



Pastoralist Areas Resilience Improvement through Market Expansion (PRIME) Project
Funded by the United States Agency for International Development

YEAR 2 REPORT
FY 2014
Reporting Period: October 2013 – September 2014

Submitted to:
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I. EXECUTIVE SUMMARY

Using a market-based facilitation approach for building resilience in pastoralist areas, PRIME supported 46,708 households and 550 businesses/organizations in Year Two. In addition to being facilitative, program activities are designed to integrate across objectives, particularly in regards to nutrition. Based on our activity reports, we estimate that around a third of households have been involved in activities from more than one PRIME component/IR, evidence that our programmatic integration efforts are paying off. We believe that the more PRIME activities a household benefits from, the more likely a household is to become resilient to the effects of climate change.

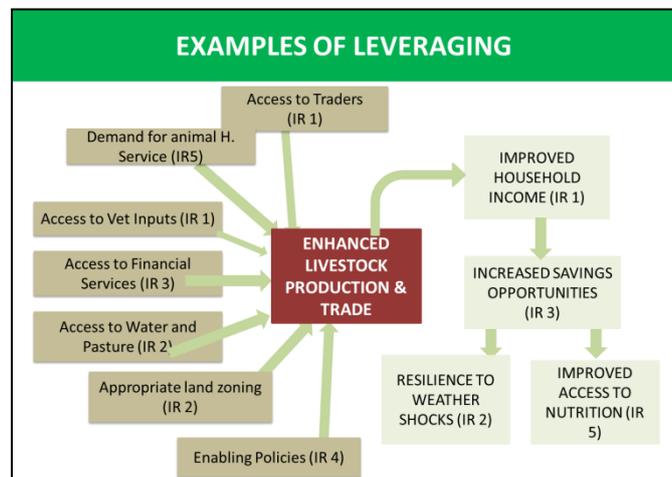
Integration efforts can also be easily recognized at the community level: when looking at the priorities set by communities (livelihood diversification, access to credit and savings, access to markets, water, seeds, animal health services and pasture, as well as access to reliable weather information, to name a few--see IR2 section). It is clear that these are the activities IRs undertake in PRIME operational areas. The community-level natural resource management work is underpinned by a periphery of support services (vet services, input suppliers, etc.) that directly address identified needs.

While market facilitation is a new approach to development in Ethiopia, beneficiaries are slowly but surely understanding the importance of creating markets for sustainable economic gains. Enhanced production of livestock and agricultural products is one of the core functions of PRIME, and it requires linkages to different market actors (traders and input suppliers, for example) and an enabling environment that includes communal governance to become a reality. Success stories included in

Annex 6 of this report, give some examples of individuals whose household incomes have increased due to PRIME's support of markets. In addition, our indicator on value of incremental sales of live heads of livestock, suggest that sales have increased by more than USD 6 million in PRIME areas.

Positive nutritional outcomes are also a core objective of PRIME – recognizing its positive correlation with women's decision-making power in the household PRIME has ensured that women have been formally worked into the Rangeland Councils, resulting in participatory processes that include women, creating a solid integration of gender issues in decision making. (See more in Success Stories, Annex 6).

Major accomplishments of Year 2 include:



Annex 6 of this report, give some examples of individuals whose household incomes have increased due to PRIME's support of markets. In addition, our indicator on value of incremental sales of live heads of livestock, suggest that sales have increased by more than USD 6 million in PRIME areas.

In support of ***Improved productivity and competitiveness of livestock and livestock products (IR1)***

- Strengthened rural enterprises that produce animal feed and fodder, while improving the capacity of milk-producing households and women's groups to more successfully handle and market milk. IR1 also collaborated with IR2 and IR5 to integrate nutrition and climate change elements into its activities and trainings with milk-producing households.
- Facilitated a total of ten trade fairs at the zonal, regional, and national level in collaboration with local chambers of commerce and industry offices. Over 280 local and national exhibitors demonstrated products and services, generating an estimated \$550,000 in revenue, and providing opportunities for local business linkages. For example, a local feed retailer that participated in the Yabello Zonal Trade Fair opened input supply shops in three new locations after seeing the demand for his products. Another entrepreneur who saw the high demand for solar lanterns at the Trade Fair, decided to begin distribution of micro-solar products in Borena as a result. All PRIME IRs contributed to the events.
- Provided business support grants (done jointly with IR3) to 80 enterprises, including: milk collection centers, feedlots, Private Vet Pharmacies, micro solar distributors, and agriculture input suppliers. These expansion grants are expected to create jobs and make products and services available in currently unserved areas.

In support of ***Enhanced pastoralists' adaptation to climate change (IR2)***

- Mapped and strengthened institutions for 23 rangeland systems across three regions, supporting climate-smart land use planning in communities. This mapping was also shared with the USAID-funded LAND (Land Administration Nurturing Development) project to link PRIME's institutional strengthening and participatory rangeland management activities to supporting improved land rights and administration (enabling environment).
- Established at partnership with the Pastoral Directorate of the State Ministry of Livestock to create a learning and harmonization platform for natural resource management in pastoral areas. The Rangelands Management Platform (RMP) is designed to provide a space for development practitioners and researchers to come together and harmonize best-practices, facilitate coordination and partnership, contribute to strategy and policy dialogues as well as take collective action and approaches to implementation, under the auspices of the Government of Ethiopia.
- Conducted multi-stakeholder Participatory Scenario Planning (PSP) workshops with communities, traditional forecasters, meteorologists and local government representatives as a process for collective sharing and interpretation of seasonal climate forecasts (from both local and scientific knowledge). The PSP helped stakeholders to agree on options, contextualize weather forecasts by linking traditional and 'scientific' forecasts, develop disaster preparedness plans, and make climate-resilient livelihood decisions for implementation.

In support of ***Strengthened alternative livelihoods for households transitioning out of pastoralism (IR3)***

- Piloted a Sharia-compliant loan product for livestock traders through the Somali MFI. This loan product is unique in the region for three reasons: 1) its focus on the livestock sector, 2) its focus on SME-level funding, 3) it is sharia-compliant. To date, SMFI has disbursed 5,000,000 ETB (approximately \$200,000 USD) to 25 large and medium-sized livestock traders in the region. The injection of this loan in the livestock market will

enable traders to buy and export roughly 15,400-18,400 livestock from approximately 7,000 households.

- Formed and expanded VSLAs using a Private Service Provider (PSP) model by training and certifying PSPs, who live in target communities and provide the services directly to VSLAs. PSPs train VSLA groups, for a fee paid directly by the VSLAs to the PSP, thus eliminating the need for long-term external technical support. The main advantage of this approach is that new VSLAs continue to be created (and supported) even after the project has ended. Within three months, 45 trained PSPs formed 73 VSLAs comprising 1,466 members (70% female), and the VSLAs mobilized group saving of around 130,000 ETB (\$6700).
- Supported a new service – “Hellojobs/Hellosira” – to roll out in Somali, Oromia and Afar regions. This service matches job seekers to prospective employers. Job seekers call a number and have their profiles registered on the system or can do it themselves online. Employers may also either call or browse the web to find potential employees. The system integrates Ethio telecom’s connectivity, BelCash’s information system and management, and Amasis’s existing agent infrastructure and advertising/communications expertise. Since the launch of “HelloJob” service in August 2014, 922 job seekers have registered; 30,000 job seekers are anticipated to register in the first year, with the expectation that 1 of 8 will obtain employment.
- Partnered with four TVET institutions, and 310 scholarships awarded to TOPs for skills development classes lasting 3-6 months. According to PRIME’s labor market assessment, the majority of TOPs lack skills that are in demand. Scholarship awardees will be able to improve their life-readiness and secure stable employment or create self-employment opportunities.

In support of *Ensure enhanced innovation, learning and knowledge management (IR4)*

- PRIME has worked on 18 policies, directives, strategies and administrative procedures critical to pastoralist areas, at both regional and national levels. This includes directives on leasing, interest-free finance, and foreign exchange, and the government policies on water resources management, energy, and climate change. The recommendations provided alongside these analyses will be used to shape activities implemented during Year 3.
- Changing current practices is important for community-level resilience, whether these practices are related to natural resource management, nutrition, or market systems. PRIME has tested innovative qualitative tools to guide the monitoring of behavior and attitude change in key areas, and findings are being incorporated into program design.
- Launched PRIME’s management information system, Ki-projects, that ensures that the many PRIME activities are appropriately reviewed, approved and results reported more quickly. With over 590 activities underway or completed as of the end of Year 2, the system allows for more efficient tracking of output indicators, tracking of environmental compliance, and provides high level activity reporting.

In support of *Improved nutritional status of targeted households improved through targeted, sustained and evidence-based interventions (IR5)*

- Strengthened availability and access of milk for children to improve nutrition outcomes, through improved quality and availability of animal feed. Development Agents (DAs) and agro-pastoral model farmers were trained on crop residue conservation and feed production, and fodder input suppliers were strengthened through business expansion grants (see above). These integrated activities sought to increase demand for fodder and strengthen fodder input supply systems, especially during the dry season. Additionally, through an emergency fodder intervention designed to protect households with milking

livestock and children, PRIME supported 24,875 livestock from 12,788 households through feed/fodder vouchers.

- Based on the findings of two complementary assessments (a Barrier Analysis on dietary diversity and an Indigenous Nutritious Food Assessment), PRIME implemented activities to improve knowledge, awareness and actions around dietary diversity. These included behavior change communication campaigns (theater presentations, cooking demonstrations at trade fairs, camel caravans), the introduction of keyhole gardening, and in collaboration with IR1 and 3, introduction of post-harvest storage bags to reduce grain loss and increase food security.
- Developed an innovative partnership with Warner Bros. to create “Soap Operas for Social Change” (SOSC), an activity aimed at encouraging positive behavior changes in PRIME’s target beneficiaries. The radio soap opera will feature characters critical to child nutrition (pregnant mothers, health workers, elders) experiencing the challenges faced by PRIME target communities, and modeling positive changes. The show will air in Somali, Afaari, and Borena languages. Senior staff from Warner Bros. traveled to Ethiopia to work with local writers and creative marketing staff to develop storylines and ensure the nutrition messages were both compelling and “sticky”. The mentoring and support to field staff is being provided pro-bono by Warner Bros., and contributes to Mercy Corps’ match requirement under the agreement.

In support of all IRs:

- PRIME’s Innovation and Investment Fund approved direct support to three additional businesses, leveraging an anticipated \$9.6m in private sector funds, with the potential to increase income for 36,000 households. In addition, an agreement was signed with an Private Equity Firm, RENEW, who will attract private investors to Ethiopian companies in PRIME’s operational areas, and is anticipated to bring an additional \$6m in private sector leverage as well as creating 2,000 jobs.

One of the greatest challenges for PRIME has been communicating the integrated nature of PRIME’s activities and measuring the results within an integrated approach. Integration allows stakeholders to use multiple lenses in analysis and response, which is essential for resilience programming; however, it requires a very different type of program management and results measurement than traditional development programs. While it is clear that a facilitation approach is in line with best practice on market-based programming, for many practitioners and government counterparts it is a new approach, which requires time and explanation to understand. We will continue our education efforts around both these issues and will build on our Year 2 activities and successes to ensure that PRIME turns crisis into opportunity, having a major impact on the lives of millions of individuals in Ethiopia’s drylands.

Indicator	Disaggregation	Targets Year 2 ¹ (FTFMS/PRIME Y1+Y2)	Year 2 (Q5-Q8)	Cumulative Y1 + Y2	NOTES and ASSUMPTIONS
CROSS-CUTTING INDICATORS					
Number of HH reached (custom)	Total	<i>n/a</i> /75,000	70,769 (46,708)	88,409 (64,348)	Number of beneficiaries in Y2 (HH) counted through reports. Through our annual survey we have calculated that there is a possible overlap of 33% between IRs in households reached. Figures in parenthesis show the figure with no overlap. Y1 = 17,640 HH
4.5.2(7): Number of individuals who have received USG supported short-term agricultural sector productivity or food security training	Total	172,566/18,640	24,674	37,553	This number does not include discounts for duplication of training (double-counting when attending more than one training), which will be done for FTFMS.
4.5.2(11): Number of food security private enterprises (for profit), producers organizations, water users associations, women's groups, trade and business associations, and community-based organizations (CBOs) receiving USG assistance (R)	Total	1,273/500	550	646	This number does not include discounts for duplication of training (double-counting when attending more than one training), which will be done for FTFMS.
4.5.2(5): Number of farmers and others who have applied new technologies or management practices	Total	4,937/10,988	3,673	5,610	Annual survey shows that 22% of respondents were applying new technologies/mgt practices prior to 2013. With PRIME, that % has gone up to 27%.

¹ Targets in this column reflect targets included in FTFMS in 2013 as well as revised targets for Y2 that were reviewed by PRIME and USAID in Dec 2013/Jan 2014. The revised targets were meant to replace those entered into FTFMS, however the system did not open mid-year to allow for revisions, therefore targets could not be adjusted mid-year. PPR indicators and custom indicators are not included in the FTFMS, and are marked here as "n/a".

4.5.1(24): Numbers of Policies/Regulations/Administrative Procedures in each of the following stages of development	Total	12/2	18	19	Policy/Regulation include: mobile banking, leasing, interest-free banking, FX, land, water management, MSE Dev, Livestock trade, TVET, Forest conservation, climate change & DPP Administrative Procedures include: NLMIS, mobile clinics, rangeland management platform
NATURAL RESOURCE MANAGEMENT AND CLIMATE CHANGE INDICATORS (IR2)					
4.5.2(2): Number of hectares under improved technologies or management practices	Total	1,580,097/1,009,380	4,282,676	4,862,773	This indicator may increase to 8.2m once the internal verification process has been completed, as discussed later in this report. The newly verified areas will be counted in Y3.
4.5.2(34): Number of stakeholders implementing risk-reducing practices/actions to improve resilience to climate change	Total	17,000/16,820	3,673	5,610	This number does not include risk-reducing practices related to management practices of Rangeland Councils. If these can be verified appropriately, the figure will increase when entered into the FTFMS.
4.8.2-26 Number of stakeholders with increased capacity to adapt to the impacts of climate variability and change	Total	n/a /20,000	4,855	20,041	This number was calculated through Annual Survey results. People with access to EW info and/or who are using technology management and practices.
4.8.1-29 Number of person hours of training in natural resources management and/or biodiversity conservation	Total	n/a /55,000	82,743	101,473	

ECONOMIC INDICATORS (IR1& IR3)

4.5.2(23): Value of incremental sales (collected at farm-level) attributed to FTF implementation	Value of incremental sales (three regions, USD) ²	5,249,577 USD/ 1,356,711 USD	6,267,146 USD	N/A	Baseline value of sales per region: Afar 345,088; Oromiya 1,671,025; Somali 1,485,245 = 3,501,358 USD This was calculated with a number of beneficiaries being 15,000 as it was the target population. Note that baseline values in FTFMS are different as they were incorrectly entered, multiplying the value of sales x the whole population in PRIME areas.
	Total reporting year sales (all regions, USD)		9,768,504 USD	N/A	Cattle, shoats, and camels in 3 regions. Mean value of sales per household for all animals is \$470
	Total Volume of sales (mt)		5,906	N/A	
	Total Number of direct beneficiaries		20,784		Number of beneficiaries was calculated based on 21,500 HHs reached by PRIME's IR1 activities minus a 3.33% discount for activities that overlapped during the year.
4.7.1-12: Total number of clients benefiting from financial services provided through USG-assisted financial intermediaries, including non-financial institutions or actors	Total	n/a /16,880	12,622	12,622	BelCash/SMFI pilot was not able to start in Yr2 as planned. Numbers here relate to VSLA, RuSSACCO, and insurance clients only.

² Note that baseline value of sales and number of beneficiaries is incorrect in FTFMS.

4.5(2): Number of jobs attributed to FTF implementation	Created	696/1,022	462	462	Jobs created from business expansion work. Number is lower than anticipated because BelCash/SMFI pilot was not able to start in Yr2 as planned.
	Obtained	n/a	115	115	Assessment of positions obtained yet completed. Figure is based on proposal calculations for job seekers obtaining employment. Assessment will be done in Nov 2014.
4.5.2(38): Value of new private sector investment in the agriculture sector or food chain leveraged	Total (USD)	6,000,000/ 10,000,000	1,746,857	10,316,987	Please note that two additional investments--Barwako (\$1.3m of leverage) and AGP (\$7.8m of leverage) are currently with USAID for signature.
NUTRITION INDICATORS (IR5)					
3.1.9(1): Number of people trained in child health and nutrition through USG-supported programs (S)	Total	6,500/3,000	4,191	4,341	Numbers are lower due to challenges with regional government approval to work on nutrition in SRS
3.1.9(15): Number of children under five reached by USG-supported nutrition programs (S)	Total	30,000/20,000	49,217 (31,893)	49,517 (32,193)	Our annual survey indicates an overlap of 35.2% within IR5 activities, values in parenthesis. Based on baseline results we expect 1 child under 5 per household on average.

Please note that the above results are preliminary, final results will be included in FTFMS and AIDTracker+

III. CORRELATION TO THE MONITORING PLAN

Data for most output and some outcome indicators has been gathered, as established in the monitoring and evaluation plan, through sub-activity reports filed by technical teams in the field. An annual survey took place late in year 2 to collect information for outcome indicators that need to be reported on an annual basis. The annual survey is different from the baseline/midline/endline methodology in that it is a purposive sample of impact beneficiaries of the project, rather than a population-based sampling.

Spot check methodology for consortium partners was tested and results show that DQAs will be important tools to use on a regular basis to evaluate the quality of data and correct errors made at the time of reporting. Spot checks will continue every quarter and a DQA methodology for recipients (institutions, private enterprises, etc.) of USAID-PRIME support will be developed during Q8. An internal DQA looking at FTF indicator data gathering has found key issues that the project will need to solve early in Year 3 to ensure the capacity to trust data reported in the system.

The Monitoring and Evaluation Plan for PRIME has gone through several drafts during Year 2, once FTF and PPR indicators were finally established in late 2013. Several of the targets for these indicators were severely off (including a wrong baseline value for value of incremental sales). PRIME was hoping to change these targets mid-year, expecting the FTFMS to open again in May/June – but unfortunately this did not take place. The latest draft of the PRIME M&E Plan reflected these newly formulated targets, but they differ from those in the FTFMS and since we cannot change them in the system this late, PRIME will have to put the old targets in the plan for submission and approval from USAID in the first quarter of Y3 (along with changes and additions suggested by PRIME internal DQA).

IV. RESULT BY RESULT ANALYSIS

INTERMEDIATE RESULT 1: IMPROVED PRODUCTIVITY AND COMPETITIVENESS OF LIVESTOCK AND LIVESTOCK PRODUCTS

Key result 1.1: Productivity in key livestock market systems increased

Refresher Training for Existing Active CAHWs in Fafan, Jarar and Siti Zones of ESRS

PRIME conducted this training to build up the technical, cost recovery and financial management skills and knowledge of the active Community Animal Health Workers in the target region. The event provided an opportunity for the CAHWs to share their experience, enabling them to address



prevalent diseases and preserve the main community productive asset: livestock. Although we planned to offer the training to 100 CAHWs in 10 districts and from three zones, a total of 114 (14 female) CAHWs ultimately received the refresher training. Three private veterinary input providers in the respective districts were also involved in the training on cost recovery and business management sessions.

The refresher trainings were facilitated by eight district Animal Health Assistants (AHAs), who were previously trained by Mercy Corps - PRIME and qualified as CAHWs trainers. It is anticipated that the refresher trainings will improve the quality of the veterinarian service for 11,434 individuals involved in livestock production (8,584 male and 2,850 female). The training providers used participatory learning techniques centered on all-important points and training components, discussions and question and answer sessions. During all five training days, drugs or/and equipment were displayed in the training venue by the trainers and PVPs as training components for demonstration and practices. No major challenges were encountered during implementation. Government officials and employees, as well as CAHWs are willing to participate in the cost-share-based training. The involvement of governmental AH officers and private veterinarian drug suppliers in the training has the advantages of the parties getting to know each other and to feel ownership during supervision and establishing good veterinarian products supply chains. It was noticed that a number of CAHWs are considering primary service delivery as a means of income and livelihood diversification for them.

Assessment and Mapping of Livestock Market Centers in Eastern Cluster

In collaboration between PRIME partners Mercy Corps and ACPA and the ESRS Livestock Crop and Rural Development Bureau a thorough assessment of the livestock markets in the Fafan, Siti, Jarar and Babile Oromiya zones and woredas was conducted. Teams visited 42 livestock markets and identified and assessed the current state of physical infrastructure and operation. A prioritized list of development needs was developed. In addition, the assessment was not confined to market centers in woreda center towns but also included bush markets where large numbers of livestock are traded. The GPS location, terminal, secondary, primary and bush livestock market center details are summarized in Annex 1.



Different market centers in the region are in varying states of physical condition. While some markets need upgrading to improve their functionality, some need to be built from scratch since they basically have no infrastructure and function as bush markets. Annex 2 summarizes the observed needs for rehabilitation, upgrading or/and construction.

This activity yielded a detailed report for the state of all assessed markets and their relevance for the livestock trade and livelihoods of the population that uses them. Construction and establishment of livestock market centers is important for all stakeholders involved in the livestock trade. Some of the findings of the assessment include:

- The markets that were improved / constructed in the past are not maintained since no management structure is established and no maintenance and rehabilitation budgets were allotted. While some of the markets have been constructed in a modern way, trade continues on their outskirts with no single animal being brought in. Both sellers and buyers tend to not use the facilities because tax is collected for the trade if the facility is used.
- Poor road infrastructure to and from most markets and lack of standardized livestock transportation facilities hinder active linkages between producers and potential livestock traders.
- Lack of veterinarian services in market areas is evident. In some markets there are facilities designated for veterinarian services, but none of them are functional. Shortage of shade, water and feed inside the market centers also reduces the interest of the traders and pastoralists to use the market facilities.

Following this assessment a further prioritizing and development of activities aiming to improve market management and the general physical condition of the prioritized markets will be conducted by PRIME.

Expansion Grant for Private / Cooperative Milk Collectors in Guji, Borena and Liban

The objective of this sub-activity is to stimulate the establishment of a strong dairy supply chain to facilitate more and better milk in the Guji, Borena and Liben zones, improve access of pastoralists in remote pastoralist areas to primary markets, and increase their income from milk sales. During Year 2, PRIME developed and advertised the call for proposals, collected business expansion proposals from already existing and interested local enterprises that collect and trade milk, established review committees and conducted the review process, identified potential qualifying enterprises, conducted field verification, due diligence, negotiated with prospective awardees, and developed FOGs for three milk collector businesses in Liben and Yabello woredas of Guji and Borena Zones respectively. The total amount of PRIME support to be awarded to these businesses for expansion is anticipated to amount to ETB 428,500 (\$21,974) and the total matching fund from the corresponding business will be ETB 986,000 (\$50,564). It is anticipated that this expansion of milk collection and handling capabilities of local milk collectors and traders will benefit 2,481 pastoral and agro pastoral households and that this activity will generate 12 new employment opportunities.



Business Expansion Grants to Private Veterinary Pharmacies in the Eastern Cluster

The process of competitive expansion grants to Private Veterinary Pharmacies (PVPs) was the first experience for Mercy Corps Ethiopia in managing small facilitative business expansion grants, providing the project learning opportunities for the technical and support team. Twelve Private Veterinary Pharmacies were selected for PRIME PVPs expansion competitive grants

from the four zones of the eastern cluster (four in Fafan, four in Sitti, three in Jarar, and one in East Hararge). The selected PVPs all fulfilled the 70-30 percent cost sharing for business expansion criteria. It is anticipated that this activity will result in investments valued at ETB 4.4 million (\$150,000) out of which ETB 3.1 million (\$105,000) will be provided by PVPs and ETB 1.3 million (\$45,000) by PRIME. The average PVP business expansion investment is ETB 366,000 (\$18,769) out of which on average ETB 256,000 is contributed by a single PVP and ETB 110,000 by PRIME. With these PVP business expansions in presently underserved areas of Fafan, Sitti and Jarar it is anticipated that a total of 12,000 pastoral and agro-pastoral households will gain access to affordable veterinary drugs. The overall sales of quality and certified veterinarian products by recipient PVPs will increase by 10% and 24 new jobs will be created.



PRIME organized an orientation workshop for the awarded PVPs to increase their capacity to implement FOGs and create a clear understanding of the principles of implementation, compliance and program and financial reporting. The next step was to negotiate individual grant agreements with the selected applicants and produce individual milestones and budgets for individual expansions. As part of the overall investment in the PVP expansion projects PRIME limits its financial support to fixed assets procurement support at the maximum level of 30% of the entire cost of the expansion.

After successful completion of all steps of this competitive process, 12 Fixed Obligation Grants were signed and implementation of the business expansion projects started during the last quarter of year 2. The summary of the FOGs is presented in Annex 3.

The main challenge encountered during the implementation of this activity was the lack of clarity in the received business proposals in terms of format and substance. This challenge was addressed by offering technical assistance to the initially-screened applicants which by itself increased their business and financial management planning. Technical assistance was also offered to the applicants to improve the soundness of their current business.

The transparent and widespread advertisement of this PVP expansion support opportunity enabled PRIME to create relationships with a large number of enterprises offering veterinarian products and services. The composition of the screening and review committee from different local governmental institutions increased the quality of the assessment and provided for multi-stakeholder inclusion. The field verification of the applications and the applicants increased the transparency of the process and showed the partners the impartial approach towards assisting the appropriate applicants, and simultaneously increased the commitment of the awardees. The involvement of government representatives in the entire process enabled PRIME to share the facilitative development approach in the pro-poor market systems development and familiarize the government representatives participating in this activity with PRIME's achievements.

The next steps in the implementation of this activity during Year 3 of PRIME will be: (1) Technical assistance to the awardees in implementing their individual expansion projects; (2) Facilitate creation of business linkages for the PVPs with veterinarian products wholesalers and facilitate linkage with the CAHWs and pastoralist households – the users; (3) Continuous training of the recipient PVPs in business management, customer service and CAHW agent creation; (4) Business coaching, follow-up on PVP performance and record keeping.

