

NOTES ON ETHIOPIA FOOD AID REVIEW MISSION

These notes deal with specific subjects and concerns and are intended to be integrated with the observations and findings of the other team members into a comprehensive report.

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I Institutional Arrangements for Food Aid

Food Aid is channelled into the Ethiopian economy through one of three channels.

- Relief and Rehabilitation Commission
- Development - oriented food-for-Work programs through the Ministry of Agriculture.
- Various NGP's for relief, development or nutritional purposes.

Relief and Rehabilitation Commission (RRC)

The RRC has the national mandate to respond to manmade or natural disasters and to participate in the long term redeployment of population from the chronically food- deficit highlands to vacant lands in the regions. Although the Canadian Focus of the RRC review related to the supply of food aid to the drought-affected northern provinces, it became abundantly clear that the resettlement program (84 settlements involving 200,000-300,000 persons) makes a major claim on the capacities and resources of RRC. In addition, the RRC is involved with UNHCR in several programs related to the care and maintenance of refugees (from Sudan) and the return of Ethiopian refugees from Djibouti and Somalia. (A more detailed description of the RRC will be supplied by Ron Rose).

RRC is the consignee for food aid shipments from various bilateral donors and WFP. According to information provided by RRC and modified slightly by WFP the following reflects the Food Aid (cereals) which actually arrived in calendar 1983.

<u>Donor</u>	<u>Information provided by RRC (MT)</u>	<u>Information provided by WFP (MT)</u>	<u>Comments</u>
Canada (wheat)	48,650	48,650	6,000 MT monetized to pay transport costs.
FRG (wheat)	3,000	3,000	
Italy (rice)	10,000	10,000	WFP does not consider this to be for 'emergency' and does not know distribution.
USSR (rice)	9,500	9,500	
Austria (wheat)	2,000	2,000	was to be swapped for local grain but WFP doubts if transaction occurred.
EEC (wheat)	35,000	15,000	balance arrived in early 1984
WFP (maize/wheat)	15,000	8,000	balance in 1984
Australia (wheat)	5,000	5,000	
Belgium (wheat)	-	3,000	
	<u>128,150 MT</u>	<u>94,150 MT</u>	
less monetized portion	<u>6,000</u>	<u>6,000</u>	
Available for distribution	122,150 MT	88,150 MT	

The differences largely reflect timing but highlight a problem referred to elsewhere. The RRC has great difficulty distinguishing between porjections and actual perfomance. For example, the RRC provided the Food Aid Review Mission with the following data:

1984 grain requirement:	750,000 MT
Current RRC distribution rate (January 84)	24,000 MT/month
Actual 1983 distribution	250,000-300,000 MT/year

Meanwhile the Logistics Department of RRC provided a detailed summary which indicated cereal distribution in the year ended July 1983 (Ethiopia calendar) was 76,192 MT of which 67,581 MT or 88% went to the four northern provinces. Even this number became suspect when the RRC regional administration provided data indicating distribution within that region of 18,674 MT while the 76,192 figure included 38,492 MT for the same period and region. These data are not intended to discredit the RRC but to create an understanding of certain problems in relating to it.

1) Distribution Capacity of the RRC

The RRC operates within a substantial number of constraints which limit its capacity and effectiveness. These include lack of financial resources, transport problems, political and security constraints and management deficiencies. RRC officials are reasonably open in discussing their limitations, but it almost seems as if they believe their own projections and purported results. Although transport facilities are not excessive, a fleet of 475 RRC and RTU trucks should be more than adequate considering that 75% of 1982/83 deliveries were made in Wollo, Tigre and Eritrea, all relatively close to the ports. Furthermore, although Eritrea received fully 50% of food aid and transhipped another 12% for Tigre, it has been allocated only 18 of the 308 RRC trucks (of which 7 are working) and none of the 167 RTU trucks. Given this allocation of resources, one can question the claims of the transport constraints. Nevertheless, the combination of constraints internal and external to RRC seem to conspire

to limit effective cereal distribution to the 7,000-8,000 MT per month range. The UNDR0 program provided a push to move cereals to forward distribution points where they were then blocked by security problems. Although there is scope for improvement, present circumstances will probably limit food aid deliveries in the northern region to a maximum of 100,000 MT/year regardless of supply.

