



WFP ETHIOPA SPECIAL OPERATION SO (200977)

Country:	Ethiopia
Type of project:	Special Operation
Title:	Logistics Cluster and WFP Logistics augmentation in support of the Government of Ethiopia for the drought response
Total cost (US\$):	\$15,440,865
Duration:	15 May – 15 November 2016

Executive Summary

Ethiopia is experiencing one of its worst droughts in decades and the increased humanitarian needs are putting a strain on the existing logistics infrastructure capacity and human resources. Based on an assessment in March, a number of logistics constraints from port of arrival to final delivery point are making it very challenging for the GoE and humanitarian actors to deliver an effective and efficient response.

The Government of Ethiopia (GoE) is leading the response to the current drought and the National Disaster Risk Management Commission (NDRMC) has overall responsibility for coordinating the delivery of humanitarian assistance. The Logistics Cluster has been activated to support the response and identify logistics gaps and bottlenecks; propose mitigating measures; augment the logistics coordination and information management capacity; and through WFP, the global lead agency for the Logistics Cluster, augment the logistics capacity of GoE humanitarian responders and other humanitarian actors. The special operation provides for:

- **Logistics Coordination and Technical Support:** Under NDRMC lead, the Logistics Cluster is working together with the GoE and humanitarian community to support the coordination of humanitarian logistics and advocate for resolution of gaps and bottlenecks. Coordination with governmental counterparts and partners will take place on a regular basis.
- **Information Management (IM):** The Logistics Cluster will support the GoE and humanitarian community through information management activities and making available Information Management products with the aim of supporting operational decision making to improve the efficiency of the logistics response
- **Logistics Service Support:** Augmentation of storage and transport will be made available by WFP as provider of last resort to the Logistics Cluster at a limited scale and are not intended to replace the logistics capacities of the GoE, humanitarian community or commercial sector, but rather to provide augmented support in the emergency response through facilitation of services.
- **Augmentation of GoE capacity:** As humanitarian needs continue to increase in the country, there is an urgent need to strengthen commodity management and tracking from hub to final distribution point (FDP) level, as well as the

actual food distribution capacity at the woreda and kebele levels. This augmentation will take the form of support from WFP for additional staffing and operational costs to expedite the monthly distribution processes at FDP level, and to reduce the time lag between dispatches and distributions by round. This is limited to a 6 month time-bound, “surge” support, which will only be provided for the duration of this special operation

- **Food Management Improvement Project (FMIP):** Support to the NDRMC to fully implement the WFP-supported Food Management Improvement Project (FMIP) and associated reporting tools e.g. Commodity Allocation & Tracking System (CATs) and the Commodity Management Procedure Manual (CMPM) through provision of additional, dedicated staff, supporting more accurate and timely reporting.

This special operation will have an initial duration of 6 months at a total estimated cost of US\$ 15,440,865.

Project Background

1. Ethiopia is experiencing one of its worst droughts in decades. In 2015, the two main rainy seasons, which support 80% of national food production and 85% of rural livelihoods, were well below normal. The devastating effects of the El Nino related drought have left over 10.2 million people in need of emergency assistance in 2016. A further eight million people living in the regions affected are scheduled to receive food and cash support through the existing Productive Safety Net Programme (PSNP).
2. The Government of Ethiopia (GoE) is leading the response to the current drought and the National Disaster Risk Management Commission (NDRMC) has overall responsibility for coordinating the delivery of humanitarian assistance. The Inter-Agency Standing Committee (IASC) activated the Logistics Cluster for Ethiopia on 24 March 2016 to support the coordination of delivery of humanitarian assistance in response to the current drought. Under NDRMC lead, WFP, as the global lead agency for the Logistics Cluster, is working together with the GoE and humanitarian community to identify logistics bottlenecks, propose mitigating activities for overcoming these gaps and support the GoE and humanitarian partners to ensure an efficient and effective logistics response.
3. WFP, through the WFP PRRO 200712, is already working closely with the GoE to support the delivery of relief, PSNP and Targeted Supplementary Feeding (TSF) programmes across the country. WFP has also been providing support through the Food Management Improvement Project (FMIP), which aims to strengthen the capacity of Government counterparts in food and logistics management, through commodity management guidance; standard operating procedures; commodity management tracking system; training and other capacity development initiatives.

