

ETHIOPIA: DROUGHT

19 April 2001

Appeal No. 08/00

Period covered: April - December, 2000

The Context

Four consecutive years of poor rainfall in Ethiopia had a major impact on rural populations across the country during 2000, leading to drought conditions and minimal harvests. This had a cumulative impact on households in both pastoral and agricultural communities, undermining coping strategies and leading to greater vulnerability to drought. Many households were forced to sell their livestock and other assets and some migrated from their land in search of income and food. The Government of Ethiopia issued two appeals during the year, the first in January for emergency assistance for 8 million people and the second in June, after the failure of the early season rains for the support of over 10 million people.

The International Federation issued a preliminary appeal on behalf of the Ethiopian Red Cross Society (ERCS) on 8 April (for CHF 5.2 million) and a revised appeal on 4 May. The revised appeal was for 10.3 million CHF for two operations, one in *South Wollo* to support 80,000 people and one in *Northern Borena* to support 50,000 people, with a combination of bulk and supplementary food and cash transfers in exchange for work on employment schemes.

While the activities planned under this appeal have been completed in South Wollo and Northern Borena, the situation in South Wollo requires a continuation of activities until June, implemented under Emergency Appeal no. 08/01, launched on 19 February, 2001 for CHF 1.9 million. A cash balance of CHF 539,052 from appeal 08/00 has been transferred accordingly to carry out activities in the current Ethiopia drought appeal no. 08/01.

Objectives, achievements and constraints

The operation was managed from the ERCS Headquarters Programme Department, although initially many decisions were made at task force meetings involving senior management and the Federation. At a later stage, planning and operational decisions were made at meetings attended by the Director of Programmes and Programme Department staff and the Federation. Management decisions were carried out through two members of the Disaster Preparedness and Response Unit at Headquarters and staff and volunteers at the branch level in South Wollo and Borena. Headquarters staff attended all distributions. Federation staff made numerous monitoring trips into the field.

South Wollo

The main operation was in two woredas, Kutaber and Ambassel in South Wollo, where 77,594 people (mainly farmers and their households) were provided with emergency assistance for eight months through an assistance package of 12.5 kg of grain per person per month followed by cash transfers in return for work on Employment Generation Schemes (EGS) with targeted supplementary food for the most vulnerable (30% of the population).

Objective: To provide 23,278 of the most vulnerable people with 3 kg per person per month of supplementary food from May to December.

Some 470 mt of Famix (fortified blended cereal) was procured from the factory in Addis Ababa and transported to the distribution sites in South Wollo. In addition, 260 mt of Unimix sourced from South Africa was brought in. Eight distributions took place between May 2000 and early February 2001 alongside the bulk grain distributions. Targeting of the most vulnerable was undertaken with the peasant associations in each woreda and consisted of children under five, pregnant women, lactating mothers, the elderly and disabled. The ration was increased from 3 kg to 4.5 kg after July, following the results of a nutritional survey which showed global acute malnutrition rate of 31.3% among under fives. This rate was reduced to 20.2% by January 2001 when a second survey was undertaken. This reduction demonstrated the impact of the ERCS intervention. 730 mt. of supplementary food was distributed in this period.

Initially, there were some problems in procuring famix because of competition from other agencies. This delayed distributions. It appears that much of the famix was shared in the households and was not consumed solely by the most vulnerable it was targeted at.

Objective: To provide approximately 15,400 vulnerable belg farmers with a general ration of 12.5 kg per person per month from May to December.

The programme focused on the most vulnerable belg farmers or those who were dependent on the early season rains. Targeting was carried out through the kebele or peasant association. All members were invited and the meeting decided who should be registered for food assistance. ERCS participated in these meetings through the attendance of volunteers.

The initial plan was to initiate a cash for work intervention from the beginning of May but this was delayed until September because it was felt that food availability was not adequate to satisfy increased demand from a large injection of cash at this stage. From May to August, all beneficiaries received 12.5 kg of grain and then from September to early February, 20% of the population continued to receive this ration while the other 80% received cash in exchange for work. 4,656 mt were distributed by ERCS in this period, 1,940 Kg was bought locally while 2,716 mt was sourced from overseas. The logistics of getting this amount of food to the two distribution sites was, in the main, efficiently managed, although there were some logistical problems at the beginning.

Objective: To establish employment generation schemes that would provide employment for approximately 12,350 household representatives who would be paid in either food or cash for their work.