2) Administration and Reporting of RRC

The flow of documents and reports regarding the arrival and distribution of cereals has been documented in a separate note provided to Jerry Kramer. Although a great number of steps are involved there are several fundamental weaknesses in the system.

a) The system relies too extensively on plans or projections rather than on reports of actual events or counts. These plans originate in Addis Ababa and in the absence of proper feedback take on the form of actual events.

b) There is an absence of detailed feedback from the regions to the centre. The regions provide summary results on a quarterly basis, but not in a form which permits reporting to donors. Furthermore, dispatch to a distribution point seems to be defined as distribution to beneficiaries.

c) Detailed documentation depends upon invoicing from MTSC (Maritime Transit and Shipping Corporation) rather than from information provided through the RRC system. Given the problems inherent in this reporting mechanism (fully explained in the note) it becomes virtually impossible for RRC to provide any kind of meaningful reporting to donors.

In essence, RRC lacks both the system and orientation which can provide management accounting for both its own or donor purposes. It is doubtful whether the provision of external consultants will remedy this fundamental problem but this can be determined by a careful assessment.

3) Food Aid Monitoring

Recent MOU's have specified WFP as monitor but in fact there has been no monitoring beyond confirmation of arrival of the food aid. Since the superintendence report performs this function, WFP has in fact not contributed anything to the independent evaluation of the use of Canadian Food Aid. There is no evidence to suggest that RRC resisted efforts at WFP monitoring - it appears that these efforts were never made. In discussing this matter with RRC they very quickly suggested that they would assign special RRC staff to "monitor and report back to the donors". It seemed puzzling that in spite of the substantial donor concern this particular RRC official failed to recognize that monitoring implied scrutiny of RRC itself. Nevertheless, there is substantial reason to believe that RRC would in fact permit some degree of scrutiny of its operations. In this regard, the rejected CARE proposal appears to have assumed that RRC had no capabilities (or integrity) and was not designed to deal with identified technical or monitoring requirements. Although there is little evidence or suggestion of misappropriation or mis-direction of food aid, a proper set of records supported by independent monitoring would increase the confidence in the RRC and therefore the willingness of donors to donate food. Better information systems would also facilitate planning by RRC (Addis), rationalization of transport, reduction of costs and presumably increase the quantity and effectiveness of food aid deliveries.

WFP has recently recognized its inability to provide monitoring and has informed CIDA that it will no longer provide this service. It appears that Canada will have to organize independent monitoring or in cooperation with other donors. At the request of Ron Schatz, CIDA desk officer for Ethiopia, a terms of reference for such an independent monitor will be prepared. If such monitoring was combined with funds for internal transport (similar to UNDR0) the whole matter would be more palatable to RRC and also more effective.

4) Distribution of Food Aid

A great deal of attention has been lavished upon the problems of logistics and transport and relatively little upon the selection of beneficiaries. The RRC data presumes that all individuals in a drought-affected area are in need of relief, that all are affected equally, and that everyone is totally devoid of resources. Correspondingly, RRC projects a full ration for the entire population of affected areas. In practical terms, much of the affected population is beyond the reach of RRC for either geographical, security or political reasons. Although UNDR0 assumes 1,000,000 persons are "reachable", it is unknown how many persons actually benefit from RRC assistance.

The statistics on beneficiaries provided by RRC are distinctly unhelpful since they fail to specify whether a person has benefitted regularly or on only a single occasion or whether assistance was on a full ration basis on reduced ration. RRC (Addis) assumes that all distribution is on the basis of full rations when in matter of fact rations are often reduced to relate the available quantity and the demand.

Furthermore, 'monthly' distributions may take place at much greater intervals than a month. In the absence of detailed field-level monitoring, the review team assumes that the RRC method of reporting is based on the inadequacies in their information system. Nevertheless the reported "beneficiaries" are a number with little relevance to either RRC or donor.

The method of distribution at the local level was somewhat more clear. Distribution is based on the Kebele or peasant association, a political unit based on a geographic segment of a town, a village or a rural area, usually containing approximately 250 families. If a Kebele is designated as being in a "drought-affected area" it becomes eligible for the full range of assistance available. The leadership of the kebele draws up a list of members, specifying family size, and rations are distributed on that basis. Although some RRC official referred to the ability of kebele leaders to determine the "most needy", in matter of fact all kebele members are treated equally, differentiated only by family size. Since land redistribution results in very equal land resources, this is not fundamentally unfair. However, no allowance is made for the person who had relatively poorer crops, or even the non-farming members of a kebele such as traders. NGO personnel familiar with the distribution process were uniformly convinced that within the context of the above caveats, distribution was equitable and honest at the kebele level.

