Background and Context

- Ethiopia is experiencing one of its worst droughts in decades. In 2015, the two main rainy seasons compounded by an El Niño weather system were well below normal levels. Over 80 percent of national food production is dependent on the success of these two main rainy seasons. Moreover, over 85 percent of the rural population is engaged in the agriculture and livestock sectors and are entirely dependent on seasonal rains to support their livelihoods.

- The magnitude of the needs are staggering. According to the 2016 Government of Ethiopia (GoE) Humanitarian Requirements Document (HRD), some 10.2 million people are in need of emergency assistance in 2016 (HRD, March 2016). In addition, some 2.2 million children and pregnant and lactating women and almost 500,000 children now require specialized nutritious products to treat moderate acute malnutrition and severe acute malnutrition, respectively. A further 5.8 million people require access to safe water and basic sanitation, and some 2 million people require seeds and livestock support. A further 8 million people living in the regions affected are scheduled to receive food and cash support through the existing Productive Safety Net Programme (PSNP).

- The GoE, through the National Disaster Risk Management Commission (NDRMC), has taken a strong leadership role in responding to the current drought. NDRMC efforts are being supported by humanitarian partners, NGOs, donors and UN Agencies. (See Logistics Operation Overview Map as of April 2016 on page 9).

- The geographic dispersion of affected populations and the magnitude of the needs make it very challenging for all actors to deliver an integrated package of support. A strong and effective GoE emergency response system is a critical factor in ensuring the success of the current response. At the time of writing, NDRMC is facing challenges in managing its supply chain efficiently. Some of the challenges include heavy and rigid administration burden, resource limitations, inadequate information management and reporting mechanisms, and overall lack of visibility of commodities moving through the supply chain.

- Under the leadership of the NDRMC, the Global Logistics Cluster (GLC) was activated on 24 March 2016 to provide technical support and advice on strengthening the upstream and downstream components of the humanitarian supply chain at national, regional and sub-regional levels.

- The following logistics gaps and mitigating activities have been identified and proposed as part of the initial scoping mission undertaken by the GLC to assess the humanitarian supply-chain system and identify logistics bottlenecks and gaps in logistics coordination and information sharing. The identification process involved working with the GoE and humanitarian partners on an initial inventory of existing systems and review of secondary data. In April 2016, an NDRMC-led team comprised of GLC members, WFP Ethiopia, CRS and USAID-DART carried out in-depth assessments at all levels of the supply chain including field visits, interviews and supporting questionnaires prepared jointly by the NDRMC and GLC. The assessments also built on work already completed by WFP’s Food Management Improvement Project (FMIP).
Logistics Gaps and Mitigating Activities

Port of entry

Gap: Congestion at the Port of Djibouti
The main upstream point of entry for humanitarian, commercial and GoE cargo destined for Ethiopia is the Port of Djibouti, currently used for most imports. However, the port is congested and some 800,000 MT of commodities belonging to the GoE, NGOs, UN Agencies and donors are reportedly waiting to be offloaded and transported in-country as of April 2016 (EMAA). Congestion at the port is leading to delays; demurrage charges and impacting the operational planning. It is primary caused by:

- A lack of pipeline and vessel arrival / discharge coordination among the major bulk importers (GoE, commercial and humanitarian).
- The official system for prioritisation of humanitarian cargo issued by the Port of Djibouti (January 2016) in agreement with the Ethiopian Maritime Affairs Authority (EMAA) is not consistently supported due to the high volume of cargo and congestion pressures at the port.
- The number of trucks available for onward transportation of the high volumes of cargo from the Port of Djibouti is insufficient to meet requirements. Approximately 1,000 trucks are needed a day and only 800 are available to manage port cargo (EMAA).
- Inadequate port infrastructure to facilitate rapid offloading of bulk cargo. Currently, the capacity of the three bulk cargo berths (14, 15 and 16), bagging, storage and silo facilities are inadequate to support the quantity of incoming cargo.
- Limited border crossing opening hours; and port and transporter working hours, are insufficient to meet the demands of cargo processing for onward transportation.

Mitigating Activities:

Enhance coordination

- In support of the EMAA, advocate for greater coordination, collaboration and information sharing between the major importers and support the EMAA through augmenting staff capacity.

Advocate for operational improvements at the Port of Djibouti

- Greater adherence to the system for berthing prioritization of cargo at the Port of Djibouti destined for Ethiopia. The procedures to prioritize humanitarian cargo and fertilizer are currently being enforced by not issuing port gate passes to trucks for uplift of commercial cargo.
- Support EMAA in securing additional dedicated bulk berths (two additional berths have been recently reserved) for humanitarian cargo which would significantly reduce delays at the port.
- Support the EMAA in their request for increased working hours at the border crossing and enhanced coordination between Djiboutian and Ethiopian customs authorities to allow greater time for cargo processing at the border.

