ETHIOPIA SUPPLY CHAIN ANALYSIS AND ROUTE MAPPING - Dale

March 2022

INTRODUCTION

The overall aim of supply chain analysis (SCA) is to provide a market network baseline by connecting different types of market actors to guide evidence-based response actions by cash actors within Ethiopia.

Since 2020, REACH (an ACTED's Initiative) has been working in close collaboration with the Ethiopia Collaborative Cash Delivery (CCD) Network to launch and coordinate a Joint Market Monitoring Initiative (JMMI). However, there is currently no initiative undertaken to map supply chains and assess barriers and market integration throughout Ethiopia. Cash-based interventions require supply chains to function properly and to provide basic commodities continuously as any disruptions may affect the availability of basic goods, as well as commodity prices. To address the outlined information gaps, REACH launched and coordinated an SCA and route mapping in key food-insecure (IPC 3 or above)[1] zones in 11 regions of Ethiopia, to better understand whether current local market systems are vulnerable to breakdown when placed under stress.

Information was collected via individual interviews with purposely sampled consumers, retailers, wholesalers, and transporters who acted as individual informants (IIs) for their respective woredas. For commodity stock levels, the median stock levels were calculated for each item within each assessed woreda. National medians were calculated by a second median across all of the woreda-level medians. **Data collection took place between 14 and 31 March 2022. Findings are not generalisable and should rather be considered indicative only.**

More information on the methodology can be found in Annex 1 on page 6.

1. Other criteria, mainly accessibility and population size, were also considered when IPC information was not available.
2. The key commodities were selected as a sample from cereal, meat, fuel and hygiene items.

*Findings are not generalisable to the region or zone level.

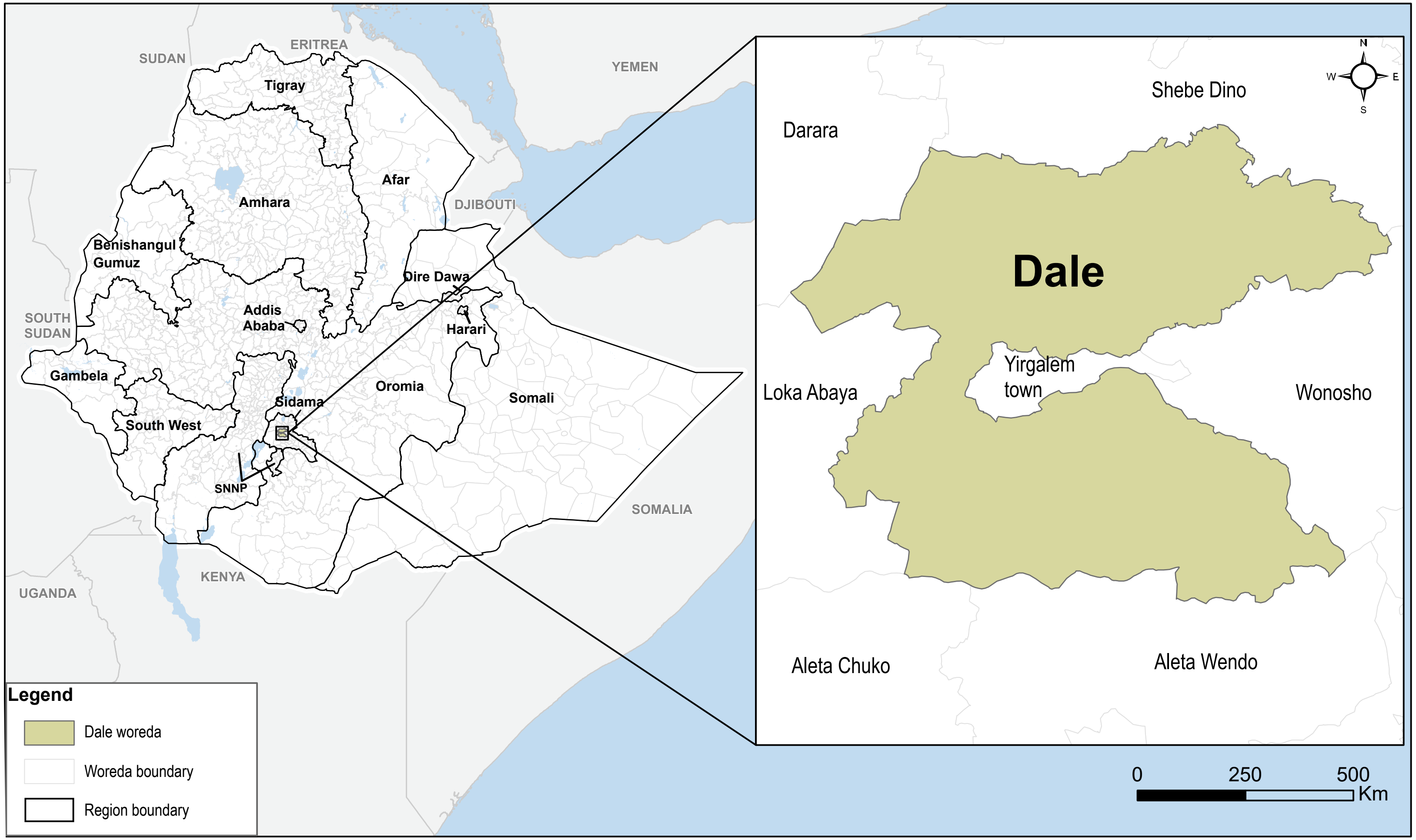
Assessed commodities[2]