Of greater significance is the relative access of a kebele to food assistance. Geographical constraints make it much more difficult for certain kebeles to participate regularly in the distribution process.

This constraint may be purely difficulty of physical access but often of greater import is the problem of security and the intervention of the liberation movement. This intervention may take the form of harassment or intimidation of villagers and leaders who go to Government areas for food. An additional problem is that villages in areas influenced by the TPLF or EPLF may be unable or unwilling to organize formal kebeles implying Ethiopian Government control. Without the formal structure of a kebele, they become ineligible for assistance. Similarly, individual villagers who trek to distribution points but are not represented by their leaders are reportedly turned away. Presumably these types of individuals become candidates for the "shelters" since they may be destitute and have no other alternatives. Although the Government does not want large congregations of destitute villagers in the towns, the political definition of eligibility does contribute somewhat to such a movement.

Given the above constraints, it becomes evident that the regional RRC, under pressure to distribute more food, directs the largest bulk to the towns and villages adjacent to the best and safest roads. This furthermore minimizes transport costs and problems. The review team observed distribution of Canadian wheat at points directly along the Massawa-Asmara road and the Asmara-Keren road. It was our understanding that very little distribution was taking place at any distance from these major arteries.

Food For Work Programs

The major FFW programs are those organized by the Ministry of Agriculture with WFP assistance under project 2488. This program is oriented to land reclamation and reforestation on a national scale and is considered to be very successful. A parallel program is now being

commenced by the MOA and Australian Government on a bilateral basis. The total quantity of food aid moving through this channel is similar to the RRC food aid distribution. Although the proportion used in the four northern provinces was not known, there was ample evidence of project activity visible from the roads. The RRC reportedly has also become involved with FFW in the northern provinces but officials were unable to provide any specifics and it is assumed this represents only a modest proportion of RRC controlled food.

FFW is based on 3 Kg/day (usually wheat) an amount which represents payment in line with daily labourers' wages. During the seasons when farm labour is not in demand, there is a substantial supply of labour available and willing to work on these programs. Given the reasonably generous terms of payment, the FFW programs can have a very positive impact on the availability of food in deficit areas. The work requirement also provides a 'need' test, since the families short of food are more likely to participate.

The capacity of the MOA agencies responsible for FFW will be discussed by other team members, but the potential role of FFW projects as a response to the effects of drought cannot be underestimated. Although FFW may not be able to supplant free distribution in all situations, it has the following advantages:

- Participants in FFW projects represent some degree of selectivity based on need.
- Individuals from "politically-unacceptable" areas may be able to gain access to a food supply on large projects.
- The location of the work may be somewhat remote for Government

access, but the villagers can walk to more convenient points to claim their food.

- Well-designed FFW projects which improve water supply, reduce land degradation and restore vegetation, or improve access are the only solution to chronically food-deficit areas.

CIDA should seriously consider directing a significant portion of its food assistance to FFW projects in the drought-affected areas which will begin to restore the capacity of the land. Such a shift may entail some additional involvement by CIDA but would be well worth the effort.

NGO Distribution

Approximately 30 international and local NGO's operate in Ethiopia under the umbrella of the Christian Relief and Development Association (CRDA). The CRDA serves a coordination function but is unique among such organizations in that it is also a legal entity which can implement projects or act as a conduit for funds and supplies to its members.

The agencies most directly involved in food aid in addition to CRDA include Catholic Relief Services (CRS), Lutheran World Federation (LWF), World Vision (WV) and the Mennonite Mission through the Canadian Foodgrains Bank. Additional agencies such as Save the Children (UK) and Concern are involved with supplementary feeding but draw their supplies from the RRC or one of the agencies already listed. CRS has the best-established feeding program presently centred in Mikale, capital of Tigre. The program is oriented to selected needy families living in the town or who have sought refuge from the surrounding areas. An expansion of this program is planned for Eritrea and will include Asmara and 16 other towns.

The main implementing agent will be the Social Welfare Centre, an arm of the Catholic Church in Eritrea. The program has been approved by the RRC and is highly regarded by the donors and NGO's. The requirements for the Eritrea expansion are 16,000 MT of cereals, DSM oil etc. plus U.S. \$1,700,000 for transport and administration. Target population will be 300,000. Of special significance is the fact that the RRC criteria and CRS criteria tend not to overlap, hopefully resulting in an increased proportion of the population gaining access to food aid.

