs.

A.I.D.  
Reference Center  
Room 1656 NS

- There is a general concensus that the rains this year follow a more normal pattern. However, according to IEG officials potential damage to local crops from Army Worm infestation, and an earlier inability to distribute sufficient seed for sowing will affect the ultimate harvest.
- A Team proposal that 1975 food requirements be assessed by a multilateral task force drawn from the IEG and in-country representatives of international organizations and bilateral donors was received favorably.
- A Team proposal to link the 1975 assessment to the preparation of a time-phased "PLAN" for deliveries, arrivals, and strategic pre-positioning of stocks in remote areas prior to the 1975 rains was also received favorably.
- Approximately 16 currently employed U.S. PCVs are used to assist the IEG in its drought relief programs. It is suggested that AFR/CWR explore the need and feasibility for similar arrangements relating to emergency relief/R&R in the Sahel.
- Multi-donor coordination and consultation have been instituted at the national level (Addis), and in Wollo Province. (The Team has presently no knowledge on this point for the other less severely affected provinces.)
- The USAID agreed to a team suggestion to upgrade the Drought Assistance group (Emergency and R&R) in the USAID organizational structure, making it directly responsible to Mission Management.
- Selective monitoring of U.S. food arrivals, onward forwarding, storage and distribution is performed by two TDY Monitors furnished the Mission expressly for this need.
- Out-Turn Reports on arrivals of U.S. food shipments at ports have not been prepared and submitted as required. The USAID is now working on resolution of this problem.
- The Team recommended that the USAID establish a simple arrival accountability record relating to the shipment and arrival of U.S. donated grains.

- Periodic IEG reports on receipt, distribution and inventory of U.S. furnished food, as required by AID Regulation No. 11 are not submitted to the USAID. The Team will be discussing this requirement further with officials in AID/W as it relates to emergency food assistance for disaster areas such as Ethiopia and the Sahel.
- An AG audit report on Famine Relief Assistance to Ethiopia was issued on June 25, 1974. The report contains four recommendations for corrective action. Two of these concern the absence of Out-Turn Reports and of the IEG periodic food status reports referred to above. The third recommendation provides that the IEG Relief Commission arrange to procure local grain (where available) with their own resources as a substitute for planned future donor imports. The fourth recommendation addresses itself to a problem arising from PL 480 wheat consigned to the Ethiopian Grain Corporation in exchange for local wheat previously advanced for famine relief.

Distribution

AA/AFR: Samuel C. Adams, Jr.  
AA/AFR: Donald S. Brown  
FFP: Andrew Meir (4)  
PHA/FDRG: Russell S. McClure (2)  
AFR/ESA: Jerry Knoll  
AFR/ESA: Owen Cylke  
AFR/ESA: Jay P. Johnson  
AFR/ESA: Frederick Machmer  
AFR/CWR: David Shear  
AFR/CWR/SDE: Jesse Snyder  
AFR/EMS: Frederick W. Hahne  
FFP/FDD: Paul Russell  
IGA: William E. Cravmer  
AG: Frank Kemler  
AAG/Nairobi: M. Haas  
USAID/Ethiopia: John L. Withers (4)

AID/W Management Team Report  
On Drought-Related Emergency Assistance  
to ETHIOPIA

---

Introduction

To date, AID has committed for emergency relief assistance in Ethiopia more than 64,000 metric tons of food valued in excess of \$15 million\* and more than \$2 million from AID Contingency Funds for various other relief goods and services. Recently, an additional \$10 million has been made available for drought-related assistance in Ethiopia.

In view of the magnitude of the AID emergency food relief efforts in Ethiopia, and the difficult conditions under which such programs must necessarily be administered, AID/W dispatched a two-man team to Ethiopia to survey primarily from an organizational, management, and procedural standpoint certain aspects of the administration of AID drought-related emergency food assistance.

The AID/W Management Team consisted of Norman Olnick representing the Africa Bureau and Edwin K. Fox of AID's Food for Peace Office. Both Team members have had previous experience with the drought-related emergency relief program in the Sahel.

The Team arrived in Ethiopia on July 10 and departed July 23. During this period they consulted with officials of the Imperial Ethiopian Government (IEG), various international and bilateral donor organizations, and voluntary agencies engaged in relief efforts. The Team visited the port of Djibouti and also Wollo Province, the province hardest hit by the drought. Enroute back to Washington the Team met with officials of FAO/OSRO in Rome familiar with Ethiopian drought problems.

