



MONTHLY SITUATION REPORT FOR ETHIOPIA July 1998

Consolidated UN report prepared by the Information Section of the UNDP Emergencies Unit for Ethiopia from information and reports provided by specialised UN agencies, media sources, the Government and NGOs.

HIGHLIGHTS

- Despite the failure to achieve a diplomatic breakthrough in the boundary dispute between Ethiopia and Eritrea no further serious incidents of fighting are reported, however, both countries continue to mobilise;
- UN Country Team in Ethiopia responds to the humanitarian needs of people displaced by the border conflict with a programme of assistance valued at over US \$4 million, including \$2 million in existing resources, \$500,000 from emergency funds requiring reimbursement and \$1.55 million subject to appeals for additional resources from donors;
- World Food Programme contracts fleet of 117 private trucks to accelerate dispatch of relief cargo from Djibouti port and helps push daily food aid dispatch rates to around 650 tons/day;
- Much improved main season rains coupled with good fertiliser availability raises hopes for an average to above average *meher* harvest in November/December, however, exceptionally heavy rains lead to localised flooding;
- Following a fall in the rate of repayments, Emergency Food Security Reserve stocks fall to below minimum levels with physical stocks of 76,000 tons reported.

NEWS AND EVENTS

Parliament approves 1998/99 budget: The Ethiopian parliament approved an 11.137 billion birr (\$1.61 billion) budget for the fiscal year 1998/99 which began this July. Ethiopia's expenditure for 1997/98 was posted at 10.453 billion birr. Finance Minister Sufian Ahmed said that the government has given special attention to development projects like roads, power supply and agricultural research activities. The government plans to collect 7.6 billion birr in federal revenue this coming fiscal year which represents a 10 per cent increase over the preceding year. The break down of the budget shows that Ethiopia has set aside 995.3 million birr for defence, 332.2 million birr for the social sector, 257 million birr for economic development and 146.7 million birr for foreign affairs. (*Reuters, Addis Tribune: July 7; AP, July 8*)

Exports to Djibouti and Somalia: According to the eastern branch of the Customs Authority, domestic products worth about 23 million U.S. dollars are being exported via Dire Dawa to Djibouti and Somalia every month. The customs authority say trade in the narcotic weed, *qat*, is worth some five million dollars a month alone. The eastern branch collected over 70,000,000 birr in revenue in just ended Ethiopian fiscal year. Meanwhile, three new border customs posts have been opened at Togochole, Teferi Ber and Deblo Woyen to facilitate the legal processing of goods transiting through Hargeisa and the port of Berbera in neighbouring Somaliland. (*Reuters, July 13 & 23; Ethiopian Herald, July 15*)

Road connecting Ethiopia and Djibouti under improvement: The Ethiopian Road Authority reports that the road connecting Dire Dawa with Djibouti is under re-construction to

make it able to withstand an increase in traffic due to the diversion of Ethiopia's import-export trade through the port of Djibouti. The road, which until recently saw little more than light traffic, is now being used by several hundred heavy vehicles each day. (*Addis Tribune, July 17*)

UNDP signs major new grant agreements: Grant agreements amounting to 54.2 million U.S. dollars were signed on July 23, between the Federal Republic of Ethiopia and the United Nations Development Programme (UNDP). The purpose of the grant is to assist Ethiopia's efforts to reduce poverty and promote sustainable development. Out of the total grant, \$16.9 million will be used for capacity building, \$10.2 million for agricultural development and \$12.1 million for the education sector development programme. The balance will be used in support of the government's water resources development programme. (*Ethiopian Herald, July 24; The monitor, July 25-26*)

China agrees to finance Addis Ababa ring road: Ethiopia and China have signed an interest free loan agreement amounting 12.9 million U.S. dollars for financing the foreign component of the construction of the new Addis Ababa ring road. In addition, another agreement was signed by the two governments for the provision of medical services and assistance to Nazareth Hospital over a two year period, including equipment and medical staff. (*Ethiopian Herald July 18, Addis Tribune July 24*)