Business Expansion Grants to Private Veterinary Pharmacies in the Southern Cluster

The objective of this activity is to enable pastoralists and agro-pastoralists to have access to quality affordable veterinary drugs through more effective and efficient supply-chain linkages, and to ensure that access to these critical veterinary inputs is sustainable.

During Year 2 PRIME completed the administrative processes required, and during Quarter 8, 19 PVPs located in 7 woredas of Borena and Liben zones were approved for business expansion grants. The total amount of support from PRIME is anticipated to reach ETB 1,541,550 (\$79,053) and the total matching fund from the recipient PVPs will be ETB 3,653,040 (\$187,335).



Upon completion, of the business expansions these 19 PVP expansion projects will benefit 16,240 pastoralist and agro pastoralist households. In addition it is anticipated that 25 full-time jobs will be created as a direct result of these business expansions.

Competitive Cost-Shared Business Grants to Private Vet Clinics in the Southern Cluster (SC)

This activity was initiated in Quarter 7 of PRIME Year 2. The objective of the activity is to improve pastoral and agro-pastoralists' access to sustainable and basic clinical veterinarian services which are affordable through more effective and efficient supply chain linkages. A thorough assessment of the demand and feasibility for such private veterinarian clinics was conducted by the SC PRIME team over Year 2 and based on the assessments, the activity is planned to be implemented in five woredas: Yabello and Dirre woredas of Borena zone, Liben woreda of Guji zone and Hudet and Dolo Ado woredas of Liben zone.

To increase response rates, calls-for-proposal for interested veterinarian services providers were translated into local languages (Afan Oromo and Somali) and were posted from 25th to 30th July 2014 for 15 days. PRIME anticipates that this activity will be completed in Quarter 9.

Establishment of Livestock Holding Grounds/Stockyards in Borena and Guji

The objective of this activity is to support the establishment of more permanent facilities for improved marketing of livestock from Borena and Guji, provide more intensive off-take of livestock and improve the quality of the animals coming from the region and traded on the terminal market. The activity was initiated in Quarter 7 by encouraging local traders interested in improving their businesses to consider establishing livestock holding grounds and apply for a cost-shared expansion of their business. After receiving applications, review and site verification,

five finalists (two in Somali Moyale and three in Yabello woreda of Borena zone) were qualified. Implementation of this activity will continue during Year 3 of PRIME.

Competitive Cost-Share Grants for Upgrading Milk Collection Centres in the Eastern Cluster

The objectives of this sub activity are: (1) to increase the efficiency of quality checks in the collection centers in the Eastern Cluster; (2) to improve the market linkage by improving the quality and hygiene, (3) and to increase the income of the involved actors (producers, collectors and traders). The expected results are that 6 milk collection centers owned and managed by local cooperatives in the EC will be upgraded; the volume of milk collected and further traded will increase by 15-25% and 306 cooperative members affiliated to these centers will increase their income.

This activity facilitates the upgrade of milk collection centers in the Eastern Cluster by providing training, technical assistance and competitive cost-share grants to existing enterprises and cooperatives that collect and trade milk. During Year 2, PRIME advertised the call for proposals, offering technical assistance to interested applicants to develop their expansion business plans and applications. Subsequently the review committee comprising of members from Mercy Corps staff and ESRS Livestock, Crop & Rural Development Bureau, screened and reviewed the proposals received from eight enterprises and cooperatives, conducted field verification and negotiations with the selected awardees and signed the milk collection expansion grants with two finalists. Hormud Milk Marketing Cooperative from Gursum Woreda in Dhagahle Kebele and Barwako Milk Marketing Cooperative from Jijiga Woreda in Duhusha Kebele were awarded support. Implementation of the individual upgrading projects started in Quarter 8 in parallel with linkage of the two awardees with the Berwako Milk Processing Plant in Jijiga which initiated operation during Quarter 8 and started purchasing 500-700 kg camel and cow milk from the assisted milk collection centers. Finalizing of the expansion is expected to be completed in Quarter 9 of PRIME.



During the implementation, the awarded milk collection cooperatives reevaluated and studied the milk collection equipment they had received from earlier development activities, but did not use. The composition of the screening committee from different sectors and institutions added value to the selection processes, transparency was high, and competitors were highly satisfied with the process. The field verification showed the partners how PRIME values the competitiveness of the applicants and increases their commitment to the proposed upgrade.

In Quarter 8, and as part of this activity, PRIME offered continuous technical assistance to the cooperatives through training, linkage activities with milk buyers, and an exposure visit for the technical and management staff of the collection centers to Debrezeit. This action helped the cooperative management increase their knowledge and capacity to run milk collection centers through observing the operation of similar enterprises in an area that has a more developed milk production, collection and trade value chain.

Competitive Grants for Establishment of Feed Lots in the Eastern Cluster



The overall objective of the sub-activity is to support the introduction and establishment of standard feedlot operations and practices in pastoral areas to increase the quality and the value of livestock traded. The target recipients for this support are livestock traders from the Eastern Cluster who are interested in investing to improve their trading operation by establishing feedlot operations that can also serve as temporary holding grounds for livestock they trade in order to improve the overall condition and value of the animals. The model of this support is through awarding cost-shared fixed-obligation grants to

applicants meeting the established eligibility and selection criteria in a competitive process. During Year 2, eight applications received were reviewed, field verification was conducted and four applications were moved through to the second stage. It is expected that three applications will be awarded in PRIME's quarter 9 with the establishment of the feedlots.

Community Animal Health Workers Refresher Training in Borena and Guji Zones

It is recognized that the poor delivery of animal health services in most remote areas of the pastoralist regions is largely a result of lack of qualified animal health service providers. The Community Animal Health Workers (CAHWs) provide valuable service to the pastoralist communities, providing basic veterinary care delivery and assistance to pastoralists in places where formal private and/or governmental veterinarian service is non-existent due to multiple reasons such as: poor infrastructure, scarcity of resources, poor market feasibility for establishment of private veterinarian service providers and mobility of the producers.

Provision of refresher trainings to the active CAHWs in order to keep up their certification and license to provide service is crucial. It enables them to offer quality basic animal health services to pastoralists and ensure that they have basic financial viability as private service providers. The CAHWs refresher training conducted this quarter was developed and implemented in coordination with responsible Woreda government offices and Private Veterinarian Pharmacies (PVPs) operating in the region. The involvement of PVPs in the TOT for CAHWs, and subsequently in the CAHWs Refresher Training and Manual development was highly appreciated by the participants and to be continued as it helps to create commercial and technical linkage between CAHWs and PVPs which will ensure long term sustainability of supply of veterinarian products and services to the benefitting communities. Providing training to CAHWs by certified PVP trainers with minimal outside support is an innovative approach towards this type of capacity enhancement of the CAHWs. In six out of the ten Woreda's in which the refresher training was organized, the trainings were conducted by PVP owners who are also certified trainers. In the process of conducting this training, the training manual was translated to the local language and used and distributed to all trainees. This largely improved the quality of the refresher training. The objectives of this activity were: (1) strengthen knowledge and skills of

CAHWs; (2) provide an opportunity for CAHWs to give feedback to the formal animal health services; (3) facilitate commercial linkages between PVP owners and CAHWs.

To facilitate smooth implementation of the training, Woreda pastoralist development office heads and concerned animal health department heads/experts were contacted. The trainings were conducted in ten districts independently for five consecutive days. The overall training process consisted of interactive classroom learning process and group discussion and presentation at the end of each session. A total of 183 of which 154 male and 29 female CAHWs and governmental animal health workers from: Dire, Miyo, Moyale Oromia, Moyale Somali, Dhas, Arero, Wadera, Yabello, Dilo and Teltele participated in the refresher training and 29 CAHWs have established permanent linkages with five PVPs.

Community Animal Health Workers Refresher Training in Afar

The objectives of this activity was to: (i) strengthen knowledge and skills of CAHWs; (ii) provide an opportunity for CAHWs to give feedback to the formal animal health services sector, and; (iii) facilitate commercial linkages between PVP owners and CAHWs.



The training was implemented in Amibera, Awash Fentale, and Dulesa Woreda's of Afar and 56 (53 male and 3 female) CAHWs received the training provided by certified governmental trainers. The initial objective of providing refresher training to 190 registered CAHWs was not achieved due to several reasons including: reluctance of less active CAHWs to participate in the training if not provided with per diem, involvement of some CAHWs in other business and training activities conducted at the same time and the fact that some CAHWs have stopped providing the CAHW service permanently. During the implementation of this sub-activity the trainers certified by FAO provided ToT and the PRIME team witnessed the occurrence of diseases and a high demand of animal health inputs on the market. Woreda offices and some NGO's operating in the region continue to distribute free drugs which impacts CAHWs activities and sustainable development initiatives and has led to a number of CAHWs discontinuing their services in the region.

The results and feedback from this activity provided direction for several potential next steps of PRIME in the effort to improve sustainability of animal health products and service market systems in Afar. Those include: (1) implementing ToT training as soon as possible for the next refresher training that will include PVPs as certified trainers; (2) implementing a capacity enhancement competitive grants for PVP business expansion in the region; (3) strengthening the linkage between PVP's and CAHW's; (4) working closely with other NGO's and the regional government to avoid free drug and animal health services distribution due to their negative effect in the development of sustainable market systems.

Community Animal Health Workers Refresher Training in Fafan, Jarar & Sitti Zones

This activity was designed to be implemented over a couple of quarters of Year 2 following the Community Animal Health Workers (CAHWs) Trainers Training that was implemented by

PRIME in Quarter 5. A total of 27 (7 female) CAHWs received a refresher training on pre-identified topics from two districts of Fafan zone during the reporting period. Two volunteer PVPs were involved as training providers. All trained CAHWs were linked with PVPs in the respective districts, through functional business partnerships created between them. During all 5 training days, drugs and/or equipment were displayed in the training venue by the trainers and PVPs as training component for demonstration and practices.



Training of Women Pastoralists and Agro-pastoralist in selection of High Quality Vet Drugs, their Utilization, Handling and Proper Storage in the Eastern Cluster

The objectives of the educational campaign that is being developed by Mercy Corps and HAVOYOCO are to: (1) improve the knowledge of women on quality veterinary drugs, their storage and utilization; (2) build the knowledge of women pastoralists on how to distinguish good quality drugs from poor quality drugs in the local market.

The results of this activity include: (1) 258 individuals from targeted groups trained on quality vet drugs, their utilization, handling and proper storage; (2) 1,290 pastoralists or agro-pastoralist women received educational messages from the trainees and HAVOYOCO implemented educational shows on quality drugs for their animals and the risks and dangers associated with improper drug utilization and utilization of poor quality, cheap and illegal smuggled drugs. This activity is currently being implemented with trainers and scriptwriters recruited, script in Somali language developed and HAVOYOCO circus team practicing the script. The implementation of the activity will continue in PRIME Year 3.

Identification and Profiling of Private Actors in the Animal Feed Production and Trade in the Eastern Cluster

During Year 2, PRIME conducted a more thorough assessment and mapping of private enterprises (actors) in the animal feed/fodder production and trade in the Eastern Cluster and specifically in the Jarar, Fafan and Siti zones. It is anticipated that the identification, mapping and profiling will result in identifying over 20 commercial feed/fodder producers and traders in these areas.



Given that in the pastoralist areas of Ethiopia, the recurrent droughts, conflict and rangeland degradation represent major hazards to livestock producers it is important to support the development of feed and fodder market system as a transformative way of increasing the resilience of the pastoral and agro pastoral communities. At present in PRIME operational areas the feed/fodder production and utilization

practices are low and a majority of the producers do not benefit from the productivity increases of their flocks and herds that could be gained from using fodder such as Sudan grass, Alfalfa, Panicum, etc. In some woreda's such as Dagahbur, Mombas and Erer the district agriculture offices established demonstration plots for awareness building. In Jijiga and Dire Dawa two large feed/fodder production projects are planned. Both of them are projects that are to be implemented by larger livestock producers (fattening and dairy) but are designed to also produce feed/fodder for the market.

Most of the small-scale fodder producers only produce the fodder as a by-product of seed production contracted by local NGOs. These small-scale feed producers are ready to expand their feed/ fodder production to a larger commercial scale. Most of them have a similar history and constraints including: (1) challenges in providing appropriate irrigation for feed/fodder production; (2) shortage of financial resources; (3) shortage of farm machinery; (4) shortage of knowledge/skills for commercially dedicated feed/fodder production districts.

The assessment and profiling revealed that there are good opportunities for expansion of feed/fodder production and trade activities in the researched areas. The demand for animal feed/fodder is increasing and some areas have the comparative advantage for production given targeted investment. The assessment team recommended developing and implementing a call for proposals for cost shared competitive grants for animal feed/fodder production given the interest of the small and larger feed/fodder producers to invest resources for such expansion. The identified commercial feed/fodder producers are presented in the table 2 below:

Commercial Feed/Fodder Producers Enterprise

	Type	Location	Fodder type	Current productn Ton/Year	Irrigation
Kuman	Coop	Elbahay	Sudan Grass hay	1.5	Yes
Hanano feed producers	Coop	Xodhley	Local Grass hay	240	No
Siyoum	Indiv	Jijjiga	Mixed feed	5	No
Hodo feed producers	Coop	Hurale	Alfaalfa, Sudan Grass hay	14.5	Yes
Muruqmal feed	Coop	Dhagaxle	Sudan G, Alfalfa, panicum hay	15	Yes
Kobocdon	Coop	Gota	Sudan G, Alfalfa, panicum hay	-	Yes
Horowabley	Coop	Dagheabu r	Alfaalfa, Sudan G. hay		No
PRIMO dairy	Indiv	Dire Dawa			

Training in Livestock Feed production & Feed Conservation in the Southern Cluster

The activity was designed to equip target beneficiaries, pastoralists and representatives from pastoralist communities and cooperatives with basic information and practical knowledge on improved feed production and feed conservation techniques. The objective was to improve the capacity of the beneficiary groups to produce and conserve animal feed in the quality and quantity needed for both improved productivity and increased resilience to feed/fodder shortage incidents. Both pastoralist and representatives from the local government agencies from Yabello, Liben and Gorodolla Woreda's of Borena and Guji zones participated in this three day activity organized by PRIME in collaboration with the Yabello Dry Land Research Center.



The training focused on several main thematic areas: (1) overview of challenges and opportunities of pastoralist communities with regard to livestock feed production and utilization; (2) traditional forage management, establishment of production and improvement; (3) feed conservation and storage techniques appropriate for pastoral areas; (4) practical sessions including field visit, fodder piling and hay bale making. To optimize the learning process, the training was designed to include both theoretical and practical sessions.

The practical sessions of the training were mainly focused on: (1) familiarization of the trainees with various natural grass varieties important for animal nutrition; (2) visiting different enclosed grazing areas to examine traditional practices that contribute to easy spoilage and damage of hay stored resulting in poor animal feed quality and (3) site visits followed by practical demonstration of good hay making, storage, conservation, and management practices. The practical sessions came to an end by demonstrating the way trainee could prepare hay bales using locally existing materials for easy storage and for sale when demanded.

The final discussions held at the end of the three day training, identified the following issues as major problems and areas to be improved for enhanced production, conservation and management and for the creation of fodder market linkage in the coming seasons:

1. Timely harvesting;
2. Improvement of feed storage & feed conservation practices;
3. Improved management of the resource to reduce or eliminate invasive species and bush encroachment.

The training was provided in three Woreda's (Yabello, Liben & G/Dolla) of Guji and Borena zones. 73 Pastoralists and agro-pastoralists and 8 Government Officers / Development Agents attended the training.

Workshop to Establish Linkage between Actors in Animal Health Inputs Suppliers in Guji and Borena Zone

PRIME partners SOS Sahel and Mercy Corps conducted a workshop with the objective of establishing new and stronger business linkages between animal health input suppliers and retailer/users in the Guji and Borena Zones. 14 PVPs and one wholesaler participated in the workshop.

To achieve the objectives of the activity the workshop was structured to produce a conducive environment for introduction of the key participants, their business and products and services they sell and are interested in carrying. The following workshop structure was designed and conducted: (1) introduction of participants; (2) presentation on the animal health services and market facts in Southern Cluster; (3) presentation of financial services offered by the Borena Zone MFI specific for animal health inputs; (4) presentation of the range of products and services offered by the invited wholesaler; (5) identification of interest and supply priorities by the PVPs; (6) products exhibition, information and clarifications.

A presentation on the animal health services and market facts in Southern Cluster and ‘PROCLAMATION No. 728/2011’, to Provide Veterinary Drugs and Feed Administration and Control, was made to participants by Dr. Ayano Gutema, Mercy Corps Livestock Health input EMD officer. In this presentation the necessary figures and facts that are believed to motivate the respective actors to invest in the sector were presented. In the session the PRIME objective in facilitating systemic change of the market to strengthen animal health service delivery and the role of main actors in the value chain were clearly presented and discussed by participants. In continuation of the workshop, Dr. Brahanu and Dr. Habtamu of Hashish Life Science PLC, a veterinarian input wholesaler based in Addis Ababa, presented the range of products and services currently provided by the company.



A number of points for clarification were raised by the participating PVPs, focusing on the pricing, competitiveness, quality and range of the products offered, promotional and marketing plans and concrete questions on cooperation models in distribution and sales the company envisions. The final part of the workshop was to review the products display and technical clarifications and soliciting suggestions for further activities that PRIME could develop in order to foster and build effective partnerships between the participants.

Basic Training on Business Development and Business management for PVPs in Borena and Guji Zone

Creating mutual business-to-business relationship along the ladder of value chains and across other businesses, like financial institutions, needs sufficient knowledge on business development and business management. However, most PVP business owners in the Southern Cluster lack advanced business development and management skill to further grow and expand their businesses. Hence, besides their professional veterinarian skills, improving their competency in

business development and management is important for their further development as entrepreneurs. Therefore, a 3-day business management and business development training was organized and delivered in Yabello, for 14 (13 male, 1 female) PVP owners and key employees in coordination with Haramaya University.

The objectives of the training were to improve the capacity of PVP owners in Southern Cluster, Borena and Guji zones, and two Woreda's of Liben Zone, in advanced business development and management. The training mainly focused on improving financial, organizational, marketing and management skills, business planning and enhancement of business performance. Improving market and business relations with CAHWs was also a topic that was extensively covered during the training.

This training helped improve business owners' ability to identify existing opportunities and take advantage of them. It helped people to interact more with actors along the ladder and with financial institutions to improve their business.

TOT Training for Community Animal Health Workers Trainers, Private Veterinary Pharmacies (PVP) owners and Government Animal Health Experts in the Southern Cluster

In order to improve access to quality and affordable animal health services, Mercy Corps partnered with Government Animal Health Workers and Private Veterinary Pharmacies (PVPs) owners in the Borena and Yabello zones, to provide a CAHWs TOT benefitting 11 senior 18 individuals (3 female and 15 male, of whom 7 are owners and employees of PVPs and 11 are senior government animal health experts). The involvement of the government and private sector in CAHWs training is crucial in building strong relationships and mechanisms for sustainable knowledge transfer to CAHWs in the PRIME target areas. It is anticipated that these trainers will provide refresher training for 240 CAHWs in their respective Woredas in the next quarter.

Training of CAHWs Trainers - PVP owners and Government Animal Health Experts in East Hararge and SRS

During the year under review, PRIME trained and qualified 19 individuals as CAHWs trainers in the East Hararge and Somali Regional State (SRS). Participants were drawn from 17 districts of ESRS-LCRDO, 2 districts of East Hararge Livestock agency and from the Pastoralist Area Development Office. The training was facilitated by PRIME and conducted by FAO lead trainer, and two co-trainers from ESRS-LCRDB. The trainees were equipped with necessary knowledge and practical skills to enable them to facilitate CAHWs training programs within the integral part of the animal health service delivery system.



Training in Camel and Cattle Milk Quality and Sanitation for Milk Producers and Traders in the Eastern Cluster

In order to improve the skills of both producers and milk traders in camel and cattle milk quality preservation, sanitary production and milk handling and contamination reduction, training was

provided for 80 milk producers and traders (71 female, 8 male) who are members of Barwako Cooperative in Danusha, Jijiga. The training was developed in collaboration with the LCRDB Laboratory in Jijiga, which provided the technical materials for the practical part of the training. It is anticipated that the Cooperative will improve its milk collection and handling capacity after the establishment of milk collection center in the next quarter to be supported by PRIME.

Training on Entrepreneurship and Business Management Skills to Milk traders/collectors in the Eastern Cluster

The training was conducted during Year 2 of PRIME with the following objectives: (1) Improve the capacity of milk cooperatives/collectors and traders on dairy business management skills; (2) Strengthen the capacity of dairy cooperatives and traders in business skills on financial, organizational, marketing and management plan. The five days training was attended by 131 milk collectors in five different districts of SRS (Ararso, Degahbur, Gursum Somali, Shinile and Dembal) in collaboration with the Offices of the Cooperative Promotion and Livestock, Crop and Rural Development office of each of the districts. A total of 131 women pastoralists and agro-pastoralists participated in the training. All training objectives were achieved as planned except the training objectives for the Hdigale district where no potential milk collectors were identified. The local Government and the trainees shared the total cost of this activity up to 25%.

Training for Government Livestock Experts, Pastoralist Development Agents (PDAs) and Businesses from the Southern Cluster in alternative Feed Technologies



This activity was implemented by Mercy Corps and SOS Sahel in May 2014 and took place in Adama. The objective of this activity was to train 25 governmental officers, development agents and private sectors actors engaged as facilitators and actors in the feed and fodder market in the Southern Cluster. Private sector actors were included in the training as this type of actor is capable of initiating and further developing the market and promoting the feed and fodder market in their respective woredas. To achieve the objectives of the training the facilitators employed various techniques to transfer

knowledge and skills to the participants including: theoretical presentations, practical demonstration, feed formulation, field visits and group discussions.

The training, which was 10 days in length, was conducted in collaboration with Ethio Feed, Woljeji and Eden Fields, feed and fodder producing companies based in Adama. The key achievement in the facilitation of this training, apart from the increased capacity and knowledge of the public extension officers in feed and fodder production and utilization, was that partnerships were built between three private feed/fodder producers for future market and business linkages. The training participants were exposed to alternative feeding technologies (commercial feeds, forage and EM technologies). An additional achievement was that Weljeji Agroindustry PLC signed a functional business linkage contract for the supply of activated effective microorganism technologies in Yabello town with a local Yabelo business.

The training topics during the event included: (1) Effective Microorganisms utilization for forage/feed improvement (Photosynthetic Bacteria, Lactic Acid Bacteria, Yeast) (Micro Flora in the in Natural Environment, EM derivatives); (2) Crop production; compost making; foliage feed, utilization of EM as livestock feed, Environment management; (3) EM feed improvement actions, Dry feed treated in EM; (4) Feed sources for livestock, Feed identification, Feed formulation, Feeding, Management (storage and inventory), Feeding of livestock, Bulls and dairy cattle, Sheep and goats Poultry.

Educational Campaign for selection, utilization, handling and proper storage of high quality vet drugs in the Southern Cluster

During Year 2, PRIME conducted an Educational Campaign for selection, utilization, handling and proper storage of high quality vet drugs in the Southern Cluster. The educational events were conducted in Kabribayh, Ararso, Dhagahbuur, Gursum , Shiniile, Eyshia and Dhenga districts of Fafan, Jarar an Siti zones with the objective to increase the awareness and knowledge of woman pastoralists and agro-pastoralist in various issues linked to sourcing and utilization of animal health products, as women are very frequently involved in providing health care for the animals reared by the households.



An estimated 9,250 individuals attended the educational shows. Messages reached the wider rural/pastoral communities and this way of conveying educational messages proved to be advantageous in comparison to other conventional means of delivering message, especially to rural people. The local offices of the LCRDB actively participated in this event and provided facilitation and cost sharing.

Camel Game – Resilience Educational Tool introduction and rollout in the Eastern Cluster

In an effort to test and introduce new educational tools to increase the awareness and knowledge in applying sound livestock and household assets management tools for better resilience to external livelihoods shocks, during PRIME year 2 Mercy Corps identified the Camel Game as an appropriate innovative behavioral change tool. The Camel Game (a board game) was developed in collaboration with Desert Rose Consultancy Plc., with initial piloting under the RAIN project. During PRIME Year 2, Mercy Corps and Desert Rose Plc entered a contract with an objective to further develop the board game, conduct market research and pilot the rollout of the Camel Game in the Somali region.

Desert Rose’s anthropologists and innovators merge cross-cultural aptitude with imaginative thinking to help companies and organizations better adapt their initiatives to the Horn of Africa.

As natural resources come under pressure in Ethiopia’s Somali Region, Mercy Corps and Desert Rose have developed the educational Camel Game that pastoralists can play while acquiring and reinforcing new livelihood skills. Mercy Corps believes the game has the potential to become an independently viable product in Somali markets. Before issuing potential producers and vendors with recommended designs, pricing, and other advice concerning the game, Mercy Corps



contracted a third party to conduct the market launch of the game to give it every chance of becoming a viable market product in the region. Desert Rose, during PRIME Year 2, conducted the required market launch in phases. At strategic points results were reviewed and results and lessons shared with Mercy Corps to confirm next steps. One of the main challenges was ensuring the product *is reaching the right people*. In other words, it was realized that it would be possible to successfully market the game to a segment of the population with more disposable income that does not stand to benefit highly from the game's lessons and to fail to reach the population that stands to benefit most from its lessons.

Nine months after the partnership with Desert Rose began, the educational board game - developed to help sharpen pastoralists' livelihood skills – went on sale in Jigjiga. A local printing company from Jigjiga “Jet Printers”, a high quality printing studio, became a key partner for this project. Having handed over the files of the game design to the studio, they are now able to independently print and sell the game. Jigjiga Jet Printers is owned by a customer-oriented team of young entrepreneurs. To facilitate this project, the partnership with the printers (or another like them) is crucial. Only by having a partner who is prepared to act as a proxy for marketing activities can the promotion of the game be truly embedded in the local market. A product marketed for profit stands up to cursory scrutiny, removing outside intervention, and therefore the agreement with the printer has been constructed in line with them being able to call the product their own.