World Vision has existing programs throughout the country and can also use significant quantities. Its program in the four northern provinces was not as clearly defined making it more difficult to evaluate their potential impact. In Gondar the team was made aware of a FFW rural road project implemented by Concern with 265 MT of Australia wheat from World Vision. WV has also been responsible for implementation of a portion of the UNDR0 project. A total of U.S. \$500,000 was directed through WV to transport 9000 MT of EEC grain from Massawa to Adigrat. The results of this program were not yet available.

LWF has assisted the RRC in transport and will shortly receive 4,500 MT of Danish wheat to be distributed in cooperation with the RRC. Although LWF officials provide some assistance to the RRC and a limited degree of monitoring, their program is not likely to expand the eligible population for the receipt of food aid. Nevertheless, LWF is a potential channel for this kind of food assistance.

The Mennonite Mission (Food Bank) has been involved in two shipments of 5,000 MT each, in one instance involving a swap with AMC. They have

not made a request to the Food Bank at the present time but given their experience are a potential conduit for food assistance.

The CRDA also expressed its willingness to act as a conduit for food assistance to either the Government or other member NGO's. Such aid could be directed to drought assistance, supplementary feeding or support of development activities. The CRDA expressed caution with regard to any grant to their organization which could be interpreted by the Government as a transfer of resources from RRC. Furthermore, if the grant of food is not accompanied by cash for internal transport, CRDA would wish to complete satisfactory arrangements to monetize a portion of the food prior to its shipment.

The International Committee of the Red Cross (ICRC) represents a somewhat unique channel in that it is officially sanctioned to operate in the zones where effective authority is disputed. ICRC programs are oriented to Tigre and are relatively small, utilizing approximately 5,000 MT per year of flour. Considering RRC distribution of 9,400 MT in Tigre during the last Ethiopia calendar year, this amount is nevertheless significant. It can be presumed that ICRC distribution represents access to a portion of the population that would not be served by RRC and therefore represents an additional opportunity to increase the scope of the relief effort.

The NGO community is well established in Ethiopia and can be a mechanism to broaden the scope of the CIDA program. The objectives which should be pursued in further NGO assistance include the following:

- 1) Direct food at a more broadly-defined population base in the Northern Regions.
- 2) Strengthen and focus the ability of the RRC to transport food.
- 3) Provide a monitoring and reporting function for Canadian Food Aid.
- 4) Utilize more food aid for development purposes.
- 5) Provide an outlet for a wider range of Canadian food products by supporting the supplementary feeding efforts.
- 6) Increase the geographical scope of CICA assistance through the mechanism of the CRDA.

II Assessment of Appropriateness of Canadian Food Aid

A) Suitability of Wheat

The present Canadian Food Aid is directed entirely toward the relief of drought-affected areas in the far northern province. It should be clear however, that the RRC considers all food aid as eligible for its entire program which includes assistance elsewhere in the country. It was not clear whether food rations for the resettlement population is drawn from this same food supply or whether there are special grants. In the absence of any other information, it is assumed that the RRC directs food anywhere in its program, including resettlement.

The majority of food aid (75%) received by the RRC in 1983 was wheat. Most of the balance was rice. Although wheat is grown in certain areas of Ethiopia and is widely used in urban centres there should be some concern regarding its appropriateness as the major component of a ration. There is some capacity to mill wheat in rural areas but this would not be universally true. Wheat is often made into a porridge which may be suitable for adults but creates significant problems for children. RRC officials and others did not seriously question the appropriateness of wheat, but field-level nutritionally-oriented NGO staff were somewhat more cautious.

A secondary reason for importing wheat is the requirement of the industrial sector for 260,000 MT per annum of milling quality wheat. The state farm sector should supply 150,000 MT of this quantity but in fact only delivers 80-90,000 MT. The balance comes from RRC and WFP food assistance which is monetized for transport or swapped for other grains

provided by the AMC. Of the 48,650 MT of wheat delivered by Canada in 1983 only 6,000 MT was monetized for transport (Ethiopian Food Corporation in Asmara) and the balance was intended for distribution through Massawa to Eritrea and Tigre. It should be noted that the CRS program is based on a more complex ration of which cereals represent only a portion of a more balanced diet.