Good coffee harvest expected: An increase of 3 percent in volume and 12 percent in value is reported in the production of coffee during the first 11 months of this year compared to that of the previous year. According to the Coffee and Tea Development Authority, the harvest rose from 113,321 tons to 133,139 tons and revenues from U.S. \$387 million to \$445.7 million, good news for the country's overall economic situation where coffee revenues represent 60 percent of total export revenues. The increase in coffee production and revenues is officially explained as being the result of good economic control. (*Indian Ocean Newsletter, July 18; Ethiopian Herald, July 26*)

Stiff new traffic safety regulations introduced: Stringent new traffic regulations have been introduced in Addis Ababa to stem a rising trend of traffic accidents in the city. According to officials, Addis Ababa currently suffers the highest rate of traffic accidents in the world with a total of 9,714 incidents recorded in the past 12 months with 300 deaths, 2,340 injuries, and a loss of property worth 11.6 million birr (approx. U.S. \$1.7 million). The death toll represented a 17 per cent increase from the previous year. Announcing the move on July 3, the Transport and Communications Bureau announced the regulations put traffic offences into six categories entailing penalties raging from 40 to 140 birr, with the most serious resulting in court proceedings and the disqualification of drivers. Taxi owners, who described the new rules as "punitive rather than preventive", held a one day strike on July 8 to protest the regulations. (*The monitor, July 4-5*)

Ethiopia to help improve Djibouti port facilities: Ethiopia said on July 1, it would donate more than 21 million birr (approx. U.S. \$3 million) to improve facilities at the port of Djibouti. The port has become vital to Ethiopia since the outbreak of conflict with Eritrea. The funds from the Ethiopian Maritime & Transport Service would be used to buy cranes for lifting heavy cargo and for building warehouses. The additional warehouses are needed to help alleviate the problem of overcrowding at the port. The Djibouti government has begun the process of handing over land required for the warehouse construction. (*The Monitor, July 2; Ethiopian Herald, July 3*)

Internet access to be upgraded: The Ethiopian Telecommunications Corporation has signed three new agreements - one grant and two contracts - aimed at improving its Internet service and the setting up of a second satellite station in northern Ethiopia. An ETC statement said a memorandum of understanding was signed July 2 between the Ministry of Economic Development and Co-operation, UNDP and ETC to upgrade the capacity of the

existing Ethio-Internet service at a cost of around U.S. \$1.3 million, of which \$703,303 would be covered by ETC itself. The corporation also signed a deal with Global One to double Ethio-Internet's existing 256 kilo-bytes IP connection server capacity to reduce problems of congestion and boost Ethio-Internet's capacity to 14,000 subscribers. The agreement with UNDP will help boost bandwidth to one megabyte making possible the provision of dependable Internet service to eight regional towns. The third agreement was with the Japanese company, NEC, for the provision and installation by the end of the year of a second international Earth Satellite Station in Mekele. (*The Monitor, July 7*)

IMF secures new agreement: The International Monetary Fund (IMF) said on July 10, it had reached an agreement with Ethiopia to revive the second year of a soft loan worth U.S. \$30 million for Enhanced Structural Adjustment Facility (ESAF). "The mission had successful discussions with the authorities and concluded an arrangement for the second year of the ESAF," said Ali Abdi, the new IMF Resident Representative in Ethiopia. Any agreement would be subject to the approval of the IMF Board of Directors who would meet within 90 days, Abdi said. An arrangement to disburse around 90 million dollars special drawing rights (SDR) over three years lapsed late last year and the agreement is to revive the second year arrangement for around \$30 million SDR. (*The Monitor, July 11-12*)

CONFLICT WITH ERITREA

Recent developments

Initial hopes that endorsement of the US/Rwandan peace plan by the OAU and later the UN Security Council resolution supporting the OAU's peace-making efforts would lead to progress in resolving the dispute were later submerged in a "war of words" between the two countries which became increasingly vitriolic during July. Though fully acceptable to Ethiopia, the US/Rwandan plan for the neutral demarcation of the frontier has yet to achieve visible progress due to the refusal of Eritrea to withdraw from areas occupied by its forces during initial fighting in May and June. Though both Eritrea and Ethiopia are proceeding to mobilise their forces, attempts to mediate between the two countries continue and there were no serious border clashes reported during the month.