As well as having a very flat hierarchy, Somali culture exhibits high levels of interdependence rather than either dependence or in-dependence. This is often quite different from other cultures where innovations like this project might be conceived: highland Ethiopian culture, for example, and many Western cultures. Between Somalis, relationships, and particularly business ones, often default to “partnerships” rather than “client/patron” setups. Outsiders, separated by language and cultural barriers from Somalis, sometimes inadvertently chose the latter for themselves, and sometimes have it chosen for them. During the implementation of this project in the Somali context Desert Rose experienced both partnership and client/patron relationships. Behaving like a business and not an NGO was also critical to achieving the right outcome in framing relationships with manufacturers, marketers and sales people as “partnerships” resulting in more buy-in and involvement from them. As a first demonstration of the level of partnership achieved with the potential enterprises, the printing company decided to also develop and market versions of other popular games collectively known as “shax” (shaahh; draughts, chess and another game popular with Somalis similar to nine-mens-morris). Secondly the relationship led to one in which the manufacturer pushed back on the original design and came up with their own suggestions of materials which might be better.

One key learning point concerning marketing of the game was the significant suspicion that was observed about what might be ‘behind’ it. In a visit to Jigjiga in February 2014, the game was being played publicly in Jigjiga by local and foreign staff. A shop owner who had initially been very positive asked members of the Desert Rose team to leave on a subsequent day. In a separate event in a different café, a young man was sent by a group of older men to the table where the game was being played. He asked politely that the playing stop and the game be taken away. Both events had in common that foreign (British) staff were present. When the game was played with only local staff, Desert Rose did not experience the same effect. The conclusion is that signs of outside involvement trigger a negative reaction. Clearly negative reactions to the game are to be avoided at all costs. Desert Rose have tweaked their marketing strategy to keep it clear of any visible western involvement to the general public. This learning has brought about the concept of “embedding” the game early, consistently and as deeply as possible into the local market.

NGOs and foreigners do not have credibility in the eyes of the local market to convey any message about the game. The messenger that the public observe as promoting the game needs to be local. There must be a credible “story” behind why it's being promoted. The game is unbranded and the money has Arabic numerals as well as Roman in an effort to further distance it in people's minds from being a western influenced product. Currently a full-time community marketing facilitator is engaged to play the game publicly and point people to Jigjiga JET.

To facilitate the above, the partnership with Jigjiga JET – a local enterprise (or another printer like them) is crucial. Only by having a partner who is prepared to act as a proxy for marketing activities can the marketing be embedded in the local market. Partnership automatically answers the question in peoples' minds about why the game is being promoted. A product being marketed for profit stands up to cursory scrutiny. The agreement with the printer has been constructed in line with them being able to call the product their own. Since the costs for the development and the design of the Camel Game were covered by USAID through the PRIME Project the strategy to allow a local entrepreneur to sustainably and under profit produce it is a logical one. In this particular partnership with Jigjiga JET it emerges that they have additional (fortuitous) credibility as not only do they market their own products but a few of the senior management team of Jigjiga JET have previously been working for SOPARI in the area of livestock management and so the message of the game resonates with them particularly.

During the implementation of the project it was decided to delay wider promotion until the game is embedded in the market. Preparations were made in communication with the ESTV (Ethiopian Somali Television) with suggestions for publicizing the game. The project seeks to ensure that, when publicized on the radio or TV, the message is kept “clean” and the game is being marketed by those who profit from it. It combines their business of printing high quality beautiful things, a background in livestock management, and a desire to see their Somali region flourish.

The number of beneficiaries’ exposed to the Camel Game in Year 2 of PRIME is estimated at 328. In Year 3, PRIME plans to provide exposure opportunities at Trade Fairs and other local events to widen this audience.

Key result 1.2: Market linkages improved

Facilitating Vertical and Horizontal Linkages among Livestock Producers, Feedlots, Traders and Abattoirs in Afar

The objective of this activity was to improve the trade links within the livestock trade value chain relevant for the livestock producers in Afar. Five invitees attended the linkage event including Metahara International Export Abattoir, Abdu Live Animal Exporter, governmental representatives and smaller traders.

During the discussion and presentation of the demand, the Metahara International Export Abattoir signaled that they are interested in buying sheep and goats from lowland areas such as Afar, Borena and Somalia region with standard live weight of 15 – 32 kg for the goats and above 20 kg for sheep. Their slaughtering capacity is 2,500 heads of small ruminants per week. Metahara International Export Abattoir buys animals based on the live weight, currently offering 31 to 35 ETB/kg. However their terms of trade include weighing of the animals purchased one day after the animals have been delivered to their stock yard in order to reduce the digestive tract content which in some cases is 2-3 kg. Another problem noted by Metahara International Export Abattoir is that the pastoral producers are not keen on the weight-based transactions the slaughterhouse practices, so they prefer going through brokers and traders. In addition the slaughterhouse deals only with legally registered suppliers or brokers who are VAT registered.

The largest trader present on the linkage event, Abdu Live Animal Exporter, on the other hand discussed that they trade all livestock species, but sheep are the most demanded livestock for export trade. Their trade network has a potential of supplying about 120,000 sheep per year of which 20,000 are demanded in the peak season before the Arefa Islamic holiday. Currently they export about 72,000 heads of sheep per year due to inability to access additional finance and sharia-compliant loans. Their buyers are also interested in buying meat.

Touching on the experience in working with the domestic slaughterhouses (ELFORA, Mojo Export Slaughterhouse), Abdu indicated that the transportation cost and other losses associated with those transactions make them unprofitable, and the bureaucracy of the abattoirs is unbearable. They also tried brokering deals between smaller collectors and ELFORA and Metahara International Export Abattoir, but that also did not work due to the generally low price offered and the abattoirs terms of trade.

The representative of the government cooperative development office discussed that multiple efforts were conducted to create linkages between the cooperatives on one side, and between traders and abattoirs on the other side of the chain. The majority of those efforts were not successful due to the following factors: (1) majority of the cooperatives are not business-oriented and (2) cooperatives have problems in accessing finance to be able to trade on a regular basis.

While no transaction deals could be executed during this event, it was observed during the discussions that the weight-based purchase transactions of the abattoirs are one of the most important factors that prevent trade relations. There is a large price gap since the live animal export traders currently offer about 36 ETB/kg live weight for small ruminants (calculated

average price based on per/head transactions) and the abattoirs offer 31 – 35 ETB/kg live weight (weighted after 24 hours without food).

In follow up to this linkage event PRIME will continue to stimulate discussions and negotiations between livestock traders and abattoirs. In addition the introduction of weight-based marketing through education and efforts for some of the livestock traders to adopt as a practice when purchasing from their supply networks will be supported. In order to address the need of the abattoirs to only work with VAT registered suppliers, PRIME will support the traders and suppliers in establishing registered businesses. As one of the main problems in stimulating the trade within the supply chain remains access to finance, PRIME will, within its mandate, support increased access to business finance and especially access to sharia-based loans for livestock trade.

Support to African Livestock Exhibition and Conference (ALC)

The African Livestock Congress was one of the activities organized during the 2014 African Livestock Exhibition and Conference (ALEC 2014) that was conducted in Addis Ababa Millennium Hall in the period 8-10 May 2014, and was designed to provide a venue for presenting and discussing various issues related to the development of livestock production and marketing in Ethiopia and regionally. The Conference had 355 delegates registered. The topics of the Conference included: (1) Commercial Livestock Farming; (2) Livestock Marketing; (3)



Animal Feeding Systems; (4) Breeding and Overall Livestock Management and (5) Animal Health and Standardization. PRIME financially and organizationally supported the session on Commercial Livestock Farming where two papers were presented: (1) *Livestock Production for Food Security and Social Equity*” by Dr. Edmealem Shitaye (Phd) from FAO and (2) *“Commercialization of Livestock Production: Challenges and Opportunities”* by Desalegne G. Medhin from Ethiopian Meat and Dairy Industry Development Institute.

The conference gathered concerned professionals, policy makers, government officials, researchers, development projects officers, academic workers, private business owners, and farmers to discuss vital issues regarding livestock sector development. Different issues were raised through the presentations and discussions on how to achieve market-oriented and intensive livestock production and improve management and livestock marketing strategies. The conference helped the understanding that the future of sustainable livestock development is in public-private dialogue and experience sharing among concerned stakeholders.

With USAID PRIME support, the Conference was organized by the National Steering Committee including members from Ministry of Agriculture, Ministry of Industry, Ministry of Trade, Ministry of Foreign affairs, Ethiopian Meat and Dairy Industry Development Institute, Ethiopian Meat Producers-Exporters Association and Prana Promotion.

The African Livestock Exhibition and Conference is an annual event organized by Prana

Promotion in collaboration with various Ethiopian Government agencies. This year the number of exhibitions and participants was 40% higher than last year. To maintain the trend of increase and the recognition of ALEC as a relevant and important event both nationally and regionally the organizer will for next year increase the entire event standard, attract more exhibitors and participants, international buyers, researchers and businesses.

Exposure visit to Gulfood 2014

The Gulfood Trade Fair is one of the most important food and beverages and food industry trade shows globally. This year's Gulf-food 2014 was record breaking in the event's history, welcoming tens of thousands of exhibitors, regional and global traders and visitors from around the world. This year the exhibition was conducted at the Dubai World Trade Centre on a record 113,398 m² exhibition space and 4,500 companies from 120 countries participating. The event is a strategic platform for buyers and sellers to see the latest trends and products in many categories of the food and beverage industry as well as to establish direct business and trade links and negotiate transactions.



PRIME facilitated and cost shared the participation of several Ethiopian livestock exporters and senior government representatives drawn from pastoral areas of Ethiopia where the project operates. In preparation for the exposure visit, promotional materials were produced for livestock exporters to introduce their companies and to promote the Ethiopian livestock and meat products at the fair. Representatives of livestock exporting companies: Rez Agrovet, Ahmed Mustafa Abdella Exporter, Musa Sh. Abdi export & import, MHH livestock export, Abdu Mohamed Live Animal Exporter Plc, and Jigjiga Export Slaughterhouse (JESH) PLC were also given the opportunity to participate at the fair as exhibitors by being affiliated to the Ethiopian National stand at Gulfood which was managed by the Ethiopian Ministry of Trade.

The exporters participating in the event were impressed by the vastness of this opportunity to create new international trade links and realized the potential positive impact on their business in terms of approaches and ways of dealing with the livestock trade business.

Rez Agro-Vet Trading Company was one of the livestock export companies that was supported by PRIME to participate on Dubai Gulfood Expo. Rez Agro-Vet Trading Company managed to sign a deal with Egypt-based company Ard Enaam Company for an initial export of 330 camels.

Based on the experiences from exhibiting Ethiopian products and observing other countries' products, stalls and pavilions at the Gulfood Fair 2014, the following opportunities, lessons and

"I created contacts with 30 potential customers interested to import Ethiopian sheep, goat, and cattle and used the opportunity to travel to Oman during this trip to talk to additional potential buyers. I have continued the negotiations with six of the potential buyers after returning back home. Of the six, three will come to Ethiopia to visit and hopefully will start importation of live animals".

**Ato Ahmed Mustafa Livestock
Trader from Dire Dawa**

recommendation have been discussed by the participants:

- There is a need for Ethiopia to have a strong and well-organized agricultural commodities export promoting Public-Private Agency to take the lead in organizing participation in events such as the Gulfood Fair;
- Maintaining regular participation at Gulfood fair will pay benefits in attracting buyers and capturing substantial market share;
- Well-designed, focused, large and single commodity promotional posters attract visitors to pay attention and have discussions with exporters;
- Ethiopian exporters are not aggressive marketers. There is a need to develop marketing skills and/or identify agents who will aggressively identify opportunities;
- In the future, Ethiopian companies should organize private stalls within the Ethiopian national pavilion to promote their own brands;
- Private sector should recognize trade fairs as excellent opportunities for market development and promotion. Hence, companies and sectoral associations should minimize dependencies on development partners and budget for such activities;
- Select potential livestock exporters from all PRIME operational areas to participate in the next year Gulfood Expo including senior government representatives.



Support for Organizing a Livestock Show at the African Livestock Exhibition and Conference

One of the activities conducted during the African Livestock Exhibition and Conference was the Livestock Show, an activity that showcased different Ethiopian livestock breeds. The activity resulted in a display of 19 different highland and lowland camel, dairy and beef cattle, sheep and goat breeds. The objective of this activity was to have international livestock traders who participated in the Business-to-Business event organized during ALEC 2014 become familiar with the Ethiopian livestock breeds.

In order to conduct the livestock show event during ALEC 2104, the organizer Prana Promotion with support from USAID PRIME and LMD projects constructed holding pens and contracted breeders to bring selected animals to the show and took care of the animals during their stay in the show.

Key results of this activity included: (1) Successful promotion of Ethiopian indigenous and improved livestock breeds (camel, cattle, sheep and goat) to potential foreign buyers visiting ALEC 2014; (2) Educational exposure of the local visitors of ALEC 2014.

Since this was the first time for the ALEC organizers to include a livestock show as an activity during the three-day event, valuable lessons were obtained for the future. It was concluded that for the purpose of having a good promotion of the Ethiopian livestock breeds for international buyers, preparations need to start at least six months in advance to secure extraordinary animals from the showcased breeds, bring them to Addis Ababa and prepare them for the exhibition at

least one month prior the event. More animals in more categories within the breed: breeding male, young female, breeding female, productive dairy female as well as finished fattened male animals are to be showcased for the visitors to have better exposure to the performance of the Ethiopian livestock breeds. Potentially the Livestock Show can be turned into a Competition Show that will increase the interest of breeders to exhibit the best animals by providing an incentive in the form of prizes.

Regional Agriculture Trade Fair in the Ethiopian Somali Regional State

The first Regional Agricultural Trade Fair in the Ethiopian Somali Regional State was conducted in Jijiga on January 12, 2014. This event met and exceeded its objectives due to the unexpected large attendance of the general public and private sector. Not only pastoralists and livestock



input suppliers, but also other private sectors companies such as agriculture cooperatives, renewable energy wholesalers and nutrition traders attended the fair. Over 900 pastoralists visited the fair, 27 private companies: livestock and animal health input supplies, agriculture input suppliers and produces, renewable energy traders and diversified nutritional food retailers attended the fair as both exhibitors and visitors. In addition 39 livestock producers/pastoralists participated in the Livestock Exhibition and Competition that was organized as part of the Trade Fair Event.

The event was organized by the Ethiopian Somali Region Chamber of Commerce & Sectoral Association with support from PRIME and the Somali Regional and Woreda Livestock, Crop and Rural Development Bureau and Office. Teamwork through voluntarily responsibility sharing and collaboration among the partners, program and operation staff contributed a lot for the successful achievement of the expected results of the fair. Opening speeches were made by the heads of the Ethiopian Somali Regional State Livestock (ESR) Bureau, Crop and Rural Development, Trade, Transport and Industry as well as Chamber of Commerce & Sectoral Association.

The main success of the trade fair was bringing a range of actors together to display agricultural and livestock products/services and technologies in a way that the different stakeholders exchange information and ideas for future partnership and create business and market linkages. Private actors displayed their product and services. The fair was also a good opportunity to link agricultural producers with urban consumer's especially regional producers of coffee, banana, mango, orange, papaya and other agricultural products that currently do not have good market outlets. For example one coffee producer who recently started producing coffee in the Fafan zone managed to establish functional linkages with urban consumers who transport coffee from other areas of the country.

Solar energy technology, displayed by Addis Ababa firm Green Light, attracted the attention of exhibitors. While the fair exhibitors hotly discussed with Green Light representative we learnt that a similar technology was introduced by aid organization some years back which created

demand in the region. We have observed many visitors requesting the technology and the company started dealing with three distribution agents in the region for future business linkage.

The Livestock Exhibition and Competition was an integral part of the fair. Exhibited livestock included camel, cattle, sheep and goats. A committee of judges from Haramaya University, ESR Livestock, Crop and Rural Development Office, Livestock trader and Babile Livestock Agency used predetermined criteria to judge and select the best livestock in all categories. As a result the committee of judges awarded the 21 best livestock owners with prizes. Certificates of participation were awarded to all participants for their participation in the Regional Agricultural Fair. Medals were awarded to the 1st ranked in all categories and financial prizes of 1,500, 1,000 and 500 ETB were awarded to the 1st, 2nd and 3rd ranked respectively in each livestock category.

PRIME partner, HAVAYOCO circus group, presented circus and drama shows. The drama show was about the importance of eating nutritious food for proper mental and physical growth. The storyline of the drama was a young man who wanted to join a circus but the circus trainer said that he was not strong enough. The trainer advised him to build his physical fitness and strength by having balanced diet comprised from all nutrients needed for the physical development. The young man implemented the advice given to him. Some months later, the young man came back to the circus training center. The trainer checked and confirmed he is now physically fit and the young man was able to begin his training.



The other achievement of the Regional Agricultural Fair was a panel discussion on livestock trade with special focus on the challenges and opportunities of livestock trade in the Somali region, and the role of the local Chamber of Commerce in access to finance and impact of climate change on the livestock industry. Representatives from the Livestock, Crop and Rural Development Bureau/Office, Livestock traders and producers, as well as Mercy Corps participated in the panel discussion. During the discussion, lack of markets, poor infrastructure, feed shortages, poor financial capacity and poor linkages among livestock actors were identified as major challenges for the livestock trade. Informal business relations through brokers were also identified as a key challenge affecting the performance of the business relationships among the livestock trade actors. Regarding the role of the Chamber of Commerce & Sectoral Association, the livestock traders reported that the association has not yet started actively working in the livestock sector. At the panel discussion, the issue of access to finance was raised and the livestock traders reported challenges in regard to access to finance. For instance, Mr. Ahmed Nur from Barwaqo Dairy Farm said the farm received a 120,000 ETB Murahaba loan from the Somali Micro Finance Institution (SMFI) and returned the loan on time, but their interest to take further loans is low due to the complex procedure, time needed to the loan and high markup applied to the loan. The impact of climate change on livestock trade was also discussed. During the discussion the participants identified the impact of drought, disease, high feed prices and low feed availability that affects the livestock body condition. The livestock traders said these in turn negatively affect livestock demand and price.

Based on the experience and lessons drawn from the Regional Agricultural Fair sub-activity implementation, the sub-activity will be replicated to the other PRIME operational clusters. The process of the fair was documented using audio/video cassette and this document will be shared to South and Afar Clusters to improve the organization of this events in those regions.

The Chamber of Commerce and Sectorial Association is expected to scale up this sub-activity to the other zones of Somali Regional State.

Zonal Livestock Fair in Afar Cluster

During the quarter and in collaboration with the local government in Afar Zone 3, PRIME facilitated the organizing of the first Agricultural Trade Fair in Awash (Afar) from June 8 to June 9, 2014. The objective of the activity was to improve market linkages among actors in the livestock and dairy value chains, agricultural input suppliers and retailers, pastorals and agro pastorals, research institutes and other stakeholders. Twenty-four exhibitors participated with stands. While the number of exhibitors was lower than anticipated, this event



organized for the first time in Zone 3 of Afar managed to bring together diverse participants. Local and large-scale national feed suppliers, PVPs and veterinarian products wholesalers, dairy and poultry input suppliers, local cooperatives and livestock traders exhibited and showcased their products and services to close to 1,000 visitors, urban dwellers, farmers and pastoralists.

Despite organizational challenges, the event accomplished important results to be used as stepping-stones in the future implementation of development activities in the Afar cluster. Stronger vertical and horizontal linkages were achieved among producer, local and regional business, cooperatives, governmental institutions and the non-governmental sector in the region. The small voucher scheme activities implemented during the fair enabled the pastoralists and agro-pastoralists to purchase promoted inputs such as solar products, animal feed, storage bags and agricultural inputs at a discount. Over 113 pastoralists and agro-pastoralists used this opportunity to purchase and familiarize themselves with new inputs, resulting in sales of 85,978 ETB of solar products, agricultural inputs (seed), feed, and storage bags.

Business-to-Business connection events for abattoirs and livestock traders form the Eastern Cluster



The objective of this event was to create market linkages for livestock traders from the Eastern Cluster and abattoirs. 35 participants from different private enterprises including owners and representatives of highland abattoirs and actual and potential livestock traders from Shinile, Jigjiga, Dageabur and Aysha met at a one-day linkage event/workshop in Dire Dawa. The Ethiopian Meat Exporters Association also participated in the event. Two

newly established abattoirs; Abyssinia and Halal and two earlier established, ELFORA and MOJO, participated in the workshop.

This event allowed livestock traders and abattoirs to engage in an open exchange to share ideas, formal communication, relationship building and also exchange information and contacts for potential business transactions. This helped traders and abattoirs build trust and confidence in each other. In addition to this, livestock traders and abattoirs bargained the price/kg, mode of livestock transportation and also future cooperation with maximum trust and confidence. The most important point of this event is that five linkages have been made with three different abattoirs to supply 200 heads/day to each of the slaughterhouses in the Eve of the Arefa Holiday. The business partners agreed on the terms and made formal written agreements.

The overall expectations of this event included:

- Facilitation of an off-take of 6,000 sheep and goats per month by the abattoirs as a result of the linkage;
- Enabling livestock traders get knowledge and experience in new business practices such as pro forma price negotiation, adopting new modes of payment, transportation etc.;
- Creation of new market linkages for 40 livestock traders in the targeted woredas;
- Building trust among livestock traders and the abattoirs.

During the event it became evident that the abattoirs represented expressed their needs for purchasing of up to 15,000 sheep and goats per month. The quantity could be easily met, however, the specific trade practices that the traders will have to adopt prove to be challenging for them. Five livestock traders managed however to conclude agreements with four different abattoirs to supply 200 heads of animals per day. The understanding of livestock trading practices is important for designing, developing, and implementing effective and efficient livestock market support services. The largest proportion of traders/exporters mentioned the problem of dispute on the price of animals and this is consistently the most important problem observed during the discussions.

Particularly from local traders (small traders) seemed to have a lack of understanding the application of the weighing system. Most shoats weighing less than 35 kg are sold using weighing scale while shoats weighing over 35 kg are sold using physical estimation mainly. The reason for this practice is that this practice is more beneficial for the small-scale livestock traders.

The lack of appropriate livestock holding grounds for consolidated livestock shipments was identified as one of the major constraints for improving the livestock trade from the Eastern Cluster towards the highland-based domestic abattoirs. Inappropriate transportation services were also identified as a major obstacle for increased uptake of livestock from domestic abattoirs.

Since the largest number of livestock traders who participated in this B2B linkage event and workshop do not have enough knowledge on applying weighing system it is obvious that further technical assistance and support for adoption of these practices in the marketing and management is an important set of actions for PRIME in Year 3.

Competitive Cost Shared Grants for Establishment of Livestock Holding Grounds/Stockyards in Borena and Guji

This sub-activity aims at establishing 3 livestock holding grounds/feedlots, improving off- take of live animals in Guji in Borena and improving the quality of livestock traded. During Year 2 of PRIME, calls for proposals were published and 16 applications were received by the Negele, Yabello and Moyale PRIME offices. The verification of the proposals has been conducted and selection of applicants and awards will be completed in the next quarter.

Key result 1.3: Enabling environment improved

Livestock Disease Surveillance and Reporting System in Borena and Liban

This workshop activity was organized with the general objective to raise the awareness of both government and private veterinarian professionals about the importance of Animal Health Surveillance and Reporting as well as to identify main constraints the reporting system faces. The specific objectives of the workshop were: (1) discuss the current status of livestock disease surveillance and reporting system in the cluster; (2) investigate the constraints that limit the use of effective surveillance and reporting system; (3) discuss and identify the appropriate methods and approaches to enhance effective surveillance and reporting system. Nineteen animal health professionals from the public and private sectors participated even though participant from the Guji Zone were unable to attend because of the recent conflict between Guji and Borena as the workshop was held at Yabello town of the Borena Zone.

The workshop was conducted in a series of separate sessions. Each session started with an introduction by the session facilitator followed by presentations and discussions. The overall discussion program was organized as stated below; (1) Importance of Animal Health Surveillance for Livestock Marketing facilitated by Dr. Ahmed Ibrahim; (2) Current status of Animal Health Surveillance in Somali, by Dr. Abdulahi; (3) Recommended methods and approaches to enhance effective AH surveillance and reporting system.

The overall limiting factors identified and prioritized during the workshop as most important for conducting effective local and national surveillance for animal diseases including zoonotic were as presented in the table below.

Gaps/Constraints	Action to be taken	Action to be taken by
Poor linkage between concerned actors (FEU, OPC, Regional Laboratory, Zonal PDO, Woreda PDO, Private sector, and Abattoirs	Establishing proper coordination and networking mechanism to involve all relevant actors by organizing Workshop and stakeholders consultation	Federal EU, Zone, National laboratory, NVI,
Lack of understanding by local and national decision-makers and stakeholders on the importance of	Awareness raising on the RS to PDO to properly allocate the resource and mobilization of existing resource in case of serious emergency and training of	Federal EU, Zonal PDO

surveillance	professionals	
Lack of commitment	Awareness raising and regular follow up with field staff	Federal EU, Zonal PDO
Insufficient funding for surveillance	Allocating appropriate funds and developing mechanism for continuous funding	Federal Epidemiology
Insufficient training in surveillance methodologies	TOT Training at Zonal level for Districts level experts who then train Animal Health workers in Animal Health Posts at PA Level	Federal EU, Zone PDO, Regional Lab /PRIME
Trained staff turnover	Increasing the number expert during TOT Training	Federal EU, PRIME
Lack of baseline data on livestock population and priority diseases to establish risk based surveillance	Conducting basic assessment and make use of existing data that enables to establish risk based surveillance and reporting system.	Zone PDO, Laboratory/PRIME
Lack of capacity of regional diagnostic laboratory	Training and technical capacity building of diagnostic laboratory (equipping / provision of basic diagnostic facilities).	Laboratory /PRIME
Lack of capacity of health posts	Training and technical capacity building of health posts (provision of basic field diagnostic facilities)	GoE/PRIME
Lack of feedback for information providers at field level	Establishing effective feedback response mechanism	Federal Epidemiology Unit /PRIME

Other issues raised by the workshop participants include: (1) Current prescribed reporting format is complicated and there is a language gap in understanding and filling the format. The participants recommended translating the format to local language for ease of understanding; (2) The current reporting format is in form of hard copy, manually filled and sent by post. Participants recommended sending it electronically by E-mail.

