



**WFP Ethiopia**  
**SPECIAL OPERATION SO (10721.1)**

Country:	Ethiopia
Type of project:	Special Operation (in support of PRRO 10665.0)
Title:	Logistics Augmentation for Somali region operations
Total cost (US\$):	\$ 2,788,471
Duration:	1 September 2008 – 1 March 2009 (6 Months)

### **Abstract**

The purpose of this Special Operation is to address a number of logistical bottlenecks and challenges that WFP is facing in the Somali region of Ethiopia.

The humanitarian crisis in the Somali region of Ethiopia has recently further deteriorated due to continuing drought and an unstable security situation. WFP's implementing partner, the Ethiopian Disaster Prevention and Preparedness Agency (DPPA), which is responsible for secondary transport and delivery to final delivery points (FDPs), is struggling to overcome various logistical challenges. The situation is further exacerbated by the need for escorted convoys that prolong transit times. Moreover, only a limited number of long-haul transport companies are willing to work in the Somali region as the long-haul trucks are often unsuited for the bad road infrastructure.

In order to address the limitations of the current logistics set-up in the Somali region of Ethiopia, and in order to deliver food commodities in a timely manner, WFP will temporarily take on secondary transport and augment the logistics set up through:

- Setting up two hubs where food can be received and dispatched for delivery to FDPs.
- Establishing a secondary transport system using local transport companies organised in a dedicated commercial fleet.
- Setting up fuel stocks
- Enhancing the information management and communication flow between all stakeholders on truck movements, food stocks, dispatches and deliveries to hubs and FDP's.

The project with a budget of US\$ 2,788,471 will run for 6 months commencing first of September 2008.

### **1. Project Background:**

1. The Somali region is one of the four least developed regions of Ethiopia and one of the most underserved in terms of access to essential services and food security. Since

October 2007 the situation has further deteriorated due to intensified fighting between the Ethiopian National Defence Forces and opposition armed fighters from the area, and adverse weather conditions. WFP is providing support to more than one million beneficiaries in the Somali Region in need of humanitarian aid.

2. As part of WFP's Protracted Relief and Recovery Operation in Ethiopia (PRRO 10665.0), food aid is channeled through its Government partner, the Ethiopian Disaster Prevention and Preparedness Agency (DPPA), to the Somali region. Due to the remoteness of the region, security constraints and strained capacity of DPPA the response to the crisis until now has been inadequate.
3. This crisis has now been compounded by the failure of the Deyr rains, which has resulted in crop failure, livestock deaths, and forced migration. This has led to an increased logistics burden on DPPA that is faced with ever larger demands for transport services of humanitarian commodities in both the Somali Region and other drought affected regions of the country (mostly Oromiya and SNNPR). WFP and DPPA are concerned about the capacity to improve or even maintain the current level of operations in the Somali region - which carries the risk of severe humanitarian consequences.
4. This proposed Special Operation will augment relief food deliveries in the Somali Region under PRRO 10665.0 and is an expansion of Special Operation 10721.0

## **2. Project Justification**

5. The logistics concept of operations, as incorporated in the Memorandum of Understanding with DPPA for relief operations, lays out the division of operational responsibilities between WFP and DPPA. While WFP imports or locally procures food commodities and transports these to DPPA's main warehouses, DPPA is responsible for secondary transport and delivery to FDPs. Through the PRRO 10665.0 WFP reimburses DPPA's warehouse and transport operations at an agreed rate for all costs incurred after food is handed over.<sup>1</sup>
6. The current operational network is such that all food aid is dispatched from one central DPPA warehouse location in Dire Dawa (supplied from Djibouti Port) to 39 districts in the Somali Region. Due to security constraints in the region, long distances from DPPA's main hub to the FDPs in the Region (in most cases well over several hundred kilometres) and a limited warehouse capacity in the region, it is difficult to ensure planned deliveries to FDPs.
7. The situation is further exacerbated by the need for food convoys to be escorted by the government which causes severe delays in deliveries. As a consequence, long-haul transporters have been increasingly unwilling to work in the Somali region as a result of these delays. Due to the fact that appropriate telecommunication systems are mostly absent in the region, communications between dispatch centre and either truck drivers, convoy monitors or distribution authorities are non-existent. Lack of sufficient government escorts when needed further aggravate the logistics response.