During the Team's survey, particular attention was given to such core questions as:

- The institutional capabilities of the IEG to effectively coordinate and manage the required emergency relief assistance
- The approach to be used for identifying and determining additional food requirements for the period following the coming Ethiopian harvest
- The possibilities for improved time-phased planning relating to the shipment, arrival, transport, storage and prepositioning of food for 1975
- The adequacy and effectiveness of USAID/Ethiopia's controls and monitoring of Title II food shipments to Ethiopia.

\*Including estimated ocean freight costs

## Findings and Conclusions

### Background and Current Situation

The current situation as it relates to the drought in Ethiopia is dramatically improved over that of a year ago. Within the IEG there now exists a recognition of the disaster, a determination to respond to it and a machinery (see later discussion) to cope with it. This was not the case in early 1973.

In other respects, the Team encountered varying views concerning the current situation and the near-term outlook. Generally, the views expressed by the IEG Government officials concerned with drought relief appeared more pessimistic and more cautious than those expressed by representatives of international organizations and various donors.

Following the IEG's acknowledgement in 1973 of the existence of famine the international donor community mobilized external assistance to Ethiopia. On the food side, the donor community had committed up to July 8, 1974 a total of 135,000 tons towards meeting an IEG-estimated requirement for 1974 of 164,000 tons. Of the 135,000 tons pledged, approximately 100,000 had reached Ethiopia by July 8.

In most parts of Ethiopia the "belg" or short rains during February and March 1974 had been normal. At the time of the Management Team's visit the main rains had already commenced - the normal period for these is roughly until mid-September. A general impression was that the main rains to date appeared to approach a more normal pattern than had been the case during the previous three years. While this year's rainfall appears to offer encouragement for a more normal crop in 1974, IEG officials pointed to such factors as:

- For varying reasons it had not been possible to distribute and sow as much seeds as required
- A significant imponderable was the potential destruction of local crops from "army worm" infestation.

It was generally agreed that it was then too soon to get a reliable fix on the 1974 crop, which could better be done several months hence.

With the advent of the main rains, feeder roads to remote areas become increasingly impassable. IEG officials acknowledged this could produce isolated pockets of starvation and/or increased influx of people to refugee camps (shelters) where food would be available.

In the absence of reliable statistics, estimates of the number of people who earlier died from famine and related illnesses vary considerably.

5

One unofficial report refers to the fact that some 50,000 to 250,000 people may have perished in Wollo Province alone.

However, there are currently a number of indications of a markedly improved situation. For example, in May/June of 1973 there were large influxes of people to the shelters in Wollo Province, and a tragic number of deaths occurred. This phenomenon did not develop to the same extent during the corresponding period of 1974. Voluntary agency representatives surmised that the food situation in the Province had improved substantially because of a more normal crop following the short rains and, of course, the availability of donated foods. The Team was advised that for Wollo Province the high water mark for people in shelters had been approximately 55,000 in about August 1973. At the time of the Team visit to Wollo Province there existed nine shelters caring for approximately 5700 people. Of these, 3200 were at the Dessie shelter, which had cared for over 6000 people only some several weeks earlier. The Team was advised that there was a current outbreak of measles among the children at Dessie shelter. A recent FAO/WFP report (OSRO Progress Report No. 3, June 30, 1974) confirms that in Wollo and Tigre Provinces the incidence of malnutrition has dropped markedly, and that people were no longer dying of hunger in this area.

Immediately prior to the Team's departure it learned that a voluntary agency representative reported alleged famine conditions in the northern part of Eritrea Province. The U.S. Embassy/Addis was attempting to check out the validity of that report.

There was a general feeling among donor representatives that continued reliance on the "dole" for grain distribution should be increasingly curtailed where possible, and greater stress placed on increased use of food in Food for Work programs.

#### Assessing and Planning for 1975 Requirements

Prior to the Team's visit the IEG's R&R Commission had estimated 250,000 tons as the level of external food assistance which would be required for 1975. During the Team's initial meeting with the Commissioner, he provided a revised estimate of 100,000 tons for that period. This estimate, he cautioned, was preliminary and subject to possible increase depending particularly upon possible damage to local crops from army worm infestation.