The recommendations from this workshop will be shared, refined and agreed upon by national experts and decision makers. Recognizing this, the participants recommend that a similar workshop be held at the national level that will involve higher-level decision makers and other relevant actors. As a next step the participants will try organizing a similar country level workshop to bring the findings about this grass-roots level problem and to recommended action steps for decision-makers and other actors through a bottom-up approach to refine, jointly plan and share responsibility and mobilize the necessary resources.

Grant to Ministry of Trade to Develop National Livestock Market Information System

Over the course of Year 2 PRIME developed and started the implementation of an activity aiming to support the further development of the National Livestock Market Information System (NLMIS), a platform for collection and dissemination of up-to-date information on livestock

prices in the main markets in Ethiopia. The main objective of the activity that is to be implemented by the Ministry of Trade and supported by PRIME, the USAID-funded Livestock Markets Development Project (LMD), and FAO are to assist the Ministry of Trade to develop and execute its strategy to improve and expand the NLMIS to reach out and make available the information collected to all interested users (institutional and individual) in all regions within Ethiopia as both a key market information access instrument, and a provider of critical information and analyses for Horn of Africa's various early warning systems (EWS).

While all committed implementation parties have provided continuous interest in initiating the actions, the activity has taken longer to start because the partner has needed to comply with their internal processes regarding the commitments and signing of MoUs with the Ministry of Trade.

PRIME conducted first-phase training of trainers (TOT) on the National Livestock Market Information System (NLMIS) in collaboration with AGP-LMD. This training was attended by 25 technical staff of the Ministry of Trade, drawn from livestock marketing and Information Technology (IT) departments including senior staff from the live animal marketing directorate and supporting partners.

This project aims to build the technical and management capacity of the Ministry of Trade and its 100 field-based market monitors to collect, manage and disseminate information and to further improve the system, and to support Ministry of Trade effort expand the system into key pastoral areas and livestock markets. The partnership also aims to ensure the system will be owned and sustainably implemented by the Ministry of Trade at the federal level, who will also coordinate the implementation activities at regional level. As such, the expected result will be establishment of an effective and sustainable livestock market information system capable of serving needs of pastoralists, producers, consumers, traders, processors and policy makers, while eliciting appropriate market behavior.

The current LMIS was designed to improve access to market information by providing simple access to timely market information. Price and volume data are collected at designated markets and conveyed to the LMIS server in Addis Ababa using small message system (SMS)-enabled cell phones and a data coding system. The data is then available to all interested parties via SMS query of the server or through the internet portal (<http://www.lmiset.net>).



The overall objective of this training was to acquaint Ministry of Trade technical staff (livestock marketing and IT departments) with the basic knowledge and skills on the use of livestock market information system, how to manipulate the database, livestock grading techniques, market price collection, volume data collection techniques, and use of short message service (SMS) for market information delivery and enquiry from the National Livestock Market Information System (NLMIS). As the system monitors livestock product price information the technical staffs were also trained on methods of collecting, coding and delivery of major

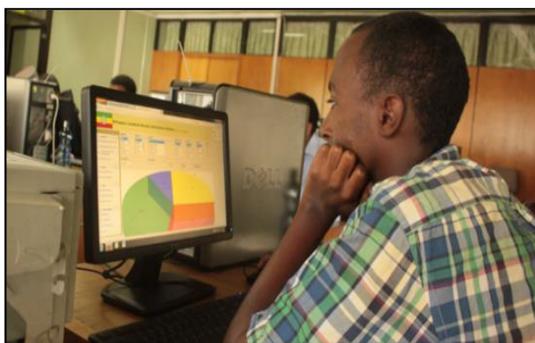
livestock products price information such as meat, milk, honey and hides and skins for all livestock species.

The initial TOT training session was conducted during the month of September 2014 at Ministry of Trade in collaboration with LMD. The training session includes the following topics;

- Introduction to Livestock Market Information System Concepts and History
- Livestock Market Information System Coding System
- Discussion on Livestock Kinds, Breeds, Age, Sex, and Grade (Fatness) considerations for capturing price differences in the marketplace
- Procedures for grading livestock in a consistent and uniform fashion
- Procedures for using SMS to send and receive data from the central market information server in Addis Ababa
- Introduction to price and volume trend, and price differential analysis using the Livestock Market Information System Web Portal
- Developing market reports using the web portal and interpretation of market trends for developing situation reports
- Hands-on training for sending LMIS data using SMS and retrieving price and volume data using SMS
- Filling out field datasheets to assist in SMS code creation and archiving datasheets.
- Basic LMIS quality control procedures
- Basic System Administration

Trained MOT staff is now able to record the price and volume information on data sheets and understand how this information transferred into short message codes that can then be sent to the Livestock Market Information System server in Addis Ababa via SMS from cell phones. Trained staff is also now able to understand the livestock grading and evaluation procedures, request market data from the Livestock Market Information System server, and how to use the web portal for extraction livestock price and volume trend information.

They will also be able to conduct basic quality control procedures for the data collected at the markets, add users and new markets, and provide a reliable and timely market information system that can be used as an information source for traders, producers, meat and live animal exporters and other stakeholder to allow informed decision making, reduce risk, and improve overall market transparency.



The Ministry of Trade trained staff in collaboration with support from PRIME and LMD will cascade the training to data collectors drawn from major national livestock market sites and over 150 monitors and regional supervisors expected to attend the training here in Addis Ababa during the month of October 2014. The system is expected to cover around 50 livestock markets for data collection drawn from Amhara, Afar, Tigray, SNNPR, Oromia, and Ethiopian Somali regions.

The overall purpose of the upcoming national data collector livestock market training is to make livestock information available through various media to all players in livestock marketing and establish/strengthen the creation of vertical and horizontal linkages among pastoralist, cooperative unions, assemblers and wholesalers, processors, local marketing chains and exporters. The specific objectives of the training will be as follows:

- To acquaint participants with the basic knowledge and skill on the use of livestock market information system, livestock grading techniques, and market price and volume data collection techniques.
- To familiarize development agents and project staff on practical application of data collection formats, coding system and tools to disseminate market information.
- To enable development agents and project staffs to identify key areas of intervention in livestock production and marketing based on time series livestock price data.

The upcoming activities in implementation of this collaborative project include:

- As per the memorandum of understanding (MoU) PRIME will procure and make available equipment for the NLMIS listed under the MOU document to fully run the system and strengthen the NLMIS department under the Ministry of Trade
- PRIME will install the new server at Ministry of Trade headquarters and provide TA in adopting a new software models through Texas A&M University
- Train data collectors and regional supervisors on NLMIS in collaboration with Ministry of Trade and LMD.
- Work closely with Ministry of Trade to disseminate livestock price information to wider users across nation (Feedback to markets through Medias, TV, FM and Radios (once every week))
- PRIME project staff will be trained on the use of the NLMIS system to make sure that beneficiaries are aware of the livestock information available for their use in all clusters.

Key result 1.4: Effective emergency response protects pastoralists' assets

Index-Based Livestock Insurance Sales Channel Strengthening in Borena

The overall goal of this activity implemented during Year 2 of PRIME is to increase pastoralists' resilience to drought shocks by transferring the risk to insurance companies through Index-Based Livestock Insurance (IBLI) instruments. The activity is focused on offering one year of facilitative support to Oromiya Insurance Company (OIC) to increase sales of the IBLI insurance product, including cultivating insurance knowledge among Borena pastoralists. IBLI policies have been sold in five rounds, the fifth round being the most successful. Sales for the fourth sales-window of IBLI amounted to 403 policies with total premiums of Birr 234,605 (\$12,031), while the total insured amount to Birr 2,384,000 (\$122,225).

The 5th Index Based Livestock Insurance (IBLI) sales window lasted for two months starting from August 1 to September 30, 2014. During this period, OIC, ILRI and CIFA's staff jointly exerted maximum effort to make the sales more successful.

During this sales window, training, supervising and supporting of Primary Cooperatives, Village Insurance Promoters (VIPs) and CIFA extension staff in charge of promoting and selling the policy was carried out on a daily basis. Further, awareness creation and promotion of the IBLI product was made at all the ten 'woredas' using various means such as meetings and education at market places using of amplifiers.

The number of policies sold during the July-August 2014 sales window reached its maximum ever. During this time, 735 policies were sold. This is the highest of all the policies sold so far since the commencement of the project in August 2012. When compared to the January/February 2014 sales window of 403 policies, the current sales can be said to have increased dramatically. Fifth-round sales generated premium of Birr ETB 365,885 with the total sum insured of ETB 3,875,600.

When it comes to the number of livestock, 1,685 animals were insured during the period. Of these, 1,212 are shoats, 456 cattle and 17 camels. The increase for the August/September sales window provided evidence that the product is gradually gaining acceptance in the community.

Oromia Insurance Company is preparing for the first payout since the index based livestock insurance was introduced in Ethiopia and the payout ceremony is expected to be held in early November 2014.

External Parasite Control Campaign for Small Ruminants in the Eastern Cluster

External parasites cause severe economic loss through overall reduction of productivity and resistance of infested animals, reduction of milk production and reduced value and marketability of hides and skins due to the physical damage that external parasites cause. External parasites, specifically ticks, are often carriers of other infectious diseases and may cause larger outbreaks that result in losses for the pastoral and agro pastoral households and to the livestock industry in general. In order to increase the awareness of the pastoral and agro pastoral households that raise livestock of the need to routinely both preventively and curatively treat the livestock against external parasites of livestock industry, the LCRDB of Somali region and the PRIME project carried out an external parasite control program in three woredas of Fafan zone of the ESRS.

The objectives of this activity were to increase the awareness of the pastoral households of the need and appropriate practices for preventive and curative treatment against external parasites, increase the resilience of livestock to other risk factors such as drought that can be expected in the next quarter, and reduce economic loss due to external parasites infestations.

The external parasite control campaign was carried out in Awbare, Babile and Harshin districts of Fafan Zone. The regional LCRDB in collaboration with Mercy Corps put up a team of veterinarians to focus on reducing infestations of ticks, lice and mites in small ruminants. The preparations included securing the necessary parasite control products and application equipment by the LCRDB and extensive communication of the campaign to the LCRDWs in Awbare, Dadamane and Harshin. Coordination with the woreda-level animal health authorities included: (1) Community mobilization and education; (2) Selection of sites for conducting the external parasite treatment and educational campaigns and (3) Mobilization of local animal health workers (CAHWs) to participate in both awareness building and educational campaign and the

treatment campaign. The actual treatment of the animals was conducted by spraying a solution of 60% Diazinon (acaricide) using best practices in assuring application safety. The campaign assured that the benefitting owners of livestock clearly understand the reasons for treatment, as well as best practices and the methodologies to be used when performing this kind of treatment. The table below synthesizes the results of the activity in terms of animals treated and households impacted with this activity.

Districts	Number of the Shoats		Sub-total	Benefiting Households		
	Sheep	Goat		Male	Female	Total
Awbare	50,052	36,448	86,500	854	618	2,471
Harshin	50,228	29,772	80,000	1,714	571	2,286
Babile	51,760	31,740	83,500	1,789	596	2,386
Total	152,040	97,960	250,000	5,357	1,786	7,143

Support Emergency Livestock Vaccination Campaign for Lumpy Skin Disease for Cattle in Borena

In response to an official request from Liben woreda PDO, a support activity for cattle vaccination campaign against Lumpy Skin Disease was developed and implemented in the Gujii zone of Liben Woreda. A total of 189,727 heads of cattle, owned by 12,563 households (1,024 of the households were women headed and 11,539 were male headed) were vaccinated. 40 CAHWs were actively involved in the campaign working hand in hand with 28 Government Animal Health Agents.

Support Emergency Livestock Vaccination and Treatment Campaign in Kebribayah

A collaborative emergency livestock vaccination and treatment campaign between PRIME and the Kebribayah zonal LCRDO was conducted during the quarter in 21 kebeles of Kabribayah district of ESRS in the period October 22, 2013 to November 10, 2013. The support was provided for emergency vaccination of small ruminants against PPR and Smallpox and in addition internal parasite treatment was provided for seriously infested flocks. Three teams consisting of six animal health assistants, technicians and 21 CAHWs conducted the campaign. During the campaign a total of 472,283 Shoats were vaccinated against PPR and Small Pox and approximately 1,000 animals received various treatments against parasites infestations. 13,197 households, of which 673 were led by women, benefited from treatments and vaccination campaigns. The Campaigns was conducted based on cost shared basis, whereas PRIME contributed 35 and the district LCRDO provided for 65% of the cost.

Crisis Modifier Planning – Process Maps and Emergency Indicators

PRIME has identified 12 emergency indicators/triggers which are mapped on Process Maps (also called Decision Trees). These indicators are not designed as a “threshold” number but rather are designed to be used in coordination with one another. For example, lack of rain is not a concern in the same way if water availability and pasture are adequate. See Annex 1F for copies of the draft indicator/triggers. The initial plan was to finalize the maps in cooperation with OFDA, however due to the onset of the emergency activities and changeover of OFDA staff, this has not yet taken place. Partners reviewed and Revised the Process Maps in July 2014.

The indicators/triggers fall into roughly three categories: Environmental Indicators such as change in rain fall, change in water and pasture availability etc; Market Indicators such as change in milk price, price change in basket of food, change in wage rates etc; while abnormal mobility patterns are grouped under Coping Strategy Indicators. Information sources primarily come from available sources outside of PRIME (eg, WFP, FEWSNET, DRMFSS), with more localized information coming from PRIME field offices. PRIME tracks these indicators and produces weekly updates distributed at the Senior Management Team meetings, where PRIME Leadership determines whether action or further monitoring is required. Partner Leadership is updated on emergency actions at the monthly Partner Leadership meetings, and regularly reminded of the process for submitting requests to draw down from the Crisis Modifier or other emergency funds.

Fodder Vouchers – OFDA Funded

Following poor performance and failure of seasonal rains, multiple indicators exhibited early indication of deterioration of situations in PRIME operational areas of Borena zone in Oromia region, Liben zone of Somali region and Zone 3 of Afar region. PRIME initially called on the Crisis Modifier to fund a Fodder Voucher intervention in Borena, which aimed to prevent further livestock death and decline in livestock productivity, while preserving the key productive assets to pastoral households, as well as milk supply in households with pregnant and lactating mothers and/or children under 5. The value of this activity is \$500,000.

The approach taken to voucher provision was to work through retailers in the target areas. Because PRIME seeks to build the demand and supply of fodder in its target areas through its development work, this was an opportunity to give retailers (who, for the most part, do not currently sell fodder) the opportunity to learn if it is a product that their customers would want (i.e. an opportunity to expand their available products). At the same time, fodder users could learn which retailers might have fodder for sale in non-emergency times.

Vouchers were to be distributed to targeted households (targeting was done jointly with the local government and communities) and redeemed through local retailers. Feed and fodder suppliers deliver to the retailers. In Borena, 8775 quintals of hay/grass and 3668 quintals of concentrated feed were distributed in two rounds, supporting 4500 head of livestock in six severely affected woredas (Teletele, Yabello, Dire, Miyo, Dillo and Moayle). Communities report being very pleased with the high quality of the feed and fodder being provided.



Similarly in Zone 3 in Afar region (Gewane, Bure Modayto, Amibara and Awash Fentale) PRIME's Fodder Voucher intervention distributed 9152 quintals of hay/grass and 4132 quintals of concentrate to 10,390 livestock in one round.

Finally, in Liben zone of Somali Region (Dolo Ado, Filtu, Hudet and Dolo Ado) beneficiary targeting completed and PRIME plans to

provide fodder/feed to 10000 head of livestock with the same approach. The maintenance and survival feeding requirements for all animals are calculated as defined in the National Guidelines for Livestock Relief Interventions in pastoralist areas of Ethiopia. To preserve milk supply in the communities and prevent malnutrition while protecting household assets, the activity targets pregnant and lactating cows, breeding cattle, sheep and goats across all three areas.

Shortly after calling on the Crisis Modifier mechanism within the agreement, PRIME was asked by USAID to develop similar activities for Afar and Somali region, as well as considering destocking options to reduce the overall number of livestock requiring assistance.

Although originally submitted as a Crisis Modifier request, the second proposal for Fodder Voucher distributions was ultimately submitted as a stand-alone proposal to USAID/OFDA, at the request of Washington. This proposal mirrors the approach and targeting of the Borena proposal, and is designed to be completely complementary, and is being implemented by PRIME staff in the same manner as the Borena Crisis Modifier proposal, but is not administratively part of the PRIME project. However, all Fodder Voucher interventions will be reported here as one activity in three areas, because the underlying intent of the activity is protect the development gains of PRIME. (Note: the stand alone OFDA activities are not allowable as match funding, although they are perfectly coordinated with PRIME approaches and implementation.)

Emergency Destocking

Commercial Destocking options were explored through multiple outlets in the three target regions. Because of GoE restrictions on NGOs intervening in the financial services sector, PRIME could not provide capital directly to any financial institution for destocking loans, nor could Mercy Corps (or other PRIME partners) directly provide loans to traders. Because of Mercy Corp's long standing relationship with the Somali MFI (SMFI), and a pilot loan for traders done earlier in the year, it was possible for a loan product designed for destocking to be offered. However, SMFI was facing constraints on loan capital, and it took until Oct 2014 for approvals to come through allowing Mercy Corps to deposits funds in an account at SMFI (effectively a term deposit) raising the overall capital level of the SMFI and releasing the capital constraint within the institution.

In Borena, PRIME approached OCSSCO, with whom it had begun discussions about technical assistance and developing new loan products. Although there was interest expressed initially, when a written proposal for partnership on destocking loans was put forward at the Addis level, it was rejected without much further discussion. The PRIME team's analysis is that although the local branch was very interested in the idea, because OCSSCO is a very large organization the senior managers were not interested in working on new products as they feel they are doing the type of lending that works best for them as a company. Therefore destocking is not expected to be implemented in Borena area, as a complementary activity to the Fodder Vouchers.

Concurrently with the work done on destocking finance in other project areas, the PRIME team was seeking creative solutions for implementing destocking in Afar. There are currently no financial institutions in Afar that would make appropriate partners for this type of activity, in part because the Afar MFI has only recently received its license and is not yet operational. The first approach was for CARE to determine whether a "waiver" could be provided, allowing NGOs to

provide direct loans to traders for destocking. Although this waiver was provided by the regional government, the waiver was not accepted by the ChSA (governing body for NGOs) and therefore direct loans were not an option.

PRIME then sought a solution through the private sector: PRIME staff identified slaughterhouses (based in Modjo, Debre Zeit, and Awash) that would be capable of large off-takes, and began exploring the type of incentive that could be provided to encourage them to go to Afar and purchase animals (transport subsidies, top-up payments based on weight purchased, etc). Several slaughterhouses indicated that they would be interested in participating in this kind of program. A call for proposals was then developed and all interviewed slaughterhouses were encouraged to apply, and provided copies of the call. None applied. PRIME's analysis is that due to the nature of the abattoir business (most animals are brought directly to the abattoir and purchased on the spot or turned away), there is no need for slaughterhouse owner/managers to make the effort to travel to Afar to purchase animals. PRIME's incentives were unlikely to ever be enough to motivate them to travel to Afar. There are very few large traders in Afar (PRIME's relationship with them is not as deep) who PRIME could work through, and although PRIME has deep relationships with large traders in the Somali region, it would not be politically appropriate for PRIME to send Somali traders to Afar for this kind of large scale activity. No solution was found and destocking is no longer planned for Afar.

IR1 Priorities in Year 3

One of the main factors for increasing the productivity of livestock in milk and meat production, as well as a key factor for securing resilience of the livestock industry in the pastoral areas, is improved nutrition of livestock. While the pastoral system of managing livestock only occasionally relies on supplemental feed and fodder provision, advancement in productivity inevitably requires increased use of supplemental feed and fodder in levels varying and depending on the season, type and category and animals reared and the productivity levels. Most of the limited amounts of supplemental feed and fodder used by pastoral households are produced as by-products of other crops and not as feed and fodder crops designated solely for animal nutrition. There are limited resources to establish agricultural production in the pastoral areas and especially for growing feed and fodder crops that require relatively large arable land and irrigation water availability. In addition the external supply of animal feed and fodder is limited in the pastoral areas as the demand is erratic and not well established for a viable supply chains to be established from the Ethiopian highlands or import. In the coming period, PRIME will increase the development and implementation of activities within work plan items: 131 Improved Availability and Quality of Animal Feed and 121 Improving Dissemination of Market Information. This will be done in an effort to improve and increase animal feed and fodder production in the targeted areas that offer the opportunity for that and where demand for feed and fodder allows for feasible feed and fodder linkages to be established.

The IR1 team, as part of the Economic and Market Development team of PRIME, will in the upcoming period strengthen internal reporting in timeliness and quality of activity reports and recording and reporting impact, especially FtF and other PRIME PMP indicators. In addition, collaborative and synergetic activities with the activities focused on achieving other PRIME resilience improvement objectives, will be developed and implemented to maximize impact.

To better develop and implement facilitative market systems development activities PRIME IR1 team will step up efforts to work more closely with private sector actors in the value chains supported. During year 1 and 2 of PRIME substantial investments were made through the Innovation and Investment Fund (IIF) in livestock commodities processing (milk and meat). Leveraging those investments by supporting milk and livestock producing communities to become quality suppliers of those value addition enterprises which open up market will be the focus of the activities in Year 3. This is an ongoing effort to achieve the sustainable growth of private operators in offering livestock and agricultural inputs, services and products as well as market outlet for the commodities produced by pastoral and agro pastoral communities.

INTERMEDIATE RESULT 2: NATURAL RESOURCE MANAGEMENT AND CLIMATE CHANGE ADAPTATION

PRIME focuses on enhancing pastoralist's adaptation to climate change by improving early warning systems, governance and technologies that can support decision-making towards climate adaptation. This includes improving livelihood-related decision-making towards climate change adaptation under intermediate results IR1 and 3, focused on livestock productivity and livelihood diversification respectively. Resilience will be strengthened through participatory rangeland management focused on strengthening customary and formal government institutional capacities and securing inclusive use and management rights of communal lands.

Key Result 2.1: Improved Science and Information for Decision-making

During the year, a rangeland management planning and monitoring advisor was hired to support the development of community's rangeland management plans across PRIME areas. The Rangeland management planning and monitoring advisor will lead the management planning process at the selected rangeland systems through involving and ensuring the concern and interests of the diverse interest groups including the local governments.

Participatory Mapping and Institutional Analysis and Strengthening in New Rangeland Systems



One of the key activities PRIME supported across all regions is during the reporting year was participatory mapping of the rangeland systems and revitalizing and strengthening of the customary institutions managing those rangeland systems. A total of 14 new rangeland systems have been mapped across the three regions in this year alone. This brings the total rangeland systems of PRIME's intervention up to 23 (10 in the South, 5 in Afar and 8 in

the Eastern cluster). Mercy Corps facilitated the mapping exercise in *Muli ,Afdem* and *Erer* rangeland systems in Siti zone, *Babile Oromia* in Babile woreda, *Golbo* in Borena Zone, *Wayama Somali* which is the rangeland system across the border from Borena in Liben Zone of Somali Region; SOS Sahel conducted similar exercise in *Wadera* in Guji zone which is their 5th rangeland system; HAVOYOCO mapped *Harshin* rangeland system; ACPA conducted a similar exercise in *Babile-Erer Valley*, the second rangeland system identified within Babile woreda; similarly CARE has facilitated the mapping of five rangelands in Afar, namely *Awash fentale*, *Amibara*, *Gewane-gelalo*, *Dulessa* and *Argoba* rangelands systems. In each case communities mapped wet and dry season pasture areas, water points, farmlands, settlements and mobility patterns.

As part of the mapping exercise, communities identified resource users and decision-makers, the relative effectiveness and legitimacy of various decision-makers, as well as relationships between users and among decision-makers. Participants in all meetings included key resource decision-makers and knowledge holders, and local government representatives. Customary governance institutions were revitalized and reformed by including both women and youth representatives.