The CRDA and NGO community can also use wheat in the form of FAFFA, a locally produced protein-rich and vitamin-enhanced food for children. It contains wheat as the basic cereal together with legumes, DSM and soy flour. It is widely used in supplementary feeding programs and can be given to mothers for home feeding where regular access is difficult. NGO's are able to exchange commodities such as wheat or DSM with the government-run FAFFA plant in exchange for an appropriate amount of FAFFA. It should be noted that RRC does not use FAFFA in its program but distributes wheat directly as a whole grain.

In summary, wheat is not an inappropriate product in Ethiopia but there is some question about its use as the predominant element in a ration. The use of distribution mechanisms which provide a more carefully considered ration or convert commodities in a more nutritionally beneficial form such as FAFFA should be considered.

B) Target Population

The population benefitting from Canadian wheat in Eritrea and Tigre is undoubtedly deserving of food assistance considering the severity of the drought and the complications caused by civil war. The concern of CIDA

should not be directed to the population which is receiving assistance, but rather to the overwhelming majority of drought-affected Ethiopians who are not receiving assistance. Given the limitations in time and travel of the review team one cannot say with certitude whether the limitations of the population 'reachable' by RRC is in fact self-imposed by RRC, is imposed by other political authorities or is in fact largely external in origin. In any event, RRC seems able to reach not more than 20% of the affected population. Given that the quantity distributed (76,000 MT) represents only 10% of the theoretical requirement of 750,000 MT, a rough estimate of RRC effectiveness is that they are reaching 20% of the affected population with half rations. Discussions with field personnel indicated that the assumption that full rations were required for everyone was in any event inappropriate. They estimated that given limited local resources, animals etc., a supplementary ration which might approximate 1/3 to 1/2 of a theoretical ration may be adequate. Nevertheless, it is recognized that there may be destitute families or villages which require a much higher level of assistance.

The relatively low level of access by RRC to the target population should be the major concern of any donor in considering food aid strategy to Ethiopia. For example, the 1982/83 distribution of 38,492 MT in Eritrea and 9,460 MT in Tigre (RRC records) hardly reflects the need considering that both regions have a similar problem. This distribution rate appears to reflect the higher proportion of Eritreans in accessible towns and less need to use convoys to reach the main Eritrean population centres.

The question of politically-directed distribution was raised on several occasions and confirmed by some well-connected Ethiopian sources. What was not established was whether this reflects internal RRC policy or is

determined by regional officials who are responsible for both security and administrative matters. Nevertheless, CIDA must consider the very limited access of RRC in determining both its absolute quantity of assistance as well as the channels utilized. Although assistance through the Sudan is beyond the scope of this review, the large proportion of the population beyond the ambit of the Ethiopian Government calls for some serious consideration of this alternative.

III Food Aid Coordination

There is less visible coordination of food aid on the part of donors than is generally the case in programs of the magnitude of Ethiopia. Traditionally WFP and /or the U.S. Government are substantial donors and take a leading role in the coordination process. In Ethiopia, the WFP has not taken a very leading role. It appears that the quality of leadership left something to be desired and performance of the program has fallen well short of WFP - Rome expectations. More recently, WFP has declined to monitor further CIDA shipments, recognizing their inability to perform the function. WFP assistance is substantially directed toward the Ministry of Agriculture (MOA) through Project 2488 (FFW soil conservation and afforestation) with only minor involvement with RRC and emergency relief. According to WFP documents, the WFP experience with RRC in the resettlement program has not been a happy one. There has apparently been a complete inability to produce records which justify the program. The U.S. Government on the other hand has a very low profile in Ethiopia. The limited food aid is entirely directed through NGO's (basically CRS) and it therefore has neither the influence nor the inclination to take the lead in coordination.

Canada is the largest donor to the RRC emergency program but has not been actively involved in efforts to evaluate or coordinate the entire food aid program. The RRC did not raise any objections to donor coordination but it was also very clear that the RRC enjoy the independence of dealing bilaterally with each donor rather than facing common demands. A limited effort to confront the RRC on certain issues fizzled in late 1983 when the UNDP was reluctant to put criticism into writing (although it had volunteered to do so) and no embassy was willing to take the lead either.

Consideration should be directed at several specific objectives:

- 1) Balance the arrival of food aid shipments with seasonal demands and port and storage capacity.
- 2) Obtain an assessment of need which balances food deficits, internal resources, and distribution capabilities. Present projections are not useful.
- 3) Agree on a program with RRC to establish a reporting and monitoring system which meets the reasonable requirements of donors and permits improved planning.
- 4) The coordination process could also consider the balance between free food distribution and the use of food to prompt conservation and development efforts in chronically food-deficit regions.