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<sup>1</sup> The reimbursement for internal transport, storage and handling (ITSH) is currently at the agreed rate of 72 USD/MT.

8. Due to the current crisis and workload of DPPA an alternative solution to the current set-up is sought. Addressing the problem by additional capacity strengthening of DPPA and increasing the rate for internal transport, storage and handling (ITSH) paid to DPPA through a budget revision of the PRRO 10665.0 would not lead to improvement of the situation in the short term. WFP Ethiopia opts to use a Special Operation to address the problem and to appeal for funds for warehouse installation & rehabilitation, set-up of fuel reserves, information and logistics management to augment the logistics efforts in order to meet its targets until the worst crisis is over and the Government can take over again.
9. It is essential for the success of the humanitarian programmes that food commodities are delivered as per requirements, on time and at the right locations. WFP would need the flexibility to address the several logistics constraints with funds under its control and temporarily amend the logistics operation and subsequent roles of WFP and DPPA within the framework of the PRRO.
10. As a result of the ongoing crisis and urgent need of food aid, WFP proposed to the Ethiopian government to set up forward hubs and take over part of the implementation role of DPPA in the Somali Region. By doing this it is believed that this will improve the humanitarian response in the region, as well as free up some of DPPA's capacity to take on logistics challenges elsewhere in the country where the drought response is in need of additional capacity. The Government has in principle agreed to this approach.

### **3. Project Objective(s)**

11. The objective will be to deliver required and sound food commodities to FDPs in a timely and planned manner. Total requirements are currently approximately 19,000 MT per month for a beneficiary caseload of over 1 million.
12. This special operation will augment the logistics capacity of WFP through:
  - Setting up two hubs where food can be received and dispatched for delivery to FDPs.
  - Establishing a secondary transport system using local transport companies organised in a dedicated commercial fleet.
  - Setting up fuel stocks
  - Enhancing the information management and communication flow between all stakeholders on truck movements, food stocks, dispatches and deliveries to hubs and FDPs.

### **4. Project Implementation**

13. WFP will set up two additional hubs in the Somali Region, in Gode and Degehabur, to enhance the logistics response. Food commodities will be transported from Dire Dawa or directly from the ports of Djibouti or Berbera to the two hubs in the region thereby decreasing the pressure on long-haul trucks and escorts.
14. In order to create sufficient storage at the two hubs WFP will need to rehabilitate local warehouse facilities, set up a number of mobile storage tents and install offices for

management of the warehouses and fleet. Detailed assessments of warehouse capacities have been carried out in both places. WFP has also recently trained several staff in erecting mobile storage tents.

15. WFP will tap into additional local transport capacity by setting up or contracting a local dedicated fleet for the secondary transport to FDPs. The relevant proximity of FDPs to the hubs will make communication with distribution authorities, WFP food monitors, truck drivers, food patrols and government escorts easier. Local transport capacities have been identified and companies interested in participating in a dedicated local and commercial fleet recorded.
16. Due to the regular breakages in the diesel supply chain to the two locations in the Somali Region, fuel stocks will be set up assuring continuation of transport to the FDPs. While cost of transport and diesel will be included in the landside transport, storage and handling (LTSH) rate of PRRO 10665.0, installation and management of the fuel farms will be part of this Special Operation.
17. A logistics information unit will be set up, that in addition to providing the usual data on food movements; will track positions of trucks and light vehicles using a GPS system with small tracking units in each vehicle.
18. Logistics staff, both international and national, will be recruited to manage the reception and dispatch of food commodities, set up the necessary facilities, and provide timely information on food and truck movements and other logistics matters. As certain services such as logistics information, warehousing and fuel storage are expected to be made available to all partners and other UN and humanitarian agencies, a Logistics Cluster staff member and Information Officer has been included. The following staff will be deployed; two logistics officers per location to manage the warehouses, fuel farms and dispatches; a logistics liaison officer for coordination with the Ethiopian Defence Forces (EDF); a logistics cluster coordination officer; an engineer to supervise or oversee the rehabilitation of warehouses; an information manager and an overall logistics supervisor for the whole operation. This team will be assisted by a team of forty-eight national staff comprising logistics assistants, storekeepers & tally clerks, data clerks, guards and cleaners.
19. All activities will take place in close collaboration with DPPA, the Disaster Prevention and Preparedness Bureau (DPPB) and the Disaster Prevention and Preparedness Department (DPPD) who will eventually take over the assets, mainly warehouses, at the end of the Special Operation. These three governmental organisations, DPPA, DPPB and DPPD, are responsible for organising and coordinating disaster response and preparedness on federal, regional and district level, respectively.
20. Close collaboration with federal, regional and local officials will be sought to jointly manage all assets and ensure a gradual and proper exit throughout the six months of the project. By providing regular information on food movements to all stakeholders, distributions can be planned in advance and relevant civil and military authorities will be kept informed on a day-to-day basis on the whereabouts of food commodities and deliveries.