MAPPING PROGRESS

Grazing System	Administrative Areas - woreda	Zone	Estimated Population	Estimated Area (ha)
Southern Cluster – Oromiya				
Dheda Dida (verification done)	Liban & Gorodola	Guji	65,340	340,188
Golba dawa (verification done)	Liban	Guji	71,280	258,754
Golba Genale (verification done)	Gorodolla	Guji	89,100	138,993
Wadera (verification done)	Wadera	Guji	84,000	95,269
Woyama (verification done)	Arero, Dhas and Moyale	Borena	110,200	515,457
Dirre (verification done)	Arero, Dhas , Dire+Miyo	Borena	162,000	728,762
Malbe (verification done)	Yabello, Teltelle & Dillo	Borena	17,550	1,316,347
Gomole (verification done)	Yabello & Arero	Borena	14,950	695,308
Golbo	Miyo and Dillo	Borena	8,255	394,195
Woyama Somali	Udet, Liben	Udet	-	Under analysis
Total				4,483,017 ha
Afar Cluster				
Gewane-Gelalo (verification done)	Gewane &Gelalo	Zone 3	57,117	249,119
Amibara	Amibara	Zone 3	31,194	391,568
Awash Fentale	Awash Fentale	Zone 3	12,931	141,281

Dulesa	Dulesa	Zone 3	19,494	126,018
Argoba	Argoba	Zone 3	19,625	30,925
Total				938,911 ha
Eastern Cluster				
Babile-Oromia	Babile Oromia,	Fafen-EH	75,540	23,188
Babile Error valley	Babile Somali	Fafen-EH	unknown	41,568
Harshin - verification to be done	Harshin -Daror	Fafen-Jerar	46,784	65,732.5
Gashamo - verification to be done	Gashamo	Jerar	35,650	742,015
Erer - verification to be done	Erer	Siti	47,501	204,057
Afdem - verification to be done	Afdem -Meiso	Siti	65,013	65,079
Muli - verification done	Meiso-Afdem	Siti	59,733	46,134
Filtu	Filtu	Liben	Liben	Not yet mapped
Dollo Ado	Dollo Ado	Liben	Liben	Not yet mapped
Total				3,187,332.5
Grand Total				8,609,260.5³

Participatory Mapping and Institutional Analysis in Golbo and Wayama-Somali Rangeland Systems in South cluster

A total of 90 people, of which 13 were women, 69 from community representatives (elders, women & youth) and the remaining 21 from government partners participated in the processes across the two sites. *Wayama Somali* was mapped covering 60 kebeles, and is estimated to be one of the largest rangeland systems of intervention. As part of the mapping process it was divided in to 12 sub- units, supporting communal resource management and mobility. It has one of the major water sources - the Laye traditional wells - in the southern rangelands, and a number of private and communal ponds. There are no distinct areas set aside for dry and wet season grazing, although mobility patterns in the dry season were identified. Improved management of dry and wet season areas was noted as a key action point. Water is relatively better managed than pasture by a traditional institution known as Abba Herrega (water manager). Pasture use is decided upon by the kebele chairman, but regulations around pasture use and mobility are unclear and need to be strengthened.

Golbo was determined to encompass 21 kebeles, 6 from Dillo, 1 from Dire, 8 from Miyo and 6 from Moyale woreda. Most of the rangeland system lies in Kenya, and is managed jointly with Kenya. 8 sub-rangeland units on the Boren side have been defined and mapped by the community on the Ethiopian side. Like in Wayama Somali, the traditional water management

³ Note that these numbers are being verified

system in Golbo is very strong compared to the pasture (grasslands) management which are also managed by the community. Clearing invasive and unpalatable bushes, rehabilitating degraded land through reseeding grass seeds, rehabilitating damaged water points, and re-arranging inappropriate settlements were some of the key action points that communities wished to take forward. Maps of both rangeland systems are being digitized and the exact hectares of land are under verification.

Participatory Mapping and Institutional Analysis in Babile-Erer Valley, Fafan and Erer-Gotha Rangeland Systems in Siti zone of East cluster

Eighty community representatives (50 men and 30 women) including kebele leaders, chief clan leaders, and NRM and rangeland experts from woreda government offices have participated in the process at the two sites. Babile-Erer Valley rangeland system was divided into 3 rangeland sub-units based on the existing resource use and management systems, while Erer-Gotha was divided into 4. The systems were mapped at 41,568, and 204,057 hectares of land, respectively. In Erer-Gotha, participants emphasized that the rangeland has been shrinking and the livestock mobility has been very much constrained in recent years due to the expansion of crop farming activities. Remaining rangelands are continuously grazed year-round and the rangeland productivity is always very poor. Institutional strengthening for the improved management of rangelands was identified as a top priority in both cases. Regular rangeland council's meeting dates were set by participants on a monthly basis. The participants of the dialogue agreed to conduct wider community consultations at their respective units before their next meeting, in order to share the messages of the meeting, the decisions they made and also to introduce the elected council members to the community members that didn't participate on the process. The councils of elders at both rangeland systems will meet in a month's time at their respective rangelands to discuss and prioritize their resource enhancement rehabilitation priorities and identify roles and responsibilities of the community, the elders' council and the type of support they expect from PRIME.

Resources mapping and institutional analysis in Kebribeyah-Hartshiek in Fafen zone and Daror areas in Jerar zone

MC facilitated participatory resource mapping and institutional analysis dialogues in Kebribeyah-Hartshiek (Fafen zone) & Daror (Jerar) areas from August 16 -17, and Sep 1-3 2014, respectively. The two rangeland systems were mapped as the 6th intervention site for MC across the cluster. A total of 80 key community representatives (55 men and 25 women) that include Kebele chairpersons, chief clan leaders, women's associations, and NRM/Land experts, agro-pastoralist, and PWDs, Daror and Kebribeyah woreda administrations, attended the mapping exercise. The major objectives of the dialogue were to understand the key natural resources base and define the rangeland system; to understand the existing resource governance institutions and situations; and identify priority areas of action for PRIME to strengthen participatory rangeland management systems at the landscape level. Accordingly, key resources (land uses) were identified and mapped; mobility patterns mapped; resource user analysis and users relationship analysis conducted; resource use access and control analysis conducted; existing customary institutions and their perceived strengths and weaknesses discussed; and resource trend analysis was also exercised.

Map Validation and Institutional Strengthening

As part of this process, the resource maps produced through the participatory resource mapping exercise have been digitized by a PRIME GIS specialist and presented back to the community and local government stakeholders for feedback and verification. Map validation exercises were tied to an institutional strengthening exercise, as the map review provided key community representatives an opportunity to better delineate resource management responsibilities, and evaluate the role of traditional leaders to do these effectively. So far maps of the 10 rangeland systems; four in Guji namely Dheda-Dida, Golba-Dawa, Golba-Genale and Wadera; four in Borana Zone namely Gomole, malbe, Dire and Woyama; one in Afar namely Gewane-gelalo; and one in the East namely Muli were reviewed as per the feedback and comments of the communities and local government stakeholders and validated during the reporting year. PRIME will be facilitating similar map verification processes in all remaining 13 rangeland systems of its intervention area in the coming year. Details of some of the community map validation exercises are provided below:

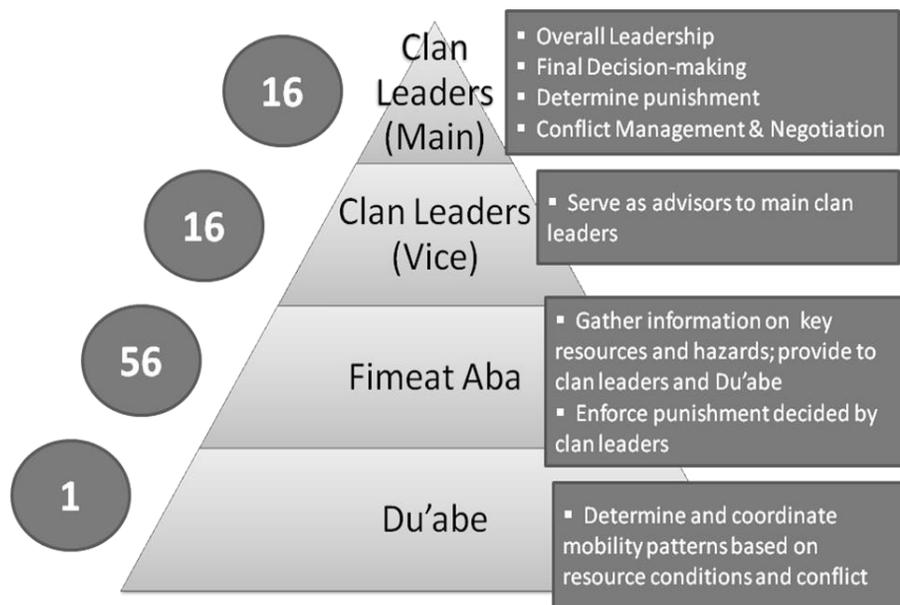
Map Validation and Institutional Strengthening in Gewane-Gelallo and Awash Fentale Rangeland Systems in Afar

Map validation and institutional strengthening exercises were organized in Gewane-Gelealo and Awash Fentale rangeland systems from April 4-5 and June 25-26, 2014 with a total of 60 and 38 participants, respectively. Participants included rangeland council members, key community representatives - men and women, and government representatives including kebele chairpersons, heads of Pastoral and Agricultural Development Offices, woreda administration and land use and administration process owners. Group discussion was undertaken on details of the digitized maps, which include the presence of some reference areas, key resources like dry and wet season grazing lands, water points, etc., and their geographic placement. Key resource areas under the rangeland system which are found in the community maps but missed in the digitized maps were identified and included, while others were excluded. Mobility of the communities in and out of the rangeland systems and of others/outside towards the rangeland systems are identified and indicated in the map.



Digital map validation in Awash Fentale Rangeland system

As part of the map validation and institutional strengthening exercise, the rangeland management council members were elected, at both rangeland system and sub-rangeland unit levels, with 25% representation by women members. Roles and responsibilities of the council members were defined and made clear to all, and working relationships between the council members of different levels also discussed and agreed.



Rangeland management structure in Bunketo-Molalle Rangeland sub-unit of Gewane-Gelallo Rangeland system, consolidated during map validation and institutional strengthening exercise.

Community Map Validation and Institutional Strengthening - Eastern cluster

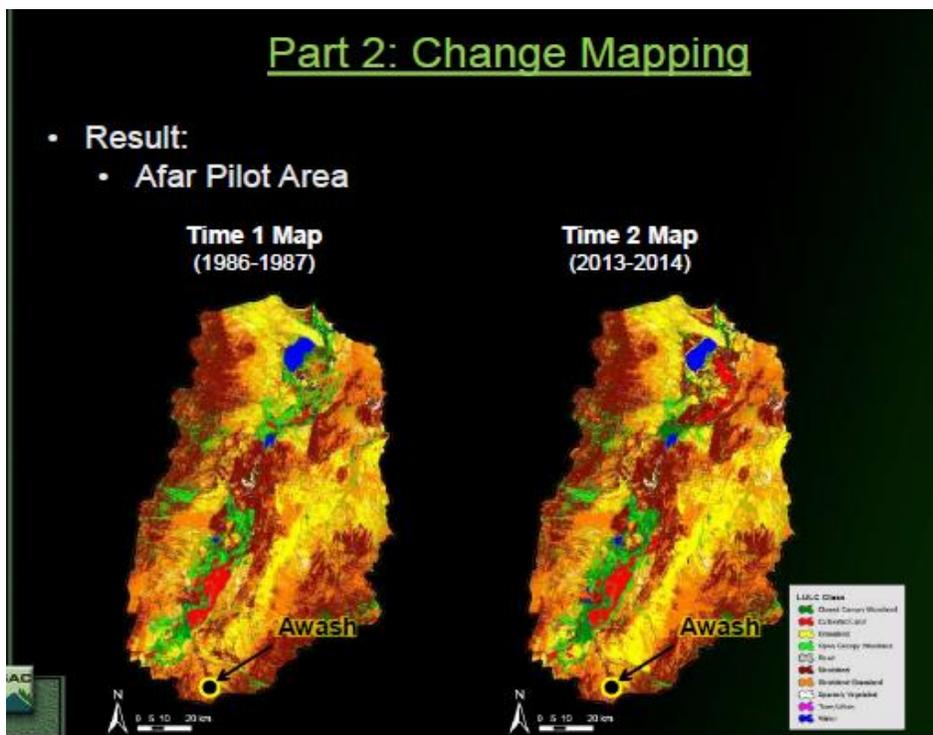
Map validation institutional strengthening processes were conducted in Afdem, Mullu, and Babile Oromiya rangeland systems in the Eastern Cluster, as part of digital map review and validation exercises in the respective systems. A total of 75 participants (55 men and 20 women) from community elders' councils, women and youth, and woreda officials and experts participated in the processes at the three rangeland units. While providing feedback on the digitized maps, participants verified wet and dry season grazing areas, mobility patterns and distribution of water points, as well as identified missing or extraneous data on the map. In Mullu for example, participants identified areas on the digitized map that they believed fell under the management of neighboring Afdem area rangeland councils, and thus removed this area from the map. Importantly they identified which kebeles were part of which rangeland units, and analyzed how their traditional resource management systems linked with administrative systems. In addition to map validation, the rangeland councils are reviewed and strengthened by including 25% representation of women council members.

The process has helped to enhance a common understanding around the Participatory Rangeland Management process, and its ultimate goal of supporting land management with communities; to support stakeholders to understand the digitized map, and its input into rangeland management and land certification initiative by LAND program; to receive further feedback from the community and local government partners on the map; to identify the process for how the map can be further improved; and to increase understanding of resource access, management and control in mapped areas; and facilitate institutional strengthening. In addition, the process has provided opportunities for the participants to discuss and comment on the maps and the accuracies of different areas including the boundaries of the rangeland systems as well as on areas that need further improvement and clarification. Accordingly, the participants' overall comments or feedback and inputs to the maps of each rangeland unit have been collected and incorporated.

USFS collaboration to support ecological site analysis and presentation of the land cover land use analysis study

During the year, PRIME continued its partnership with the United States Forest Service to support remote sensing analysis of rangeland systems in PRIME areas. The goal of the analysis was to provide a picture of the changes in resource conditions over time and how this relates to changing land use patterns, which can inform improved land use planning towards better productivity in the rangelands.

A four-member USFS team visited Ethiopia to present the results of their land use/land cover analysis in the selected four pilot sites of the PRIME clusters, that include Dheda Dida and part of Gomole in Southern Cluster, Harshin in Eastern Cluster and Zone 3 systems in Afar (see example of the Afar pilot site below). The primary results of the analysis demonstrated the expansion of farmlands on or next to grasslands. The result did not provide a clear picture of bush invasion over time, as many landscape areas characterized as shrubland continued with this characterization over time, and failed to demonstrate the changing composition of palatable vs. non-palatable species. As a next step, PRIME agreed that a species or more specific vegetation classification was critical to demonstrate degradation in shrublands.



Land-use cover analysis

Though the results lack detailed information about the changing species composition over time, the maps produced give some useful information that can help one to easily visualize the changes taking place over time, and it is being used as an input for information on local level multi-stakeholder dialogues and discussions for better decision making on land use and management. The information will also be used as an input during the management planning process.

Part 2: Change Mapping

- Result:
 - Afar – Area Summary

	1985		2014		Difference (km ²)
	Km ²	%	Km ²	%	
Closed Canopy Woodland	281	2.4%	373	3.2%	92
Open Canopy Woodland	973	8.2%	834	7.1%	-138
Shrubland	4000	33.8%	3858	32.6%	-142
Shrubland-Grassland	4070	34.4%	3992	33.7%	-78
Grassland	1980	16.7%	2167	18.3%	187
Sparsely Vegetated	170	1.4%	164	1.4%	-5
Cultivated Lands	196	1.7%	268	2.3%	72
Town/Urban	3	0.0%	9	0.1%	6
Water	147	1.2%	149	1.3%	3
Roads	13	0.1%	18	0.2%	5
Total	11833	100.0%	11833	100.0%	--

In support of rangeland management planning, CARE has partnered with Cornell University to conduct satellite documentation of cattle mobility patterns in key pastoral areas in Borana. The research is intended to inform policy around the protection of livestock corridors, and improve understanding of the relationship between cattle mobility, rangeland ecology and rangeland management. PRIME is linking the research to the rangeland system maps and institutions with which it has been working with, and joint research development has been on-going in the current quarter. The main methodology of the research will be the provision of GPS collars to cattle in key herds as selected in discussions with rangeland council members. The full research is being planned and expected to begin in during Year 3 of the program.

ToT training of Range-school concept and its application for rangeland management planning

Training on the “Range School” concept and its application for rangeland management planning was given to PRIME staff and experts of partner government departments invited from PRIME operational areas. This training was given with the major aim of 1) helping the participants understand the concepts of the “Range School”; 2) help trainees know how to apply the concept in the rangeland management planning endeavors; and 3) to enable the trainees to use rangeland monitoring tools where these tools are adapted and adjusted to the specific needs of the range management plans. The training was given in two rounds to meet spatial requirements where all participants from the southern cluster were trained in Yabello town from August 25-28th, 2014; and Afar & Eastern cluster teams and their government partners were trained together in Dire Dawa town from September 1st - 4th, 2014. Overall, 73 trainees (of which 3 were women) have attended the training for 4 days. For this training, three important resource persons specializing in the fields of rangeland management, range ecology, and in the area of program management were pooled from US Forest Service.

The trainees practiced all steps in the rangeland management planning process and reviewed, commented on and consolidated rangeland management plans prepared elsewhere and in the country. The training encompassed field level application of rangeland monitoring tools including Animal Use Summary, Grazing Response Index (GRI) (where the intensity, timing, and duration of grazing is assessed), and Rangeland Health Evaluation (RHE). Having fully grasped the basic concepts in the rangeland management planning process, the trainees have prepared follow up action plans of their respective cluster area which they would implement as a part of project's rangeland management deliverables over the next three months. More important is the fact that the action plans the trainees developed will pass the training concept down to the grassroot level actors responsible for planning and implementation of rangeland management. In addition, the follow-up actions of the trainee also put a great emphasis on imparting the training concepts and objectives to the district level government officials and experts whose involvement is crucial in the realization of the rangeland management objectives of the project. The wide-scale propagation of this training concept will facilitate the proper planning and implementation of the rangeland management endeavors of this project and for similar resource management programs on a sustainable basis.

Supporting regular rangeland councils' dialogues and institutional strengthening

Apart from the rangeland system mapping, map verification and institutional strengthening exercises described above, PRIME has also been supporting a series of regular rangeland council dialogues in all of the 23 rangeland systems in the three regions of intervention (Oromia, Somali and Afar). The purpose of these dialogues are to enable the rangeland councils to frequently come together and exercise their roles, discuss issues related to their respective rangeland systems, and strengthen their institution and governance systems. Participants in all meetings included key resource decision-makers and knowledge holders and local government representatives. In addition, they discussed and identified priority rehabilitation activities in their respective rangelands, developed community action plans against each, and defined the roles and responsibilities of each stakeholder, including community participation, local government and PRIME's support of each. Details of the regular dialogues at each Cluster during the year are provided below:

Institutional Analysis and Prioritization of Resource Rehabilitation and Enhancement Activities

Afar Cluster

Five follow up NRM meetings/dialogues were conducted at Gewane-Gelealo, Amibara, Awash Fentale, Dulessa and Argoba rangeland systems between January 31 to February 27, 2014

A total of 144 men and 36 women who are community members as well as woreda government experts attended the discussions/dialogues. The community members include elders, youth, and female representatives while the woreda experts are natural resource experts, rangeland management experts and land administration experts. Discussion centered on feedback of previous NRM dialogues during which the importance of strengthening customary NRM institutions was affirmed by the clan leaders and elders, and women. Accordingly, participants confirmed that they have already disseminated the messages to their community and they are willing to strengthen the system in order to sustainably use and protect rangelands. In addition,

participants set criteria for the selection of members of the elders and clan leaders council which included;

- Clan leader
- Who is living within or nearby the majority of the community,
- Who is well known, has trust among the community and who can easily convince the community,
- Who can move from place to place to observe things before making decisions



Rangeland management council of Dulessa rangeland system

Finally, rangeland management council members were elected directly by participants. Two to three women were elected as members of the councils' leaders in order to represent women's issues in resource access and decision making. Participants said that the process of strengthening the customary institutions needs regular follow-up discussions with members of the councils and the wider community and asked PRIME to work with them for necessary support.

Strengthening women's engagement in Traditional institutions, resource access/control

PRIME organized and supported independent women's-only dialogues to facilitate rangeland system mapping and institutional analysis at more than 8 newly mapped rangeland systems, 3 in



Women at resource mapping nad institutional analysis dialogue

Afar and 5 in the Eastern cluster (Somali). During the two-day dialogue, discussions focused on how women use resources differently from men, and what are the current systems permitting women's access to and control of critical resources. Women identified their own priorities for resource rehabilitation and developed their own action plans, which later were discussed and merged with those of the men's during follow-up dialogues. A total of 213 women (42 in Afar and 171 in Eastern cluster) participated in the 8 meetings.

Supporting Regular Rangeland Council Dialogues

Regular rangeland council dialogues were facilitated in Amibara, Gewane-Gelalo, and Awash Fentale rangeland systems from August 20-Sept 25. A total of 63 participants (52 men and 11 women), 62 participants (54 men and 8 women), 42 participants (37 men and 5 women), and 56 participants (47 men and 9 women) respectively, participated in the meetings. Some of the issues discussed during the meetings include but are not limited to; updates on the progress and challenges of activities being implemented by the community and through PRIME's support review and strengthening of the customary rangeland management institution at the rangeland unit and sub-unit level; defining roles and responsibilities of the council members at different levels; discussion on the digitized resource map of the respective rangeland system and verification; and discussion on the following month's action plan.

As a result of these review meetings and discussions among the rangeland management council members at both the rangeland unit and sub-rangeland unit levels were reviewed, re-elected and strengthened in Awash, Amibara, Gewane-Gelalo, Argoba and Dulesa rangeland systems in Afar. As part of these regular meetings the council members have also been able to identify and prioritize rehabilitation activities, including prosopis clearing and water point rehabilitation, develop their action plan against each and define roles and responsibilities among the community, PRIME and the local government for the implementation of the community action plans on a regular basis. Accordingly, PRIME provided hand tools for Gewane-Gelalo and Amibara rangeland units (see table below).

HAND TOOL PROVISION TO RANGELAND UNITS

Rangeland system	Sub-rangeland unit	Hand tools						
		Machete	Axe	Spade	Hoe/Shovel	File	For k	Pick Axe
Gewane-Gelealo	Buniketo-Molale	70	70	40	40	30	30	30
Amibara	Arba to Gonitabrika	120	80	70	30	30	30	30
	Kedabrika to Enitiaso	120	80	70	30	30	30	30
	Gonitabrika to Kedabrika	120	50	40	40	30	30	40
Total		430	280	220	140	120	120	130

Southern Cluster

Supporting regular rangeland council dialogue in Malbe Rangeland system

Malbe's rangeland council dialogue was held from May 15-16, 2014 with the aim of identifying and prioritizing resource rehabilitation and enhancement activities and facilitating the development of detailed community action plans for the implementation of prioritized activities.

A total of 38 people (5 women) were represented from 10 sub-rangeland units (Reras) with local government offices also participating. Rehabilitation priorities were identified and among these were selective bush thinning on 5,270 ha of lands that are being encroached with invasive bushes was identified as the top priority. The identified selective bush-thinning activity will benefit over 1,900 households by providing better pasture availability in the dry season. In addition to bush-thinning activities, six non-functioning or damaged water points were identified for rehabilitation. The water points are also expected to benefit 4,100 households by providing them sufficient water for both livestock and human consumption during both dry and wet seasons.

Through their regular dialogues supported by PRIME the rangeland councils of Dheda Dida, Dheda Golba Dawa and Dheda Golba Genale, in Guji Zone were able to address governance issues that affected the productivity of their rangelands. This included removal of 18 inappropriately located farmland areas, relocation of 21 wrongly settled households, and dismantling 30 hectares of inappropriate private enclosures. Communal grazing reserves of 52 ha have been rehabilitated through bush-thinning and other management measures, while 30 ha of new communal reserve grazing area have been delineated and are being protected. Elders have also identified priority areas for clearing bush infestation, supporting flood protection and implementing soil and water conservation measures. PRIME has also provided support to those community initiatives through the provision of hand tools, technical and logistical supports.

Follow up dialogue at Gomole Rangeland system

Rangeland councils and elders' dialogues were conducted in Gomole rangeland management unit to facilitate the identification and prioritization of rehabilitation activities and development of community action plans for prioritized natural resource enhancement activities. The meeting was conducted at the center of Gomole specifically called Harbor on March 2014. Participating were 34 people from rangeland councils and community representatives (elders, kebele leaders and Gada structures) and representatives from local government partners including Yabello district government line-departments, PDO, Land administration & environmental protection offices as well as water, mineral, and energy offices. Among the participants 3 of them were government representatives and 3 were women representatives. During the dialogue, four bush encroached communal enclosure areas namely Danbala-diqa, Harboro, Gada and Danbalaa-sadeen with a total estimated area of 750 ha were identified for rehabilitation activities, particularly selective bush-thinning, to enhance the pasture productivity and improve pasture availability for weak animals, calves and milking cows that cannot travel long distances during dry season. These areas will benefit approximately 2,250 households during the dry period. Similarly, five ponds that provide service throughout the year were identified and prioritized for rehabilitation. These are Haro-bake, Buya, Urbate, Hara Bule and Cabalka ponds. Haro-bake pond is the top priority as it is a highly important water source for both dwellers and adjacent communities, supporting an estimated 19,000 households in the dry season, as well as to Haro-bake market users on market days. Currently it is being filled with silt and under critical condition. As a result of this dialogue, the PRIME technical team made an assessment, and had the pond rehabilitation project approved for approximately \$500,000. Implementation of the pond rehabilitation is on-going.

Rangeland councils meeting in Golbo and Dire rangeland systems

54 people (12 women) constituting Gada leaders, community elders, traditional elders who manage resources, women and youth representatives, Kebele leaders and government line

departments including the woreda Pastoral Development Office, woreda Water Development Office, woreda Land Use and the Environmental Protection Office, and woreda Administration offices in Miyo, Dillo, Moyale, Arero and Dire woredas participated in two meetings held in Dire and Golbo rangeland management systems. As part of this dialogue, the customary institution of Dire and Golbo rangeland units have been revitalized and strengthened at both the rangeland system and sub-rangeland unit level. In Golbo, they have also elected a contact person or leader for each sub-unit as shown in the table below.

GOLBO RANGELAND SUB-UNITS NAME AND KEBELES

S/N	Name of Reera	PA/ Arda	Districts
1	Argane	Mudhi Ambo, Argane and Maddo	Moyale
2.	Tuka	Bokola, Tuka & Dambi	Moyale
3	Arbale	Arbale & Kadhim	Dillo
4	Megado	Megado & Chari liche	Dire
5	Cirate	Cirate, Dillo Magala and Dillo Badiya	Dillo
6	Hoboq	Hoboq and Gorayi	Dillo
7	Gomoo Goda Ioni	Gomoo Goda Ioni and Chari Turura	Miyo
8	Tesso	Tesso, meti and Dhokiso	Miyo
9	Gombisa	Dukale, Gombisa and Girincho	Miyo

The rangeland management council of Golbo's sub-rangeland unit was also elected during the same meeting, and the *dheda* or rangeland system level leaders are expected to be nominated during the next follow up meeting.

