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**2002-2003 Drought Emergency,
Mitigation and Response Plan
for Ethiopia**

October 22, 2002

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Acronyms

ADLI	Agricultural Development Led Industrialization
BCS	Best Case Scenario
CDC	Center for Diseases Control
CRS	Catholic Relief Services
CSB	Corn-Soya Blend (a blended food for supplemental feeding)
DA	Development Assistance
DfID	United Kingdom/Department for International Development
DPPB	Disaster Prevention and Preparedness Bureau (of the GFDRE)
DPPC	Disaster Prevention and Preparedness Commission (of the GFDRE)
DPPD	Disaster Prevention and Preparedness Department (of the GFDRE)
EFSR	Ethiopian Food Security Reserve (Authority)
EGS	Employment Generation Scheme
ENCU	Emergency Nutrition Coordination Unit
EPI	Extension Program for Immunization
EU	European Union
FAO	Food and Agricultural Organization
FEWS Net	Famine Early Warning System Network (of USAID)
FFP	Food For Peace (USAID)
FFW	Food For Work
FHA	Food and Humanitarian Assistance (Unit of USAID)
FSAC	Food Security and Agriculture Committee (of the DAG)
FSN	Foreign Service National
GFDRE	Government of the Federal Democratic Republic of Ethiopia
GOAL	an Irish NGO
ICRC	International Committee of the Red Cross
JEOP	Joint Emergency Operations Plan
MCS	Mid-Case Scenario
MOA	Ministry of Agriculture
MOH	Ministry of Health
MT	Metric Tons
NGO	Non-Governmental Organization
NPA	Non-project Assistance
OCHA	Office of the Coordinator for Humanitarian Activities (United Nations)
OFDA	Office of Foreign Disaster Assistance (of USAID)
OFDA/ARO	Office of Foreign Disaster Assistance/Area Regional Office (of USAID)
PRSP	Poverty Reduction Strategy Paper (World Bank)
R2D	Relief to Development program
REDSO/ESA	Regional Economic and Development Support Office for East and Southern Africa
RVF	Rift Valley Fever
SCUK	Save the Children UK
SFC	Supplemental Feeding Center (for <u>moderate</u> acute malnutrition)

SNNPR	Southern Nations and Nationalities Peoples Regions
SO	Strategic Objective (of USAID)
TFC	Therapeutic Feeding Center (for <u>severe</u> acute malnutrition)
UN	United Nations
UN/EUE	United Nations/Emergency Unit for Ethiopia
UNMEE	United Nations Mission to Ethiopia and Eritrea
USAID	United States Agency for International Development
USG	United States Government
USPSC	United States Personal Services Contract
WCS	Worst Case Scenario
WFP	United Nations World Food Program

1. Executive Summary

In 2003, Ethiopia may face a more serious food crisis than that experienced in 1982-85 if the worst-case scenario becomes a reality. Emergency food assistance requirements are expected to range between 1.5 and 2.2 million tons. The trigger for this crisis is the failure of both the main agricultural and pastoral rains in 2002, which is preventing recovery from the 1999-2000 food crisis.

However, the current emergency cannot be explained merely as the result of drought. Additional structural factors have worked together to enhance the vulnerability not only of the poorest, but also of those who were previously somewhat better off. These include depletion of productive assets, lack of asset protection mechanisms for the marginal areas, a weak policy environment for combating destitution, the impact of HIV/AIDS on productivity,¹ failure of economic diversification, insufficient funding for development programs, limited government capacity and poor targeting practices. As the number of predictably chronic food insecure people in Ethiopia has increased, the number of transitory affected people has also swelled. In addition, exogenous factors have compounded the problem. Coffee prices have dropped by about 75%, affecting the livelihoods of an estimated 15 million people. The Gulf States' ban of imported cattle from Ethiopia because of Rift Valley Fever has also affected livelihoods. Before the ban, 50% of all livestock imports to the Gulf States came from Ethiopia.

The current emergency comes only two years after the 1999-2000 emergency, in which an estimated 10 million pastoralists and crop-dependent farmers needed assistance. In 2000, nearly one million tons of food was distributed within Ethiopia (through a combination of food imports and local purchase). While lives were saved, excess mortality and destitution did take place in Somali region and other hard-hit areas. The scale of that emergency was mitigated by the fact that main (*meher*) season farmers did not experience massive crop failure: at the time, such a failure was identified as a potential worst-case scenario. Yet, in 2003 as many as 10 million people in the mid-case and 14 million people in the worst-case scenario may require food assistance by the middle of 2003.²

Magnifying the severity of the problem, the drought currently affecting Ethiopia appears to be part of a regional pattern. FEWS/Net reported that the delayed onset, and deficient rains seen in Ethiopia was similarly experienced in parts of Eritrea, Sudan, Uganda, and parts of Kenya (Rift Valley Province).³

During years of adequate rains, September-October in Ethiopia should be a time of relative food security. Short-cycle crops are harvested in what has been termed the

¹ Ethiopia has the third-largest number of HIV positive people in the world.

² See Disaster Prevention and Preparedness Commission, "Appeal for Immediate Food Needs and Scenarios of Likely Emergency Needs in 2003", 1 October 2002.

³ FEWSNet Greater Horn of Africa (GHA) Food Security Bulletin, Sept. 2002, Issue No. 5.

"Green Drought", and milk and meat are available due to replenished pastureland. Production failure as a result of drought need not necessarily result in a failure of consumption, as farmers normally have buffer stocks or other coping strategies that help to mitigate against this. This year, because of the cumulative effects of many years of less than adequate rains, buffer stocks have been depleted and coping mechanisms have been degraded. This year's drought has transformed another production failure into a consumption failure: reduced caloric intake due to exhausted food stocks is leading to extremely high rates of child mortality among pastoral and *belg* farmer households. As the emergency worsens, and if the *meher* harvest is as limited as it is expected to be, malnutrition can be expected to rise precipitously throughout much of the eastern half of Ethiopia, particularly at mid- and low-altitudes.⁴ Pre-famine mortality indicators such as rapid rise in grain prices, non-availability of short-season crops, significant livestock deaths, poor terms of trade and deteriorating nutritional status among the most affected, are now being reported in pocket-lowland areas of Afar Region, Shinile and Fik Zones of Somali Region, and West Hararghe Zone of Oromiya Region.

Although the number of food insecure normally fall during the last quarter of 2002, the figures will increase as 2003 begins, as *meher* farmers consume what little food they are able to harvest. Even with a robust and immediate response before the end of 2002, requirements for 2003 are likely to exceed those experienced during the 1999-2000 food shortage emergency. The DPPC's scenarios of likely emergency needs in 2003 are given below:

Table 1: Scenarios of likely emergency needs in 2003

Scenarios	General Ration		Supplementary Food		
	Beneficiaries	Cereals (MT)	Vulnerable Groups	Veg Oil (MT)	CSB (MT)
Mid Case	10.2 million	1,341,182	2.5 million	33,670	101,010
Worst Case	14.3 million	1,991,940	3.2 million	46,171	138,513

Source: GFDRE Oct. 1 Appeal

Detailed and timely information is required to support response planning. The figures given in Table 1 will be updated in November with the multi-agency pre-harvest assessment and FAO/WFP Crop and Food Supply Assessment Mission. Updated nutritional surveys and surveillance results will be especially valuable at this point. The cereals availability study, not carried out last year until February – March, will look into the possible purchase of food aid from local surplus producing areas. However, we can not afford to wait until the end of 2002 to make decisions concerning commitment of relief resources for the year. Any break in the food supply pipeline will result in an escalation of these already very high figures as more people slide further into destitution and exhaust their coping mechanisms.

⁴ FEWSNet Special Alert, 30 September 2002.

Only if there is a rapid and robust response will a worst-case scenario be averted. Non-food requirements are expected to be most acute in the area of supplementary and therapeutic feeding, health supplies and water. Similarly, support for the logistics sector, including increasing port capacity and looking into alternative, or complimentary ports, secondary transport, distribution agents and food delivery points will be critical and a major determining factor with regard to success in averting a worst-case scenario. It is also necessary to begin planning for recovery activities, as loss of significant livestock in pastoral areas, and multiple replanting this year, and the reduced asset base means that access to seeds and other inputs will be problematic next year. Another determining factor will be enhancing institutional capacity and overall coordination at all levels and between the Government, United Nations, NGOs and donors.

This contingency plan provides an explanation of the causes of the 2002-2003 emergency, outlines the anticipated outcomes of the mid and worst case scenarios for the coming year, and provides recommendations for priority interventions which require immediate and coordinated action from the USG, other donors, UN agencies, NGOs, and the GFDRE. Finally, a detailed logistic plan of actions to be taken within the next 6 to 12 months is provided.

The primary message of this plan is that emergency needs must be met to avert a famine. While famine must be addressed through well-targeted and significant inputs of emergency food aid, productive assets can only be restored through promotion of longer-term development strategies.

USAID/Ethiopia, in coordination with the Horn Response Team in Washington, and with input from OFDA/ARO Nairobi and FFP and OFDA officers in-country, will update this plan in early January following the completion of the FAO/WFP Crop and Food Supply Assessment and issuance of the 2003 GFDRE Appeal.

2. Recommendations

Early Food Pledges and Delivery

- USAID should publicly commit to delivery of 33% of the needs identified in the worst case scenario. The commitment of some 600,000 mts of cereals, 45,709 mts of blended food and 15,236 mts of vegetable oil should be made early in the crisis to encourage the GFDRE and other donors to follow suit. Commodities should be delivered well in advance of when they are required, as emergency food requirements will stretch logistic capacity.
- Immediate consideration for specialized feeding products and funding for wet-feeding programs is strongly recommended.

- Serious consideration should be given to the Joint Emergency Operation (JEOP) proposal from the CRS led-consortia of non-governmental organizations. The JEOP will ensure improved targeting and allow for the inclusion of both emergency and transitional activities in support of recovery.

Emergency Food Security Reserve

- Repayments to the EFSR are needed urgently. Without substantial and timely repayments between October and December, the Reserve may not be able to issue new loans against confirmed pledges in early 2003. As DPPC began EFSR drawdowns of the USAID 100,000 mts pledge on October 4, 2002, repayment by end-December, or early January, is critical.