On July 2, Rwanda withdrew from the OAU-led ambassadorial team shuttling between Asmara and Addis Ababa in the hope that this would help pave the way for a new peace initiative. The team now includes ambassadors to the OAU from Burkina Faso, Djibouti and Zimbabwe, along with staff members of the OAU's organ for conflict prevention, management and resolution. During much of the month, the team conducted fact-find missions to both countries holding extensive meetings with government officials to examine the basis for the dispute. Consultations were also held with technical experts, diplomats and representatives of UN and non-governmental organisations in each country. With the two sides holding apparently irreconcilable positions, the OAU team were never expected to achieve any dramatic diplomatic breakthrough, however, the process of consultation did go some way to defuse a very dangerous situation and certainly helped prevent any further escalation in the fighting.

Ahead of talks with the Eritrean and Ethiopian Foreign Ministers planned for early August in Ouagadougou, on July 27 the team went to Burkina Faso to brief the current OAU chairman, Blaise Compaore, and to present a report on their preliminary findings.

Neither side has modified the positions assumed at the beginning of the conflict in May, with Addis Ababa saying it will not contemplate direct negotiations until Eritrean forces withdraw from Ethiopian territory while Asmara says it will never withdraw from territory it considers to be sovereign. Each side sent high level emissaries to argue its case with neighbouring

countries in the region as well to capitals in Europe. President Museveni of Uganda paid short visits to Addis Ababa and Asmara in an effort to mediate in the conflict as did the Tunisian Secretary of State for Maghreb and African Affairs. Both Prime Minister Meles Zenawi of Ethiopia and President Isaias Afewerki of Eritrea met with Kenyan President Daniel arap Moi to discuss the dispute.

In the war of words, each side has bombarded the press and diplomatic community with claims and counter claims. Increasingly, public statements have focussed on the treatment of nationals in the opposing country with each side accusing the other of human rights abuses. In a second wave of expulsions in mid-July, the Ethiopian authorities detained and deported a further 1,045 people of Eritrean origin who were allegedly active members of the ruling Eritrean People's Front for Democracy and Justice. According to the Eritrean government, by the end of the month a total of 14,000 Eritreans had been deported from Ethiopia since the conflict began. The government in Addis Ababa claims that more than 6,000 Ethiopians have been expelled from Eritrea.

Militarily, there was little or no exchange of fire during July at any of the flash points along the common border, indeed there have been no major incidents reported since June 11. However, the mobilisation of manpower and equipment for the war effort has continued unabated.

International response to humanitarian needs

The Ethiopian Government through the Disaster Prevention and Preparedness Commission (DPPC) launched an international humanitarian appeal on June 15 to assist 150,000 people displaced by the war. In June, the UN Country Team sent technical missions to Tigray and Afar regions in conjunction with the DPPC to assess the condition and needs of the displaced people in terms of food, shelter, access to water and sanitation, health, household/personal effects and the special needs of women and children. Copies of the consolidated mission report, entitled "Humanitarian Needs of War-Displaced People in Northern and north-eastern Ethiopia" are available from the UNDP Emergencies Unit for Ethiopia, from UN agencies or from OCHA in New York or Geneva.

In addition to verifying needs, the importance of avoiding duplication of effort has been recognised by donors. As a contribution to the process of co-ordinating assistance, and in collaboration with the DPPC, a working paper has been produced by the UN Country Team outlining the major commitments to the government appeal to date (copies available from the UNDP-EUE) covering, (1) cash contributions of the major international donors; (2) assistance provided by major implementing agencies; (3) assistance appealed for by major implementing agencies and, (4) Local contributions in kind and cash.