GOLBO SUB-UNITS LEADERS

S/N	Name of the reera/ sub grazing unit	Name of the Reera Leader	PAS/ Arda	Responsibility
1	Reera Hoboq	Elema Bonaya	Hoboq	Chair person
2	Reera Tesso	Qalicha Racha	Tesso	Chair person
		Jarso Dulo	Meti	V/Chair person
3	Reera Gomoo Goda Ioni	Abduba Halake	Gomoo Goda Ioni	Chair person
		Qalicha Doyo	Chari Turura	V/ Chair person
4	Reera Argane	Abkula Jarso	Argane	Chair person
5	Reera Tuka	Abduba Wako	Tuka	Chair person
6	Reera Arbale	Diba Halake	Arbale	Chair person
7	Reera Cirate	Dabaso Guyo	Cirate	Chair person
8	Reera Megado	Not yet selected		
9	Gombisa Reera	Biliso Arero	Gombisa	Chair person

As part of these regular follow-up dialogues, the participants have also identified and prioritized resource enhancement and rehabilitation activities in their respective rangeland systems during each of the dialogues held at Dire and Golbo rangeland systems. Resource rehabilitation and enhancement activities including water point rehabilitation, selective bush clearing, and

communal enclosure sites as a reserve grazing area for periods of drought were identified and prioritized in both Dire and Golbo *dhedas*. In both *dhedas* 15 water points (6 in Dire and 9 in Golbo) and 863 ha of bush infested areas (790 ha in Dire and 73 ha in Golbo) were identified and prioritized for rehabilitation. They also developed their respective community action plans and defined roles and responsibilities among community and government as well as the support they expect from PRIME for the implementation of these prioritized rehabilitation activities. In both cases, PRIME was requested to provide hand tools and technical support, whereas the community is contributing labor during activity implementation. Government partners are also expected to provide technical support and monitor the progress and impact of activities.

Key Result 2.3: Building the capacity of the National Meteorological Agency in Enhancing Climate Risk Management Through Support to Downscaled Forecasts

The Ethiopian National Meteorology Agency (NMA) is the legal entity mandated to provide meteorological services including localized weather forecasts and early warnings on the adverse effects of weather and climate in Ethiopia. NMA has been issuing reasonably skilled climate forecasts for various time-scales. There is demand for this service by government, NGOs and local communities for planning and in particular monitoring and managing climate risks. Despite such developments, the impact of global climate change and limited experience in climate modeling at the localized spatial scale is undermining the performance of climate models to capture the state of climatic extremes with reasonable lead-time. There is a growing need to provide localized weather and climate forecasts and warning information to support communities and local and regional government decision makers to support planning for disaster preparedness and climate resilient livelihood decision making.

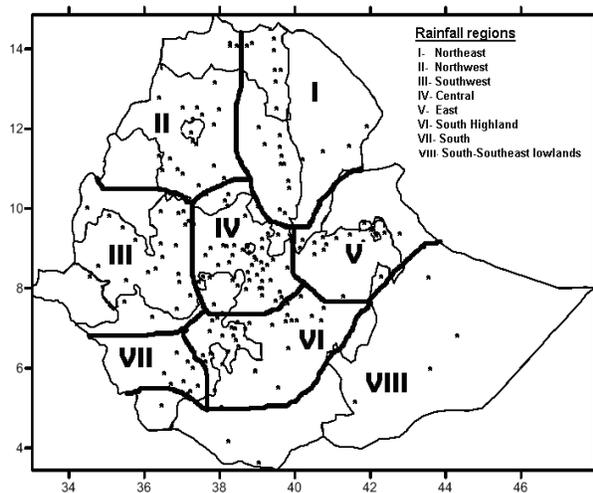
CARE signed a Memorandum of Understanding (MoU) with the National Meteorological Agency against an 18 month work plan, in order to support the agency in strengthening its forecasting methodology, and build the capacity of the Agency and its regional bodies to provide timely, reliable, and user-friendly localized seasonal forecasts for pastoral areas. The MoU and accompanying work plan include both institutional and technical strengthening, including upgrading of the National Meteorological Agency's stations instruments, building the capacity of its regional meteorology institutions and personnel, and data collection, processing and dissemination methods in pastoral areas. The MoU and work plan follow a scientific and user-based validation of the seasonal forecasts and National Climate Predictability Tools (NPTs) by the Ethiopian National Meteorology Agency (NMA).

Scientific and user-based assessment of climate information needs and meteorological forecasts, to support capacity of Regional and Local Meteorological institutions

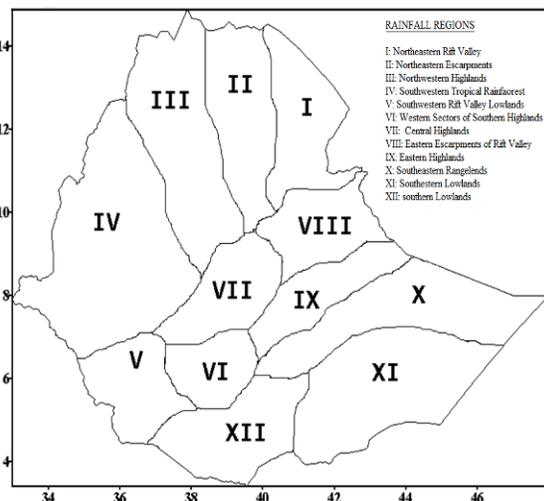
In partnership with the Ethiopian National Meteorology Agency, PRIME is working to improve local weather and climate forecasting capacity and delivery of downscaled forecast services to pastoral communities and local businesses in its operational areas. If proven reliable, downscaled weather forecasts will be made available to target beneficiaries at short term intervals. Scientific and community-based assessments of climate information needs and meteorological forecasts were conducted to support the capacity of Regional and Local Meteorological institutions. The scientific validation exercise consisted of a comparative assessment of the strengths and weaknesses of NMA's forecasting methodologies in light of other emerging approaches, as well

as comparing forecasts with observations since 1961. The objective of the exercise was to determine the NMA's ability to provide seasonal climate predictions that could serve as a basis for livelihoods and resource-related decision-making, as well as disaster preparedness in pastoral areas. A major finding from the assessment was that while National Metrological Agency's forecasts for Ethiopia were strong relative to global predictions, they systematically failed to adequately predict below-normal rainfall and therefore drought. The MoU includes providing international support to the NMA to revise its methodology. The results of the scientific validation exercise were shared to the senior management of the NMA through a dissemination workshop. The recommendations of the validation exercise form the basis for the MoU and the 18 months work plan between CARE and the NMA.

The user or community-based validation exercise was implemented jointly with Haramaya University by designing a user-based survey tool that examined individual and household perceptions of existing meteorological services, and identified their desired products and services related to forecasting and warnings. The survey was implemented in Afdem, Harshin, Mulu and Kebribeyah in the Eastern Cluster, Moyale and Dirre in the Southern Cluster, and Awash Fentale, Amibara and Gewane in Afar, which were chosen as the sample sites. The study results fed directly into the partnership that PRIME has established with the National Meteorological Agency and its regional directorates to improve its forecasting methodologies and tailoring information products to local needs. Haramaya University's work provides a statistically significant and broad-scale analysis, building off of the qualitative analysis, that is required to adequately capture the needs of diverse households and users in the PRIME operational areas. The results were fed back to the NMA, and is currently informing the agency's work plan on downscaling forecasts to pastoral areas, as well as guiding PRIME's support to the agency. CARE is working with the NMA not only to increase the accuracy and skill scores of NMA's climate forecasts, but also to ensure that information products and services meet user needs.



Old model of NMA's rainfall regions, or homogenous climatic zones, that inform seasonal forecasts.



New model of NMA's rainfall regions, or homogenous climatic zones to inform forecasts, based on CARE-supported NMA forecast validation.

Creating awareness towards improved accessibility and utilization of community and scientific forecasting systems

As part of its effort to increase access to weather and climate information on a local and seasonal basis, CARE developed a dialogue methodology that raises awareness around local and scientific forecasting mechanisms, and the use of forecasts in natural resource and livelihood related decision-making. The objectives of the workshop are to enhance understanding around local climate information systems and needs, connect communities to their meteorological agency counterparts, and identify strengths and challenges of both systems in uptake accuracy and relevance.

A total of 24 dialogues were implemented in key woredas across all three clusters. Participants included traditional weather forecasters, clan leaders, youth and women representatives, meteorologists from zones and government DPPB representatives. A key outcome of all meetings was increased awareness around legitimate vs. non-legitimate information sources, a validation of traditional sources of information, and a preparation for the Participatory Scenario Planning process that allows communities to use forecast information for decision-making.

Multi-stakeholder Regional Seasonal Assessment to track and monitor early warning indicators and performance of the Sugum rain in Afar Region

As per the signed MoU, prepared plan and consultation held with the Afar Region DPFSPCO, PRIME supported the Regional *Sugum* Rain Seasonal Assessment, which included members of the Pastoral and Agriculture Development, Water Bureau, Health and Education Bureaus. The multi-agency and multi-sector needs assessment has been conducted twice a year across the country to identify humanitarian requirements. The areas covered by the assessment were:

Woreda	Livelihood zone	# of PAs covered	Percentage of livelihood zone
Elidaar	Elidaar Pastoral	3	60
Kore	Elidaar Pastoral	2	40
Abea'la	Aseale Agro - pastoral	3	60
Berehale	Aseale Agro - pastoral	2	40
Erebite	Aseale pastoral	3	60
Bidu	Aseale pastoral	2	40

The seasonal assessment used a Household Economic Analysis methodology, collecting data on key indicators that reflect household food security. Data collected includes current season and/or year crop production data, price data (including staple prices, livestock and livestock product prices, cash crop prices and labor prices), inflation, changes in livestock holdings, changes in the availability of labor, and changes in other incomes sources. Livelihood Impact Analysis Sheets (LIAS) were used to store and analyze the collected data.

Bridging Community and Scientific Forecasting Systems through joint review of Early Warning Indicators, monitoring and dissemination mechanisms among traditional forecasters and the meteorological agencies

PRIME facilitated various community and local government-level dialogues on climate risks, vulnerabilities, preparedness and response strategies and alternative adaptation options. Through follow-up DRR and LA dialogues communities were supported in developing action plans on prioritized DRR and early warning activities for follow-up implementation. It was realized that there was a need to bridge community and scientific forecasting systems through joint review of early warning indicators, monitoring and dissemination mechanisms among traditional forecasters and the meteorological agencies. A total of 16 dialogues (4 dialogues in Afar; 5 dialogues in Somali Region; 7 dialogues in South) were facilitated. Participants included traditional weather forecasters, clan leaders, youth and women representatives and scientific people including meteorologists and government DRR/EW actors. Both 'traditional' and 'scientific' weather forecast and early warning information, and pasture tracking and monitoring systems were thoroughly presented and debated by participants with a view to identifying the most appropriate strategies to strengthen community EWS. Through such consultative processes, indicators were identified that communities and traditional weather forecasters use to forecast weather and track and monitor pasture conditions, as well as examine specific mechanisms for PRIME to support both traditional and community-based EWS and scientific forecasts to be responsive to community EWS needs.

South cluster:

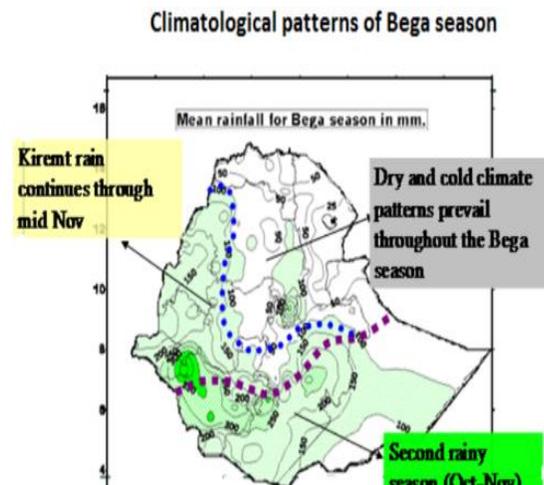
The southern cluster facilitated eight early warning dialogues to identify key indicators communities and traditional weather forecasters use to forecast weather and track pasture conditions and their dissemination mechanisms, as well as the legitimacy and acceptance of such information by communities in Borena and Guji zones. Participants in the dialogues were the Uchu and Hayantu (traditional weather forecasters), members of NRM councils, local meteorology institutions and government partners (zonal and district DPPC and PDO). A total of 147 (23 women) participants attended the dialogue sessions.

Dialogue participants from all walks of life underscored the importance of access to timely and reliable climate forecast information for making informed livelihood decisions, especially with regard to NRM and livestock production and productivity. During the dialogues, participants identified indicators traditional weather forecasters and meteorologists use to forecast weather and climate conditions. Traditional forecasters read and use the direction and movement of stars and the moon, wind direction, and the behavior of animals and plants to predict future weather phenomenon. Scientific forecasts depend on reading of meteorological parameters and analysis of atmospheric and oceanic movements. Due to socio-religious factors traditional forecasts are not widely disseminated to households and communities. There is also misunderstanding, mistrust and pressure from religious leaders. On the other hand, pastoral households have no access to downscaled, contextualized and reliable forecasts for early preparedness and informed livelihood decision-making.

The reality among most communities in Borena and Guji is that the majority of pastoral households rely on traditional weather forecasts to make decisions on mobility and natural resource management. As compared to aggregated national and regional scientific forecasts, the

communities in Borena and Guji also find traditional forecasts more localized and contextually specific. The National Meteorology Agency (NMA) use national radio and TV programs to disseminate its forecast and as such, there is no appropriate information dissemination and communication mechanism for pastoral households living in remote and marginalized dry lands.

For the first time meteorologists were able to present their forecasting methodologies, forecast and warnings indicators and seasonal forecasts in detail to traditional weather forecasters and local communities in remote pastoral woredas. There was much excitement and anticipation from community members when they realized the possibility of providing downscaled climate forecasts by bridging community and scientific forecasting, information tracking and dissemination mechanisms.



Afar Cluster

In Afar cluster, the follow-up early warning dialogues were conducted from March 7-11, 2014 at Awash Fentale town for the communities in Amibara, Gewane and Gelealo woredas, and in Gacheni for Argoba agro-pastoralists. A total of 64 stakeholders (8 women) from traditional weather forecasters, meteorologists, DRR/EW/Food Security experts, clan/community leaders, and women and youth representatives attended both dialogues. Pastoralists have different sources of information and indicators from which their traditional early warning system (TEWS) tracks and monitors rainfall, pasture and water conditions and to learn about the situation of conflict and diseases. Among the Afar pastoralists, only a selected few have the knowledge to practice forecasting weather and resource conditions. These traditional forecasters are locally named as *Hutuk Beya* (who use indicators of star-alignment and star-moon alignment); *Enayeta*, *Ginili & Kelwali* (who are like witchdoctors); *Remri* (who are pebble throwers); traditional seers (peoples with special abilities); and *Baro Edo Mera* (who are scouts who track and monitor pasture and water conditions). More often, traditional early warning information is disseminated through word of mouth and personal communications, during family and sub-clan meetings, larger clan and herders gatherings, during cultural ceremonies, clan leaders' meetings and through an emergency alert system (a traditional call for gathering Afari pastoralists to disseminate urgent EWI-‘*Dero*’) and finally via a traditional information exchange (called *Dague*).

The dialogues highlighted the value of TEWS as the most accessible and contextualized source of EWI for early preparedness and response action. The dissemination of EWI from traditional and community-based systems is assessed to be faster, context-specific and geared toward the information requirements of pastoralists to make decisions on mobility and livelihood conditions. However, there are also disadvantages in the system: some information may not reach all community groups (for example, clan leaders and influential community members have better access than women and people with disabilities). Traditional forecasts are also sometimes inconsistent and not accessible to communities. Rapid and strong changes in the climate system, by affecting the local patterns of weather and climate, is also somehow influencing the consistency and 'reliability' of traditional forecasts. There is also pressure from religious groups against traditional forecast systems. Scientific meteorological forecasts also have their drawbacks. There is no localized, contextualized and timely forecasting service. Even then, there are no appropriate information packaging and dissemination mechanism to make available forecasts accessible to households. Existing scientific forecasts are also not geared towards addressing community information needs. Participants of both dialogues suggested the following to improve the quality, reliability and usefulness of traditional and scientific meteorological forecasts:

- Making available downscaled, contextualized meteorological forecasts which address community information needs;
- Building the capacity of local meteorological institutions and community based 'traditional' forecasters;
- strengthening traditional EWS (the regional DPFSPCO should facilitate restructuring, give recognition & widely work for acceptance of the system);
- Improving the information gathering, analysis and dissemination capacity of both systems
- Integrating scientific and traditional systems to create hybrid EWS in order to maximize their reliability and usefulness;
- Addressing the socio-behavioral and religious constraints to forecasting and use of EWI.

Participatory Dialogues on Climate Risks, Disaster Risk Management and Community EWI needs and Livelihood Adaptation

Dialogues on DRM and Community EW information needs and Uses

Community-centered information tracking and early warning systems are known to empower rural communities to better prepare for and confront the power of climate change-induced and other natural hazards. They bring safety, security and peace of mind to the information users. However in many cases, indigenous early warning systems are not recognized by formal institutions while science-based early warning information services and products are neither available nor trusted by rural communities.

Surviving in a harsh and fragile ecology demands in-depth understanding of the local climate and some kind of weather forecasting so as to cope with the changing and uncertain weather and climate conditions. The pastoral communities in Borena, Guji, Somali and Afar have long established weather forecasting, early warning and resource management practices that assisted them in coping with and adapting to the extremely variable climate and changing environmental circumstances. The indigenous knowledge of these communities with regard to climate and weather forecasting shows that the local calendar of pastoral communities is more flexible and

does not necessarily carry a fixed and rigid counting system. It rather reflects the great temporal and spatial variation of rainfall and temperature conditions, as well as how they have organized their daily herding, range management and farming tasks to fit climatic patterns. Their traditional calendar, weather forecasting and disaster monitoring systems can provide useful hints on how economic and socio-cultural activities are organized in space and time. In this regard, efforts aimed at strengthening disaster preparedness and climate adaptation response measures need to learn from and build on the indigenous early warning and disaster monitoring and coping strategies of the communities.

Woreda	Livelihood zone	# of PAs covered	Percentage of livelihood zone
Elidaar	Elidaar Pastoral	3	60
Kore	Elidaar Pastoral	2	40
Abea'la	Aseale Agro - pastoral	3	60
Berehale	Aseale Agro - pastoral	2	40
Erebite	Aseale pastoral	3	60
Bidu	Aseale pastoral	2	40

Most pastoralists trust traditional weather forecasts because they are tested and well-suited to their demands. This, however, does not mean that indigenous weather forecasts and early warning systems are sufficient to support pastoralists to better adapt and prepare for extreme climate events. Science-based weather and climate products and services are important. The challenge lies in combining both indigenous and science-based climate forecasting systems and making forecast information available on time and in a format that communities and local decision makers can easily understand. In this regard, it is vital to document and understand indigenous early warning systems and address issues surrounding community early warning information needs, and dissemination and communication of weather and climate information.

6 community discussions around community EW information needs and uses were conducted. The community dialogue participants were traditional weather forecasters, meteorologists, CI leaders and clan chiefs, CDCs, youth, Woreda government early warning and DRM experts.



Traditional weather forecasters in Afar

In Afar, the community DRM and Early warning dialogues were conducted in the four grazing systems, namely Amibara-Dulecha, Awash Fentale, Gewane-Gela'alo and Argoba grazing systems. A total of 167 people (142 men and 25 women) attended the community dialogues. Dialogue participants prioritized access to weather (rainfall) information, pasture conditions, animal health and the timing of flooding episodes as most critical to them. Traditional weather forecasts (known by the Afari name *Remri* and *Hutukebieya*) used to provide trusted information to communities.

However, such practice is weakened by religious and other socio-cultural influences. On the other hand, communities have no access to scientific EWI services. Government EWS does not address community information needs and there are no mechanisms in place to disseminate collected information back to the communities. Four action plans were developed to strengthen local EWS through addressing community information needs and creating linkages and operational synergies between the traditional and modern EWS.

In the Southern Cluster, two community DRM and Early warning dialogues were conducted at the Gomole Dheeda (grazing system) in Borena and Golba Dawa Dheeda in Guji. A total of 166 participants (13 women) representing community EWS, CI, women and youth groups and government EW and DRR offices attend the meetings. For the Dheeda Golba Dawa communities, information on livestock diseases, weather condition (rainfall amount, its timing and distribution), market (livestock and grain) and pasture conditions are critical to their livelihoods. On the other hand, communities in Gomole Dheeda prioritize access to weather predictions and market conditions which have great impact on pasture, water and livestock which are critical to the pastoral livelihood system in Gomole. The dialogues highlighted the importance of traditional predictions and indigenous early warning services and information dissemination systems among the Boran pastoral communities.

The pastoral communities in these grazing systems employ knowledge of astronomy, physical appearance and conditions of domestic and wild animals as well as flowering and fruiting trees to predict drought, flooding and other climatic phenomenon. Such climatic predictions are based on countless years of accumulated observations. In some cases, they may be accurate, in others not. Their interpretation may also vary since traditional interpretations and forecasts depend on personal observations, experiences and the local cultural framework. However, if supported by scientific forecast services, the traditional EWS can facilitate the adoption of adaptive behavior preparedness among the pastoral communities. Integrated climate information, products and services backed by indigenous ecological knowledge and customary early warning system will contribute immensely in the development of functional and reliable early warning systems, contingency plans and appropriate adaptation strategies to climate change in pastoral areas. The challenge lies in combining both indigenous and science-based climate forecasting systems and making forecast information available on time and in a format that communities and local decision makers can easily understand.

CVCA dialogues in newly identified grazing systems in the Southern Cluster

As part of the participatory mapping and rangeland analysis described below (Key Result 2.1, Activity 4) community vulnerability and capacity assessments (CVCAs) were conducted in six newly identified rangeland systems of engagement, including Dheda Golbo, Wayama, Dirre and Malbe in Borena), Wadera (Dheeda Baddaa) in Guj, and Dheda Wayama in Somali area. A total of 293 participants (250 men and 43 women) representing clan leaders, rangeland council leaders, women and youth representatives and government experts drawn from Malbe, Wadera, Mubarek, Hudet, and Moyale woredas linked to Woyama Rangeland system, and Dire, Dillo and Miyo from Golbo rangeland system attended the CVCA dialogues.

The community dialogues facilitated mapping major livelihood resources and climate related hazards; identification of vulnerable resources and social groups; assessment of the effectiveness

of existing preparedness and response strategies and a list of priorities for risk reduction and livelihood adaptation. During the assessment, participants identified drought, conflict, erratic rainfall, human and animal diseases as the most important hazards affecting livelihoods and rangeland resources in both Golbe and Wayama-Somali. Four action plans have been developed for follow-up implementation. As can be seen from the table below, in Wayama dheeda communities prioritized irrigation development, grazing and water reserves and livelihood diversification into livestock and grain trade as the most critical livelihood adaptation options they plan to engage in. In Malbe, communities identified market access, livelihood diversification and strengthening of customary NRM institutions as their priorities. In Wayama dheeda the community prioritized access to weather and market information, planned and timely sale of livestock, livelihood diversification (shift to browsers) and fattening of animals. In Dirre dheeda the community prioritized access to EWI through strengthening early warning system, credit, savings and business development associations, investing on fixed assets (house construction at urban centers) and livestock diversification to build adaptive capacity and improve resilience to climate change.

In Golbo, cross-border and intra-rangeland unit mobility between dry and wet season grazing areas, preserving communal enclosures, preserving crop residues and setting aside reserve grazing areas in some parts of the *dheeda* are among the main strategies the people use to cope with these hazards. Unplanned excavation of ponds and private enclosures (*kallo*) are identified as undesirable and the most problematic coping strategies used by some households in Golbo. In the Wayama area, separating wet and dry season grazing areas is identified as the most frequently used coping strategy while the timely selling of livestock before the occurrence of a hazard is the least frequent used strategy by the community. The CVCA analysis is being used to map potential hazards and plan for improved preparedness strategies through improved resource management and utilization in the rangeland system.

CVCA ANALYSIS - GUJI

Grazing system	# of Participants		Priorities identified for Livelihood Adaptation support and DRM	Problematic strategies that need to be changed or improved
	Male	Female		
Wadera	35	7	<ul style="list-style-type: none"> ▪ Irrigation development ▪ Grazing and water reserves ▪ Livelihood diversification into livestock and grain trade ▪ Access to weather and market information 	<ul style="list-style-type: none"> ▪ Desperate (untimely) sale of livestock ▪ Deforestation
Wayama	40	9	<ul style="list-style-type: none"> ▪ Planned and timely sale of livestock ▪ Livelihood diversification (shift to browsers) ▪ Livestock diversification ▪ Fattening animals 	<ul style="list-style-type: none"> ▪ Desperate sale of livestock ▪ Conflict ▪ Unplanned mobility
Dirre	64	10	<ul style="list-style-type: none"> ▪ Strengthening early warning system ▪ Credit and savings and business 	<ul style="list-style-type: none"> ▪ Slaughtering calves to save cows ▪ Seeking food/feed aid

			<ul style="list-style-type: none"> development associations Investing on fixed assets (house construction at urban centers) Livestock diversification 	<ul style="list-style-type: none"> Avoid selling animals at distress time (untimely sale of Livestock) Sale of wood and charcoal
Malbe	28	4	<ul style="list-style-type: none"> Weather & market information Awareness & skills development Settlement arrangement Diversification and alternative income generation activities Strengthen traditional rangeland management system 	<ul style="list-style-type: none"> Desperate migration Food aid Settlement in prime grazing land

Community CCVA in Wadera, Guji zone



Competitive grant to establish a Carbon Baseline Data and determine the Role and Effects of Participatory Rangeland Management Practices in Rangeland Carbon Sequestration

PRIME is supporting two mechanisms to fund research to establish carbon baseline data for key rangeland systems of intervention, as well as to statistically determine the role and effects of landscape level participatory rangeland management practices in rangeland carbon sequestration and in improving soil quality and ecosystem resilience. PRIME released a competitive grant mechanism to fund related research that will be conducted in Dida and Gomole grazing systems in the Southern Cluster and in Amibara and Gewane-Gele'alo grazing systems in Afar. Haramaya University is also engaged in related initiatives in Awash Fentale, Gewane and Amibara Rangeland systems of Afar Cluster and Dire Rangeland System of Southern cluster. The applications are being processed and in the final phase of selection process. The actual baseline survey will begin during the next year of implementation.