Use of alternative ports and entry points

- The Port of Berbera, Somalia is currently being utilized for transportation of commodities destined for the Somali region of Ethiopia. However, the port has limited capacity and potential congestion risk, especially during the period leading up to Eid (June – early July) when it is used for export of large amounts of life-stock. In addition, restrictions on foreign registered trucks limit the utilization of Somaliland transporters into Ethiopia. Somaliland trucks are being allowed, however, additional
security checks enforced and trucks only allowed to transport up to Jijiga and Hartishek. Allowing Somaliland registered trucks to deliver to additional destinations, including Somali region and Dire Dawa could improve the use of this corridor.

- Port Sudan, Sudan’s main seaport on the Red Sea is currently used for export and import to Ethiopia. In 2015, an agreement was reached between the relevant authorities to facilitate use of the port for importation of fertiliser and oil products to Ethiopia. However, use of the port for imports is expensive and restrictions limit the use of Sudanese transporters for onward transportation from Sudan to Ethiopia, although permission have been given on case-by-case basis. The corridor is most suitable for cargo for North-Western Ethiopia.

- The land corridor from the Port of Mombasa, Kenya to Moyale, Ethiopia is a last possible transit corridor. However, the road section from Isiolo to Marsabit in Kenya is a tertiary road and during the rainy season, trucks are commonly reported to get stuck for up to 48 hours due to the inadequate infrastructure. According to the Kenya National Highways Authority (KeNHA), construction and improvements to the route are underway and expected to be complete by mid-2016. Following WFP tests on the route for importation of small quantities of commodities in 2015, use incurs high costs due to the long distance and limited possibilities for transporters for return cargo.

Transport

Gap: Limited availability of Transporters and Inadequate Contracting Procedures

There is a strain on the existing capacity on primary transport from port and from primary hubs to Final Delivery Point (FDPs). Based on the results of questionnaires carried out with staff at the regional level, more than 40% of responses confirmed a lack of transporters and truck availability was affecting their ability to perform their function promptly and accurately and 90% indicated transporter availability is not sufficient. This is primarily caused by the following factors:

- An increase in requirements for transportation of commodities at all levels of the supply chain, especially an increase in FDPs and changing location of FDPs are leading to delays as transporters need to go to new far away locations that they were not aware about at the time of tendering

- Restrictions imposed on the number of foreign-owned trucks allowed in-country, limits the availability of transporters and trucks to facilitate delivery of humanitarian relief. This has led to transporters choosing more easily accessible destinations with higher rates.

- The NDRMC has not been able to quickly adjust contracting rates in line with new market rates.

- The current tendering and contracting requirements for transporters from one pool are inadequate and transport companies use a significant amount of sub-contracted trucks who have lower quality truck standards and unpredictable supply of trucks, increasing delays of commodity delivery.

Mitigating Activities:

- Advocate with relevant authorities for easing of restrictions imposed on the number of foreign-owned trucks allowed in-country to increase availability and capacity of transportation assets. Note on a case-by-case basis, foreign-owned trucks have been allowed to operate inside Ethiopia, e.g. from Djibouti, Sudan and Somaliland. WFP, in agreement with EMAA, has received permission to use Somaliland transporters between Berbera, Jijiga and Hartishek and Sudanese transporters
from Port Sudan. Kenyan and Tanzanian transporters have also on occasions been allowed to operate into Ethiopia from the south.

- Advocate with the GoE and NDRMC for review and revision of transporter contracting procedures.
- Support the GoE to augment transportation assets through facilitating the provision of additional, temporary truck capacity, to meet additional demands during the peak period.
- The recently built railway from Addis Ababa to the Port of Djibouti, which is currently transporting 1,200 MT grain every three days should be fully operational towards the end of 2016 (Ethiopian Railway Corporation). Until its completion, augmentation of transport capacity is needed, hence, advocate for additional transport asset agreements such as the recent agreement to utilise additional trucks from Sudan.