Project Justification

4. Due to the increased humanitarian needs putting a strain on the existing logistics infrastructure capacity and human resources, a number of logistics constraints are making it very challenging for the GoE and humanitarian actors to deliver an effective and efficient response. The logistics constraints start with congestion at

the port of entry; to lack of transport capacity; insufficient technical staff for operation, planning and tracking at all levels of the supply chain; inadequate storage capacity; and delays in deliveries and distribution at Final Delivery Points (FDPs).

5. The main upstream point of entry for humanitarian, commercial and GoE cargo imports destined for Ethiopia is the Port of Djibouti. However, congestion at the port is leading to delays; demurrage charges and impacting the operational planning. There is a limited use of alternative entry ports and entry points (Port of Berbera, Port Sudan and the land corridor from the Port of Mombasa) due to infrastructure limitations and high costs for using the corridors. The existing transport capacity available in Ethiopia and poor utilization of trucks is leading to insufficient truck availability.
6. The large amount of incoming aid has also been putting a strain on the existing storage capacity, and there is need for additional warehouses and temporary storage facilities. Lastly there is a need to augment staffing, both with expert technical staff and augmentation across all administration levels in order to deal with the current peak requirements. The focus of this special operation is fundamentally capacity strengthening by seconding staff to the GoE ministries and assisting the GoE in expanding key responses. This SO is essential in order to support the GoE in strengthening coordination and information sharing between the humanitarian partners. The Humanitarian Coordinator and GoE have requested the activation of the Logistics Cluster to support the identification of logistics bottlenecks and gaps; propose mitigating measures; advocate for the Logistics Cluster partners for resolution of bottlenecks; and provide technical expertise.
7. **Coordination:** The magnitude of the needs and logistics challenges caused by the current emergency are making it very challenging to deliver assistance. Enhanced logistics supply chain coordination is required between the GoE and key humanitarian partners, including both UN agencies and NGOs, to facilitate an improved response. Coordination is needed from planning stages until delivery in order to decrease port congestion with all actors arriving at same ports at the same time down to FDPs where different actors implementing various programme components fight for limited storage and time of local officials.
8. **Information Management:** Due to the huge demands on the humanitarian supply chain caused by the ongoing emergency, it is vital to ensure uninterrupted and timely sharing of relevant logistics information to avoid duplication of efforts; multiple uncoordinated logistics assessments; and support an efficient and effective emergency response. There is a further need to support and improve the internal information flow from federal to local level and information flow back from FDPs to federal level in order to enhance planning and reporting.
9. **Human Resources to manage logistics:** Humanitarian actors, including the GoE and international partners, are facing increasing, severe human resource gaps to manage the logistics operation and to collect and utilize information needed to improve emergency response capabilities. As the GoE has scaled up their response and purchased food commodities directly, not all the associated costs are covered by WFP internal transport storage and handling (ITSH) transfers to the GoE.

Staffing structures and budgets have not been sufficiently augmented due to the very rapid and large scale increase in requirements and the constraints associated with quickly hiring staff with suitable capacity. Therefore, a temporary surge in qualified staff is needed to address the emergency related human resource gaps.