Logistics

- Under the worst-case scenario, ports other than Djibouti will be required to import quantities of commodities into Ethiopia. In early November, REDSO/ESA Food for Peace Officers, in coordination with WFP and USAID/Ethiopia will undertake a review and update the 2000 Djibouti port assessments. REDSO/ESA Food for Peace Officers will also look into alternative options within the region. Following the assessments, the use of other regional ports will require senior USG and U.N. engagement with GFDRE officials. This is particularly true if the port of Assab is considered. Should the use of Assab become necessary, the establishment of a U.N. corridor, including the use of UN peacekeeping forces, would be critical.
- To manage the heavy load of food imports primarily through Djibouti, advance warning of ship arrivals, use of ships no larger than 30,000 MT capacity, which will allow full use of all berths in the port (and/or use of lightering operations with larger vessels), are necessary. Expeditious clearances and improved coordination of shipment arrivals, use of available transportation and delivery to the most appropriate primary and secondary points should be coordinated through the establishment of a logistics coordination unit. This effort could be led by WFP, along with NGOs, operating with a food pipeline in coordination with DPPC.
- USAID/Ethiopia and Food for Peace will co-fund one USPSC and an FSN logistics officer to support the Mission in identifying potential internal bottlenecks and proposing solutions to move the food into Ethiopia from neighboring ports.

Non-Food Response (particularly Health and Nutrition)

- On the non-food side, the highest priorities are health and nutrition interventions (including immunization/EPI, supplementary and therapeutic feeding and surveillance), water and animal health⁵.

⁵ In late October additional information will be known regarding the food security related non-food items such as seeds, livestock interventions (water, fodder, animal health), replenishment of oxen.

- Medical kits should be pre-positioned and trained health teams should be actively monitoring high-risk areas and preparing to intervene when necessary.
- The Federal and Regional MOH and DPPC's Emergency Nutritional Coordination Unit (ENCU) will need to be strengthened and trained to deal with potential outbreaks of disease and undertake nutritional monitoring of vulnerable populations. It will also need to ensure NGOs and others doing medical and nutritional interventions follow the SPHERE guidelines, and put in place a method of monitoring which ensures that SFCs and TFCs are being carried out appropriately.
- The deployment of the Center for Disease Control (CDC) or Center for Emergency Medicine, Disaster Response and Refugees Unit at Johns Hopkins University to provide technical assistance to the MoH and DPPC/Emergency Nutrition Coordination Unit (ENCU) should be considered. Additional technical expertise is required to bolster the capacity of the MoH and DPPC, U.N. Agencies and NGOs and improve their capacity to respond to increasing therapeutic and supplementary feeding needs.
- Additional Development Assistance food security funds from USAID/Washington are necessary to grow drought tolerant crops, expand the use of water harvesting, small-scale irrigation, all for the purpose of increasing sustainable livelihoods and purchasing power. In the longer-term, Ethiopia should be part of the Administrator's Agricultural Initiative to assist in the transition and development efforts to break the cycle of food aid dependency in Ethiopia.

USAID - GFDRE

- USAID/Ethiopia will work with the GFDRE to develop a set of emergency response measures designed to help the existing service delivery systems respond to drought conditions. This might mean relaxing current regulations about cost recovery for health care, veterinary services and agricultural inputs, and/or re-focusing programs and services to meet critical needs in affected areas and encouraging cross-visits to neighboring countries to consider ongoing systems and lessons learned. Where such measures come into conflict with the Poverty Reduction Strategy Plan (PRSP), the World Bank should be an active player in consultations.
- USAID/Ethiopia is working with the GFDRE to reprogram \$7 Million of Education and \$10 Million of Health funds from non-project assistance (NPA) to address emergency drought needs.
- USAID/Ethiopia is working with the GFDRE Ministry of Agriculture, the Food and Agriculture Organization (FAO) and partner NGOs to ensure the availability of inputs for the coming planting seasons. However, additional funding will be required to support projected needs in 2003.

- USAID/Ethiopia is working with DPPC to prioritize food aid delivery to drought affected people. We will be highly involved in food aid monitoring and targeting improvements. We will maintain regular field presence in the hard hit areas of West Hararghe as well as other areas through increase food aid monitoring teams.
- USAID/Ethiopia will fund the DPPC request for an Information and Early Warning Center from which activities and information can be coordinated. This center must be functional before the beginning of 2003. The DPPC is the key office of the GFDRE responsible for monitoring and coordinating emergency responses, particularly with regard to food aid commodities. Close collaboration with, and technical assistance from, FEWS/NET in this effort to directly assist DPPC is critical.
- USAID/Ethiopia and other major donors must work closely with the GFDRE to promote market stabilization and stimulate international trade. This could include tax breaks for private traders, incentives, revitalization of the Ethiopian Grain Trade Enterprise (EGTE), and/or monetization of cereals.
- USAID/Ethiopia and other major donors must work closely with the GFDRE to forego tax and other revenues where doing so will address the crisis, i.e. tax breaks for commercial import of grain, waiver of landing charges for humanitarian flights, facilitation of NGO import of key equipment and personnel.

USAID and Other Partners

- USAID/Ethiopia has encouraged Title II and DA partners to re-program resources to compliment other emergency response efforts.
- USAID/Ethiopia plans to support local organizations, civil societies etc. in the area of raising public awareness regarding the impact of the drought.
- USAID/Ethiopia and DCHA/FFP intend to program part of Title II food aid donations to not only meet emergency needs, but to also protect the assets of the most vulnerable in the short and medium term using the 'Relief to Development' (R2D) framework currently being piloted in the Amhara region. An expanded program would require multiple year commitments of food assistance and additional funds. The NGO consortium JEOP proposal submitted on October 15, 2002 will program food resources to meet emergency needs and would use an R2D framework for selected weredas. This program should be approved expeditiously by FFP.

USAID/Washington

- USAID/Washington should anticipate the need for supplemental DA funding in FY 2003, and plan to meet worst case scenario requirements for both food and non-food needs.

- USAID/OFDA should respond robustly to non-food requirements through the Annual Program Statement, particularly for activities that reduce vulnerability to increased mortality.
- USAID/Washington should support the establishment of a U.N. Secretary General Special Envoy for the regional drought in the Horn.
- USAID/Washington should continue to work with NGOs to raise awareness of the drought in Ethiopia through Inter-Action and other fora, and ensure that organizations bring an appropriate level of private resources to the table in response to urgent needs and capacity building requirements.

Famine Early Warning System

The Famine Early Warning System (FEWS/NET) should deploy additional staff to augment the current FEWS/NET presence in-country and second staff to the DPPC to assist in the up-coming Crop and Food Supply Assessments. FEWS/NET staff could also provide technical assistance in support of the soon-to-be-established DPPC's Information Center and Early Warning Department and strengthen the Government's ability to target the most vulnerable.

3. The Scale of the Food Insecurity Emergency

i) Scenarios

The current crisis, which revealed its potential scale as early as July 2002, following the inadequate short rains (belg) and the late on-set of the main rains (kiremt), will widen and increase in intensity as we move into 2003. Realistic estimates for the number of people requiring relief assistance in 2003 range between approximately 10 million under a mid-case scenario and over 14 million under a worse case scenario, translating into a requirement of 1.5-2.2 million metric tons respectively.⁶ The predicted scale of the crisis ahead in 2003 will therefore likely exceed that experienced in 1999/2000, and may, in the worst case, be comparable to the mid-1980s.

The current crisis follows that of 2000, when over 10 million people required emergency relief. As a significant number of these people depleted their assets in order to survive, the current socioeconomic position of the food insecure caseload is now even more marginal than before. Many have not recovered. This explains the rapid and early onset of acute malnutrition in the current drought-affected areas. Emergency relief is

⁶ USAID chooses the term 'realistic' as the best case scenario of just over six million in need seems unlikely. This would rely on rains continuing until the end of October – which is already out of the question according to all weather forecasting systems. See Disaster Prevention and Preparedness Commission, "Appeal for Immediate Food Needs and Scenarios of Likely Emergency Needs in 2003", 1 October 2002

one of the few - if not the only - coping mechanism available as other opportunities and strategies have been exhausted throughout decades of crisis.

ii) Economic Contributions

Several economic factors have exacerbated the drought and further reduced food security. In 2001, cereal prices for maize in particular fell dramatically below the cost of production, influencing a 20% drop in fertilizer sales compared with 2001, as estimated by the Fertilizer Industry Agency.⁷ Farmers who had purchased improved seeds and fertilizers for maize production under the government extension package were unable to repay loans as a consequence. This led to a drop in the purchase of fertilizer and improved seeds in 2002 - itself a cause of low productivity, irrespective of the impact of drought. In addition, the pastoral economy has also been adversely affected by the Gulf countries' ban since 2000 on the import of livestock from the Horn of Africa due to Rift Valley Fever outbreaks. Prior to the ban, 50% of all livestock imports to the Gulf States originated from Ethiopia. Combined with the deteriorating condition of the herds, pastoralists' purchasing power for grain has been reduced.

The current scenario is worsened by declining prices for cash crops, including coffee prices, both nationally and internationally. As Ethiopia primarily depends on coffee exports for its foreign exchange (55%), this has the potential to destabilize the Ethiopian economy. Internally, coffee prices have fallen from Ethiopia Birr (ETB) 17 to 3 per kilo, adversely affecting cash crop farmers, and therefore household food security. Chat (the dominant cash crop in the east) prices for farmers in the east have also been reduced significantly (from 5 to 2.5 ETB), further reducing the availability of coping strategies for affected farmers. Although not substantiated to date, there are rumors of a potential increase in fuel prices. This will certainly affect the urban population by reducing purchasing power for grains further.

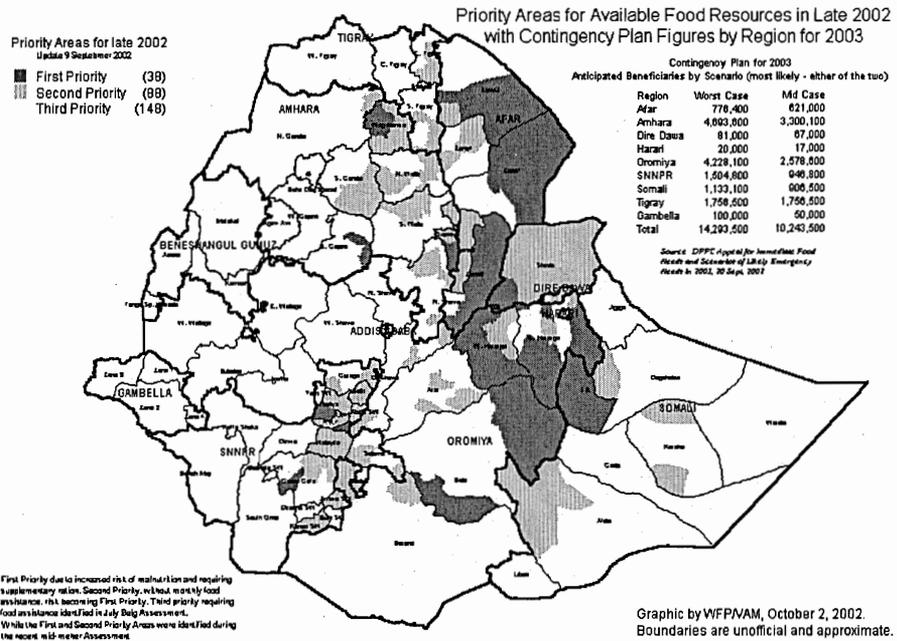
iii) Chronic Food Insecurity Exacerbates the Effect of Drought

In spite of heightened levels of food aid and development assistance to Ethiopia over the last decade, the numbers of people defined as chronically food insecure have risen to over four million. This group comprises people who are incapable of meeting their annual food needs without food aid assistance.