Maize	Charcoal
Beef	Bath soap

Individual Interviews (IIs)

IIs with consumers	60	IIs with transporters	12
IIs with retailers	16	Total of IIs	100
IIs with wholesalers	12	Assessed woreda/town	Dale*

ASSESSED WOREDA



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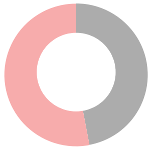
MARKET FUNCTIONALITY

MARKET FUNCTIONALITY

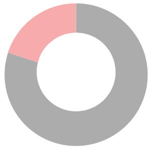
AVAILABILITY

Reported availability of key items, by % of interviewed consumers:

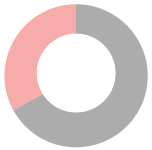
Maize



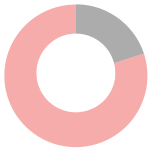
Beef



Charcoal

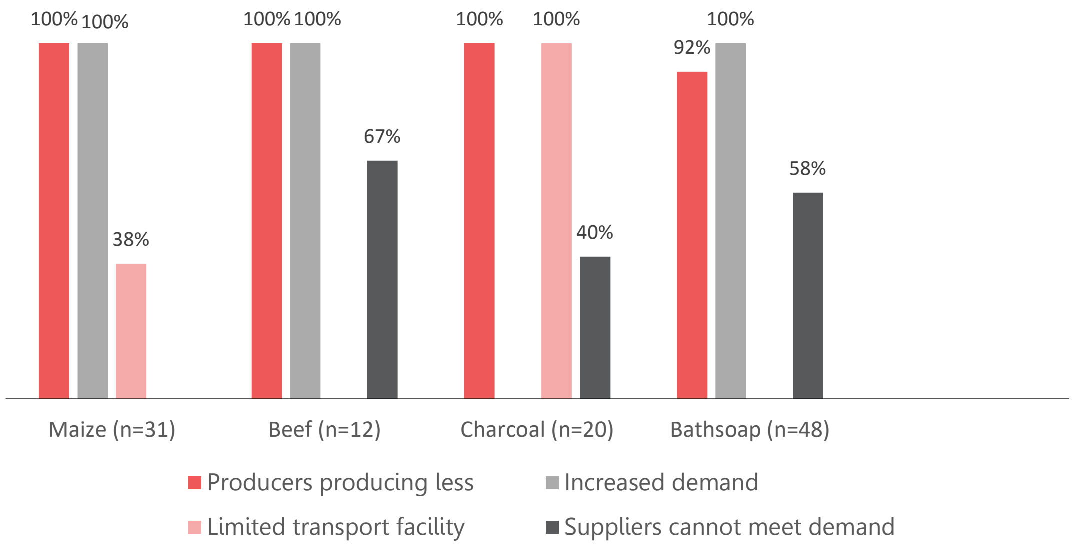


Bath soap



Main reasons for limited availability

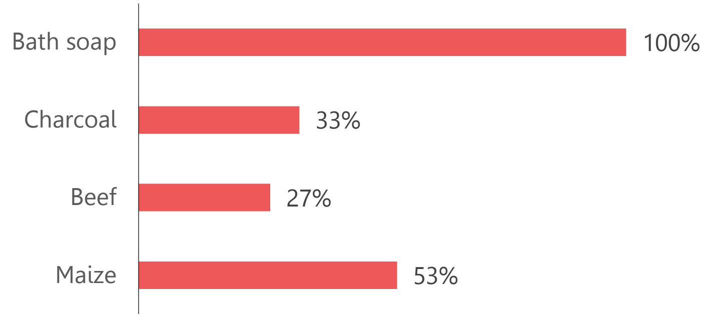
Main reasons for limited availability, by % of interviewed consumers reporting limited availability per key item[3]:



3. Percentages may add up to more than 100%, as respondents could choose more than one response

AFFORDABILITY

% of consumers reporting **not** having been able to afford the following items consistently in the 30 days prior to data collection:



The most reported reason by interviewed consumers that reported **not** having been able to consistently afford in the 30 days prior to data collection:

Maize (n=8)	1	100%	Prices too high	2	80%	High transportation cost	3	60%	Not have sufficient cash
Beef (n=4)	1	100%	Prices too high	2	33%	Not have sufficient cash			
Charcoal (n=5)	1	50%	Prices too high	1	50%	Fuel expensive	1	50%	High transportation cost
Bath soap (n=15	1	100%	Prices too high	2	53%	Not have sufficient cash	2	53%	High transportation cost

AVAILABLE STOCK AND TIME NEEDED TO RESTOCK

Item	Median level of stock remaining in store (days)	Amount of time needed to fully restock (days)
Retailers		
Maize	9	2
Beef	2	3
Charcoal	15	8
Bath soap	30	2
Wholesalers		
Maize	8	2
Beef	5	4
Charcoal	5	2
Bath soap	30	7

Green = no issues (remaining stock > time needed to restock)
Yellow = supply chain limitations (remaining stock = time needed to restock)
Red = imminent shortage (remaining stock < time needed to restock)

BARRIERS TO MARKET FUNCTIONALITY AND ACCESSING MARKET

PHYSICAL BARRIERS[4]

0% of interviewed **consumers** reported **not** having been able to physically and safely reach their nearest marketplace in the 30 days prior to data collection.

81% (n=13) of interviewed **retailers** reported not having been able to physically and safely reach their nearest marketplace in the 30 days prior to data collection. The most reported barriers were:[5]

1. 100% Curfew

50% (n=6) of interviewed **wholesalers** reported **not** having been able to physically and safely reach their nearest marketplace in the 30 days prior to data collection. The most reported barriers were:[5]

1. 100% Curfew

8% (n=1) of interviewed **transporters** reported **not** having been able to physically and safely reach their nearest marketplace in the 30 days prior to data collection. The most reported barriers were:[5]

1. 100%

SOCIAL BARRIERS[4]

7% (n=1) of interviewed **consumers** reported having faced discrimination/prejudice/poor treatment while accessing their nearest marketplace in the 30 days prior to data collection. The most reported barriers were:[5]

1. 100% Cultural prejudice[6]

0% of the **transporters** reported to have faced discrimination/prejudice/poor treatment while accessing their nearest marketplace in the 30 days prior to data collection.

6% (n=1) of interviewed **retailers** reported having faced discrimination/prejudice/poor treatment while accessing their nearest marketplace in the 30 days prior to data collection.

0% of interviewed **wholesalers** reported having faced discrimination/prejudice/poor treatment while accessing their nearest marketplace in the 30 days prior to data collection.

4. Due to the small size of the subset for this indicator, results should be interpreted with caution
5. Percentages may add up to more than 100%, as respondents could choose more than one response
6. Cultural prejuidce is defined as a negative opinion or attitude about people based on their culture.
7. Ethinic prejuidce is defined as a negative opinion or attitude about people for belonging to a specific ethnic group.

FINANCIAL BARRIERS[4]

75% (n=12) of **retailers** reported that they were **not** consistently able to supply/sell key commodities to their market place in the 30 days prior to data collection. The main reasons mentioned were:

1. 100% High transportation cost
2. 58% Lack of money to purchase items in the amounts needed
3. 25% Items have become unaffordable for consumers to purchase

83% (n=10) of **wholesalers** reported that they were **not** consistently able to supply/sell key commodities to their market place in the 30 days prior to data collection. The main reasons mentioned were:

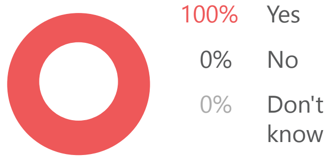
1. 60% Lack of money to purchase items in the amounts neededrs to purchase
2. 40% Items have become unaffordable for consumers to purchase.
3. 10% Rising exchange rate

75% (n=9) of **transporters** reported that they were **not** consistently able to supply/sell key commodities to their market place in the 30 days prior to data collection.