IV A Canadian Response

The development of a Canadian response must take into account the fact that Canada is already the largest food-aid donor to Ethiopia and this status entails a certain degree of responsibility for leadership. It is further assumed that in the short term CIDA will maintain the current level of resources to Ethiopia but may reconsider the particular mix of program elements.

1) Emergency Food Aid: Ethiopia undoubtedly requires continued food assistance but the apparent limitations of RRC should be recognized. In addition the apparent lack of coordination between Minister tries to better utilize internal food resources should also be addressed. Given a food aid program (cereals) in the order of magnitude of just under 100,000 MT/year, Canada should consider the share which is appropriate, keeping in mind that a substantial proportion implies some responsibility to play a leadership role in the planning and coordination process. Given the limited strength of the Canadian embassy in Addis Ababa and Category II status of Ethiopia, it is recommended that Canada should reduce its profile as food aid donor somewhat. This could entail one shipload of food aid on the present basis (10-15,000 MT) and the possibility of a second gift based on some criteria which entails a greater involvement of Ethiopian resources.

2) Alternate Food Aid Channels: A reasonable proportion of Canadian food aid could be directed through ICRC or other NGO channels such as CRS. This approach would encourage broader access to food aid and still be consistent with a lower Canadian profile in the food aid program.

3) Food Aid for Development: Canada should allocate some food aid for developmental purposes. This could be within the existing RRC grant, the proposed NGO grants or as a separate project. An effort should be made to reduce the proportion used for free distribution over the next few years.

4) Strengthen RRC: The RRC could undoubtedly benefit from improved planning and allocation of resources. A number of donors expressed caution, however, that while RRC welcomed support, it appeared to resist any effort to influence policy. Given the lack of understanding of the relationship between the settlement emergency and refugee programs, the lack of logistic support for the northern programs, and military and internal food policy considerations, any effort to significantly alter the approach of the RRC should be viewed with caution. The UNDR0 approach, on the other hand, recognizes many of these limitations and inserts expertise with financial resources attached to achieve specific short term goals. The fact that overall distribution has not changed highlights the other constraints but also suggests that such programs may simply permit the RRC to use its limited resources elsewhere during the period of UNDR0 involvement. Nevertheless, given the fact that Canada permits some monetization of its grain for internal transport, it may wish to become involved in the direction of these resources.

The inadequacy of reporting and monitoring should be an additional concern to CIDA. The combination of expertise and finances (a la UNDR0) can also be combined with a targeted reporting and monitoring role to provide a complete package which will meet the need of both RRC and CIDA.

Since a focused transport assistance program requires full documentation, very little additional work would be required to follow the Canadian grain to final distribution with full reporting based on sample monitoring. This program could also be designed to improve the overall reporting of RRC, but if an expert would start us on "advisor" at headquarters, it may be a year or more until reports begin to appear. On the other hand, a specific CIDA-oriented program would give immediate results to meet Canada's needs and a second phase could then be instituted to utilize the insights gained by this exercise to revise RRC internal procedures to produce reporting for all donors.

5) RRC - spare parts assistance: The need for basic spare parts such as tires and batteries is indisputable. A limited program to provide a reasonable quantity of spares to RTU and/or RRC would be visible and helpful and would not require detailed followup. The list of spares should be available from UNDRO or through the assistance of the SIDA team.

RRC Control Mechanism for Canadian Grain

This note summarizes the relevant points at which the movement of Canadian grain is documented and which are therefore subject to audit. A careful distinction must always be maintained between RRC documentation and objective proof of a particular action. In the absence of third-party monitoring and the obvious impossibility of auditing beneficiaries after the fact, there is no possibility of verifying the relationship between documentation and actual distribution except by subjective means.

1) Bill of Lading: This document is established in Canada and is normally available in both CIDA and RRC records.

2) Arrival and Port Clearance: The firm of has been employed by CIDA to provide superintendence. This report is presumably made for CIDA purposes and will be available in Ottawa. A cursory glance through RRC files did not establish whether RRC also is provided with a copy of this report. In the absence of this report RRC will attempt to reconcile to the Bill of Lading which may be at some variance with the actual quantity off-loaded.

3) Dispatch from Port: All Port activities are handled on behalf of RRC by Maritime & Transit Services Corporation (MTSC). These services include all clearance documentation, stevedoring (and presumably bagging in the Canadian case), handling and storage at the Port, and in the case of Massawa a certain degree of responsibility for inland transportation.