⁷ As quoted in FEWS NET 13 September 2002.

The numbers of chronically food insecure are increasing in Ethiopia because macro-economic development has not kept pace with the additional demands generated annually from population growth. This is especially true with regard to agriculture, which grows on average at an annual pace of 2.4%, compared to an estimated annual population growth rate of 2.8%. Moreover, national growth figures conceal the fact that agriculture is mainly growing in surplus areas where the bulk of investment accrues, as opposed to in the food deficit regions.

Moreover, poor storage and marketing infrastructure, and transport limitations prevents interaction between surplus and deficit regions, which could otherwise be a means (albeit limited) to partially compensate production shortfalls in food deficit areas.



Although chronically food insecure areas also coincide with low and variable rainfall areas (and high population density), at the household level, chronic food insecurity is related more specifically to a lack of productive assets (e.g., oxen for traction power), savings (e.g., cash or small livestock), land and/or labor than to climate. The effect of the relationship between climate and food insecurity is that the gradual (and sometimes sudden loss of assets) has reduced the margin of safety from climatically related shocks, because people have little recourse to coping in the way they had in the past.⁸

Although food insecurity is recognized as predominantly chronic in nature in Ethiopia (with the exception of crisis years), the existing response mechanisms are primarily geared towards addressing emergency needs. This is borne out by the annual DPCC appeal, which in the final analysis requests donors to respond with emergency assistance (e.g., food aid) to what is essentially a development problem related to a low productive asset base at household level, and a lack of assets and opportunities at the wider level. While food aid may save lives, the annual appeal process limits planning to replenish productive assets that would permit people to increase agricultural production.

In the long term and if the last few decades are indicative of a trend generally, then food aid needs will rise as the level of chronic food insecurity increases. This is because in-

⁸ For example, in the past people held larger land-holdings dispersed throughout a variety of microclimates. It was therefore less likely that drought would impact at all altitudes and therefore affect all of a household's production in a given season.

USAID Agency, Contingency Plan - 12/06/02, 2:41 PM 13

country growth in any sector is too small to meet even additional food demands (let alone in education, health, water etc). It is estimated that by 2025, Ethiopia will require 24 million MT of food - a substantial proportion of which would be derived from food aid. Assuming that donors would or could respond with sufficient aid, logistical limitations would no doubt result in widespread excess mortality reminiscent of the 1980s.

Considering these trends it is easy to understand how the caseload of the food insecure grows annually and how, following shocks (e.g., 1999/2000 and 2002), this situation will only worsen without a substantial reorientation in food security policy and practice in Ethiopia.

4. Projected Impact

i) Estimated Impact on Cereal Production

Large tracts on the east and southwest of Ethiopia have been adversely affected by drought in 2002 (see Appendix 1). The early cessation of the Belg rains and the late onset of the Kiremt rains will drastically reduce harvests of short and long-cycle crops. The geographical extent of areas affected by drought is shown in the map below.

While crop losses are already known to be widespread, even in advance of the empirical meher assessment, the effects of drought have impacted mostly in the midland and lowland areas of the eastern half of the country and the southwest. FEWS/NET estimates that the 2002/3 meher will approximate 10.3 million MT as a most likely case and 9.560 million MT as a worst-case scenario - a decrease of approximately 8% and 15% respectively from the previous five-year average. This is largely attributable to a fall in maize and sorghum production by approximately 28% and 18% under the most likely scenario and 45% and 34% in the worst-case. These crops, which are usually planted during the *belg* season and harvested in the *meher*, account for 40-50% of total food grain production. To some extent, those in the drought-affected areas have compensated by planting, and re-planting short-cycle crops (e.g, wheat, barley, teff, pulses), but in many cases substituted crops were planted too late to reach full maturity. In other cases, poverty factors have resulted in poor availability and choices for second and third replanting. Early plantings (April, May and June) of sweet potato, haricot beans and other crops, important for household food security, have also been adversely affected and required additional attempts.

Initial reports of the impact of drought reflected worst and best case scenarios - the former arising from early cessation and the latter from late cessation. In the end, rains appear to have now stopped without any extension.

Table 2: Preliminary Forecast of 2002-3 Meher Crop Production

Crop Type	2001/02	Average (1998/99-2001/02)	Worst Case			Most Likely Case		
			2002/03 FEWS NET Preliminary Forecast	Percent Change of 2002/03 estimate from		2002/03 FEWS NET Preliminary Forecast	Percent Change of 2002/03 estimate from	
				Average	2001/02		Average	2001/02
Teff	1,929	1,888	2,039	8.0	5.7	2,045	8.3	6.0
Barley	1,453	1,452	1,641	13.0	12.9	1,474	1.5	1.4
Wheat	2,288	2,133	1,920	-10.0	-16.1	2,123	-0.5	-7.2
Millet	464	391	367	-6.0	-20.8	368	-5.9	-20.8
Oats		38	36	-6.0		36	-5.9	
Rye		8	7	-6.0		8	0.0	
Rice		8	8	-6.0		8	0.0	
Maize	3,250	2,822	1,552	-45.0	-52.2	2,028	-28.1	-37.6
Sorghum	1,829	1,552	1,025	-34.0	-44.0	1,273	-18.0	-30.4
TOTAL CEREALS	11,213	10,292	8,595	-16.5	-23.4	9,362	-9.0	-16.5
PULSES	1,028	919	965	5.0	-6.1	965	5.0	-6.1
CEREALS & PULSES	12,241	11,212	9,560	-14.7	-21.9	10,327	-7.9	-15.6

Source: FEWSNet forecast based on discussions with MOA agronomists, Mid-Season Multi-Agency assessments, rapid field assessments by AGRID EV Consultants, analyses of rainfall patterns, and input use.

Notes:
 Worst Case=Withdrawal of meher rainfall earlier than normal (late August/early Sep).
 Most Likely Case=Normal end of meher season rainfall (through end of Sep/early Oct).

Note. The 2002/03 Bellmon study on Title II Distribution commodities conducted in August and updated in September 2002 found that crop production output expected in FY 2003 will be significantly reduced resulting from a failed short (belg) rainy season and a delay in the onset of the long (meher) season. Another contributing factor to low output is the “poverty factor” whereby farmers appear to have been unable to muster adequate resources (seed and labor) to replant short season crops after the failure of the belg rains. The Bellmon’s realistic crop estimate predicts that output will be some 8.853 million mts, or 700,000 less than the worst-case scenario projected by FEWS/NET.

ii) Market Impact

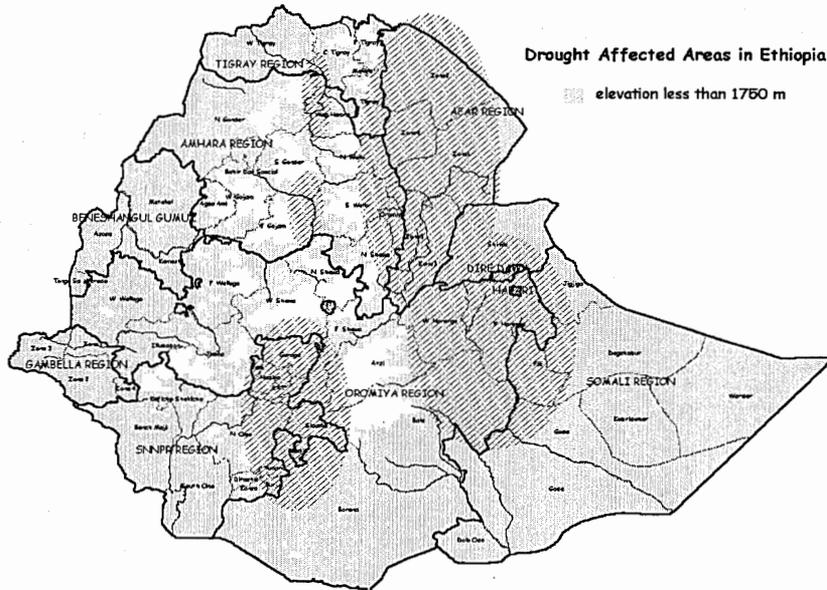
The potential of the drought and other factors to create the worst-case scenario is very real. The impact of a main season drought on Ethiopia, if it is not appropriately responded to, is significant. The scale of the current harvest losses could spark large cereal price increases in the domestic market. This in turn could greatly increase the number of people dependent on free relief food. Ethiopia is particularly vulnerable to food dependency as the private sector has a limited ability to bridge the gap through international trade. The GFDRE and donors could investigate supporting policies or programs aimed at stabilizing cereal prices, especially in 2003. Policy change is needed to stimulate trade and the judicious monetization of food commodities. Mortality,

destitution and significant migration within Ethiopia, along with the potential of increased conflict are also very real possibilities.

A large shortfall in cereal production will increase domestic cereal prices. Although prices are still close to the eight-year average, the price of maize rose by 64% between May and September in Addis Ababa and by 73% in Nakempt - a traditional maize surplus area. Historically, maize prices in these two markets have only increased by

10% in Addis Ababa and by 34% in Nakempt over the same time period. While rises in cereal prices are expected up until September, following the normal agricultural calendar, any dramatic increase beyond that could limit market access to food, exacerbating the effects of drought in both rural and urban areas.

Declining terms of trade vis-à-vis livestock and grains have already been widely reported from assessment



missions in Tigray, Amhara, Southern Nations, Nationalities and Peoples Region, Oromiya and Afar Regions. Such market conditions have the potential to exacerbate the effects of drought and food deficits, and lead to speculation and hoarding of grains, thereby decreasing market access to food. FEWS/NET will monitor market conditions and prices as more quantitative data becomes available.

iii) Short and Long-term Impact on Household Food Security

Even for the predictably chronic food insecure, the September-December period is usually one of relative food security due to harvesting of short-cycle and long-cycle crops, beans and pulses. Good livestock conditions and increased quantities of livestock products are usually also widely available from abundant pasture and water sources. This is not the case in 2002 (see Mission Reporting Cables for Regional details).

a) Pastoral Areas

In the pastoral areas of Afar, northern Somali Region, and Fentale of Oromiya Region, widespread livestock deaths have been reported since early July. Zone 3 of Afar Region is thought to have lost between 40-70% (depending on source) of livestock since July. Eastern lowland areas of Tigray, Oromiya and Amhara Regions also reported livestock deaths in excess of 'normal' due to loss of pasture and water.