Storage

Gap: Availability of Adequate Storage Capacity

Due to the current drought, there has been a significant increase in requirements for commodity storage at all levels of the supply chain. The existing storage capacity of the GoE, humanitarian partners, and commercial sector is insufficient on regional level, particularly accentuated in regions which are affected but have limited history in dealing with droughts. Over 90% of GoE staff at the regional and hub level who responded to questionnaires reported storage capacity was insufficient. This is due to:

- The large volume of cargo currently arriving in country compounded by delays in uplift to FDPs by transporters which is putting a heavy strain on some of the main GoE hubs.
- Warehousing infrastructure and human resources at the regional level is insufficient to support the operating hours required for timely offloading. This often results in trucks being used as storage units for days or weeks at a time.
- Warehouses have in many cases, been operating for a significant number of years. Many are inadequate for food storage are in urgent need of upgrade.
- Adequate storage equipment at warehouses and storage facilities is either unavailable or in need of repair. At the hub level, NDRMC staff responding to questionnaires highlighted a lack of warehouse equipment including pallets is affecting storage.
- A lack of reliable power supply and backup generators. In response to questionnaires, more than 80% of GoE staff reported that a reliable power supply, particularly at zone and woreda level was insufficient.

Mitigating Activities:

- Support the GoE and partners at the main hub level to augment storage capacity through provision of temporary storage in locations identified as critical for supporting the needs of the response.
- Support provision of warehousing resources and infrastructure rehabilitation to extend operating hours and improve operability in order to meet increased demand.
- Facilitate trainings in storage rehabilitation to ensure long term local and national capacity building and development of skilled staff.
- Support the GoE at regional and hub level to augment staffing capacity to ensure timely loading and offloading of cargo, and commodity accounting.
Distribution

Gap: Delays in Distribution
Significant delays of up to 60 days for relief distributions are being reported, primarily due to the following reasons:

- Programming of full consignment dispatches at the federal level has significant deficiencies resulting in staggered consignments arrivals at the FDP, meaning that cereals are dispatched first and complementary commodities such as oil, pulses and CSB are dispatched later. As a result, woredas are forced to delay distributions until the arrival of full consignments at the FDPs which can take several weeks.
- In certain areas, high insecurity levels are restricting the number of transporters willing to travel to certain locations and increasing costs for using transporters that are willing deliver to these areas.
- Standardized rate for off loaders at FDPs is not reflective of markets rates which vary across regions, affecting the availability of off loaders to facilitate rapid unloading of commodities.
- Lack of advanced notification of dispatches results in woredas learning about deliveries only when trucks arrive. Districts are consequently unable to adequately prepare FPDs for the arriving consignments and further distributions. On the other hand, there is limited follow up from woredas to hubs regarding delayed and incomplete deliveries.
- Sudden significant rise in number of beneficiaries and a higher number of FDPs, including in new locations, has put strain on already limited response capacity available at regional and district level.
- High staff turnover at regional level has also been very problematic, particularly for storekeepers in relief woredas where one storekeeper may be handling more than one woreda. A woreda east of Addis Ababa is reported to rely on two temporary storekeepers to manage distributions at 17 FDPs on behalf of more than 60,000 people.
- GoE representatives are required to observe distributions at FDPs which puts pressure on the already limited number of staff and transportation assets available, which is further constrained by the increasing number of FDPs in changing locations.

Mitigating Activities:

- Support the GoE to augment staffing capacity, increase staff incentive and extend working hours to ensure sufficient, motivated staff are available to process cargo in a timely manner both at federal and regional levels.
- Through the WFP-supported Food Management Improvement Project (FMIP), review implementation of the transport contracting procedures manual launched in July 2015 to ensure the system is flexible enough to meet the needs of the current conditions.
- Enhance preparedness and strengthen capacity in the long term through augmenting the ongoing FMIP efforts to systematically strengthening the capacity of the GoE entities in logistics, food management and disaster response to meet the future challenges.
- Review current NDRMC loading and offloading rates to ensure that they are more reflective of local market rates and support allocation of sufficient funds to woredas where rates remain deficient.
• Fully implement the advance notification functionality within CATS¹ which allows hubs to immediately notify any woredas through an automatized message (SMS) of incoming food dispatches.
• Strengthen logistics coordination between the GoE, NDRMC and humanitarian partners through enhanced collaboration, regular coordination meetings and information sharing, facilitating more efficient and effective utilisation of available transportation assets.
• Ensure the smooth flow of relevant logistics information between stakeholders, supporting identification of logistics gaps and solutions and enhancing logistics planning through augmenting staffing capacity of the relevant GoE ministries.
• Support the augmentation of existing trucking capacity of the GoE and humanitarian partners through provision of temporary assets to meet logistics needs in locations identified as critical during the peak period.
• Support easing of requirements to allow for distributions at FDPs to take place without the presence of regional observers.

Customs

Gap: Customs Delays

• Due to extensive customs documentation required for both Ethiopia and Djibouti, delays are obstructing the fast release of trucks after loading at the Port of Djibouti for transportation to Ethiopia.
• Customs operating hours on the Djibouti side of the border are limited compared to those on the Ethiopian side (24 hours a day). In addition, manual searching of cargo on the Djibouti side is causing delays to cargo processing.
• Delays are caused by changes in operational planning and commodity destinations which requires re-processing of customs documentation.
• Additional inspection procedures undertaken by the Ethiopian regulatory body - Ethiopian Food, Medicine and HealthCare Administration and Control Authority (EFMHACA) are causing delays for onward transportation of cargo within Ethiopia.