The relevant documents are as follows:

a) Distribution Plan: This is a letter sent by RRC (Addis) to MTSC listing a series of distribution points and indicating the number of quintals to be allocated to each. The reasons for variance between plan and performance may include the following.

- Difference between B/L and superintendence report.
- Physical impossibility of reaching the extensive list of distribution points for security reasons.
- Changes in requirements or priorities at the regional level.
- Bags and truck capacity will not tally precisely with planned quantities.
- Response to requirements or pressures from other Government agencies or departments which may result in utilization for other purposes.

b) Pro Forma MTSC Invoice: This invoice is prepared in advance and is based again on B/L quantities. It requests advance payment for the following:

Handling	11.70 BIRR/MT
Stevedoring	30.00 BIRR/MT
Bagging	??
Supervision/Coordination fee	3.11 BIRR/MT
Inland Transportation	

(Based on either Massawa - Asmara at 50 BIRR/MT or an estimate of the average freight to the various destinations which in one circumstance was 110 BIRR/MT)

RRC and MTSC apparently negotiate a percentage advance payment. In view of the apparent inability of both organizations to ever finalize a transaction there is a great incentive for MTSC to seek a higher percentage (and include an inflated inland transport estimate) and for RRC to keep the percentage low since the balance outstanding is effectively postponed forever. There is furthermore a negative financial incentive for RRC to finalize the transaction. Since reports to donors are, however, based entirely on this mechanism, it may explain in part the inability of RRC to report adequately.

c) Loading Authorization: MTSC prepares a document authorizing a particular load to be sent to a particular destination.

d) Truck Bill of Lading: A B/L is prepared for each truck but these were never seen since MTSC did not submit a copy with its final documentation to RRC. There are not enough copies produced to provide a copy for invoicing purposes and the Finance Ministry does not permit payment without such documentation. Although RRC Asmara presumably has such a copy and could have either provided photocopies or certification that a particular set of waybill numbers were authentic, in the case of a 1980/81 WFP shipment we reviewed this had not been done. (Again the lack of incentive to complete may be a factor).

e) Receiving Note: A separate document prepared by RRC at the point of receipt. In the case of Asmara, this document is prepared when the truck arrives at Asmara even though its B/L may indicate a more forward point as the final destination. The Receiving Note is attached to the

Truck Loading Authorization and Truck B/L by MTSC and submitted together with a summary document and invoice as a final request for payment.

Several problems arise:

- RRC Region (eg. Asmara) does not provide RRC Addis with any evidence that it has received any grain. Since MTSC request for final payment may not arrive for several years, RRC Addis does not have any written confirmation from its own staff that any goods have in fact arrived.
- The Receiving Note often indicated slight variations from both the loading authorization and the B/L. In many instances all three were different, although by minor amounts.
- The truck is dispatched a second time (or offloaded) at Asmara, but this documentation is not part of the MTSC submission to RRC Addis nor is it reported separately. Accordingly, Addis has no official knowledge of the actual destination of the grain.

f) Dispatched Report from MTSC: These are periodic summaries of trucks dispatched according to their final destination, including weight in quintals. It is not clear whether this weight is based on the loading authorization or Truck B/L. (It cannot be based on the Receiving Note based on an examination of dates). Since distribution beyond Asmara is problematic, this report is not helpful if it shows final destinations. In the case of one Canadian ship examined these reports in fact recognized Asmara as a final destination. The file of the "Theano" (arrival approx. Feb./83) was examined in detail and the following documents were found:

- Distribution Plan for 157,500 quintals dated Feb. 24/83 indicating detailed distribution to points in Eritrea.

- A series of 6 "Dispatched Reports" dated from March 7/83 to June 24/83 totalling 111,926 quintals, with Asmara the receiving point in all cases.

The Logistics staff of the RRC was also totally baffled by this apparent lapse in the records.

4) Dispatch from Regional Warehouse/Distribution

There may be second transfer from Asmara to another distribution point or even to a second regional warehouse in points such as Mikale. These records are kept entirely at the regional level.

Each warehouse point keeps a journal of each truck movement and individual "Bin Cards" for each commodity, in our observation also separated by donor where feasible. Presumably there is a paper trail at the regional and sub-regional level which can be tracked down.