Unusual migrations from and within pastoral areas as well as sedentary agricultural areas have been widely reported and verified by drought assessment missions since July 2002 and continue today, months earlier than normal patterns. Resource conflicts over scarce water and pasture resources between the Afar, the Somali Issa and the Kerayu in areas of Afar, northern Somali, and South Omo have also exacerbated the impact of the drought by restricting normal migration patterns.⁹ Poor Government services and inadequate infrastructure exacerbates the situation in the pastoral areas. Moreover, the limited understanding of pastoral livelihoods often precludes an early and appropriate response to protect assets (e.g., livestock) at a critical stage of crisis.

As per table 6 on page 29, declining nutritional indicators as evidence of a severe threat as the dry season continues. GOAL's 30/30 cluster survey in Zone 3 of Afar Region found a prevalence of 25% global acute malnutrition among 6-29 month olds, and 17% for children under five. Since the survey was conducted in August, rates of malnutrition have already increased, although we await further data from follow-up assessments.

b) Agricultural and Agro-pastoral areas

Conditions in East and West Hararge already show a rapid deterioration in the food security status of households and a rapid deterioration in nutritional status as a consequence. In lowland areas, an almost total crop failure has been observed. Midland areas may acquire 15% of harvests under 'normal' years, while areas of the highland and midlands that usually receive more rainfall may receive up to 40% harvest of a normal year.

The situation in West Hararghe in particular shows lowland pockets of critical malnutrition. From an initial estimation of 300,000 beneficiaries in January, the DPPC doubled that figure to 600,000 in early September and to 1.1 million by late September. The speed with which West Hararghe Zone has deteriorated is indicative of the potential for widespread disaster in the eastern part of Ethiopia.

Meher producing areas along the eastern escarpment of Ethiopia are expected to begin to liquidate their assets as early as January 2003. The heavily populated stretch from southern Tigray through mid- and lower altitude areas of North/South Wollo and Oromia zones in Amhara Region is traditionally one of the "bread-baskets" for long-cycle crop production in eastern Ethiopia. Farmers in the adjacent highlands depend upon wages from seasonal agricultural labor to support themselves since they are unable to produce all of the food that their households require. This year, far from producing a surplus in areas like Raya Azebo (Southern Tigray), Kobo (in Northeast Amhara) only 30% of the long-cycle crops are estimated to be in good condition. Further south, in the lowlands of eastern Amhara Region, no harvest with the possible exception of short-cycle crops are expected in areas replanted in August. Beyond the immediate reduction in cereals, the

⁹ At the end of September, the UN Emergencies Unit for Ethiopia, *Relief Bulletin*, 26 Sept. 2002 reported stress migration from South Omo towards northern Kenya.

crop loss will also result in fewer wage labor opportunities for those who depend on seasonal wages.

In Tigray Region, the Central, Eastern and Southern Zones are the most affected, with rainfall amounts far below historical averages. With the rains now withdrawing from Central and Eastern Tigray, the risk of widespread harvest failure is high. Region-wide, fertilizer use decreased this year by 47%. Supply and utilization of improved seed was significantly lower than average. Pest and disease damage was reported, with infestations of stock borer, shoot fly and rodents higher than normal in Adwa and Werie woredas. The physical condition of livestock has deteriorated, due to absence of pasture and drinking water. The terms of trade for livestock vis-à-vis grain are deteriorating, while the daily rate for wage labor has fallen drastically. Thus, purchasing power is being cut through declining labor rates as well as through falling livestock prices.

In Amhara Region, the prolonged dry spell beginning in April and continuing through May and June caught the crops at critical growth stages, forcing farmers to plant multiple times. Even subsequent planting was negatively affected, with below to much-below rainfall at the delicate flowering and seed setting stages. This was compounded in the highlands of North and South Wollo Zones by frost and disease. The area of land cultivated for long cycle crops in 2002 was 11% less than previous years. The poor livestock conditions have combined with increasing grain prices to create extremely poor terms of trade for farmers attempting to purchase grain.

In southwestern areas of Ethiopia, the densely populated highlands of Wolayita and Konso have suffered a major loss of maize, sweet potato and haricot beans. These crops were due to be harvested during August and September. Wheat and barley losses are also expected to be high. In all cases, harvest prospects for Gamo Gofa and Wolayita are conditional on the rainfall performance in September and October. Cereal prices in Wolayita and Gamo Gofa are 100% higher than last year, and the supply of cereals and sweet potato in the markets is low. This, however, has to be tempered by the lowest ever recorded cereal prices in 2001. Livestock prices have remained similar to last year. An estimated 800,000 people are in need of assistance in these areas.

A nutritional survey conducted by Concern, an Irish NGO in Damot Weyde Woreda of Wolayita Zone in mid-August, stated that the rates for global acute malnutrition did not exceed the "emergency" level of 10%. However, they have increased significantly since April, indicating a deteriorating food security situation. August is normally a post-harvest period of good access to food. Communities described crop losses of 100% in the most affected lowlands as the worst they had ever seen for this time of year. The report noted problems with the distribution of dry rations and supplemental food due in part to lack of expertise and experience, as well as limited supplies.

Generally, the present crisis will have long term effects for household food security in affected areas. Household asset depletion is a normal consequence of drought and food insecurity. When households deplete productive assets in particular (e.g., oxen

used for traction power) they compromise their future productivity, demonstrating how the effects of one crisis in the form of late and inappropriate assistance ensures that the food insecure caseload continues to grow over time. Simply, households depleting productive assets usually end up as long term relief beneficiaries.

5. Scenario – Based Needs Assessment

In light of the developing needs as identified during the belg and pastoral assessment in June, the GFDRE issued an updated appeal on July 12, 2002. This was soon followed by a "Situation Update and Joint U.N. and GFDRE Non-Food Appeal" issued on August 30, 2002 requesting donor consideration for US\$ 12 million in immediate needs for livestock, water and sanitation, agriculture, human health and nutrition, shelter, HIV/AIDS, as well as coordination and information needs.

Following the conclusion of the mid-Meher assessment, the GFDRE issued the "Appeal for Immediate Food Needs and Scenarios of Likely Emergency Needs in 2003" on October 7, 2002. The October appeal outlined needs for the last quarter of 2002 as being 273,029 MT (245,114 MT of cereals, 20,937 MT of blended foods, and 6,978 MT of oil). The total number of beneficiaries rose from the July estimate of 1,707,520 to 6,261,842 in October. This number will decline in December to 4,473,064, as most drought-affected areas will receive some harvest. However, harvests in the hardest-hit areas will only provide temporary relief and populations in need of assistance will rise precipitously in 2003 as household stocks are depleted. Even under the mid-case scenario - the basis for the Missions planning - requirements for 2003 are likely to exceed those of 1999-2000. A worse case scenario would bring us into the realm of the mid-1980s, as expressed in the table below. (Note that the Mission has ruled out the possibilities of a best case scenario on basis of meteorological forecasts). The graph below the table breaks down projected needs for 2003 by month under the mid-case and the worst-case scenarios. As stated previously, these numbers will be adjusted following the meher assessment mission late in 2002.

**Table 3: Food Aid Requirements by Scenario (Cereals Only)
January-December 2003, (in '000 MT)(15 kg/person)**

SCENARIOS	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Mid Case	75	130	136	144	145	153	132	132	130	108	48		1,341
Worst Case	173	198	215	215	215	215	176	176	174	149	90		1,992

Source: DPPC

Although the scenarios outlined in the updated and revised GFDRE Appeal are based on rainfall and crop performance, past experience shows us that the response itself can also determine future needs and the magnitude of crisis. While the tabled figures will be revised in January 2003 following the FAO/WFP Crop and Food Supply Assessment Mission, USAID/Ethiopia will plan relief resources in a manner that will prevent a break

in the food supply pipeline. An early and timely response will preclude a period of ongoing asset depletion, culminating in destitution, which without concomitant rehabilitation and development intervention, will swell the chronic caseload and increase emergency needs (even in good years).

Box 1. Mid-Case Scenario (MCS)

Under a mid-case scenario, late rains will be normal in terms of distribution and cessation (despite early season erratic and poor performance). Thus, while significant reductions in long-cycle (and higher-yielding) crops can be expected, shorter-cycle (and lower-yielding) crops should be successful in most areas. In a mid-case scenario, some *meher* crops will be harvested during November-December 2002. With reduced production, households are expected to deplete their food stocks by March. By June the beneficiary numbers are expected to be 10.2 million. If the belg rains are good in 2003, however, some harvest will be expected in July, and needs would slowly decline from August, dropping more dramatically in November as the 2003 *meher* crops are harvested. The total food aid requirement for cereals under the mid-case scenario is 1,341,182 MT. This scenario is underway. Effects observed to date include pocketed areas of extremely high malnutrition with reports of mortality in pastoral and lower-altitude belg-producing areas, erosion of assets of middle-income farmers, modest levels of rural-urban distress migration. Under this mid-case scenario, emergency food aid requirements will surpass those of 2000.

Box 2. Worse Case Scenario (WCS 1 & 2)

A worse case scenario can be split into two potential outcomes:

- 1) The mid-case outcome already underway, but without an adequate and timely response, combined with poor production in food surplus areas and macroeconomic instability generally. This will ultimately increase levels of overall destitution, malnutrition, social disruption and result in excess mortality for the rural sector but it also has implication for urban areas if food prices rise beyond purchasing power. Based on the 1970s experience, this could politically destabilize Ethiopia. The worse-case scenario assumes that production in the surplus areas of western Ethiopia, though less than average, will provide some opportunities to allow local purchases. If this assumption does not hold, almost all the requirements will need to be resourced and delivered through the port of Djibouti as well as other regional import points (Berbera and Port Sudan are available for smaller deliveries to eastern and northern Ethiopia, respectively). The worst-case also projects that populations in the greatest need now, including Afar, Shinile, Fik, East and West Hararghe, and those that will next come on-line along the eastern escarpment of Tigray and Amhara Regions, and at a later date the lowlands of SNNPR, will do so faster than relief availability. Without sufficient planning and coordination, as well as pre-position of commodities in advance of the crisis, dilution of rations can be expected, breaks within the pipeline, the complete drawing down of the Emergency Food Security Reserve (EFSR) and a faltering logistics and distribution infrastructure. Non-food and health/nutrition interventions will be required at enormous levels. With all variables in place, one would expect a repeat of the mid- 1980s.
- 2) The continuation of the worse case outcome presented above with continued poor/inadequate rainfall in the 2003 belg and kiremt seasons, culminating in four consecutive years of poor harvests for many parts of the country. Even if there was the political will to meet the needs of well in excess of 10 million people, acute malnutrition and mass mortality would no doubt accompany this scenario given the logistical barriers to mounting a relief operation on such a large scale.