As of the end of July, cash contributions by bilateral donors (largely through NGO partners) amounting to in excess of US \$1 million had been recorded, mainly for the purchase and delivery of health supplies, shelter materials and supplementary food. This compares to the equivalent of an estimated US \$2.76 million raised in local cash contributions and channelled through the DPPC. Regarding food aid, in addition to the reallocation of 5,000 tons of cereals by WFP to the emergency (worth US \$1.6 million), with the support of donors a number of NGOs have given commitments to provide around 375 tons of supplementary food, biscuits and vegetable oil, while requests were pending for the provision of some 30,000 tons of cereals.

In the health sector, with funds provided by the German Government and Caritas, 41 standard emergency health kits have been given to REST through the Ethiopian Catholic Secretariat for use in both Tigray and Afar regions. In Addition, MSF France and Holland

have made available 2 standard emergency kits and 2 surgery kits for the displaced. Similarly, Médecins du Monde have provided 2 health kits for use in Afar region and ICRC have provided surgical materials for the health authorities in Mekele and Axum. WHO and UNICEF have together pledged a total of 60 emergency health kits, plus essential supplies for measles and meningitis vaccination, Vitamin A and ORS campaigns and on reproductive health and safe delivery. The total commitment in financial terms by UN agencies as of 31 July was \$590,000.

In water and sanitation, UNICEF has appealed for US \$400,000 to be mainly earmarked for the rehabilitation of existing wells, for the purchase of water treatment equipment, pumps and storage. \$130,000 has already been allocated for the first phase of the programme from UNICEF's Global Emergency Programme Fund. The NGOs are mainly concentrating their assistance in the areas of water storage and trucking. To date some 2,900 jerrycans have been provided together with 3 bladders. Requests are pending for an additional 12,500 jerrycans and 5 bladders. With trucks on loan from CARE, DPPC and MdM, there is a water tankering capacity of approximately 110 cubic metres/day.

The provision of adequate shelter materials has been a priority for a number of donor agencies. Among numerous household and ancillary items, so far pledged is plastic sheeting sufficient for 9,400 persons, 64,000 blankets, tents for 7,750 persons and 3,000 kerosene stoves. Appealed for is plastic sheeting sufficient for an additional 22,500 families, 13,250 blankets and tents for 685 persons. To meet the needs of an estimated 38,000 displaced families, some 1,900 rolls of plastic sheeting would be needed in total. To date, the total pledged and appealed for by all agencies amounts to 1,475 rolls.

UN response to the government appeal

Following completion of the June needs assessment the UN Country Team pursued a number of mechanisms in order to mount a rapid and co-ordinated response to the government appeal. Assistance pledged included the use of existing resources, the use of both local and global emergency funds which are immediately available but which will require replenishment, and the request for additional, new funding from donors. A summary of the UN response and details of the additional resources required are given in the report "*War Displaced in Tigray and Afar Regions - UN Response Summary*" issued by the Office of the UN Resident Co-ordinator on August 13, 1998 (available from UNDP-EUE).

UN agency interventions from existing resources, reimbursable resources and funds subject to special appeals presently including the following areas:

Food and Nutrition	-	US \$1.6 million
Health	-	US \$914,000
Water and Sanitation	-	US \$400,000
Shelter and Household Utensils	-	US \$484,000
Education & Special Needs	-	US \$395,000
Logistical Support	-	US \$ 85,000
Assessment, Monitoring & Evaluation	-	US \$ 90,000
Other	-	US \$175,000

In summary, the UN agencies collectively have so far made commitments from existing resources equivalent to US \$2,089,000; US \$500,000 in pledges from sources requiring reimbursement and are seeking additional resources worth US\$1,554,000. As information is gathered regarding other donor pledges and the utilisation of local contributions, the UN

agencies will review this initial response and once additional gaps are identified, determine what further interventions may be necessary.

AGRICULTURE, WEATHER AND PESTS

Weather and prospects for the *Meher* harvest

Though late in starting, the main season - *kremt* - rains steadily intensified and became well established during the month of July with normal to above normal amounts recorded over much of the country. Widespread and occasionally heavy rains were recorded over much of Tigray, Amhara, Benishangul and western Oromiya from the middle of the month. Gambella, most parts of the Southern People's region and eastern Oromiya (Hararghe) enjoyed scattered showers during this period and some heavier rain towards the end of the month. While showers were recorded over the Afar region from the end of July, the Somali region remained generally dry despite the build of cloud cover from the second dekad of the month.