The two studies are intended to build an evidence base of the impact of participatory rangeland management not only in climate change adaptation for pastoral communities, but climate change mitigation as well. The hypothesis is that changes in rangeland management practices impact carbon sequestration, and that participatory techniques specifically can improve carbon storage in biomass and organic soil matter that not only contribute to rangeland productivity but support climate mitigation. Rangeland management at landscape level is expected to improve the vegetation cover and soil quality of the rangelands thereby enhancing the carbon stock in those rangelands. Modest changes in carbon storage on rangelands hold promise to affect the carbon cycle and the climate system worldwide.

Participatory Dialogues on Livelihood Adaptation, DRR and Community EW Information Needs

Women's-Only Dialogues in Afar Cluster: A separate dialogue on DRR, EWS and Livelihood Adaptation with Afari pastoral women was conducted from 2-3 January 2014, at Awash Fentale town. A total of 36 women representing government sector offices, women and youth forums, VSLAs, dairy producer cooperative and ordinary pastoralists attended the dialogue. Participants thoroughly discussed climate change risks, vulnerabilities and associated impacts with particular focus on women and most vulnerable pastoralists. The following table shows major hazards identified by participants from each district.

DISTRICT HAZARDS

Woredas	Amibara, Awash F., Gela'alu and Gewane	Dulessa	Argoba
Main Hazards	Conflict	<i>Prosopis</i> invasion	Drought
	<i>Prosopis</i> invasion	Drought	Flood
	Drought	Flood	Human & livestock diseases
	Flood	Human & livestock diseases	<i>Parthenium</i> invasion
	Human & livestock diseases	<i>Parthenium</i> invasion	Erratic Rain fall

The dialogue participants thoroughly debated the strengths and weaknesses of community EWS. They also identified opportunities and threats associated with the development of traditional EWS in their own contexts. A summary of the SWOT analysis is shown in Table 7.

COMMUNITY SWOT ANALYSIS OF EWS

Community EWS	Strength	Weakness	Opportunities	Threats
Traditional forecasting on hazards & other necessary issues	<ul style="list-style-type: none"> The information is easily accessibility by the community The existence of the cultural practice 	<ul style="list-style-type: none"> The system is weakening from time to time due to religious pressure Peoples not using it due to 	<ul style="list-style-type: none"> Traditional forecasters are available in many kebeles of Amibara & Awash fentalie woredas Traditional 	<ul style="list-style-type: none"> Religious pressure on the system Peoples with ability of forecasting are decreasing

	<ul style="list-style-type: none"> Reliable 	<ul style="list-style-type: none"> religious issues However, there is no any traditional forecaster/EWS in Argoba woreda 	<ul style="list-style-type: none"> forecasters are also available in some kebeles of Gewane, Gela'alu & Dulessa woredas 	<ul style="list-style-type: none"> from time to time
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Finally, the dialogue participants provided the following suggestions to strengthen community EWS and household and community DRM and Livelihood adaptation strategies:

- Strengthening community EWS through addressing community information needs and improving the quality of the information dissemination systems
- Enhancing the capacity of local meteorological stations and institutions
- Identifying areas that are affected by flood and constructing flood preventive structures
- Constructing irrigation structures, water diversions and establishing/ water harvesting structures Encouraging and supporting forage & pasture production (individual, cooperatives, or any other)
- Facilitating land ownership of women on *Prosopis* cleared lands and supporting implementation of agricultural practices
- Establishing and supporting cooperatives that produce and conserve forage (reserved grazing lands) for market purposes
- Establishing women-friendly cooperatives like animal fattening, baking, dairy production, etc
- Creating access to finance and markets for their products



Women's dialogue Afar

Barriers and Constraints Dialogue in Livelihood Adaptation Strategies (Afar - 4 dialogues) In Afar cluster, four follow-up dialogues on barriers and constraints to livelihood adaptation were conducted in Amibara, Gewane, Awash Fentale and Gelealo woredas. A total of 80 stakeholders (8 women) drawn from woreda food security, NRM and water offices, clan leaders and women and youth representatives attended the dialogues. The adaptive strategies widely employed by pastoral households as identified by dialogue participants include social support systems, customary natural resource management institutions and practices, water resource management

and traditional conflict resolution systems, feed conservation practices (closure area preparation & hay making); destocking and culling practices at times of drought, traditional information exchanging/sharing system, dairy processing and marketing, livestock diversification and engaging in non-pastoral income generating activities (IGAs).

Charcoal making for income generation was mentioned as one major maladaptive strategy, especially leading to deforestation of the indigenous tree species in the name of prosopis removal as a common practice affecting biodiversity and the local ecosystem in Gewane and Gelealo woredas was emphasized. Moreover, private enclosures and annexation of range resources by a steadily growing number of individuals violating customary NRM rules and practices were also mentioned as maladaptive practices that need to be addressed urgently.

Dialogue participants identified barriers and constraints to livelihood adaptation as institutional, socio-cultural and personal. Religious pressure preventing the use of EWI (mainly traditional forecasts) and a poor saving and innovation culture were discussed as the most important socio-cultural barriers. Lack of access to reliable and timely EW and market information, lack of access to responsive financial institutions, focus of government on emergency response measures rather than early preparedness and a shortage of improved inputs for livestock production and healthy management were also discussed. The personal barriers are related to attitudinal factors and access to information and skills training. As a follow-up activity, there is a plan to link other PRIME Intermediate Results and EMD staff in order to facilitate access to market and financial services. Also, strengthening of community EWS, ensuring access to downscaled and contextualized meteorological forecasts, and enhancing NRM practices through rebuilding customary institutions will be the main future focus areas.

Priority Identification for Disaster Risk Preparedness and Livelihood adaptation

Nine follow-up dialogues have been conducted to help communities identify priorities and develop action plans for DRM and Livelihood Adaptation. A total of 333 stakeholders participated in the meetings including 38 women and 295 men. As can be seen from the Table below, four of the dialogues were held in Afar (Amibara-Dulecha, Gewane-Gel'alo, Argoba and Awash Fentale) and in Dawa Valley and Gomole dheedas in the Southern Cluster. In Gomole and Dawa Valley, the communities prioritized grazing reserves, hay making/feed storage, pond rehabilitation, savings and the planned sale of animals. In the SRS, dialogue participants prioritized the separation of wet and dry season reserves, pond development, improved farming (water, improved seeds), forage development and flood management. In Afar irrigation development and water diversions, savings and credit, forage and pasture production (individual and cooperative) and access to weather information were identified as adaptation priorities for the pastoral communities.

COMMUNITY PRIORITIZATION FOR DRR AND LIVELIHOOD ADAPTATION

Grazing System//Cluster	# of Participants		Priorities identified for Livelihood Adaptation support	Problematic strategies that need to be changed or improved
	Male	Female		
South (Gomole)	31	1	<ul style="list-style-type: none"> • Hay making • Saving and asset diversification • Range land improvement (grazing reserves, dismantling private kallos) • Pond rehabilitation • Cistern construction 	<ul style="list-style-type: none"> • Bush clearing • Mitigation • Food aid
South (Golba Dawa)	122	12	<ul style="list-style-type: none"> • Communal grazing reserves • Separation of dry and wet season grazing areas/ arranging settlements • Improved agriculture (appropriate site selection, the right seed variety, improved practices ...) • Weather & market information for range and livestock management 	<ul style="list-style-type: none"> • Selling livestock at stress time • Expansion of private enclosures • Extravagance during harvest time
Afar (Amibara-Dulecha, Gewane-Gel'alo, Argoba, Awash F.)	142	25	<ul style="list-style-type: none"> • Constructing irrigation structures & water diversions • Savings and credit • Forage & pasture production (individual, cooperatives) • Establishing functional EWS & information delivery 	<ul style="list-style-type: none"> • Destitute migration • Charcoal making • Sale of weak animals • Manual bush thinning

Support to vulnerability, land use and land rights analysis of irrigation systems (South; Golba Dawa, Golba Genale) - CVCA

Assessment of the potential of irrigated horticulture development as well as climate sensitivity analysis for private sector actors assisted in the design and development of climate adaptive irrigation based livelihood diversification options for pastoralists and agro-pastoralists in PRIME intervention areas. Irrigation-based horticulture helps communities as a means to diversify their livelihood and as an adaptation mechanism to cope with re-current drought and rainfall shortages, improving their resilience against shocks. Climate sensitivity analysis for private sector actors also facilitates understanding of irrigation sector exposure, sensitivity to climate risks and identification of preparedness and response strategies supporting the adoption of climate adaptive irrigation technologies and practices. In addition, such an analysis will facilitate vulnerability and adaptive capacity assessment of pastoral and agro-pastoral communities in downstream and-upstream areas. Land use and land rights analysis of irrigation systems also facilitate clear understanding about user-rights, resource access, control and management among various land and water use groups.

Two irrigation sector follow-up CVCA assessments were conducted for a thorough understanding of vulnerability risks, and land use and land rights in irrigation systems around Golba Dawa and Golba Genale. In addition to clarifying land use and access control rights, the

irrigation sector CVCA analysis is thought to support climate smart livelihood and adaptation through market driven initiatives (linking and feeding into IR1 and IR3). A total of 52 stakeholders (44 men and 8 women pastoralists, agro-pastoralists and farmers) representing pastoral and agro-pastoral households, community based institutions and private producers attended the sectoral CVCA assessment studies.



Irrigated horticulture production in Golba Ganale

The assessment mapped potential irrigation areas and identified opportunities and risks associated with climate vulnerabilities as well as land use rights and access control linked to irrigation-based farming expansion. Assessments were also made on the implications of irrigation expansion for pastoral and agro-pastoral communities as well as on environmental resources. The irrigation sector is analyzed from the perspective of pastoralists, particularly how it impacts and links with their land use patterns. Resource use and access issues as well as ownership and entitlement issues related to land for irrigation were part of the irrigation sector CVCA assessment. As part of the CVCA assessment, climate sensitivity analysis for private sector actors including hazard identification and ranking for the production (or business) and sectoral analyses in terms of exposure, sensitivity, impact and adaptive capacity were made. Alternative strategies for enhancing the adaptive capacity of private actors and their production systems or businesses (including effectiveness, barriers, and opportunities) were made.

The assessment indicated that floods, pests and diseases are the potential climate-change induced risks to irrigation based farming in pastoral areas. Farming households rely on chemical pesticides and herbicides which are environmentally unhealthy and unsustainable. More critical is the polluting effects on water sources which are the life line of most pastoralists who rely on those water sources for their livestock and household consumption. There is also a threat from a seemingly growing tension and misunderstanding and mistrust between pastoralists and those who farm. Relationship and trust building strategies including clarifying land use and access control rights must be sorted out for the sustainable utilization of water resources for both pastoral and farming livelihoods. Landscape level and grazing system based management of range resources should be an entry point for building trust among different and conflicting resource-use groups in water-scarce areas including in Golba Dawa and Golba Genale.

Key result 2.2: Increase Capacity for Effective Governance for Climate Resilience

Strengthening of Rangelands Management Platform under the Pastoral Directorate, State Ministry of Livestock

PRIME has established a partnership with the Pastoral Directorate, State Ministry of Livestock to coordinate a learning and harmonization platform for natural resource management in pastoral areas. The Rangelands Management Platform (RMP) is designed to provide a space for development practitioners and researchers to come together and harmonize best-practices, as well as take collective action and approaches to implementation, under the auspices of the GoE. Given that the State Ministry of Livestock houses several bi-lateral funded projects focusing on building the resilience of dryland communities, the platform is designed to also benefit these projects through the dissemination of good practices. Finally, the platform provides an opportunity for development partners to input into national strategies and policies around rangeland management. Platform meetings are designed to take place quarterly, around key themes in rangeland management that are selected jointly with the Directorate, PRIME and development partners.

The first meeting of the platform was held on April 16th, 2014 around the theme identified by the State Minister "*Addressing Prosopis Juliflora in Ethiopia's Rangelands: Practice, Status and Way Forward.*" The meeting brought together 48 stakeholders in rangeland management, including 16 representatives from national and regional agriculture bureaus and government research institutes, 28 members from civil society and 4 from private sector consultancies. Experiences in *prosopis* clearing, control, and utilization were presented by the Ethiopian Institute for Agricultural Research (EIAR) as well as the Kenya Forest Research Institute (KEFRI). A key outcome of the meeting was a statement from the Rangeland Management Platform to the State Ministry of Livestock to incorporate into forthcoming national strategies on *prosopis* that the State Minister is spearheading. Workshop minutes and the recommendations were distributed to all platform members for feedback, and have also fed into the agenda of the higher-level policy workshop that PRIME supported among higher government officials in Awash Arba in June, as described below.

Higher official prosopis policy workshop, Awash Arba

CARE provided technical and financial support to a higher-level government workshop in Awash Arba, from June 17th - June 18th, that was intended to initiate the process of forming a national *prosopis* strategy. The workshop, led and organized by the Pastoral Directorate, State Ministry of Livestock, engaged over 60 people, including 15 officials and experts from the the NRM, Livestock, and Land State Ministries under the Ministry of Agriculture, experts from Ethiopian Reserach Institutes, Regional government officials, and key civil society representatives engaged in *prosopis*. The workshop built off of the recommendations from the Rangeland Management Platform (Activity 2 above), which were presented by the Ethipoian Society for Animal Production (ESAP)/Pastoral Rangelands Forum Ethiopia.

The workshop also included a site visit to model areas for *prosopis* clearing. This includes the sites in Amibara where PRIME has supportd *prosopis* removal using a frontloader. Community members were on site to explain to higher officials the process they had gone through in

identifying the site through a participatory rangeland management approach, and their community contribution to clearing and management.

As a key action step, the State Minister has formed a technical sub-group of key partners, including PRIME, to work with the federal and regional governments on a national prosopis control strategy.

The second meeting of the platform was held on July 21st, 2014 at EIAR, in Addis Ababa focusing around the theme "*Participatory Rangeland Management Approach (PRM)*" with the objectives of: 1) sharing experiences and lessons learned from PRM development and implementation in pastoral areas of Ethiopia to date, 2) identifying challenges and opportunities for scaling-up the approach in other pastoral areas of the country, 3) recommending a set of activities to be coordinated by the Pastoral Directorate, which can help harmonise the approach across pastoral areas and the different development projects being implemented there.

The meeting was led by the Pastoral Directorate (MoA) with support from ESAP/ParFE and PRIME. Participants attending the meeting represented government and non-governmental organizations, research institutions and donor agencies. The workshop began with an introduction by Mr. Gifawosen Tessema - Director of the Pastoral Directorate of the State Ministry of Livestock Resources Development (MoA), and an opening speech by the guest of honor His Excellency Dr G/Egziabher G/Yohannes, the Livestock State Minister.

Following the introductory session and the opening speech of the State Minister, three speakers made technical presentations. The first speaker was PRIME consultant Ms Fiona Flintan, who gave an introduction to the PRM approach. Ms Fiona highlighted the efforts made by Save the Children/USA in 2009-2010 to offer a model for better securing rights to resources and improving rangeland management, drawing from and building on the well-accepted participatory forest management (PFM) concept. The two presentations focused on the experiences of implementing PRM by Farm Africa/SOS Sahel and PRIME. Mr. Lulu Likasa, Project Coordinator of Farm Africa /SoS Sahel also presented Farm Africa/SOS Sahel Ethiopia experiences with the piloting of PRM in the lowlands of the Bale EcoRegion. The next presenter was Ms Olga Petryniak of PRIME. Ms Olga Petryniak's presentation started with a description of PRIME Project Objectives. Her presentation highlighted the overall approach of natural resource management that PRIME takes. She described the theory of change with the key outcome being High Rangeland Productivity. The routes to High Rangeland Productivity were noted as including government, emerging actors and customary institutions, requiring legitimate, trusted, and capable institutions making decisions and enforcing regulations. Clearly defined incentives for management, adherence and enforcement of those rules results in good rangeland management. Key points made as to why PRIME's approach is different to others is as follows:

- It is a systems-based approach with the rangeland unit boundaries defined by ecology, traditional use and management;
- It is multi-stakeholder engaging government, community and private sector actors in the system
- The scale of the intervention is much larger covering 24 rangeland systems and 8.8 million hectares of land.

- Institutional linkages and formal relationships are established at zone and regional levels through the USAID LAND project.

After the three technical presentations, the workshop participants were divided in to groups and held plenary discussion based on the experiences shared by the three technical presenters after which each group came up with its technical recommendations. The technical recommendation of all groups is in the table below:

GROUP RECOMMENDATIONS ON PARTICIPATORY RANGELAND MANAGEMENT

Government responsibility	Development partners responsibility
Technical recommendations	
<ul style="list-style-type: none"> • Need to define appropriate unit for planning in PSNP; guidelines/manuals under the NRM Sector • Harmonize other government initiatives – watershed management/CRGE, etc – with PRM approach; • Important for PRM to feed into a process • Important to protect/legalize resources at rangeland system level rather than fragment it • Link PRM methodology with government land use planning processes • Adapting best practices (national/international) to local condition • Share the guidelines/manuals across platform – feed into upcoming policies/plans • Incorporate/mainstream PRM to move away from projects –mainstream good lessons from projects 	<ul style="list-style-type: none"> • Fill knowledge gap when it comes to existing rangeland management practices/systems • Important to link customary systems to scientific knowledge as part of PRM • Good to map experiences of other institutions in experiences in PRM beyond what was presented • Under the rangeland unit legally protecting the resources for pastoralists • Incorporating thinking about crisis management in rangeland management plans – plans should be anticipatory about crisis management • Document other experiences in PRM beyond what was presented • Examine role of PRM in carbon sequestration and CRGE planning
Institutional recommendations	
<ul style="list-style-type: none"> • Need support from government for legal backing in PRM processes • Pastoral Directorate to link with Land Use Planning processes • MoA to bring different approaches together; come up with one manual • Create task force /sub-group for reviewing these; Present/discuss (joint across MoA institutions, NRM, Pastoral Directorate, Land Administration etc) • Other PRM can be used to revise customary institutions based on existing modern systems and changing land use patterns 	<ul style="list-style-type: none"> • Exhaustively share and collect information on PRM, planning in rangelands • Customary institutions can be used as entry-point for discussion/decision-making with other projects • Actively participate in sub-group/task force related to PRM to harmonize approaches • Good to map experiences of other institutions in SRS and Afar Region; • The PRM introductory guideline developed by SC/US has some

<ul style="list-style-type: none"> • Harmonize manuals/approaches into a single manual/guideline - (MoA land use planning processes, PSNP manual) that includes PRM; scale-up its implementation. • Feed into rangeland management policy development – not separate but part of existing policy processes • Share all information to Pastoral Directorate on existing approaches • Need to take Rangelands Management Platform to zone-level to continue discussion • Coordinate PRM initiatives at Zonal level • Engaging the administrative body • Quick fix vs long term intervention • Government’s long term plan in the current rangeland areas need to be transparent • Government should legitimize the existing rangelands and give guarantee. • Government is currently developing the national livestock master plan for the country. • Carbon financing opportunities and linking it with the GTP and CRGE strategy of the country. • Do we have a broader perspective of the rangeland system from the government side? • Policy makers should focus on rangeland management issues. 	<p>technical limitations when it comes to the rangeland management plan development.</p> <ul style="list-style-type: none"> • PRM approach has technical limitations and it needs to be improved. • It should have been developed with the involvement of the key stakeholders including the Research institutions, development partners, and community jointly. • Building the capacity of the CIs on the technical aspect of the rangeland system • Advocacy through the LUP planning process? • Exhaustive analysis of experiences to create linkage at different levels, local and federal level. • Improved investment in the rangeland • Like PFM, PRM approach (guideline) also has limitation on the livelihood and it has to incorporate livelihood needs of the community. • It is very project based and it has to be linked to the government policy and programs. • Communication strategy to policy makers in terms of economic the rangelands bring • How to incorporate the idea of carrying capacity/what the rangeland can support into this approach?
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The workshop closed with a brief statement from Mr. Gifawosen Tessema, Pastoral Directorate Director. In his closing statement, Mr. Gifawosen reiterated the commitment of the MoA to take the workshop recommendations a step forward and support the Rangeland Management Platform to effectively discharge the duties it was established for. PRIME will continue supporting the platform and the next meeting of the platform is expected to happen at the end of October or early November 2014.

Establishing partnership and plans for improving land rights and resource productivity in pastoral areas

In the reporting year, PRIME established a close working partnerships with the the USAID-funded LAND (Land Administration Nurturing Development) project in the South and Afar clusters of PRIME operational areas to link PRIME's institutional strengthening and participatory rangeland management activities to supporting improved land rights and administration in

pastoral areas. Key activities that have moved forward during the year under the shared initiative include:

- **Support to the formation of the Zonal Oromiya Pastoral Advisory Committee (ZPAC) for Land Administration and Natural Resource Management (Key Result 2.2, Activity 6).** A zonal level pastoral advisory committee has been formed at both Borana and Guji zones through the facilitation of the PRIME team. The committee is expected to be officiated during the OPAC field visit to the two regions which is expected to happen at the end of October 2014.
- **Planning for Regional Oromia Pastoral Advisor Committee (OPAC) Field Visit:** PRIME is coordinating with LAND to support a LAND-led visit of the regional land administration officials to the rangeland systems supported by PRIME to enhance understanding of the regional officials on the communities customary systems of land management, and the option of certification at the rangeland system level. The visit has been scheduled and postponed several times due to the unavailability of government officials who are OPAC members. It is now expected to happen from October 26-31 2014.
- **Input into the LAND Impact Evaluation:** PRIME has assisted with targeting for LAND's impact evaluation through its rangeland system maps, and provided substantial input into the design of the evaluation to increase its contextual sensitivity.
- **A Memorandum of Understanding** was signed between PRIME and Tetratech ARD (LAND).

Negotiations on addressing diverse land use interests among stakeholder groups in Borena and Guji rangeland systems: As part of a wider process of enhancing rangeland system governance, CARE has developed a methodology to enhance the capacity of rangeland councils to represent and negotiate diverse land use interests within their units of management. Since rangeland systems are vast units that cover farm areas, forests, as well as private sector investment, the legitimacy of the rangeland councils stands not only in their ability to manage grazing areas, but also to protect the interests of other land users, and allocate land uses accordingly. Six dialogues have been conducted around negotiating internal interests, including four in Guji Zone rangeland systems, and two in Borena. The dialogues brought together Gada leaders, or the most senior decision-makers of Borena, *dheda* elders or the rangeland council, pastoralists, farmers, investors and government officials. The meetings were facilitated by the *dheda* elders themselves, with whom PRIME reviewed a facilitation plan and agenda for the meeting. A summary of participant numbers and key discussion points is provided below:

SUMMARY OF LAND USE INTERESTS

Rangeland System	# of ppts	Key Issues
Dheda Dida, Guji Zone	44, including 5 Gada representatives	<ul style="list-style-type: none"> ▪ Farmers discussed the need for use right recognition; concession or certificate ▪ Full recognition of overall communal land management by dhedas, and recognition of individual rights with it ▪ Rangeland system management by dheda was seen as critical to overall rangealnd productivity ▪ Importance of integrating rangeland system work with Gada leadership
Golba Dawa, Guji Zone	44, including 5 Gada representatives	<ul style="list-style-type: none"> ▪ Review and acknowledge of Gada leadership of Borena as fundemantal decision-making strcuture ▪ Exclusion of women reviewed and restructured to add three women to the senior dheda council ▪ Overhaul of leadership in one sub-grazing unit to ensure greater representation ▪ Acknowledgment of communal land certification, but with structures to endorse private rigths within it
Malbe	33	<ul style="list-style-type: none"> ▪ Support for importance and revitalizatoin of custmoary institions to lead and manage resources on behalf of the diverse groups ▪ revision of Arda (kebele) structure to be more inclusive and represntative ▪ Clarification of roles and responsibilities among councils, on behalf of various interest groups ▪ Agreement to communal land certification at <i>dheda</i>, or rangeland system level
Gomole	39, including 10 Gada leaders	<ul style="list-style-type: none"> ▪ Pastoralist land rights being a critical issue for pastoralist and othe rlivelihood groiups in the rea ▪ Dheda as the appropriate level of land certification patoral areas to avoid land fragmentation ▪ Dheda is the appropriate institution to protect diverse land rights
Golba Genalle	60 including 5 woreda gov't representatives, and 4 Gada representatives	<ul style="list-style-type: none"> ▪ Pastoralist land rights being a critical issue for pastoralist and othe rlivelihood groups in the area ▪ Dheda as the appropriate level of land certification patoral areas to avoid land fragmentation ▪ Dheda is the appropriate institution to protect diverse land rights
Wadera	60 including dheda councils, agro-pastoralists & gov't line departments	<ul style="list-style-type: none"> ▪ Farmers discussed the need for use right recognition; concession or certificate ▪ Full recognition of overall communal land management by dhedas, and recognition of individual rights with it ▪ Rangeland system management by dheda was seen as critical to overall rangealnd productivity ▪ Importance of integrating rangeland system work with Gada leadership

Formation of the Zonal Pastoral Advisory Committee (ZPAC) for Land Administration and Natural Resource Management in Guji and Borena Zones: Zonal Pastoralists' Advisory Committee (ZPAC) was established in both Borana and Guji zones. The ZPAC is formed with members represented from different zonal level government offices such as the Zonal administrator, and Heads of the Zonal Rural Land and Environment office, Water, Mineral and Energy office, and Pastoral development offices, as well as the Chairmen of the rangeland councils of all the rangeland systems (*dhedas*) in the zone. The ZPAC idea emerged from the Oromiya Pastoral Advisory Committee (OPAC) established in support of guiding the regulatory framework and legislation on securing pastoral land rights through the joint initiative of PRIME and LAND projects. As part of the regional OPAC meetings and based on agreement with LAND, PRIME took the responsibility of facilitating the establishment of the Zonal level Pastoral Advisory Committee (ZPAC) to serve as an interface between the regional OPAC and the ground level activities by the rangeland councils and local level government stakeholders. Thus, ZPAC is expected to play the role of facilitation and advisor in the process of securing pastoral land rights. PRIME supported two meetings, one in Borena and one in Guji, among *dheda* elders and key zonal representatives on the expected foundations of the ZPAC, and discussed preparations for a field visit of the Regional OPAC (which was later postponed) to discuss key issues of land tenure to be presented to the OPAC during the visit. The field visit, to be jointly organized by LAND and PRIME, is expected to take place from October 26th-31st 2014. PRIME will support all preparations for the visit at a field level while LAND will cover all the costs associated with the OPAC members traveling to the field.