We strongly recommend that USAID/Washington should plan and allocate resources on the basis of the worst case scenario (WSC-1). Planning for WSC-2 should be undertaken with GFDRE and key donors.

6. Response to Date

Since the implications of the failed *belg* and *kiremt* rains became apparent in early July, the GFDRE set an example through early action and leadership in outlining and responding to drought needs. The DPPC has taken the lead through the coordination of donor and United Nation Agency visits to drought-affected areas, significant human and financial resource contributions and the issuance of two updated food aid appeals in July and October, and the non-food appeal in August.

i) Government of Ethiopia Response

- The GFDRE pledged and withdrew 45,000 MT of grain from the EFSR on July 11, 2002.
- The GFDRE purchased and distributed US\$1.6 million of seeds to farmers in Tigray, Amhara, Oromiya and SNNPR to help farmers replant after the late start to the *kiremt*.
- The GFDRE organized multi-sector teams to the drought-affected Shinile zone of Somali region and the Afar region to assess water quality and availability, health conditions and health service delivery, and agricultural activities.
- The GDFRE sent water tankers to Afar and Shinile.
- The MoA launched an animal health campaign to provide veterinary assistance to weakened livestock herds.
- The GDFRE in conjunction with the U.N. issued a joint appeal for non-food assistance for \$12 million on August 30, 2002.
- The GDFRE issued an appeal for 273,029 MT of food assistance to December 2002. The appeal also outlined potential scenarios for 2003 and requested between 1,475,862 MT (mid-case scenario) and 2,176,624 MT (worse case scenario) of food assistance.
- The GFDRE, UNICEF and WHO are currently undertaking a national polio vaccination program, and in Afar undertaking a measles and Vitamin A campaign in November and December.

ii) USG Response

The USG has played an important leadership role among donors with an early and timely response. Since July, USAID/Ethiopia and the FEWS/NET in Ethiopia began conducting assessments of crop failure and nutritional status in drought affected areas - undertaken with the DPPC, U.N. Agencies and NGOs. USAID/Ethiopia and FEWS/NET disseminated this information among donors while calling for emergency relief

preparation. The USG's advocacy both nationally and internationally has led to recognition of and response to the severity of the current drought crisis threatening the livelihoods and potentially lives of millions in Ethiopia. The early response by the USG to the drought emergency in Ethiopia included the following:

- In early July the Mission began weekly reporting on the drought situation.
- On August 1, in response to the failed *belg* and late *meher*, the US Embassy issued a Drought Disaster Declaration.
- USAID/Ethiopia, OFDA/ARO, Food for Peace and Africa Bureau officers have traveled extensively throughout Ethiopia assessing drought affected areas and working with the mission on response and reporting requirements.
- USAID/Ethiopia mobilized a USG Country Team drought task force to expedite response.
- USAID/Ethiopia has arranged bi-weekly meetings with NGOs working in affected areas to expedite information sharing, ensure timely interventions and support the re-programming of available resources to meet urgent needs.
- USAID/Ethiopia reprogrammed \$400,000 for the purchase of short-season crop seeds through the DPPC, provided US\$1,235,000 to UNICEF for Integrated Management of Childhood Illnesses (IMCI) and Emergency Health Kits.
- USAID/Ethiopia and OFDA provided US\$1.3 million to GOAL (an Irish NGO) to undertake a nutritional assessment in the Afar region and implement two supplementary feeding programs in Afar and West Hararghe of Oromia Region.
- Food for Peace contributed 42,000 MT of cereals and 3,000 MT of blended food to the WFP (August 9, 2002) and provided an additional pledge of 100,000 MT of cereals and 8,000 MT of corn-soya blend through the WFP in early September. In CY 2002, the USG (DCHA/FFP and USDA) have provided a total of 314,000 mts valued at more than US\$110 million.
- On September 27, 2002, USAID/W held discussions with the larger Non-Government community in the U.S. through the inter-action forum to raise awareness of the current drought in Ethiopia.
- Food for Peace and OFDA have dispatched emergency officers to support the Mission and meet emergency food and non-food needs.
- OFDA issued an Annual Program Statement on September 26, 2002, in support of emergency non-food requirements, inviting agencies to submit proposals.
- On September 30, 2002, Food for Peace also provided US\$ 10 million to Save the Children/UK (SC/UK) toward the joint USAID/Ethiopia and Food for Peace Relief to Development program (R2D). The Mission provided US\$300,000 toward non-food costs associated with the program.
- In addition to the actions listed above, USAID/Ethiopia is working with the GFDRE to reprogram US\$17 million in non project assistance for urgent non-food needs in health and education.
- On October 17, 2002, the US Embassy re-issued a Drought Disaster Declaration for Fiscal Year 2003
- On October 22, 2002, USAID/Ethiopia released this Agency-Contingency Plan.

iii) Other Bilateral Donor Response

Although others in the international donor community have yet to respond to the levels of assistance required to meet projected needs (see Appendix 3), contributions are now increasing from a variety of donors, including the European Commission, United Kingdom, Netherlands, Canada, Ireland, Norway, Germany and Japan, as well as from non-traditional donors like Russia, China and Egypt. Coordination among the major donors in the area of drought response, continues to reflect the significant progress made over the last 18 months in the areas of food security policy and food aid reform.

Consensus is emerging that in addition to ensuring that the response reflects the scale of projected emergency needs, donors and Government should remain on board with a developmental-relief approach to the extent possible. Typical of coordination efforts among donors in Ethiopia, USAID and DfID recently co-funded a nutritional feeding program in Afar and it is expected that DfID will also support programs funded by USAID in West Hararghe. US – EU cooperation is also continuing, and will hopefully be enhanced following recent dialogue between Washington and Brussels.

iv) United Nation Agencies, International Organizations and Non-Governmental Organizations

The UN/EUE or OCHA, has taken the lead in coordination among the U.N. Country Team and has been responsible for the mobilization of other U.N. Agencies and the issuance of the UN/GFDRE Joint Non-Food Appeal on August 30, 2002, requesting of US\$12 million for priority interventions.

The WFP has been instrumental in raising awareness of the drought among traditional and non-traditional donors. The ICRC and several NGOs including GOAL, CRS and Save the Children/UK, began operations in Afar in the early stages of the crisis, mobilized NGOs in support of immediate interventions through the Joint Emergency Operation (JEOP) and instigated the NGO joint call for assistance on September 25, 2002. All these efforts have been important.

The Joint Emergency Operating Plan (JEOP) submitted for FFP/W consideration on October 15, 2002, forms a consortium of NGOs led by CRS and other Title II development partners to respond to emergency needs. The JEOP is designed to maximize the “surge capacity” of Title II NGOs, funding them to provide emergency assistance in drought-affected areas where they are currently on the ground and, if necessary, to expand into neighboring areas as the crisis widens. Responses to the OFDA Annual Program Statement, together with the JEOP proposal, provide an immediate opportunity to support NGO food and non-food programs in the hardest hit drought areas.

7. A Structured Response for the Next 12 - Months

The first priority in emergency response is to save lives and alleviate suffering. Meeting the needs of Ethiopia's current drought and food security crisis will require deliveries well in advance of actual needs (including pre-positioning) and well targeted to minimize social disruption (including conflict) and improve nutritional status. Steps must be taken to stabilize markets, to ensure that those with cash are able to purchase food, and those with food to sell, are able to do so. Aid must reach the intended beneficiaries, in adequate amounts to have an effect on their nutritional status. Medical and health assistance must be targeted to the areas of greatest fragility. Finally, aid should be programmed to help households and communities maintain their productive capacity.

i) Improved Access to Food: Logistic Requirements for Timely and Adequate Distributions - Food Pipeline

As mentioned before, the GDFRE has estimated that food aid requirements for the remainder of 2002 are 273,029 MT. The requirements for 2003 are estimated to be between 1.5 million MT and 2.2 million MT for 2003. The FAO/WFP Crop and Food Supply assessment, to be carried out in November/December 2002, will enable more precise food production estimates and food aid beneficiary numbers, locations and levels of need for 2003. In addition to this assessment, the DPPC-led multi-agency *meher* and pastoral assessment, currently scheduled for October and November will also inform food aid requirement assessments.

The magnitude of the food aid requirements necessitates a timely and coordinated response. Due to the length of time required to procure and ship grain, it is important that donors begin thinking not only of current needs, but also of the increasing needs that will occur after January 2003. Timely deliveries of food in sufficient quantities is needed to:

- Stabilize the nutritional situation.
- Establish supplementary and therapeutic feeding centers where needed (adequate general ration is a prerequisite for successful supplemental and therapeutic interventions)
- Plan FFW and EGS and safety-net programs for critical groups
- Prevent further liquidation of productive assets
- Prevent migration
- Stabilize grain prices

These are obviously important factors not only for effective emergency response, but also in the facilitation of early recovery and development.

a) Early Preparation for Food Requirements

A USG commitment to the fastest possible delivery of 33 percent of the food aid needs under the worst-case scenario is strongly recommended and would represent an important step towards meeting the food-aid needs of the current emergency. Early delivery of large quantities of food would enable grain to be pre-positioned upon arrival to avoid logistical blockages later during peak food requirement months.¹⁰ Such a commitment by the USG would encourage other donors to commit to an early and significant donation, thus providing some stability to the programming of emergency food aid commodities. If the USG were to commit to meeting 33% of the worst-case needs as estimated below, for example, quarterly shipments from the USG would break down as follows:

Table 4: US Cereal Contributions by Quarter (if 33% of Worst-Case Scenario)

	<i>(in thousands of metric tons)</i>				
SCENARIOS	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
Worst Case	177,000	195,000	159,000	72,000	603,000
Deliver by	15-Jan	15-Mar	15-Jun	15-Sep	

b) Emergency Food Security Reserve Stocks Low and Minimal Grain for Local Purchase Available

As of October 8, 2002, the overall status of the Emergency Food Security Reserve (EFSR) was as follows:

Stock at hand	131,160.79
Outstanding Loan	249,468.04
Stock under withdrawal	<u>24,376.00</u>
Total Owned stock	405,004.83

Of the total amount considered as outstanding loan, 85,567 MT owed by the GFDRE and 43,989 MT owed by the EC (some 50 percent), will be carried into May or June 2003 before being replenished through the local purchase program. This results in a revolving stock level of just 275,448 MT (one-third less than the total stock).