An intensification of storm activity during the first dekad of August has led to localised flooding in the Humera area of western Tigray, where 78 houses were destroyed and damage worth 850,000 birr caused, and is giving cause for concern along the lower Awash valley where the river has again broken its banks. Similarly, heavy rain in the south west of Ethiopia has caused flooding in Gambella region where the Baro river is running exceptionally high.

With satellite imagery showing normal to above normal rainfall throughout the main growing areas of the country and extensive vegetative cover, prospects for a satisfactory *meher* harvest appear good at present. However, it is necessary that the current rains continue through to at least the normal time for cessation in September, ideally extending well into October.

Migratory pests

The country is presently free of Desert Locust and Armyworms.

Fertiliser

The head of the marketing department of the National Fertiliser Agency has reported total availability of DAP and Urea fertiliser amounting to 425,556 tons for the year. 103,748 tons of this was already in reserve while the remaining 371,808 tons entered the country during the year. The fertiliser currently under distribution is well in excess of the year's planned target of 308,000 tons and therefore this year's supply is significantly greater than that of last year.

The NFIA are presently optimistic for a good *meher* harvest as the weather during the current production season has significantly improved and rural credit services considerably expanded throughout the country. Sales as of 30 June stood at 55 percent of the planned target with the sales expected to peak during the months of July and August. 60 percent of all sales are in Oromiya region, followed by Amhara and the Southern People's region.

The indicative fertiliser demand for 1999 is estimated by the NFIA at 433,000 tons comprising 109,000 tons of Urea and 324,000 tons of DAP. After adjusting the estimated opening stocks of 143,000 tons the estimated net import requirement for next year is 290,000 tons (Urea 56,000 tons and DAP 234,000 tons). The first shipments totalling 50,000 tons are expected to arrive at Djibouti in November and December.

FOOD AID AND LOGISTICS

Food aid pledges and shipments

A recent pledge from the Dutch government for 10,000 tons of cereal to be purchased locally through SCF (UK) has brought pledges against the 1998 relief food requirement totalling 287,468 tons. Of this figure, as of August 7 deliveries of 115,944 tons had been recorded. Deliveries against 1997 carry-over pledges have reached 127,804 tons bringing total relief food deliveries this year to 243,748 tons. The table below summarises food aid pledges and deliveries for 1998:

Pledges against 1998 Food Aid Requirements - Cereals & Pulses (11 August 1998)

	Relief	Regular	EFSR	TOTAL
<u>1998 pledges</u>				
USA	115,000	17,719	-	132,719
EC	46,200	32,140	24,000	102,340
WFP	60,000	34,061	-	94,061
Sweden	31,000	-	-	31,000
Germany	2,426	19,488	-	21,914
UK	18,792	-	-	18,792
Canada	1,000	1,100	-	2,100
Denmark	1,100	900	-	2,000
Norway	1,950	-	-	1,950
Netherlands	10,000	-	-	10,000
TOTAL	287,468	105,408	24,000	416,876
Deliveries as of 07/08/98	115,944	25,682	-	141,626

Logistics and port operations

To improve the efficiency of operations to uplift relief cargos coming through the port of Djibouti, the UN World Food Programme has secured under contract a total of 117 private trucks, a number that could be increased to more than 300 should the need arise. WFP have obtained guarantees from the government that trucks in this fleet will not be commandeered or otherwise interfered with. Since the mobilisation of the fleet, dispatches up-country have improved significantly with figures averaging around the 650 tons/day mark during the first ten days of August. Not unexpectedly, the railway from Djibouti to Dire Dawa has not performed particularly well with only 3,080 tons moved in the thirty day period to August 11. With the railway proving to be increasingly unreliable, WFP anticipate deploying more trucks to this route, placing additional pressure on the road which is already in a poor state of repair.