During the Team's various consultations it broached the question of the utility and feasibility of an organized multilateral survey to assess and identify Ethiopia's post-harvest requirements for emergency food grains and rehabilitative foods. The reactions obtained were favorable. Specifically, the Team suggested for consideration the establishment of a

multilateral task force, chaired by the R&R Commission, and including selected representatives from the international and bilateral donor community. The survey's basic objective would be to provide a multilateral team assessment and report on Ethiopia's post-harvest food requirements, after taking into account availabilities from any existing stocks and the forthcoming harvests. It was generally agreed that there already existed in-country sufficient expertise on the subject to obviate any need for expert services from Rome, Washington, etc. It was felt also that November 1974 represented the most logical period for conducting the survey in terms of getting the best possible fix on crop prospects. On the basis of the encouraging reactions the Team raised the matter with the R&R Commissioner during the exit conference with that official, attended also by the USAID Director. The R&R Commissioner agreed in principle with the recommendation.

The Team recommended also the development of a time-phased plan for the shipment, transport, storage, prepositioning and distribution of the foods identified by the survey as needed during 1975. Necessary prepositioning of strategic food stocks in remote areas prior to the 1974 rains had been minimal. Also, during 1974 there was a period of serious accumulation of food at ports due to a variety of reasons. The establishment of a time-phased plan, starting with an identification of requirements at the end of the pipeline and working backwards through the pipeline to optimal shipping arrangements, would appear indispensable. In order to permit any needed prepositioning of foods in remote areas before the main rains of 1975, the foods should reach the ports during the period October 1974 - April 1975. Port arrivals subsequent to that period would probably not reach the remote areas in sufficient time to permit prepositioning. However, it is precisely the period October - April that Ethiopian export crops make heavy demands on available truck transportation, in competition with imported grain. Circumstances such as these should, of course, be anticipated and prepared for in advance to the extent possible - further emphasizing the desirability of a time-phased plan.

#### The Port Situation

A serious problem of grain accumulation at the three ports (Djibouti, Assab and Massawa) servicing Ethiopia which existed back in April 1974 has now been almost entirely resolved. The following comparative data show the progress made:

	<u>Stocks at Port in April</u>	<u>Stocks at Port in Mid-July</u>
Djibouti	35,000+ MT	7500 MT
Assab	13,000	3000
Massawa	20,000	-0-

11

The 7500 tons at Djibouti in mid-July included 4000 tons of US-donated corn. The USAID is monitoring its evacuation from the port.

The marked progress in evacuating foodstocks from the ports to the provinces was attributable to several factors:

- The resolution of strikes and labor unrest at the ports which had previously held up transport from ports
- The pressures exerted by the R&R Commission on railway authorities to provide more wagons, and revised and more attractive arrangements with truckers to provide more trucks
- The termination of the Ethiopian coffee, etc., export season, which had competed with imported grains for truck transportation.

During the Team's visit to Djibouti it noted that rebagging of broken sacks of US-donated corn was being done with the use of local burlap (coffee) bags marked "Product of Ethiopia - Grade 5". This was necessitated by the absence of extra empty US bags for rebagging. The Team discussed this problem with AID/FFP's container specialist who advised he would send a circular airmail to Addis and ports servicing the Sahel. The message describes proper methods for protecting bags stored in open from ultra-violet damage, thus reducing need for empty bags.

In short, at the time of the Team's visit the port situation and the availability of transport to move food from ports to the provinces were no longer serious problems. Problems do exist, however, at the provincial levels - the main problem being that of effective distribution of available food.

#### Situation in the Provinces

As indicated, the Team visited Wollo Province. A planned flight to Tigre Province was aborted because of weather conditions.

According to FAO/WFP, fears of a new famine situation in the south have to some extent been alleviated by adequate rainfalls in western Bole, Sidamo, Gemu Goffa and Kaffa Provinces, although pockets of serious food and water shortages continue to exist in those areas. The same FAO/WFP report (dated June 30, 1974) states, however, that in eastern Bole and the greater part of Harrarghe Provinces the situation is still serious and lack of food and water continues to threaten the lives of the people and their livestock.

With respect to Wollo Province there was a general feeling among donor representatives that there was sufficient grain on hand to adequately

feed the people - and that the basic problems were those of distribution. The Team was unable to assess whether more grain was available than was necessary to meet emergency needs. However, this potential question lends additional importance to the suggestion for an organized multi-lateral team assessment of future requirements.