10. **Transportation:** Due to the current increase in requirements both on primary transport from port and from primary hubs to Food Distribution Points (FDPs), there is a strain on the existing capacity. Restrictions on foreign-owned trucks allowed in-country limits the availability of transporters. There is a need for advocacy to increase the transport capacity; improve the utilization of trucks by decreasing turn-around time; and augmenting the transport pool in the country.
11. **Storage:** Due to the current drought, there has been a significant increase in requirements for commodity storage at all levels of the supply chain. The large volume of cargo currently arriving in country compounded by delays in uplift to FDPs by transporters is putting a heavy strain on the capacity of some of the main GoE hubs. The existing storage capacity of the GoE and humanitarian partners is also insufficient in the FDP level,
12. **Food Distribution Points (FDPs):** Significant delays in both delivery and distribution are happening at the FDP level due to a combination of issues including logistics, planning and human resources. Reasons for delays include:
 - I. The standardised rate for off loaders at FDPs is not reflective of market rates which vary across regions, leading to delay in offloading and slow turn-around of trucks.
 - II. There is a lack of communication on cargo dispatches in woredas due to lack of human resources, connectivity and power stability issues which is affecting preparation and distribution planning.
 - III. In certain areas, insecurity is restricting the number of transporters willing to travel to certain locations, obstructing ongoing deliveries and increasing transportation costs for transporters that will deliver in areas of insecurity.
 - IV. The sudden significant rise in number of beneficiaries and a higher number of FDPs, including in new and constantly changing locations is putting pressure on transporters who are unaware of the new FDP location, therefore causing delays in turn-around of trucks and increased costs for delivery.
 - V. Woreda officials are required to be present for delivery and to observe distributions at FDPs which puts pressure on the already limited number of staff and transportation assets available, further constrained by the rise in number of FDPs is needed to be present at FDP.
13. Augmentation of storage capacity for the humanitarian community and GoE is also provided through this SO and there are also provisions for logistics support equipment. In addition a fleet component and contingency provisions for a humanitarian fleet is planned.
14. This SO will further support the WFP PRRO in augmenting capacity for food deliveries in the peak period of the emergency, including strengthening and providing surge capacity to GoE entities in meeting the current human resources challenges.

15. It is only by combining immediate humanitarian assistance and longer term development assistance and capacity development that we can enhance preparedness, and strengthen the resilience of Ethiopia. The SO will therefore also augment the ongoing FMIP efforts in systematically strengthening the GoE entities capacity in logistics, food management and disaster response to meet the future challenges. The FMIP needs augmentation beyond what was planned in PRRO, due to the high volume of cargo currently being dealt with by the GoE, requiring additional staff for data management.

Project Objective(s)

The main objectives of this operation are to:

- Under the overall leadership of the GoE/NDRMC, enhance coordination and information sharing, predictability, timeliness and efficiency of the emergency logistics response under the Cluster approach by:
 - Deployment of logistics staff to run the Logistics Cluster operation, including logistics coordination and information management specialists
 - Secondment of coordination and information management specialists to key GoE entities in charge of coordination and logistics;
 - Carrying out logistics and supply chain assessments, including road assessments and monitoring of port congestion.
- Support the delivery of humanitarian relief to the affected population by augmenting the logistics capacity by:
 - Augmentation of logistics operational, commodity management and tracking specialists, including secondment of WFP staff to key GoE entities in charge of logistics;
 - WFP support to the GoE at regional and local level to augment staffing capacity at FDP level.
 - Augmentation of GoE storage facilities, office space and connectivity infrastructure;
 - Support the augmentation of existing trucking capacity of the GoE and humanitarian partners through provision of surface transportation by WFP as a last resort;
- Capacity development of GoE entities and staff
 - Support the NDRMC to fully implement the WFP-supported Food Management Improvement Project (FMIP) and associated reporting tools e.g. CATs and the Commodity Management Procedure Manual (CMPM) through provision of additional, dedicated staff for the emergency period, supporting more accurate and timely reporting