Mitigating Activities:

• Advocate with the GoE and Ethiopia Revenue and Customs Authority (ERCA) for easing of processes and enhanced collaboration and coordination between the relevant government ministries and authorities.
• Advocate in support of the relevant Ethiopian and Djiboutian Customs Authorities to increase border working hours on Djibouti side.

Coordination

Gap: Lack of logistics Supply Chain Coordination
To effectively respond to the magnitude of the needs of the current emergency, enhanced logistics supply chain coordination is required between the GoE and humanitarian partners.
• The demands of the drought are putting pressure on availability of existing assets including ports, transportation, storage and human resources.

¹ CATS is web-based Commodity and Allocation Tracking System developed by FMIP to allow NDRMC to track commodities moving through its supply chain.
• The existing structure and resources for management of emergency coordination and information sharing is overwhelmed due to the additional needs of the response. According to results of the questionnaires, 100% of staff at the federal level reported working beyond regular hours including weekends on a regular basis.

• Availability of resources to support coordination activities is limited. GoE staff responding to questionnaires reported that at all levels; computer equipment is old or unavailable, staff do not have access to printers and internet connectivity is unreliable or absent. This challenges the ability to coordinate between the levels of the supply chain, with stakeholders and share information in a timely and efficient manner.

Mitigating Activities:
• In support of the GoE and NDRMC, coordination activities and technical support should be provided to enhance collaboration between relevant GoE agencies, NDRMC and humanitarian partners to minimize duplication of efforts, streamline logistics activities and ensure efficient utilisation of existing assets.
• Facilitate regular meetings with key representatives to identify logistics bottlenecks and agree on mitigating activities.
• Dedicated staff to support coordination of efforts and collection and dissemination of crucial logistics information for operational planning.
• Support augmentation of facilities and resources to ensure available and reliable internet connectivity and resources including computers.
• Support the augmentation of the Ethiopia Emergency Operations Centre (EOC)\(^2\), to enhance its function as a central body for coordination and information sharing in the event of an emergency.

Information Management and Reporting

Gap: Lack of timely and information sharing
• Due to the magnitude of demands on the humanitarian supply chain caused by the drought, it timely and useful information should be made available in support of humanitarian stakeholders to avoid duplication of assets, multiple uncoordinated logistics assessments and support an efficient and effective emergency response.
• NDRMC has been facing ongoing, severe human resource gaps to collect and utilize needed information to improve emergency response capabilities, made worse by the current emergency. Over 70% of GoE staff who responded to questionnaires reported that they do not have sufficient information on commodities (i.e. incoming and outgoing cargo).

Mitigating Activities:
• Support augmentation of dedicated information management staff on temporary basis to identify and resolve logistics gaps, enhancing the internal information flow from federal to local level and information flow back from FDPs to federal level in order to improve planning and reporting.

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\(^2\) The Ethiopia EOC was established with support from the United Nations Development Programme (UNDP), United States Agency for International Development (USAID) and the US Forest Service as part of the Ethiopia disaster risk management structure to provide a central location for stakeholders to coordination information, resources, make decisions and to process requests for resources from the field.
• Support NDRMC to acquire the required staff to facilitate a timely, efficient and effective supply chain management, as well as implement WFP-NDRMC jointly developed commodity management and reporting tools, e.g. CATS and the Commodity Management Procedure Manual (CMPM).

• Ensure full implementation of CATS to support accurate and timely reporting, and improve commodity visibility and accountability. In addition to required personnel, this support should include supporting the provision of additional resources to address connectivity and power stability issues. Although the majority of responses to questionnaires indicated CATs was not yet fully implemented in the respective divisions or locations, responders showed a keen interest in complete implementation of CATS in order to use the full potential of the system.

• Ensure full implementation of the CMPM and its complementary reporting forms, templates and recently introduced excel template formats as zonal and regional levels that will allow for monthly collection of verifiable information on commodity receipts, commodity distributions, and commodity stock balances at the district levels.

• Support facilitation of logistics capacity building and trainings, including on CATs and CMPM to ensure the longer term capacity building and development of the increasing number of woredas and FDPs that are involved in the current emergency and those that might be involved in any future responses.
Logistics Cluster - Ethiopia

Logistics Gaps Analysis and Mitigating Activities

E T H I O P I A

Logistics Operation Overview - April 2016

[Map of Ethiopia with logistics hubs and routes indicated]