The cash for work intervention was designed as an innovative approach to satisfying emergency needs of an extremely vulnerable population as well as developing household and community assets for the long term benefit of the area. An assessment of this aspect of the operation has just been carried out by the ERCS and the Federation and this concluded that it had a positive and valuable impact on the relief and development needs of an impoverished population. The report of this assessment is available upon request.

The rationale for such an approach rests upon the premise that in certain situations and specific environments national or regional food availability is adequate to satisfy the food requirements

of the population. However, demand is suppressed because people do not have the purchasing power to access this food supply. Pouring emergency relief food into the area answers immediate needs but can make the market more dysfunctional. It may distort rather than utilize the market, reducing incentives to produce and satisfy demand and, in extreme situations, bloating the market to such an extent that food loses its economic value. Cash transfers can be an extremely useful way of providing a lubricant that energizes the market and revives the engine of recovery sucking in food surpluses and building economic revival.

However, judgment about the timing of such an intervention needs to be exact based on clear information on food availability and the functional nature of the market. Large cash injections might be ruinous to the market producing inflationary implosions. The ERCS and Federation delayed the cash for work intervention until it was certain that these conditions were satisfied. Weekly market analyses of commodity prices in the two woredas has shown little evidence of inflation despite the transfers of 190,000 USD per month.

The further advantage to this approach is that it links relief to development. Able bodied representatives worked on Employment Generation Schemes (EGS) which will be of long term benefit to the community. These have included terracing, construction of check dams, road and footpath maintenance and other schemes aimed at environmental improvement, soil and water conservation. 40,000 tools were also distributed for use on the EGS and the beneficiary's own farms. The assessment carried out recently felt that a lot of these EGS were significant in their impact but observed some that were not of a very high standard and would need maintenance work at an early stage.

Objective: To provide agricultural inputs such as seed and fertilizer to approximately 4,800 belg farmers in December for the 2001 belg season.

Some 300 mt of wheat and barley seeds along with 50 mt of fertilizer were distributed in early February in time for the rains which began in March. The selection of 10,126 households to be recipients of the seeds and fertilizer was made on the basis of discussions among the beneficiaries, local authorities and development agents. The criteria used for selection was the size of the land holding and the vulnerability level of the household for the seeds and for the fertilizer, the suitability of the soil type, topography of the area and farmers awareness of how to use fertilizer. The seed variety and the type of fertilizer were bought on the advice of the respective woreda agriculture experts.

Northern Borena

The established objectives were to:

- ***establish a temporary office in Hagere Mariam with the capacity to undertake an operation in the woreda.***
- ***provide approximately 35,000 people in Hagere Mariam and 15,000 people in Shakiso woreda with a general ration of 12.5 kg. per month (initially for 6 months) with a supplementary food component for the at risk groups (30% of the population).***
- ***organize water trucking initially to Soyame Suro and Didole villages to the west and north of Hagere Mariam and establish local water storage tanks (bladders) in the two locations.***
- ***undertake micro projects in this area to be identified once the operation has started with the aim of improving the health status of the people and the water and sanitation facilities available to them.***

This operation started later than the one in South Wollo mainly because the resources were initially not sufficient to cover both areas. The intervention was considerably scaled down from the original plan, again for resource reasons but also because of activities of other agencies. The Lutheran World Federation (LWF) provided food for the emergency needs of people in Hagere Mariam, making the ERCS intervention redundant in this woreda. The focus, therefore,

shifted from Hagere Mariam to Shakiso and, neighbouring, Adolana Wadera woredas where assessments were carried out by the ERCS and the Federation. The water and micro projects activities initially planned were also no longer appropriate and the intervention was built around the following two new objectives which focused on the provision of food to the worst affected people:

- *distribute 12.5 kg of grain per person per month from August to December to 20,544 people in Odo Shakisso and Adolana Wadera.*
- *distribute 4.5 kg of supplementary food per person per month from August to December to 6,164 of the most vulnerable people in Odo Shakisso and Adolana Wadera.*

A total of 1,308 mt of grain and 138 mt of supplementary food was distributed for 5 months to 20,544 and 6,164 people, respectively. The grain and the supplementary food was resourced internationally and brought into the country via Djibouti and from there transported to Addis Ababa where it was stored in the ERCS warehouse before being sent to northern Borena. There were four distribution points in the two woredas as compared with only two in South Wollo. Distances were considerably further than in South Wollo. Schools and warehouses were made available at each of the four sites for storing of the food before distribution. Initial problems concerning targeting were overcome and the branch with limited experience supported by Headquarters were able to carry out efficient distributions.