As indicated previously, prepositioning of foods in remote areas prior to the main 1974 rains had not been successfully accomplished. One contributing factor to this had been the labor strife (strikes) at the ports. Food that was at the ports had not been moved to the provinces in a sufficiently timely fashion.

A major problem in Wollo Province (and presumably in the others) is the thinness of the provincial organization established to cope with the emergency relief function and recovery and rehabilitation measures, and the frustrations, human and bureaucratic, encountered in carrying out its tasks. This aspect is discussed in the section of this report concerned with organization and management of the IEG's relief efforts.

Distribution of food grains in Wollo Province had been characterized earlier by indiscriminate and random distribution - often not according to pre-established listings. Progress has been made in correcting this situation. Grain distribution to recipients is generally now being handled on a more orderly basis under supervision of local teams. One complaint heard was that lower-level officials' hesitancy to make decisions, and their preoccupation with forms and paperwork were impediments to more efficient distribution of grain.

Additional vehicles for food distribution and program supervision are needed. According to the R&R Commissioner/Addis the vehicle situation on a national basis on July 8, 1974 was as follows:

<u>Type of Vehicle</u>	<u>Number Required</u>	<u>Number Committed</u>	<u>Number Arrived</u>
Distribution vehicles	250	199	97
25-ton vehicles	15	9	5
Landrover types	50	30	9

With respect to Wollo Province specifically, the Deputy Governor identified his immediate requirements as:

Additional trucks with capacity up to six tons - number unspecified  
Other 4WD vehicles - 20 (nine long-based + 11 short-based)  
Small sedans (e.g., Volkswagens) - three

The problem of storage facilities was being addressed. A number of small and large "stores" were under construction. The Federal Government of

West Germany had supplied eight tents each with 500-ton capacity and other donors, including AID, had supplied plastic covering, etc. In addition, grains were being stored temporarily in various structures throughout the provinces. In Wollo Province a hangar had recently been completed at the Kombolcha airstrip which could accommodate 3000 tons if needed. The Team, however, cannot provide assurances that all stocks are presently fully protected, and would not be surprised if isolated instances of damage should occur.

The Team was advised also that a serious problem in Wollo Province was the lack of sufficient water for human consumption.

#### JEG Organization and Management for Relief

Since the appointment of the R&R Commissioner the capacity and efficiency of the JEG's relief administration at the national level have been greatly strengthened. The present staff of the R&R Commission approximates 35 professionals as compared to a skeleton staff of three to four professionals back in February 1974. Included among the present staff are several expatriate experts provided by the donor community.

Recognizing that the institutional capabilities of the JEG to mount, coordinate and implement effectively a relief program is the root of the matter, the Team reviewed with the Commissioner the possible need for additional expatriate assistance - to be furnished either by multilateral organizations or directly by bilateral donors. The Commissioner confirmed that there indeed existed a requirement for possibly two additional expatriate experts, needed for establishing and implementing financial and other controls. It appeared that the UNDP representative in Addis was working on obtaining a candidate for at least one of these positions. In any case it was agreed that there would be further consultation and coordination amongst the Commission, the UNDP representative and the USAID Director on this matter.

The progress achieved at institutionalizing the relief efforts at the national level has not been matched at the provincial level.

With respect to Wollo Province, the Team was impressed by the dedication and apparent efficiency of the Deputy Governor General in charge of relief and R&R operations who had assumed these responsibilities only some three or four weeks earlier. In a frank assessment of the situation in Wollo Province the Deputy Governor referred to the disorganization and inefficient management that had characterized the relief efforts in Wollo Province, compounded by a number of other factors including what had been the almost total lack of basic infrastructure - penetration roads, storage facilities, clinics, water supply systems, etc.

It was apparent also that the new Deputy Governor had devoted considerable thought to an organizational establishment for relief and medium- and long-range development programs for the Province. A preliminary draft of his proposals was provided to the Team.

The Deputy Governor reacted favorably to a Team suggestion that he might wish to consider, as an initial step, immediate employment of an experienced expatriate expert to assist in the overall management and direction of the Province's relief/rehabilitation efforts without necessarily awaiting finalization and approval of his plan as set forth in his draft proposals.

In its exit conference with the R&R Commissioner at Addis, the Team recommended for his consideration the possibility of similarly strengthening the relief/R&R organizations in other affected provinces.