Largely because of timely USAID repayments to the EFSR, the stock status will remain just above 100,000 MT into January 2003, which is a point when the EFSR Authority will be reluctant to loan out more food without approval of the National DPPC, and precise arrival dates for replenishments. A similar situation in late 1999 seriously complicated the emergency response in early 2000. Food currently in the pipeline for delivery in October - January will need to be timely to allow subsequent drawdowns from the EFSR. With such limited reserves, EFSR will only be able to loan on a month-by-month

¹⁰ The GOE has approved in writing the use of GMO foods, which could be part of this commitment.

basis, precluding the pre-positioning of food in difficult to access areas. In sum, without substantial and timely deliveries between October and early January, and beyond, the Reserve may not be able to issue new loans against confirmed pledges in early 2003.

Table 5: Illustrative Example of EFSR Drawdown September - March

	Stock Available	Projected Loans	Repayment	Balance Available
October	131,160	50,000	62,617	143,777
November	143,777	75,600	45,133	113,310
December	113,310	60,300	78,400	131,410
January	131,410	67,500	50,000	113,910
February	113,910	117,000	TBD	TBD
March	TBD	122,400	TBD	TBD

Source: USAID and EFSR. Note. Projected loans assume 90 percent of the monthly requirements will be borrowed from the EFSR. Monthly requirements in January, February and March are based on the mid-case scenario. Repayments in December and January assume 50,000 MT each month from the USAID 100,000 MT contribution.

Under this projected stock plan, basic humanitarian needs may be unmet as early as February 2003 unless direct delivery, pre-position or front-loaded commodities can take place in early 2003 to avoid complete draw down of the EFSR, or a cessation of loans.

Further hampering the possibility to obtain grain locally which avoids many logistic and time obstacles to timely food delivery is the limited supply of grain available and the normally slow process for local purchases. Recent EC discussions with surplus producing traders project a decrease in available commodities for local purchase from 450,000 in 2000/01, 353,000 in 2001/02 to 300,000 MT in 2002/03, representing in the potential loss of 15% from previous years' available stock¹¹. With the added constraint of increased prices, large-scale local purchase in Ethiopia may not be realized, expedient or a sure alternative for the near future. Based on past experience, the maximum amount of cereals that will actually be procured is no more than 200,000 (10 percent of the worst-case scenario and 15 percent of the mid-case scenario requirements for cereals). The possibility of regional local purchase, i.e. in Sudan, should be explored, although currently prevailing drought conditions and locust infestations may limit availability of stocks or drive prices up. Even in small quantities, the purchase of grain from Sudan (for example) could alleviate shortfalls in target areas near the Ethiopia-Sudan border, support local market and transport infrastructure, and encourage the formation of international trade relations, which is important for healthy economic integration in the region.

¹¹ The November meher multi-agency assessment, FAO/WFP Food Crop assessment and EC food availability study in surplus areas in December will provide actual surplus available for local purchase.

c) Logistics: Needs in 2003 will Stretch National Capacity

The massive food aid requirements projected for 2003 (1.5 to 2.2 million MT) require an immediate port and internal logistics capacity assessment by WFP who will try and meet up to 49 percent of needs in 2003. It is critical that WFP work closely with the DPPC and NGOs to develop a viable logistics strategy for the worst case scenario, and to take steps now to address outstanding gaps in the available infrastructure or resources. The logistics plan and coordination is extremely important¹², as the worse case scenario will necessitate 215,000 MT per month at the peak of the crisis.

Djibouti and other regional ports

USAID assessments conducted in January, March and April 2000 estimated that the Djibouti port could not likely handle more than 120,000 MT per month for a prolonged period of time. As was seen in January 2002, however, this capacity was greatly exceeded when WFP imported over 200,000 MT in a 30-day period. Advance warning of ship arrivals, strict adherence to the use of ships no larger than 30,000 MT capacity to maximize the use of Djibouti's three berths for bulk cargo (and/or use of lightening techniques), and the adequate use of available warehouse capacity at the port and nearby will assist to maintain smooth logistics operations. As in 1999-2000, careful coordination between USAID, WFP, the EU, GFDRE (DPPC, Ministry of Transport, and Customs Authorities), and the Djibouti Port Authority and Customs Authorities, will be critical. WFP should take the lead with logistics coordination meetings and dissemination of the pipeline report.

Notwithstanding increased port capacity, including significantly increased storage areas (particular dry-dock storage), and increased number of long and short-haul trucks in Ethiopia, the need to preposition commodities in-country before food requirements reach the peak level can not be overstated. It is also necessary to consider alternative ports such as Port Sudan, Berbera and Assab during the peak months of the crisis. REDSO/ESA Food for Peace Officers have agreed to update and revisit previous assumptions made in the three logistics assessments in 2000 to reflect the present environment in the port of Djibouti¹³ as well as assess capacities at other regional ports as necessary and appropriate.

Internal Logistics Capacity

With regard to internal logistic capacities, the DPPC Logistics office estimates that a minimum of 3,000 MT per day, or 90,000 MT per month, can be uplifted from central warehouses in Komblocha, Dire Dawa, Shashemeni, Mekele, Nazareth, Sodo and Woreta. In deed the rate of 3,000 MT per day was accomplished during the peak

¹² Ethiopia is the most populated land locked country in the world.

¹³ Including recent privatization of the Djibouti port and its possible effects in terms of increased costs.

requirement months in 2000. The maximum up-lift capacity is estimated at 5,000 to 6,000 MT per day, or 150,000 to 190,000 MT per month. However, this is 65,000 to 25,000 MT short of the monthly requirement in peak months under the worst-case scenario. The maximum up-lift can be increased with appropriate planning and pre-position of commodities. To address the above issues, it is essential that an update of the internal logistics capacity system be undertaken as soon as possible. WFP should take the lead in this effort in coordination with DPPC.

According to the DPPC, assistance from the EC over the last twenty-four months to develop a Relief Logistics Master Plan is expected to conclude at the end of the calendar year. The development of this plan will outline the most efficient uses of the existing national fleet that is made up of:

- 7,324 short-haul trucks with a capacity of 7 to 12 MT per vehicle and 2,986 trailers that can increase the capacity of the short-haul vehicles by 20 MT each (or 27 to 39 MT);
- 2,771 long-haul trucks that can carry 12 to 18 MT per vehicle; and,
- 1,275 long-haul trucks that can carry 40 MT per vehicle.

During the 2000 drought emergency, WFP imported short-haul trucks for the Somali region to increase secondary transport capacities and increased the number of trucks available to delivery cargo from Djibouti port to primary inland destinations. Donors can contribute to improving the transport capacity in many ways, including the provision of support to port operations, infrastructure (road and bridge repairs), monitoring and communications capacity, personnel, and the provision of equipment (weigh-bridges, for example). Over the next few months, USAID/Ethiopia will work closely with the DPPC, WFP and EC on updating and revising previous assumptions made under the 2000 assessments.

ii) Supplemental and Therapeutic Feeding Programs

The need for supplemental and therapeutic feeding in the coming 12 months will be directly linked to the timeliness, targeting and scale of emergency response. If donors are able to schedule significant shipments to arrive during October – March period, thus allowing for timely and organized deliveries, the health and nutritional situation could stabilize. Otherwise, the nutritional status of children under five can be expected to deteriorate rapidly in affected areas, and pockets of emergency levels of severe acute malnutrition will persist.

Table 6: Results of Nutritional Surveys Conducted between July and September 2002

Location	Moderate Malnutrition	Severe Malnutrition	Agency
Zone 3, Afar	17.9%	2.8%	GOAL
Zone 5, Afar	24.6% - 29.9%	3.0%-5.5%	WVI
South Gonder, Amhara	13.0%	0.8%	SCUK
South Wollo, Amhara	17.8%	1.9%	Concern
East Shewa in Oromiya,	12.5%	1.5%	Goal

Damot Woide, SNNPR	7.2%	0.8%	Concern
West Hararghe ¹⁴	7.9%	1.6%	CARE, WFP, DPPC
West Hararghe ¹⁵	15.1%	3.6%	CARE, WFP, DPPC

Note. While all the above rates are not yet demonstrating “critical” or “alarming” rates, it should be noted that these rates are increasing in a relative time of food security and will increase as the dry season continues.

Where child malnutrition has already reached emergency levels, general food rations made up of almost entirely cereals, needs to be immediately augmented with additional proteins and fats and supplemented by the establishment of SFCs and TFCs and non-food assistance (particularly health and water interventions). Under-five mortality is already increasing in West Hararghe and Afar. The numbers in these areas will continue to rise without medical/nutritional intervention, and new areas of high malnutrition will continue to emerge until the food situation stabilizes. Blended foods, such as corn-soya blend (CSB) are already in short supply.

A significant amount of outside technical assistance will be crucial to improve the GFDRE’s, U.N. and NGOs ability to run an effective TFC or SFC program in its many drought- affected areas. The need for such feeding centers is unfortunately all too evident.

iii) Health and Water Systems

a). Health

While food is the immediate priority, other non-food interventions in health, water and sanitation also need urgent attention. Improved health services are critical to saving lives in the most vulnerable areas through nutritional interventions and in response to related outbreaks of disease. With water shortages, the potential for outbreaks of water borne diseases is high as people utilize unclean/infected water supplies. Health monitoring systems in the affected regions are inadequate and weak, and require immediate support and technical assistance. Medical kits should be pre-positioned and trained health monitoring teams should be actively monitoring high-risk areas and preparing to intervene when necessary. USAID/Ethiopia will ensure that the MOH and the ENCU have sufficient technical assistance to undertake the necessary nutritional monitoring of vulnerable populations and to ensure that NGOs and others doing medical and nutritional interventions follow the SPHERE guidelines. Capacity building and technical assistance is also critical for EPI considering previous experience in this field.

b). Water

According to World Bank reports, over a third of rural population in Ethiopia lack access to safe water or sanitation. Lack of access arises from both lack of purchasing power

¹⁴ Highland and wet midland areas

¹⁵ Dry midland and lowland areas

and the specific cultural, economic regulatory and institutional environment in the country. Water and sanitation related sicknesses put severe burdens on health services and keep children in the bed and out of school. Despite significant investments made in the sector during recent decades by Government, non-Governmental organizations, bilateral and multilateral agencies and the private sector, the outlook for access to safe and adequate supplies of water and environmentally sustainable sanitation remains grim.