21. On a federal level, the Somali Region Emergency Committee will act as the overall coordination forum on strategic issues. On a regional and district level, operational coordination will take place with DPPB and DPPD as well as regular liaison with the EDF.
22. Successful implementation of the project is based on the assumption that all authorities will agree with all of the technical modalities of the project from the beginning of the operations, as well as continue to coordinate and cooperate closely with WFP on all operational matters.
23. WFP further assumes that the security situation in the Somali Region, albeit often unpredictable, will not further deteriorate so that both food transport and food monitors will normally have free access to all FDPs.
24. Rehabilitated warehouse assets will be handed over to regional and district authorities upon completion of the project. It is understood that WFP's direct involvement in warehouse/hub management and secondary transport is a temporary measure to support DPPA during this humanitarian crisis. DPPA will resume its usual role as implementer of humanitarian activities after the peak response period for the drought has ended.

#### **5. Project Cost & Benefits**

25. The direct cost of running the operation is estimated at US\$ 2,788,471 (See Annex 1 for Budget Summary).

#### **6. Monitoring & Evaluation**

26. The project will be managed as follows:
  - The WFP Ethiopia Head of Logistics will provide oversight of the implementation of this Special Operation and serve as the Project Manager.
  - The Country Director will act as the funds manager for this Special Operation while the WFP Ethiopia Head of Finance will act as Allotment Manager.
  - Lastly, a compliance and cost effectiveness mission will be undertaken at the end of the Special Operation.
27. The overall key performance indicator will be an increase in monthly dispatches and timely deliveries at the agreed upon locations. Moreover, indicators for effective implementation will be the availability of timely and concise information of food movements. Currently dispatches average 5,300 (28%) MT per month against a monthly requirement of 18,980 MT. With this augmented logistics approach WFP aims to dispatch and deliver at least 80% of the requirements. Specifically we will measure:
  - MT delivered by mode/corridor/route
  - Truck turn-around-time
  - MT delivered vs. planned figure (increased speed/improved efficiency of deliveries to beneficiaries)
  - Warehouse capacity available vs. utilization (storage warehouse)

**RECOMMENDATION**

This Special Operation covering the period from 1 September 2008 to 1 March 2009 at a total cost to WFP of US\$ 2,788,471 is recommended for approval by the Deputy Executive Director, COO - Operations and Management Department, under the Executive Director's delegated authority, with the budget provided.

**APPROVAL**

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Ramiro Lopes da Silva  
Deputy COO - Operations and Management Department

<b>Project Type:</b>	SO
<b>Recipient Country:</b>	Ethiopia
<b>Project Number:</b>	10721.1
<b>Duration (months):</b>	6.0
<b>Start Date:</b>	01-Sep-2008
<b>End Date:</b>	01-Mar-2009

*Total US\$*

<b>DIRECT OPERATIONAL COSTS (DOC)</b>	\$	1,479,840
<b>DIRECT SUPPORT COSTS (DSC)</b>	\$	1,126,208
<b>TOTAL WFP DIRECT COSTS</b>	\$	<b>2,606,048</b>
<b>INDIRECT SUPPORT COSTS (ISC) 7%</b>	\$	182,423
<b>TOTAL WFP COSTS</b>	\$	<b>2,788,471</b>

1/ This format should also be used for Project Budget Plan Revisions.

2/ Please adapt your planning according to the Project Document (duration of the project).

3/ This worksheet includes total amounts for all years.

4/ The ISC is indicated here to provide a picture of the overall WFP costs even though they are not Project Costs per se.

The ISC rate may be amended by the Executive Board during the Project's life.