5) Distribution

Although the initial distribution plan is established in Addis (presumably with regional input), the delay between planning and final distribution may be so long that the relationship between actual and plan are probably remote based on security and other considerations. It should be presumed that the regional RRC in fact has a great deal of authority in the final dispatch of food. Distribution to final beneficiaries is based on an entirely different planning and paper process. Each authorized Peasant Association appears on its appointed day and each family receives its allotted ration (which is determined locally based on availability and other factors). Since not all families will appear, the final quantity distributed may be substantially different than authorized.

It is unknown how the relationship between grain shipped to distribution points and beneficiaries is even established. Given the propensity of RRC to base history on projections, it can be presumed that the beneficiaries are in fact established by relating the quantity available and the projected ration. Detailed examination of the Distribution system may in fact reveal a more objective relationship.

6) Reporting

a) Regional Level: Each region summarizes the quantities distributed on a monthly basis (Ethiopian calendar). It appears that distribution is defined as delivery to a destination where distribution actually takes place. Since storage facilities are limited, this is probably reasonably accurate - but again - it defines distribution - as "grain available for distribution." This summarized data is then forwarded to Addis where there is limited compilation. Since this summary regional report no longer identifies food by donor, it cannot be used for individual donor reporting. Several problems also appeared even in our cursory examination:

- In Gondar, each month was treated individually. For example, the closing inventory and opening inventory for the following month were not reconciled in any way. In the one quarter analyzed, the deviation in Gondar alone was 7000 quintals of cereals.

- Eritrea indicated cereal distribution for the Ethiopian calendar year which ended in July 1983 of 18,674 MT. A parallel national report indicated 38,492 MT for the same region and period.

b) National Level

The only two sources for national reporting are the regional summaries - which limitations have been referred to and which are not useful for individual donor reporting.

The final invoicing from MTSC would indicate dispatch to at least the first warehouse point. Since these documents may arrive after several years (no completed file was in fact even shown to us) their utility for donor distribution reports is also limited.

There are several fundamental flaws in the entire reporting system in that the system relies on projections, plans and intentions rather than documentation built on actual events. The result is that proper donor reporting is almost an impossibility. Secondly, since so much of the documentation is based on plans, there can be no certification that the results and plans were necessarily identical. Third, in the absence of any independent observation, it is impossible to verify that documents were not falsified or that plans and performance did not vary.

TERMS OF REFERENCE

Assignment: Canadian Food Aid Monitor for Ethiopia

Option A

Assumes a limited time frame, focus on specific Canadian shipment and no responsibility for administration of transport or other funds.

1. Arrive in Ethiopia shortly prior to arrival of ship.
2. Obtain utilization/distribution plan from RRC authorities prior to arrival of ship.
3. Monitor should be based in Asmara since ship is likely to dock in Massawa and be distributed in Eritra/Tigre.
4. Observe all aspects of documentation and handling of grain at port:
 - Relationship between RRC and MTSC
 - Methods and integrity of superintendence
 - Problems associated with bagging and offloading
 - Port facilities and procedures
 - Reliability of all control and documentation functions
5. Monitor dispatch from port to interior. Obtain copies of all relevant documents, full summary of dispatches. Selectively monitor procedure and determine relationship of dispatch to original plan and to actual need/security situation.
6. Monitor all transactions in and out of regional warehouses and conditions of warehousing.
7. Establish full list of final distribution points by name and by quantity. Monitor actual distribution on selective basis. Assess equity of distribution within community and comment on relationships between communities benefitted and impact of drought.
8. Record movement of food on basis of ownership of transport. Comment on basis for selection of particular carrier. Comment further on relationship between availability of transport and requirements.
9. Establish independent record of documentation for Canadian shipment. Assess quality of RRC documentation and comment on inadequacies and opportunities for improvement.
10. In event of any swapping arrangements, follow swapped food through to final distribution.

OPTION B

Canada will also provide additional funds for transport assistance. Above functions would still be performed with following additional responsibilities.

11. Establish specific transport plans in cooperation with RRC.
12. Release funds on basis of specific funding/reporting arrangement.

OPTION C

Canadian monitor, with or without transport funding, remains for larger period to cover future Canadian shipments and assists RRC in establishing monitoring/reporting suitable for all donors.

13. Following monitoring of next Canadian shipment, food monitor develops report outlining steps required to upgrade RRC reporting to appropriate standard.
14. Food Aid Monitor moves to Addis Ababa and becomes advisor to relevant RRC officials for purpose of developing a donor-oriented monitoring/reporting system.