As the rains were below to much-below normal this year, water sources are drying up months earlier than in normal years. Women in Mieso wereda of West Hararge report in October that they are walking eight hours one way to fetch water from a spring that they believe could possibly dry up before the next rains. The extreme distances that people are forced to travel to fetch water reduce the amount of water available for each family member. In the weredas reporting the most severe water shortages, field observation found that women fetch enough water for each family member to use five liters per day. Five liters per day for personal use is far below the standard of 20 liters per person per day agreed upon by USAID, WHO and The World Bank. With the next rains months away, the scarcity of water will only increase, necessitating quick intervention in the most affected areas to provide accessible and safe water.

More efficient irrigation systems conserve water for critical needs other than agriculture, thereby reducing conflict over this increasingly scarce resource. Involving local stakeholders in the management of natural resources ensures that those most dependent on the natural resource base are able to maintain its productivity.

8. Conclusion

The lessons learned of the 1999-2000 emergency in Ethiopia have informed the current response. The availability of adequate food resources and a robust non-food sector response to the crisis in Ethiopia will be the primary determining factor in averting a worst-case scenario. Non-food requirements are expected to be most acute in the area of health, supplementary and therapeutic feeding and water. Similarly, support for the logistics sector, including increasing secondary transport, distribution agents and food delivery points will be critical to averting a worst-case scenario. It is also necessary to begin planning for recovery activities, as loss of significant livestock in pastoral areas and multiple replanting this year and the reduced asset base means that access to seeds and other inputs will be problematic next year. Another determining factor will be enhancing the institutional capacity and supporting overall coordination at the Government, United Nations and Non-Government Organizations (NGOs) and Donor levels.

The response to the 2002-03 emergency in Ethiopia will require coordinated Agency actions that integrate humanitarian assistance to save lives and alleviate suffering as well as a development programs that address the root causes of food insecurity. Policy dialogue at the highest level, as well as the development and support of a transition

framework with the GFDRE, must be pursued. This will require a strong leadership effort by the U.S., EC and U.N.

Appendix 1: 2002 Pastoral, Belg and Kiremt Rain Performance

Agricultural Areas: Belg and Kiremt

It is estimated that at least 80% of the Ethiopian population derives its income primarily through agriculture. According to the Government of Ethiopia, "75% of the population in Ethiopia rely on their own *Meher* harvest for the majority of their cereal needs and the remaining population relies on purchase of this harvest."¹⁶ The vast majority of agricultural enterprises, particularly the subsistence plots on which the poorest live, are rainfed. Thus, in an average year, rainfall (timing, distribution, intensity and total precipitation) is the single most critical factor affecting the livelihood of the vast majority of Ethiopians.

Initial estimates for rainfall in 2002, based on climactic data, were optimistic. The short *belg* rains started in some areas in January and February. Good rains continued through March and into mid-April. Soon thereafter, however, the rains became erratic, delivering far less than average precipitation, and ending early. Although *belg* crops represent only 10% of total agricultural production for Ethiopia, the *belg* season plays an important role in the preparation of land and early moisture for the germination and growth of long-cycle crops prior to the onset of the *meher* season. Maize and sorghum, which account for nearly half of the national cereals produced in the country, are planted in the *belg* season and harvested at the end of the main growing season in October/November.

The long *kiremt* rains, due to start in early June and essential for growth of the *meher* crops, did not start until early July, and dissipated immediately. They then began in earnest during the third week of July (three to five weeks late). After this longer than average dry spell, the *kiremt* rains were erratic and much below average in the eastern half of the country. Current information indicates that the *kiremt* rains ended on or before the normally expected dates. The delayed start and scattered distribution of the main rains has fatally withered and stunted long cycle crops.

Pastoral Rains in Afar, Somali and Borena Areas

Pastoralists migrate with their herds in a carefully constructed pattern of rainy season and dry season pasture areas. Many water sources are surface ponds (natural and man-made) and seasonal rivers, which are dependant on rainfall. Migratory patterns correspond with tribal and clan affiliations, minimizing the potential for conflict.

The March - May rains in Afar and the neighboring Somali lowlands were extremely poor, almost non-existent, and follow several previous years of poor rainfall. This resulted in low pasture development and lack of sufficient water points. Northern Somali region and the southern and eastern areas of Oromiya Region have also suffered from poor rainfall.

¹⁶ GFDRE Appeal, 1 Oct. 2002.

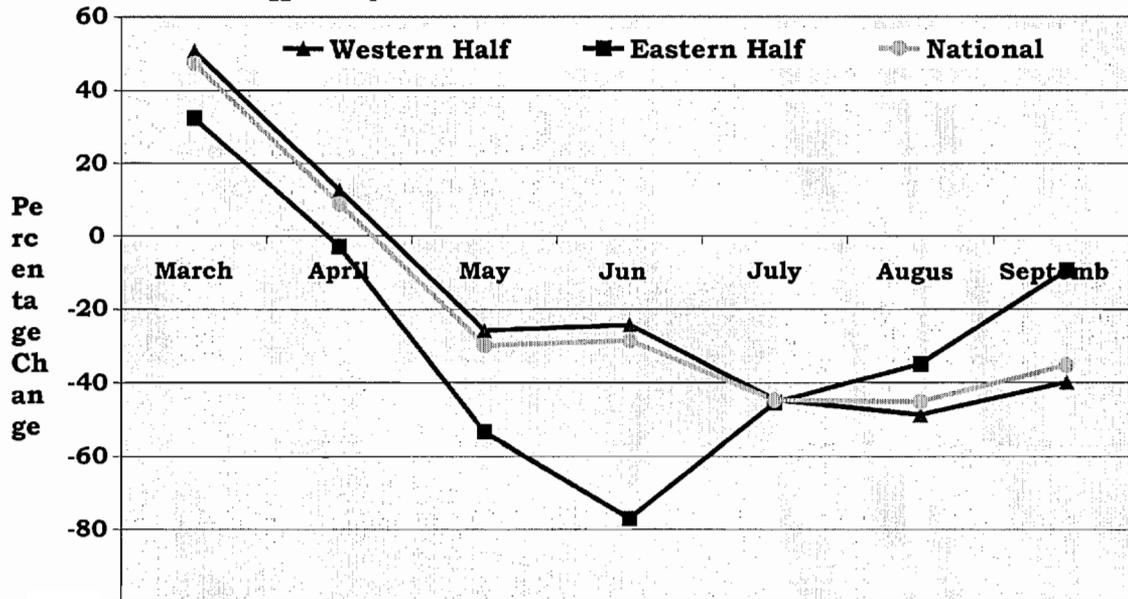
The pastoral southeastern lowlands (southern Somali Region and southern Borena Zone) are normally dry between June and mid-September. The short *deyr* rains are due by late September through November. The Drought Monitoring Center in Nairobi (DMCN) preliminary forecast for these rains is that they show a likelihood of being below average.

Appendix II: Rainfall Amount Comparisons: March to Sept 2002 vs Long-term Average and 1999 & 2000

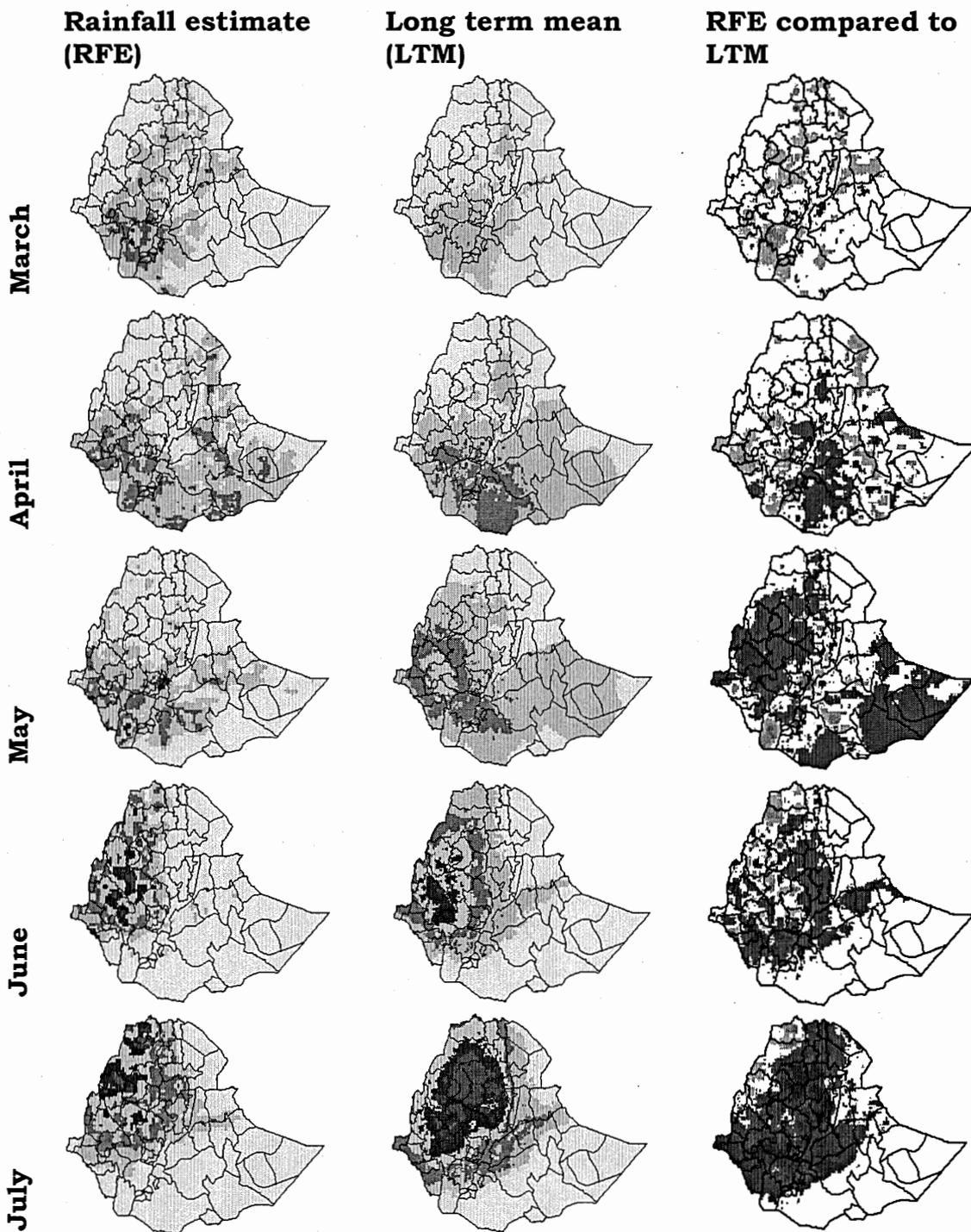
Albeit significant variations among zones, this year's March to September zonal dekadal rainfall is consistently lower than the long-term average (normal) and also lower compared to 1999 and 2000 recorded rainfall amounts. The aggregated national rainfall amount in the two seasons this year is about 28 percent lower than the long-term average. This year's rainfall is also about 18 percent lower than the 1999/2000 drought year's. Rainfall variability in the eastern half is greater by about 10% than the variabilities in the western half.