Project Implementation

After the activation of the Logistics Cluster, the Global Logistics Cluster deployed personnel to support and work under the leadership of GoE with the humanitarian actors and GoE entities on assessing logistics gaps and bottlenecks and propose mitigating measures. In a meeting on 11 March the NDRMC and Logistics Cluster

partners agreed to undertake joint assessment under the leadership of NDRMC and questionnaires and assessments plans were then developed. Assessments are currently ongoing. Given the complexity and evolving situation in Ethiopia, the below implementation plan may be revised as necessary and in line with ongoing joint assessments being conducted by NDRMC and Logistics Cluster partners. The activities will include:

16. Logistics Coordination and Technical Support: Under NDRMC lead, the Logistics Cluster is working together with the GoE and humanitarian community to support with the following coordination activities, minimising duplication of efforts and enhancing efficiency and effectiveness of the logistics response:

- Regular, national-level Logistics Cluster coordination meetings in Addis Ababa and other key operational locations as required, co-led by GoE, NDRMC and attended by humanitarian community representatives.
- Deploy a dedicated Logistics Cluster Coordinator to manage and coordinate the overall Logistics Cluster response.
- Advocate on behalf of the Logistics Cluster community for resolution of logistics bottlenecks.
- Deploy dedicated support staff to augment the staff capacity of the Ethiopia Maritime Affairs Authority (EMAA) to assist in enhancing coordination between the EMAA and Port of Djibouti Authorities.
- Deploy dedicated logistics support staff to augment the staff capacity of the NDRMC to augment their capacity for a limited period during the emergency response and to facilitate greater coordination and collaboration between responding agencies, enhancing the effectiveness and efficiency of the response.

17. Information Management (IM): The Logistics Cluster will support the GoE and humanitarian community through information management activities and making available Information Management products with the aim of supporting operational decision making to improve the efficiency of the logistics response:

- Deploy dedicated Logistics Cluster Information Management Officers to facilitate sharing of consolidated information on the overall logistics situation including logistics gaps and bottlenecks and updated information on operational data through the publication of logistics reports and briefings;
- Share up-to-date information on vessel arrivals and congestion at the Port of Djibouti and alternative ports.
- Information on available service providers will be updated on a regular basis and shared through the Ethiopia Logistics Capacity Assessment (LCA): <http://dlca.logcluster.org/display/public/DLCA/Ethiopia>
- Provide support through provision of Geographic Information Systems (GIS) and mapping tools and products.

18. Logistics Service Support: The services made available by WFP as provider of last resort to the Logistics Cluster, are not intended to replace the logistics capacities of the GoE, humanitarian community or commercial sector, but rather to provide augmented support in the emergency response through facilitation of services.

I. Transportation:

- a) Advocacy for bringing in additional trucks from outside Ethiopia to augment the existing transport capacity for all actors.
- b) Augment transportation capacity by bringing in a WFP fleet to work in areas where commercial transport is not sufficient.
- c) As last resort only, ad-hoc provision of commercial fleet brought in from abroad to augment capacity in specific areas lacking the necessary capacity as last resort.
- d) Deploy dedicated logistics fleet manager and service provision officer to support smooth management of transportation assets provided to the GoE and NDRMC.

II. Storage:

- a) Make available to the GoE and humanitarian partners mobile storage units (MSUs) in locations identified as being critical for the response.
- b) To support the augmentation of storage and enhance commodity processing, specialised storage equipment will be made available.
- c) WFP will provide support and skilled staff for rehabilitation of existing GoE and NDRMC warehouses to augment capacity.
- d) Facilitate trainings in building MSUs to build capacity of skilled staff

19. Augmentation of GoE capacity: As humanitarian needs continue to increase in the country, there is an urgent need to strengthen commodity management and tracking from hub to final distribution point (FDP) level, as well as the actual food distribution capacity at the woreda and kebele levels. This augmentation will take the form of support from WFP for additional staffing and operational costs to expedite the monthly distribution processes at FDP level, and to reduce the time lag between dispatches and distributions by round. The Government has agreed that this form of support is urgently required to support the increased level of humanitarian response, but on the understanding that it is a form of time-bound, “surge” support, which will only be provided for the duration of this special operation.