The Team noted that approximately 16 U.S. Peace Corps Volunteers (PCVs) were actively assisting local authorities in drought relief efforts. The Wollo provincial set-up, for example, included a PCV concerned with record keeping and reporting on food stocks. This situation is different from that in the Sahel, where several ex-PCVs have been employed temporarily by AID under contracts to assist in AID's monitoring of the arrival and distribution of US-donated grain. As a side issue, the Team now raises for consideration the possible use of PCVs in the Sahel to be seconded to a host government's relief apparatus, as may be needed.

#### Multi-Donor Coordination

At the national level, the R&R Commissioner holds monthly coordinating meetings with representatives of the donor community where progress and problems are jointly reviewed and discussed.

Similarly, at the provincial level (Wollo Province) a coordinating executive committee composed of local representatives of the donor community and of the provincial authorities meet periodically to discuss needs, plans, and operations.

For the UN system, overall coordination of the Ethiopian relief program is a function of the UNDR0 in Geneva in cooperation with the Office of the Regional Representative of UNDP in Addis. FAO/OSRO is primarily responsible for coordination of short-term recovery programs, e.g., provision of seeds, oxen, crop protection activities, etc.

#### USAID Operations - Selected Aspects

USAID/Ethiopia has been in the process of revising its organizational structure and staffing pattern to more effectively cope with its augmented responsibilities.

The Team recommended to the USAID Director for his consideration that the organizational unit responsible for drought relief and R&R activities, which was part of the Mission's Food and Agriculture Division, be upgraded to a separate division responsible directly to Mission management. This recommendation was accepted.

#### Monitoring and Control over US Emergency Food Donations

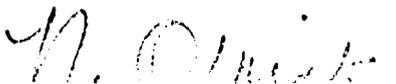
Selective physical monitoring of the arrival, transport and distribution of US-donated food has been performed by two TDY staff assigned to the Mission for extended periods precisely for that function. One of these, a logistics expert, was diverted temporarily to another priority need at the time of the Team's visit. Each inspection trip performed by the "monitors" is documented in a written report, appropriately distributed. At the time of our visit the senior monitor was planning a series of "penetration" trips into the more remote areas. The USAID Director advised he was considering the possibility of employing a third monitor - partially on the basis of need to monitor also AID-provided non-food drought assistance.

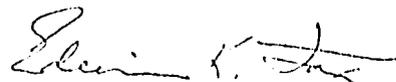
US-donated food is made available to Ethiopia pursuant to Transfer Authorizations (TAs) accepted by an authorized representative of the IEG. These TAs incorporate, by reference, the provisions of AID Regulation No. 11 entitled "Transfer of Food Commodities for Use in Disaster Relief and Economic Development, and Other Assistance". Several requirements contained in AID Regulation No. 11 are extremely difficult to comply with in disaster situations occurring in underdeveloped environments, particularly where food commodities are provided by a number of different donors. This applies particularly to the requirement that cooperating sponsors (i.e., recipient governments) provide periodic summary reports showing receipt, distribution and inventory of US-donated commodities. In this connection, a recent AG audit report (Audit Report No. 3-663-74-34 dated June 28, 1974) includes a recommendation that USAID/Ethiopia arrange for the IEG to submit required reports of receipt, inventory and distribution. The Team advised the USAID that it would explore within AID/W the possibility of a formal waiver of AID Regulation No. 11 reporting requirement in view of the difficulty of obtaining such reports and of their doubtful reliability and utility in emergency situations such as those in Ethiopia and the Sahel.

The Team noted - as does the AG audit report - that out-turn reports on US-donated grain have not been submitted to the USAID as required by regulations. This problem was discussed with the USAID and with the IEG's designated forwarding agents, and it was agreed that the USAID would take the necessary steps to obtain such out-turn reports. The Team recommended also to the Mission that a simple arrival accounting record be established which would set forth data on food arrivals and relate such data to shipments made from US ports.

W

The AG audit report includes two other recommendations for USAID action. One of these proposes that grain produced in non-drought areas of Ethiopia, and surplus to the needs of those areas, be taken into account in determining the level and type of famine relief assistance to be provided. The final audit recommendation relates to a technical issue concerning Title II food replenishment for local food grains advanced by the IEG in anticipation of receiving donated grains, which must be resolved between the USAID and the IEG.

  
Norman Olnick, AFR

  
Edwin K. Fox, FFP

August 5, 1974