Offtake from the port has similarly shown some improvement in the past month with a daily average of 1,096 tons recorded for the first week of August as compared to 634 tons during

July. Food consignments arriving at Djibouti during July totalled 29,406 tons, including 10,500 tons of regular food aid, 2,000 tons of relief cargo, 5,480 tons for monetisation and 11,462 tons for the refugee programme. Stocks at the end of the month were just over 41,000 tons (all food aid) with approximately 34,000 tons in additional food aid cargo expected to discharge during August. Though fears of serious congestion at the port do not appear to have materialised as yet, with offtake only barely keeping up with arrivals and a number of large consignments of both food aid and fertiliser expected from September onwards, a significant backlog of cargo could easily develop. While the Ethiopian authorities have made some progress in deploying additional mobile cranes and fork-lift trucks to the port as well as make available portable generators, investments in new equipment and warehousing are unlikely to impact on port operations for 6 to 8 months at least.

Meanwhile, the Ministry of Trade and Industry has announced that 105 million litres of petroleum was imported during the month via Djibouti. In its statement, the ministry added that not more than 85 million litres of petroleum used to come in a month via the Assab Port. The Ethiopian Petroleum Enterprise reports that on average 120 tanker trucks carrying petroleum leave daily the Port of Djibouti to the Ethiopian hinterland.

Emergency Food Security Reserve status

The Emergency Food Security Reserve has again fallen to a minimum level with physical stocks of around 76,000 tons reported as of 13 August. This figure includes the deduction of a new loan of 10,000 tons to SCF (UK), to be withdrawn on the basis of the recently confirmed Dutch government pledge, but does not take into account a loan of 20,000 tons for the DPPC which has been placed on-hold by the EFSR Technical Committee pending receipt of further repayments and some recovery of the stocks above the minimum threshold of 25 percent. Among repayments currently expected is a shipment of 6,800 tons of wheat from REST which arrived in Djibouti mid-July.

During the second quarter of 1998, the EFSR agreed loans to NGOs, WFP and DPPC amounting to 93,753 tons for emergency relief in drought affected areas and for food-for-work programmes in areas where emergency relief is needed. During the same period, however, only 27,811 tons in outstanding loans were repaid to the reserve, which is considered very low in comparison to the previous three quarters when an average of more than 80,000 tons had been repaid each quarter. The main reason is the conflict with Eritrea and the forced closure of Massawa and Assab ports. In Assab, approximately 40,000 tons of grain destined for repayments to the reserve has been stranded.

In its budget for the new fiscal year, the Ethiopia Government approved a total of just under 22 million birr for the capital and recurrent budgets of the EFSR. 15 million birr has been earmarked for capital projects including the construction of new warehouses at Woreta and Wolaita Soddo with an aggregate capacity of 79,500 tons. Upon completion, these new warehouses will bring the total storage capacity of the EFSR up to 291,500 tons.