Conclusions

A total of 6,572 mt of grain and supplementary food was distributed to the beneficiaries in South Wollo and northern Borena over a period of nine months. A further 760,000 US dollars was distributed to beneficiaries in South Wollo over a period of four months in return for work done for the development of communities. This is a significant resource transfer and involved considerable management and logistical capacity on the part of the ERCS. While there were some problems, especially in terms of logistics, the operation was generally efficiently and effectively managed. The two nutritional surveys and the recent cash for work assessment all demonstrate that the programme had a positive impact in terms of addressing the emergency needs of the affected people. Many of the employment generation schemes will have a long term development benefit to the communities they serve. However, it seems that the cash for work exercise did not, in any significant way, have the effect of regenerating household assets. This was, after all, an emergency operation and the long term structural causes of poverty and food insecurity in the two woredas of South Wollo would obviously not be addressed by this intervention. The ERCS supported by the Federation adopted what was a highly innovative approach in transferring resources in the form of cash: no other agency in Ethiopia undertook such an operation on this scale in an emergency situation last year or, for that matter, for many years, if at all. Despite risks and considerable amount of skepticism from different sources, the operation was a success. This approach is to continue until June as part of the drought appeal for 2001. However, the ERCS and the Federation are extremely interested in continuing this approach in a longer-term project run in a more developmental way, building on their experience and expertise. They plan to seek separate funding for this. The cash balance of CHF 539,052 from the first appeal 08/00 has been transferred to carry out activities in the current Ethiopia Drought appeal no. 08/01.

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INTERNATIONAL FEDERATION OF RED CROSS AND RED CRESCENT SOCIETIES					
				Interim report	
				Annual report	
				Final report	X
Appeal No: 08/2000 Ethiopia drought					
Period: year 2000 + 2001 up to 19/04 provisional					
Currency: CHF					
1. CONSOLIDATED RESPONSE					
	CASH		KIND		TOTAL
FUNDING	Contributions	Reallocations	GOODS/SERVICES	PERSONNEL	INCOME
Appeal budget	10,370,382.00				
Balance carried forward					
<u>Contributions consolidated by donor</u>					
American RC (DNUS)	777,337.50		2,306,500.00		3,083,837.50
Andorran RC (DNAD)	9,288.06				9,288.06
Australian RC (DNAU)	31,058.05				31,058.05
Barbados RC (DNBB)	775.00				775.00
British RC (DNGB)	709,642.23		287,045.00		996,687.23
Canada - Private (DPCA)	141.87				141.87
Canadian RC (DNCA)	110,354.76				110,354.76
China-Taiwan Private (DPTW)	1,635.15				1,635.15
Cyprus RC (DNCY)	16,170.52				16,170.52
Danish RC (DNDK)	70,000.00				70,000.00
Finnish RC (DNFI)	175,753.88			14,949.00	190,702.88
German Govt.via RC (DGNDE)	317,241.65				317,241.65
Great Britain - Private (DPGB)	248.60				248.60
Icelandic RC (DNIS)	213,219.62				213,219.62
Irish RC (DNIE)	49,650.00				49,650.00
Japanese RC (DNJP)	174,000.00				174,000.00
Kuwait RC (DNKW)	39,830.00				39,830.00
Monaco RC (DNMC)	113,633.52				113,633.52
Netherlands RC (DNNL)	177,875.64				177,875.64
Norwegian Govt.via RC (DGNNO)	431,550.00				431,550.00
Norwegian RC (DNNO)	120,132.56				120,132.56
OPEC (DM18)	173,300.00				173,300.00
Philippines - Private (DPPH)	8,237.50				8,237.50
Republic of Korea RC (DNKR)	2,339.20				2,339.20
Spanish RC (DNES)	168,230.75				168,230.75
Swedish Govt.via RC (DGNSE)	372,000.00				372,000.00
Swedish RC (DNSE)	373,000.00				373,000.00
Switzerland - Private (DPCH)	2,126.15				2,126.15
Thailand - Private (DPTH)	170.00				170.00
United States - Private (DPUS)	59,915.60				59,915.60
					0.00
American RC (DNUS)		141,305.16			141,305.16
Norwegian Govt.via RC (DGNNO)		94,174.98			94,174.98
TOTAL	4,698,857.81	235,480.14	2,593,545.00	14,949.00	7,503,001.95
Coverage	45.31%	2.27%	25.01%	0.14%	72.35%
IN ADDITION TO THE APPEAL					
	CASH		KIND		TOTAL
FUNDING	Contributions	Reallocations	GOODS/SERVICES	PERSONNEL	INCOME
Egyptian RC (DNEG)			91,556		91,556
Kuwait RC (DNKW)			166,622		166,622
Israel MDA (DM24)			204,298		204,298
United Arab Emirates RC (DNAE)			44,769		44,769
Saudi Arabian RC (DNSA)			496,140		496,140
TOTAL			1,003,385		1,003,385
II - Balance of funds - CASH ONLY					
			Opening balance		0.00
			INCOME Rcv'd		4,934,337.95
			EXPENDITURE		4,395,285.90
			CASH BALANCE (1)		539,052.05
(1) The cash balance will be re-allocated to the Emergency Appeal (EA 08/2001) for Ethiopia issued in February 2001					