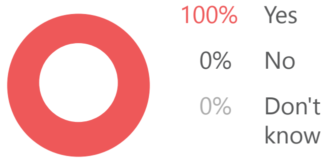
EFFECTS OF SEASONAL CHANGE[4]

Proportion of retailers, wholesalers and transporters that reported perceiving a change of supply of key commodities depending on the (wet and dry) season:

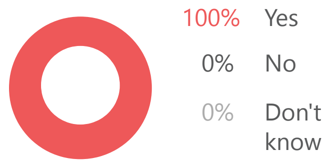
Retailer



Wholesaler

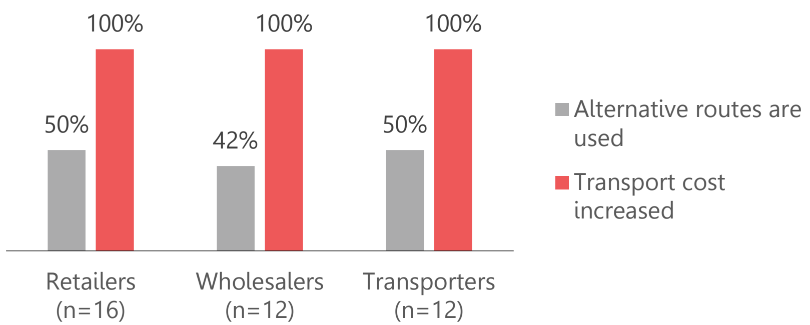


Transporter



Effects of seasonal change on transportation[4]

Effects of seasonal change (in rainy season) on transportation, by % of interviewed retailers, wholesalers and transporters:



ANNEX 1

METHODOLOGY DETAILS

The methodology centred on structured interviews with purposely sampled retailers, wholesalers, transporters and consumers who acted as individual informants (IIs) for their respective woredas. Eleven woredas were selected from 11 regions of Ethiopia. The selection of woredas was based on different criteria. The first criterion consisted of targeting the woredas in crisis zones or zones experiencing food insecurity (Phase 3 or above according to the Integrated Food Security Phase Classification (IPC)) for the areas covered by IPC (October 2020) . The second criterion was the representativeness of the assessment at national level by having one woreda in each region apart from Tigray, due to limited accessibility, and South West region, as it had only recently split from SNNP. In addition, woredas with higher population sizes were prioritised, and availability of markets and commodities, as well as physical accessibility and the availability of human resources to monitor the assessment, were also considered.

For purposes of collecting quantitative data, the population of interest comprised market actors (i.e., consumers, retailers, wholesalers, and transporters) involved in the sale of the four targeted key commodities (i.e., maize, beef/goat meat, charcoal, and bath soap), operating in and around the same main woredas. The key commodities were selected as a sample from cereal, meat, fuel and hyginene items. Goat meat was assessed in Mile and Dolo Ado and beef in the rest of the woredas given the availability of the meat types and the consumption pattern in the woredas. Consumer respondents were selected based on whether they regularly shopped in the assessed marketplaces, assuming that they will have sufficient knowledge of the key commodities. Retailers, wholesalers, and transporters, on the other hand, were selected based on their involvement in the supply chains as either wholesalers, retailers or transporters of the assessed key commodities.

The unit of measurement for market actors was the woreda to match the unit of analysis. Within each targeted woreda, REACH enumerators were responsible for purposely identifying respondents to interview (for each of the 4 target commodities) along the supply chain that match the following criteria:

- Retailers who sell one or more assessed commodities directly to consumers
- Wholesalers who sell one or more assessed commodities directly to other traders
- Transporters who move the target commodities through, into, and out of Ethiopia
- Consumers who typically buy from small as well as large traders for consumption

For each selected key commodity, REACH interviewed a minimum of 15 consumers, 4 retailers, 3 wholesalers, and 3 transporters along the supply chain in each assessed woreda, resulting in a minimum of 100 total interviews per woreda. Data was collected between 14 and 31 March 2022. Findings are not generalisable and should rather be considered indicative only.

Challenges & Limitations

- Only four items were assessed in each assessed woreda and the assessement should not be considered as generalisable to all the items available in the marketplaces.
- The sample size for retailers, wholesalers, and transporters in particular is small and results should be interpreted with caution.
- Findings are specific to the assessed woreda at the time of data collection and cannot be generalised to the regional level.

Funded by the European Union

About REACH

REACH is a joint initiative that facilitates the development of information tools and products that enhance the capacity of aid actors to make evidence-based decisions in emergency, recovery, and development contexts. By doing so, REACH contributes to ensuring that communities affected by emergencies receive the support they need. All REACH activities are conducted in support to and within the framework of inter-agency aid coordination mechanisms.

For more information, please visit our website at www.reach-initiative.org or follow us on Twitter at @REACH_info.