20. Logistics Cluster Transition Strategy. In accordance with goal set in the Logistics Cluster Strategy (2016-2018)¹ to strengthen the immediate response capacity of national actors in disaster-prone countries, and IASC Cluster Reference Module (2015), the Logistics Cluster, through its activities will support and build national response and preparedness capacity. At an appropriate point of transition, this support can be facilitated in part through the existing GoE – WFP FMIP project, a capacity building initiative that aims to improve the overall supply chain efficiency and effectiveness of Ethiopia.

21. Food Management Improvement Project (FMIP): NDRMC and WFP, through this SO will augment the ongoing FMIP activities with additional staff and resources to meet the current demands by:

- Supporting the NDRMC to fully implement the WFP-supported Food Management Improvement Project (FMIP) and associated reporting tools e.g. CATs and the Commodity Management Procedure Manual (CMPM) through

¹ http://www.logcluster.org/sites/default/files/lc_strategy_2016_2018_1.pdf

provision of additional, dedicated staff, supporting more accurate and timely reporting

- Deployment of additional staff to assist GoE with commodity accounting and data entry during the peak period of the emergency. Additional staff will be needed for data entry and support to the Commodity Allocation & Tracking System (CATS) in particular.
- Augmentation of project staff for FMIP to provide additional support and capacity building to GoE entities.
- Work with the GoE relevant ministries to build sustainable, long term national and local logistics capacity to assume a coordination role in humanitarian preparedness and response as well as recovery and development.
- Build skill capacity of local staff through knowledge sharing and skill transfer.
- Support improved connectivity and communications infrastructure

Project Management

22. The WFP Ethiopia Country Director will be the Funds Managers for this SO and the WFP Ethiopia Head of Finance will be the Allotment Manager.

23. The WFP Ethiopia Head of Logistics will be the overall Project Manager for this SO and responsible for the implementation in coordination with the Logistics Cluster Coordinator and FMIP project manager. .

24. Regular national-level Logistics Cluster coordination meetings will be held in Addis Ababa and other key operational locations as required. The meeting will be co-led by GoE, NDRMC and the Logistics Cluster Coordinator and attended by humanitarian community representatives in order to identify and monitor logistics gaps and agree on mitigating activities. The Logistics Cluster meeting will act as the strategic advisory group for the Logistics Cluster and give guidance on project implementation and prioritization of project activities.

Project Cost and Benefits

25. This special operation has a total cost of US\$ 15,440,865 and is expected to provide the necessary logistics support to meet the logistics bottlenecks and gaps identified by the joint NDRMC & Logistics Cluster assessments. This include Logistics Cluster coordination and information management activities, including advocating on behalf of logistics cluster partners for resolution of bottlenecks; WFP providing technical expertise and surge support to the GoE and humanitarian partners; WFP augmentation of storage and transport capacity; WFP support to GoE to scale up their response; and augmentation of the FMIP to ensure an efficient and effective logistics response.

Monitoring & Evaluation

26. The key performance indicators will be:

Outcomes:

- Food deliveries completed in four weeks (starting from the official start date of the round).

- Food distribution completed in four weeks (starting from the official start date of the round).

Outputs and indicators:

- Increase storage capacity at NDRMC hubs and field levels in MT (50,000 MT)
- Percentage of transport requests which have been approved by the Logistics Cluster and fulfilled (100%)
- Time spent between the confirmation of the requests for transport and the deliveries in days (based on average transportation times in the country)
- Percentage of NDRMC staff hired and active, against NDRMC staff funded under the SO
- Percentage of WFP staff hired and active, against WFP staff funded under the SO

RECOMMENDATION

This Special Operation covering the period from 15 May to 15 November 2016 at a total cost to WFP of US\$ 15,440,865 is recommended for approval by the Executive Director with the budget provided.

APPROVAL

.....
 Ertharin Cousin
 Executive Director