INTERNATIONAL FEDERATION OF RED CROSS & RED CRESCENT SOCIETIES							
BUDGET ANALYSIS - BREAKDOWN OF EXPENDITURES							
Donors Budget Line	Appeal Budget	Cash Expenditures	National Society Expenditures (*)	KIND		TOTAL Expenditures	Variance
				Goods/Services	Personnel		
SUPPLIES							
Food	4,727,000.00	237,182	1,186,074	2,593,545.00		4,016,800.87	710,199.13
Supplementary feeding	685,440.00	0	0			0.00	685,440.00
Seeds	153,000.00	0	147,798			147,798.01	5,201.99
Fertilizers	27,000.00	0	24,096			24,096.16	2,903.84
Shelter and construction	65,000.00	0	0			0.00	65,000.00
Water	88,000.00	0	0			0.00	88,000.00
Agricultural Tools	225,000.00	0	88,686			88,685.68	136,314.32
EGS cash outlay/cash for work	1,583,000.00	0	1,274,973			1,274,973.10	308,026.90
Sub- Total	7,553,440.00	237,182	2,721,627	2,593,545.00	0.00	5,552,353.82	2,001,086.18
CAPITAL EXPENSES							
Computers & Telecom. equip.	215,000.00	2,302				2,301.90	212,698.10
Vehicles	61,200.00	119,064	890			119,953.64	(58,753.64)
Generators & lightening	43,000.00	32,150	2,941			35,091.13	7,908.87
Other capital expenses	22,000.00	195				195.00	21,805.00
Sub- Total	341,200.00	153,711	3,831	0.00	0.00	157,541.67	183,658.33
TRANSPORT & STORAGE							
Import/Custom fees	103,000.00	17,176	42,711			59,886.80	43,113.20
Vehicle Running Costs	45,000.00	17,855	28,554			46,409.26	(1,409.26)
Truck Rental	852,000.00	39,165	302,619			341,784.36	510,215.64
Sub- Total	1,000,000.00	74,196	373,884	0.00	0.00	448,080.42	551,919.58
PERSONNEL							
Personnel (delegates)	102,000.00	70,743			14,949.00	85,691.93	16,308.07
Personnel (local staff)	130,000.00	14,693	51,380			66,073.12	63,926.88
Training		125	1,196			1,321.34	(1,321.34)
Sub- Total	232,000.00	85,561	52,576	0.00	14,949.00	153,086.38	78,913.62
GENERAL & ADMINISTRATION							
Travel & related expenses	1,000.00	9,913	40,164			50,077.88	(49,077.88)
Communication/information exp.	30,000.00	17,872	4,587			22,458.84	7,541.16
Administrative expenses	27,000.00	22,955	8,059			31,013.41	(4,013.41)
Monitoring/evaluation			0			0.00	0.00
Professional/Consultant fees	45,000.00	1,861	24,857			26,718.52	18,281.48
Financial Charges, Bank charges		8,240	4,396			12,636.33	(12,636.33)
Exchange Difference		54,498	0			54,498.45	(54,498.45)
Sub- Total	103,000.00	115,340	82,063	0.00	0.00	197,403.42	(94,403.42)
Trf. to ERCS awaiting settlement		3,361,155	(3,233,981)			127,174.18	(127,174.18)
REGIONAL SUPPORT		184				184.00	(184.00)
SECRETARIAL SUPPORT	1,140,742.00	367,956				367,956.00	772,786.00
TOTAL BUDGET	10,370,382.00	4,395,286	0	2,593,545.00	14,949.00	7,003,779.90	3,366,602.10
Consumption rate:	Expenditure vs. Income			93.35%			
	Expenditure vs. Budget			67.54%			
<p>*Please note that the column "National Society Expenditures" has been added to reconcile the funds directly transferred to Ethiopian RC and not reflected in Federation Accounting System. These transfers (CHF3,361,155.33) will be subject to External Audit. The reconciliation/consolidation allows a proper analysis of expenditures against budget.</p>							