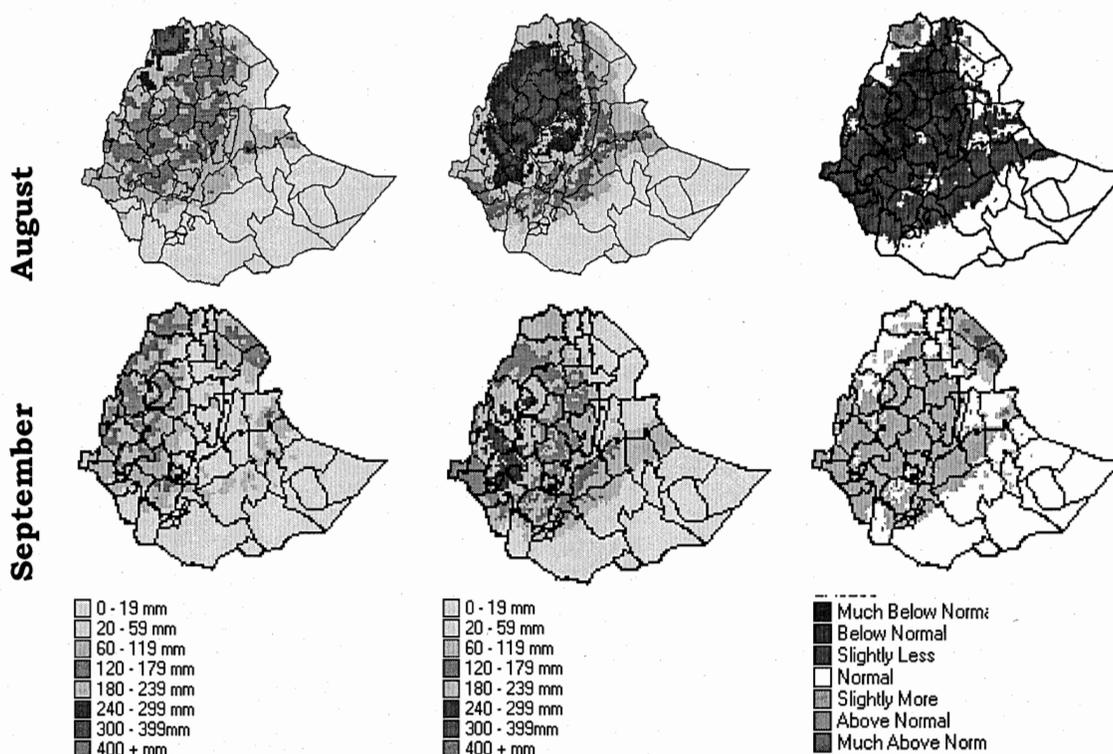
The belg rains started well all over Ethiopia, from first dekad of March to the second dekad of April rainfall amounts were significantly higher than normal (long term average) and also were higher compared to the 1999/00 drought years. Nevertheless, rainfall amounts went significantly lower than normal and 1999/00 since the third week of April. Rainfall variability reached its peak in June in the Eastern Half and in July for the Western half and nationally.

March to September 2002 Satellite Estimated Rainfall Amounts Compared to



March to September 2002 Rainfall Analysis





Source: USGS.

Graphics by FEWS NET

September Rainfall Update

September is the month during which *meher* season (June-September) rainfall usually starts to withdraw. Normally, *meher* rainfall withdrawal starts in northern and northeastern crop-producing areas around mid September, then moving west and southward by late September/early October.

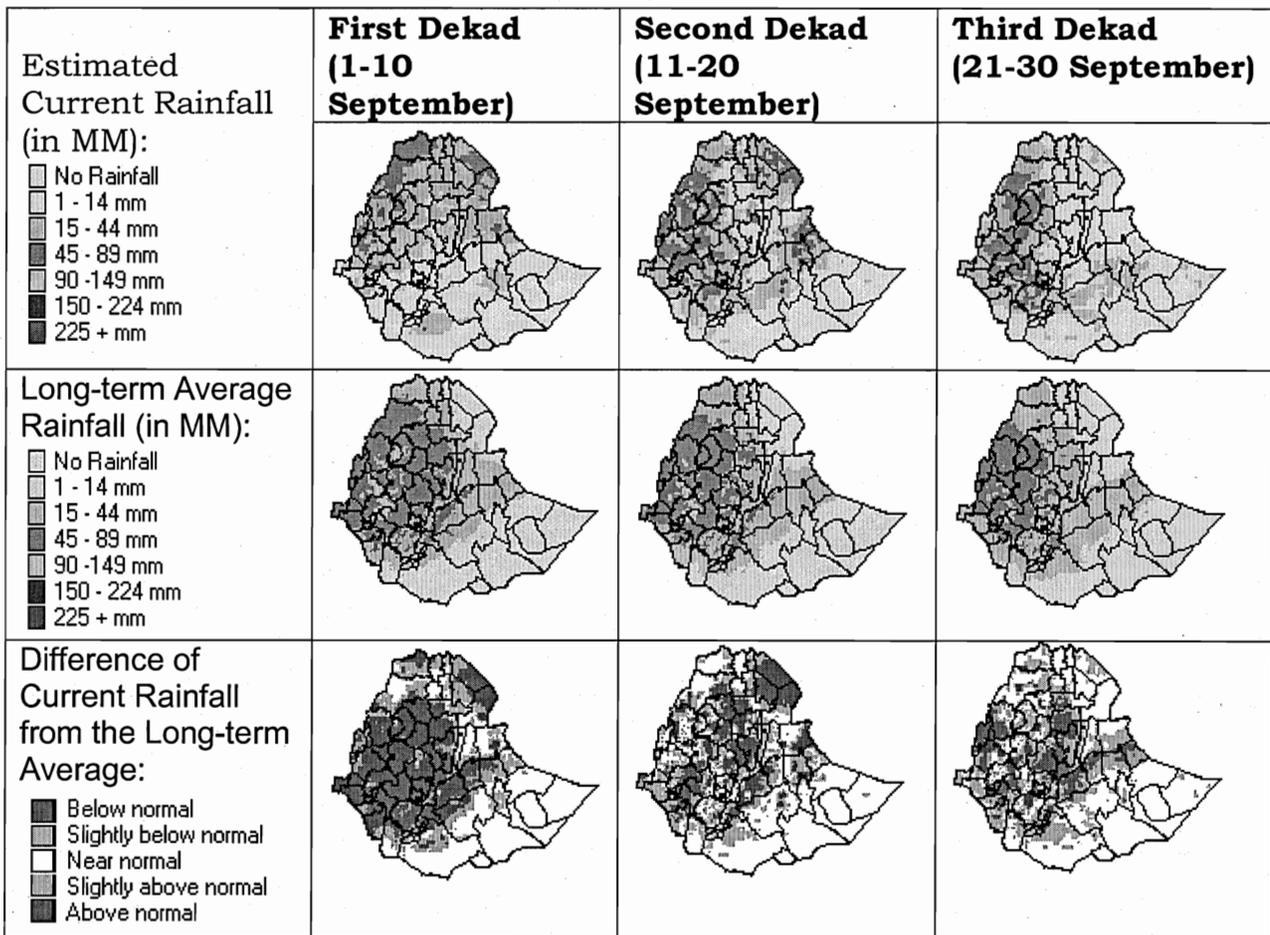
This year, Tigray, Afar and northern parts of Somali Region received near to above normal rainfall in September (Figure 2). In other crop dependent areas, September rainfall was mostly below normal, except in pockets where good rains fell during the second and third dekads of the month.

The near to above-normal precipitation during September in Tigray benefited *meher* season crops, particularly late-planted crops such as teff and pulses. Similarly, pasture regeneration and replenishment of water resources were enhanced by near to above normal rainfall received in the Afar Region and northern parts of Somali Region during the month.

In other crop-dependent areas that experienced a late start of the *meher* season rainfall, below-normal rainfall in September impeded seed setting, seed filling and maturity stages of planted crops, thereby diminishing harvest prospects.

The early withdrawal of the *belg* season (March-May) rains, the late start of the main *meher* rains and erratic distribution during the season (June-September) are expected to lead to a significant decline in the overall main harvest and widespread harvest failures this year (November-December), particularly in the eastern half of the country. Significant decreases in crop production are also expected in traditionally surplus producing western parts of the country. Final harvest estimates will be available in January following the FAO/WFP Crop and Food Supply Assessment in November/December.

Satellite Estimated September 2002 Rainfall Compared with the Long-term Average



Source: United States Geological Survey (USGS) Eros Data Center.
 Graphics by FEWS NET/Ethiopia.

Satellite Estimated October 2002 Rainfall Compared with the Long-term Average

	First Dekad (1-10 October)	Second Dekad (11-20 October)	Third Dekad (21-31 October)
Estimated Current Rainfall (in MM): No Rainfall 1 - 14 mm 15 - 44 mm 45 - 89 mm 90 - 149 mm 150 - 224 mm 225 + mm			
Long-term Average Rainfall (in MM): No Rainfall 1 - 14 mm 15 - 44 mm 45 - 89 mm 90 - 149 mm 150 - 224 mm 225 + mm			
Difference of Current Rainfall from the Long-term Average: Below normal Slightly below normal Near normal Slightly above normal Above normal			

Source: United States Geological Survey (USGS) Eros Data Center.
 Graphics by FEWS NET/Ethiopia.

Meher rainfall appears to have withdrawn from most crop dependent areas in northeastern, central and eastern Ethiopia. Given the late start and poor distribution of rainfall in many of these areas, the harvest prospects are expected to be very poor.

Deyr season (late September through November) rainfall started on time in late September in southeastern pastoral lowlands of the country (South Omo, lowlands of Borena and southern parts of Somali Region). However, precipitation during the second dekad of October (11-20) was below to much-below normal in many of these areas. Unless rainfall improves in the coming weeks, pasture and water availability would be a major constraint affecting livestock performance and food security in the above areas.