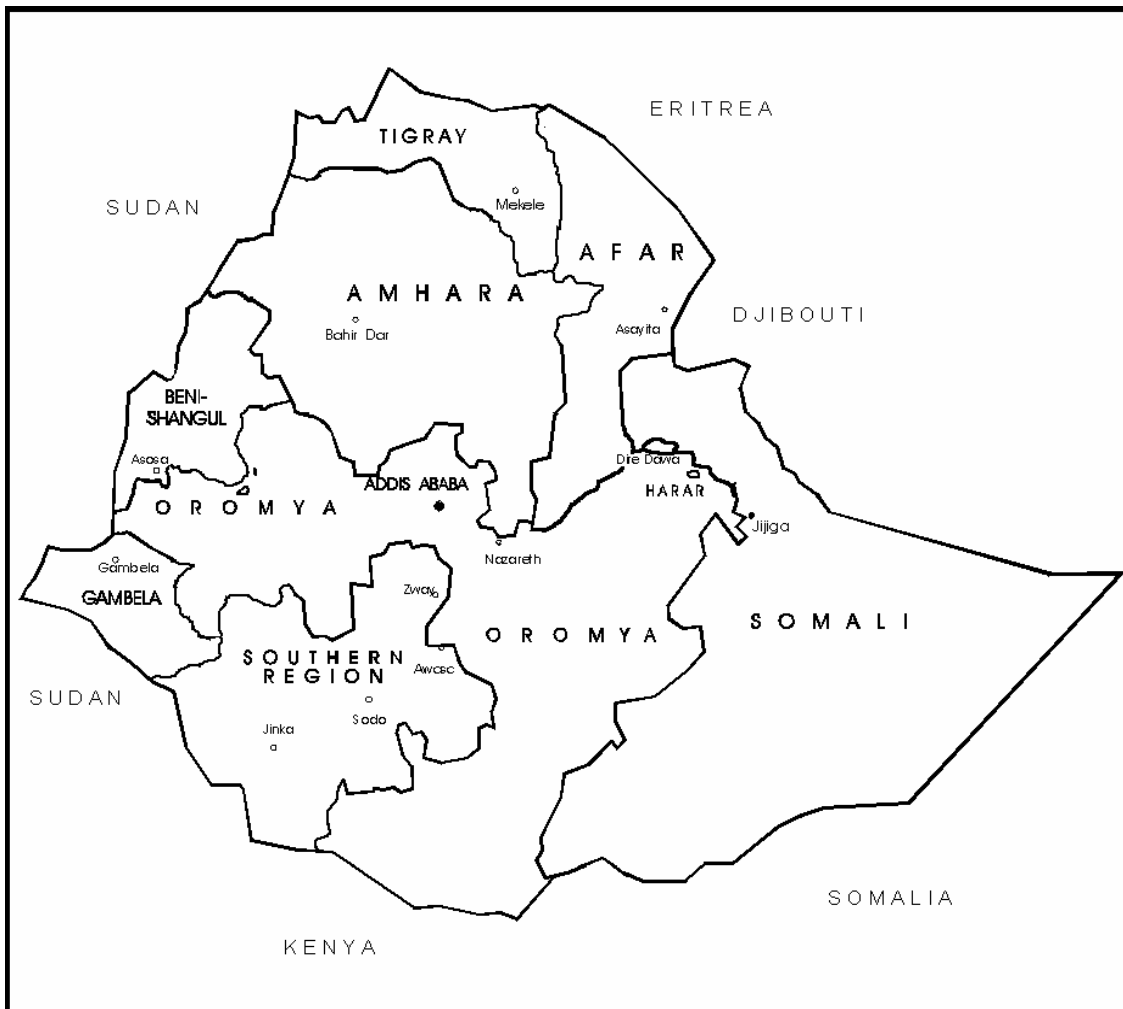
REFUGEES AND RETURNEES

Refugee Statistics (as of 30 June 1998)

<u>West</u>		<u>East</u>	
Bonga	12,549	Hartisheik (A & B)	41,389
Fugnido	23,275	Aisha	15,290
Dimma	7,726	Kebribeyah	11,547

Shirkole	20,613	Teferiber	46,331
Sub-total	64,163	Derwenaji	29,649
<u>South-east</u>		Camaboker	28,590
Dolo Odo	5,000	Rabasso	16,814
Dolo Bay	1,200	Daror	33,985
Suftu	1,800	Sub-total	223,595
Sub-total	8,000	<u>South</u>	
<u>North-east</u>		Moyale/Dokisso	8,671
Afar Region	3,000	<u>Addis Ababa</u>	
		Urban refugees	700
GRAND TOTAL	308,129		

Administrative Map of Ethiopia



DISCLAIMER

The designations employed and the presentation of material in this document do not imply the expression of any opinion whatsoever of the UN concerning the legal status of any country, territory, city or area of its authorities, or concerning the delimitation of its frontiers or boundaries.

SOURCES:

UNDP-EUE field reports; CARE; Disaster Prevention and Preparedness Commission (DPPC); European Union; FAO; FEWS; National Meteorological Services Agency (NMSA); Administration for Refugee and Returnee Affairs (ARRA); Grain Market Research Project of the Ministry of Economic Development and Co-operation (GMRP-MEDaC); SCF (UK); UNICEF; UNHCR; WHO; AFP; ENA.

11 August 1998

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