Inter and intra-community map validation and institutional strengthening

Validation of resource mapping at both inter- and intra-community rangeland management areas is one of the activities PRIME facilitated to improve resource governance and to support the CI to obtain recognition of resource use and management rights by defining rangeland management structures and its concession area boundaries (inter-intra *dheda*). Accordingly, four intra-community resource map validation dialogues were conducted in Borana zone in Gomole, Malbe, Dire, and Wayama rangeland systems; one dialogue in Afar, Gewane-gelalo; one in Siti Zone, Muli; and one dialogue in Gujii zone among three rangeland systems namely *Dheda-Dida*, *Golba-Dawa* and *Golba-Ganale*. The main participants of both dialogues were community member (CI, NR management elders, women, and youth) and local government partners including Zonal and woreda level land administration and environmental protection offices, PDO, and kebele leaders. The total number of individuals participating in the inter-community map validation dialogue in Guji zone were 72 people (7 women), with 5 participants representing Zonal and Woreda level government offices. Chairmen of almost all kebeles encompassed by the rangeland systems have taken part in these dialogues representing the local government structures at kebele level. The total number of participants in four rangeland systems in Borana zone were 147 people (16 women), and included community representatives and 46 representatives of local government partners.

Dialogue outputs are as follows:

1. Existing resources (land use types) and their locations were confirmed. Participants confirmed existing natural resources and its map or location that had been previously mapped during resources investigation dialogues. The mapped information includes dry and wet season grazing areas, communal enclosures, permanent and temporary water points (traditional wells, ponds, and others), migration routes, settlement areas, farming

areas, etc. In addition, they identified and mapped contested or conflict prone areas that might cause conflict between ethnic groups due to resource use and sharing.

2. Defined and validated boundaries of the rangeland systems (dhedas), sub-rangeland units (Reras) and Ardas (kebeles). The boundary of entire rangeland management (dheda) and sub-management unit (Rera & Arda) has been clearly defined and delineated into four rangeland systems namely Gomole, Malbe, Dire and Wayama in Borana zone. Delineating the boundaries has helped the community to revise their existing resource management institutional structures and to assign appropriate responsible management bodies at each level.
3. Validation of inter-rangelands boundaries: the validation of boundaries of the three rangeland systems in Guji, namely Dheda-Dida, Golba-Dawa and Golba-Ganale were conducted in the presence of all stakeholders and resources management bodies. The boundary of each dheda was jointly defined and agreed, including agreement by participants of where one dheda separates from the other adjacent dhedas. They have also defined the ardas (kebeles) that belong to or are encompassed within each dheda. The verified map will be used for the communal land certification initiatives on which both the PRIME and LAND programs are jointly working. Participants have said that the validation will further support the community to manage cross-border mobility and conflict that can arise over the use of communal resources during periods of drought.
4. Revitalizing traditional rangeland management systems and institutions: Along with resource map validation, the resource management institutions and their institutional structures have been reviewed and revitalized. The resource management institutions both in the bigger landscape (rangeland system) and sub-rangeland unit levels were reviewed and reformed, and responsible bodies for rangeland management have been nominated at all levels in more inclusive and representative way where women and youth community groups are also represented. The institutional review and revitalization process is continuing in all 23 rangeland systems where PRIME is currently working in the three clusters of South Oromia, Afar and Somali.

NRM follow up dialogues institutional strengthening and prioritization of resource rehabilitation activities in 14 Grazing Systems

Following the rangeland system mapping and institutional analysis exercise, PRIME has supported a series of events to facilitate institutional strengthening and identification of rehabilitation priorities in over 14 rangeland systems. A total of 845 people (584 men and 261 women) participated in the dialogues. Participants included clan leaders, traditional natural resource management institutions, influential men, women and youth from the communities, and woreda representatives. As part of the discussions, communities of the respective rangelands have reviewed their traditional resource use and management systems, analyzed resource user relationships, and analyzed their existing resource access and control systems, identifying areas of improvement for institutional strengthening. The elders' councils of each rangeland system also developed their action plans that included setting regular meeting dates in the sub-grazing unit for systematic implementation of priorities, and at the grazing system level for addressing wider management issues. In addition, elders' councils agreed to disseminate key learning points and priorities from the meeting to their wider communities. Importantly, each elders' council identified priorities for rehabilitation and enhancement of resources, defined roles and

responsibilities for the community, government and the support they require from PRIME, and developed action plans against prioritized activities.

Regional EWS Review and Reflection Workshops in Afar

IR2 has a strong EWS component which aims to strengthen access to and management of EW Information around climate and other hazards and crises, enhance the performance and relevance of Early Warning Systems, and support community-based early warning and DRR planning and response processes. To further this aim, support was given to facilitate regional early warning system review and reflection workshops in Afar and Somali Regions with a particular focus on seasonal analyses. The aim of the regional lessons-learned meetings on the regional early warning systems were, based on household economic analysis, to map out existing EWS and see how existing EWS meet the information needs of communities, what works well, and what not. The regional review workshops facilitated the identification of good practices and lessons from PLI II interventions on regional EWS and recommended strategic actions that need to be done to improve the performance and relevance of EWS to communities, businesses and government.

The regional EWS review and reflection workshop in Afar was conducted on 24 October 2013. A total of 29 participants (4 women and 25 men) the workshop and were drawn from the Regional DPFSO and PADO Bureaus, CDCs and NGOs directly working on EWS/DRR. The workshop included presentations and discussions on Afar region EWS, experiences and lessons learned from the PLI II, and the way forward.

The workshop participants identified the following challenges facing the regional EWS in Afar:

The level of data collection:

- Poorly developed data collection formats are not well adapted to local pastoral contexts
- Insufficient and poorly developed structure for CDCs per woreda
- Limited attention given to disaster preparedness, EW and Early Response by regional decision makers
- Limited capacity among CDCs
- Unresponsiveness of the regional EWS to community information needs
- Poor quality data collection and reporting/information flow system
- Lack of communication and data dissemination technologies
- Lack of awareness and trust among communities in the regional and other governmental EWS

At the level of data analysis and dissemination:

- No mechanism or structure exists for the dissemination of EWI to local communities and businesses
- Lack of feedback and verification mechanisms
- Poor data management, communication and report delivery mechanisms
- More often regional EW reports do not contain regional hazard warnings and the size and composition of at risk populations
- Lack of regular forums for experience sharing and evaluation of the regional EWS
- Lack of follow-up and monitoring of data collection and feed back to woredas

The workshop recommended the following:

- Respecting and engaging local community institutions and EWS at the woreda level
- Providing continuous capacity building support to woreda and regional EW and DRR staff, CDCs, DAs and extension workers
- Conducting monthly discussion forums at woreda level and quarterly review meetings at the zonal and/or regional level
- DAs should access EWI at the kebele level
- Regional capacity should be strengthened to improve monitoring, evaluation and feedback systems
- Appropriate communication/reporting mechanisms should be established for EWI, such as electronic media
- The regional seasonal assessment data being analyzed using LIAS software is outdated because of the dynamics in the pastoral livelihood systems. The database needs to be revised through a research study.

Zonal level multi-stakeholder consultative meetings to enhance performance of EWS & relevance of EWI for livelihood decision-making: In Afar, Borena and Guji, one of the major gaps identified during previous CVCA assessments was the limited technical and institutional capacity of local government Early Warning systems. Zonal DPPCs are faced with limited human and technical capacity to gather, analyze and disseminate early warning and disaster information on a regular and timely basis. Cognizant of this, IR2 teams facilitated zonal level multi-stakeholder early warning and DRR review and planning meetings in zone 3 of Afar and Borena and Guji zones.

South Cluster (Borena and Guji zones):

In both Borena and Guji, 43 participants (3 women) were drawn from zonal and woreda level PDO and DPPO offices to attend the zonal level early warning and DRR review and planning meetings. The participants assessed the gaps in the current early warning systems and proposed plausible recommendations to enhance the responsiveness and effectiveness of the information management and dissemination systems. Participants found that there is no regular, responsive or consistent early warning information gathering and dissemination mechanism at both zonal and woredal levels. The EW institutions are severely constrained by poor human, technical and institutional capacities and weak coordination mechanisms. There is either none or very limited operational synergy among relevant sector offices. There is no clear mechanism or transparent system for disseminating EWI to communities on a timely and regular basis. The EWS is structured to be reactive, and as such is not suited to facilitate early preparedness and inform adaptation planning.

Gaps identified in the existing zonal and woredal level EWS in Borena and Guji:

- Limited technical and scientific capacity of early warning staff to monitor, analyse and report EWI on time and regularly
- Limited awareness of stakeholders on the value of EWI for disaster preparedness, early response and adaptation planning.
- Lack of technical equipment and technologies to carry out EW activities effectively
- Limited technical capacity of DPPO personnel to effectively utilize technologies to analyse, process and report EWI

- Weak inter-sectoral coordination and collaboration between zone and woreda level DPPOs
- Limited understanding and appreciation of the importance of EWI by woreda and kebele EW committee members.

Suggested steps to enhance the effectiveness and responsiveness of the zonal and woreda level EWS in Borena and Guji:

- Build the technical capacity of zonal and woreda EW experts, for example, through trainings on various EWS data management software applications (LEAP, GIS/hazard mapping, SPSS, FEWS Net /meteorological data usage, Project planning, M&E)
- Strengthen the technical and institutional capacity of zonal and woreda DPPO through the provision of essential equipment (computers, GPS, LSD, plastic rain gauges, CDMA, etc)
- Create effective coordination and operational synergies among the various sectors
- Engage in awareness raising and capacity building of zonal and woreda level government decision makers
- Engage in regular and timely collection, analysis and dissemination of EW information to communities and decision makers
- Establish and strengthen continuous monitoring and evaluation mechanisms for woreda level early warning structures and functions.

Afar cluster:

CARE in collaboration with Afar region DPFSPCO organized a two-day zonal level consultative meeting aimed at enhancing the performance of EWS and relevance of EWI for disaster preparedness and adaptation decision making. The meeting was held from 28-29 August 2014 in Awash town. A total of 71 participants ((58 men and 13 women) drawn from woreda and zonal PADO, traditional forecasters, clan leaders, and women and youth representatives attended the meeting. The main achievements of the meeting included:

- Enhanced awareness about the main components and processes of community-based disaster risk reduction approaches;
- Agreements on the need to revise and expand the membership base and roles of CBDRR at the kebele level to include resource persons like traditional forecasters, rangeland and water condition monitors, DAs and clan leaders;
- DAs to be the primary responsible persons to compile early warning information and fill out monthly EW formats replacing community data collectors (CDC). The replacement of the old incentive based CDC process by DAs will ensure sustainability of the EWI collection and reporting process;
- PADO agreed to strengthen its CBDRR system based on guidance and regulatory support from DPFSPCO;
- The meeting provided a forum for both woreda and regional governments and the community to review and reflect on the status, functionality and effectiveness of the current CBDRR structure.

Drought emergency situation assessment and field level support in Afar: In collaboration with woreda and kebele early warning and DRR experts and officials, IR2 and IR3 teams in Afar conducted a rapid **drought emergency situation assessment** in Allola and Moterbet villages in Dudub kebele, Awash Fentale Woreda. The assessment was conducted on July 15, 2014. The assessment team found out that:

- The performance of the previous rainy season (*sugum*) was generally assessed as poor in almost all areas of Awash Fentale woreda. According to senior kebele informants, the kebele received rainfall for not more than 7 days. In addition, the current rainy season (*kerma*) started later than the expected time and it only rained for 3 days.
- The grazing land is almost depleted of palatable herbaceous plants leading to reduced browse availability. The situation has created a feed shortage and consequent emaciation of the cattle population.
- The drought situation has forced pastoralists to take their livestock to Awash National Park and the Fentalie Mountains, which are far from their normal grazing sites.
- Following the poor performances of previous rainy seasons, failure of the past rainy season, and longer dry periods, the ground water, which is the water source for both humans and for their livestock, has dwindled drastically and in most places dried out. Other water sources (seasonal rivers and ponds), for both livestock and human use across the kebele has also been depleted. Currently, the community and their livestock are forced to walk long distances to get water, and currently the only source of water is the Awash River.
- Most cattle were emaciated, but shoats were in relatively good condition. The productivity of cattle has been significantly reduced. According to the interviewed pastoralists, the community is using only goat milk for household consumption, and this mainly for children.
- The team recommended immediate fodder and veterinary intervention. Destocking interventions can also be initiated to support households to generate income to cover the costs of food and non-food demands of family members.

Key result 2.3: Implementation of Climate Solutions

Natural Resource Enhancement through mechanized technologies: In the second year, PRIME's front loader machines have been used in support of natural resource rehabilitation activities in all the three regions of PRIME intervention. The machines were used for water point rehabilitation activities in all the three regions, and for supporting community prosopis clearing efforts in Afar to enhance the pasture resource conditions and improve access to water, grazing lands and other key resource areas.

Enhancing access to water through water point rehabilitation and development, Fatoma Delaytu in Gewane, Afar: Fatoma Delaytu pond in Afar is located in the plains in front of Ayelu mountain near Gewane town, and is one of the water points rehabilitated in during the year. The pond has the holding capacity of up to 7,000 m³ of water. It serves approximately 1,000 householdss in Bunketo-Mollale sub-unit of the Gewane Gelallo rangeland system and neighboring communities during both dry and wet seasons. The pond was selected and prioritized by the community for rehabilitation through the regular dialogues of the elder's council of the Gewane-Gelallo rangeland system. The pond was selected for rehabilitation as it is one of the most important water sources during the long dry periods as it can serve for 3 - 4 months after the rainy season has ended, and it is also very close to one of their main rangelands that serve many communities including the neighboring Issa communities on the North-East side. The community agreed to contribute stone for the construction of the spillway and also to contribute labor including for the compaction of the embankments. PRIME mobilized its front loader for removing the accumulated silt and also allocated budget for structures to be built at the spill way including concrete and gabbion components that will be constructed to reinforce

and stabilize the outlet of the pond for safe removal of excess water. The removal of approximately 1,117.5m³ of silt deposit from the pond reservoir has been completed so far. The construction work of the structures at the spill way of the pond is underway and expected to be finalized during the first quarter of the upcoming program year.

Haro Bake Microdam in Borana: Haro Bake microdam is another water rehabilitation project identified and initiated. Haro Bake water reservoir supports pastoralists in the Borana area including those from bordering Kenya. It serves 15,000 households from Yabello as well as surrounding woredas. The existing capacity of the dam is 1.5 million m³, but the structural functionality of the dam is under threat due to heavy silting and the deteriorating structure. The current rehabilitation initiative will expand the dam to hold 1.6 million m³ of water, as well as preserve its functionality for an additional 20 years.



Reinforcing pond embankment - Haro Beke

Technical assessments conducted by both PRIME and government bodies indicate that the dam is under pressure because of deteriorating structures and long-term sediment deposits from the catchment draining to the water point. The findings of the PRIME engineer was presented in front of all government and community stakeholders, and the design was jointly agreed upon. Construction and rehabilitation of spillways, stabilizing work, and expansion of the the reservoir area are the core components designed to upgrade the dam. The bid process for the civil engineering work was completed and a contract agreement signed between the winning contractor and SOS Sahel Ethiopia, the implementing PRIME partner organization. Excavation of approximately 1,300 m³ of appropriate soil for the embankment construction has been underway for the last two months and construction of the embankment using approximately 700 m² of earth also began but unexpected heavy rain caused a temporary pause in activity. In addition to the civil engineering work, the importance of watershed management and soil and water conservation in the catchment areas surrounding Haro Bake has been emphasized to the rangeland council members and the local government, and such measures are expected to begin during next quarter by synchronizing it with the government's watershed management plans. An environmental scan was completed prior to the commencement of the project; a full EIA is planned for Quarter 9.

Supporting community prosopis removal efforts with new technologies in Afar: Supporting community prosopis clearing efforts in Afar is one of the major rangeland rehabilitation activities PRIME supported during the year. A total area of 262ha (187ha in Amibara, 55ha in Gewane Gelalo, and 20 ha in Awash fentale rangeland systems) were cleared using PRIME's front loader equipment and community labour across the three sites. Clearing of the sites was preceded by multi-stakeholder consultations in each rangeland system to prioritize the . Prior to each clearing exercise, respective community members from each of the 6 rangeland sub-units had a two day orientation on the role of clearing, clearing techniques and safety procedures during clearing. During the 6 trainings, which took place in each of the 6 rangeland sub-units, participants also defined their roles and responsibilities. A total of 383 participants from across the three rangeland systems and 6 rangeland sub-units, 289 men and 94 women, participated in the trainings. A total of 410 community members (165 women and 245 men) ultimately participated in clearing activities alongside PRIME's front loader, which included the removal of small and sparsely populated stands, uprooting and burning the remaining roots and stems of prosopis cleared by the equipment, and in some cases fencing the area to allow it to rest and rehabilitate. The woreda PADO supported the activity by assigning experts to provide technical support and follow up the day to day implementation of the activity. PRIME provided hand tools and refreshments in addition to the frontloader.

Follow-up management of the areas cleared of Prosopis: Before the start of the prosopis clearing activities, PRIME facilitated community consultations at all sites regarding the necessary follow up management of sites post clearing. Communities in all sites agreed to monitor and manage the sites to prevent reinvasion by prosopis. Accordingly, the rangeland councils have mobilized the communities and their respective sub-rangeland units and done follow up clearing, including Keda-Birka to Intiaso, Arba to Gonita-Birka, Gonita-Birka to Keda-Birka, and BunketoMollale. PRIME has also been providing advice and monitoring support to prevent the regeneration of Prosopis at each site.

The level of awareness of the Rangeland councils and communities has been increasing, and their motivation to manage grazing land has also increased. As described above, the rangeland council members were able to monitor the regeneration of prosopis after clearance and mobilize the community to clean up new prosopis growth where necessary.

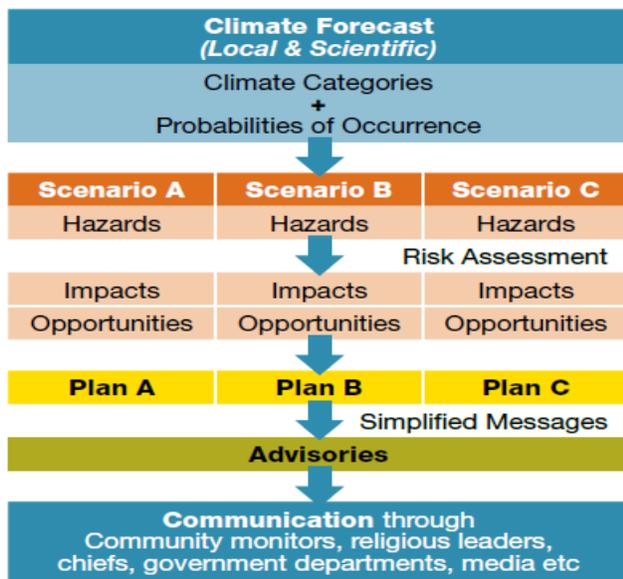
However, communities stated that the regeneration of palatable grasses and other desired species in cleared sites was slow. The slow regeneration of desired species has also been attributed to below normal rainfall, not preventing livestock from entering cleared areas, and livestock pressure from external communities. This raised the need for discussion and negotiation with neighboring communities on when and how cleared sites should be utilized. As a result they are considering the development of community by-laws to address this and other related issues.

Competitive grant for prosopis removal: The announcement of a competitive grant for conducting research on alternative prosopis removal techniques led to the submission of 17 technical proposals. A winning proposal consisted of a consortium of EIAR, SUST and ILRI, and a joint meeting was held between the consortium and PRIME to discuss methodology and fine tune activities. The grant is expected to be awarded during the upcoming quarter after financial and administrative arrangements are complete.

Capacity building of IR2 staff, meteorologists and local governments on PSP: Participatory Scenario Planning (PSP) is a mechanism for collective sharing and interpretation of climate forecasts leading to agreement on plans and contingencies that respond adequately to the levels of risks and uncertainty that a community might face. It is a process that enables communities and meteorologists to explore potential future changes, their associated impacts and develop a locally relevant action plan. The process allows them to effectively manage both the opportunities and risks of change thereby increasing their resilience. In a workshop setting over one to two days, PSP brings together meteorologists, community members, local government sector offices, research institutes and NGOs to share their knowledge on weather and climate forecasts. The workshop creates space for sharing climate information from both local and scientific knowledge, discussing and appreciating the value of the two sources and finding ways to interpret the information into a form that is locally relevant and useful. PSP is usually conducted as soon as seasonal climate forecast is available from meteorological services.

The output of a PSP discussion is a coordinated action plan agreed by all stakeholders and relevant to local priorities and contexts. The actions agreed are non-prescriptive as it is developed by its users, takes a ‘bottom up’ approach and include a range of hard or soft measures. This process aims to overcome ‘predictive’ mindsets and engage stakeholders in analyzing wide ranging possible futures. Communities are empowered, through an increased understanding of their situation, to implement the action plan which can alleviate possible impacts of risks, both current and in the medium to long term. Through this greater

understanding of future risks a community’s adaptive capacity can be improved.



A schematic presentation of the PSP process

During the IR2 review and reflection meeting which was held from 18-19 December 2013, 26 PRIME staff were given orientation on the PSP process and the how of facilitating PSP workshops at local community and higher government levels. The orientation focused on the major steps to be followed when conducting PSP, main principles guiding effective participatory scenario planning for climate communication and the how of facilitating a PSP workshop at local community and higher government levels. Following staff orientation on the PSP process, 3 concept notes and community action plans were developed for follow-up and implementation support.

Following staff orientation on the PSP process, a 3-day Training of Trainers (ToT) was organized for IR2 Technical Staff, meteorologists, government early warning and DRR experts and implementing partners to build their capacity and sufficiently prepare them to lead and facilitate PSP processes, with a strong understanding of the actors that have to come together and

the content and methodological aspects for conducting effective PSP workshops for decision-making for climate resilient livelihoods and disaster risk reduction at community and local government levels. The training was conducted from 5-7 February 2014. A total of 38 participants drawn from PRIME/IR2 project staff, CARE Ethiopia, implementing partners, meteorology, DPPFSO and ACCRA attended the training. The training facilitated the development of skills among trainees on PSP facilitation methodologies to support effective adaptation decision making by pastoralists. Trainees were able to understand the importance of the PSP process in supporting community climate change adaptation and contingency planning processes. Participants from regional meteorology bureaus were able to understand the importance of meteorological services in community-based CCA and contingency planning, as well as how to engage with non-scientific and community actors, and preparing for PSP. Key areas for conducting the PSP process were identified, and a general action plan for moving forward prepared (including identification of key institutions for roll out e.g., regional met and DPPFS offices).



PSP training in Addis Ababa

Participatory Scenario Planning to strengthen local adaptation planning and risk Reduction through resilient livelihood strategies in Afar and East clusters:

Afar Participatory Scenario Planning

Afar cluster facilitated 2 PSP workshops for participants from Amibara, Gewane and Gele'alu woredas in Awash town and in Gacheni town for participants from Argoba woreda. A total of 104 stakeholders participated (8 of whom were women) and were drawn from the regional meteorology and DPFSCO bureaus, woreda administration and sector offices, traditional weather forecasters, clan leaders, community data collectors (CDCs), and women and youth representatives. The workshops provided an opportunity to bring, for the first time, the 'traditional' and 'scientific' meteorological forecasters together and discuss their forecasting methodologies and approaches and identify opportunities to integrate the two systems to develop trustworthy and useful forecasts to inform local planning and livelihood decision making. In both locations, traditional forecasters predicted relatively good rains for *sugum* season (the short rainy season from March-April) which they expect to be more or less similar with the previous year. Likewise, the meteorologist forecasts show normal to above normal rains with odds of above normal rainfall expected over south, south-western, & western borders of the region, as

well as unexpected high rainfall that can cause flash floods and disease outbreak in some low-lying areas. Both the traditional and scientific rain forecasts predicted normal to above normal rains for the short *sugum* season. Most community participants were excited to learn about the approaches and indicators used by meteorologists to forecast seasonal rainfall conditions. Accordingly, the following three scenarios were developed and adopted for the *sugum* season of 2014:

- Near Normal RF (45% probability of occurrence)
- Above Normal RF (30% probability of occurrence)
 - Could extend to the next month (April)
 - With unexpected high RF that can cause flash flood
- Below Normal RF (25% probability of occurrence).

Scenario	Hazards	Risks	Opportunities	Impacts
Normal (rain after 8:00 hours and ends at 1:00) 45%	Sudden storm/flood Extreme events/flood Humid air	Unexpected flood Sudden storm of Rp	Quick recovery of livestock Good milk production It sustains livestock up to 'Karama' Good pasture growth as a result of sunshine Decreased complexity No further marketing use of pasture Decreased woman labor burden	Affected livestock on pasture Herders became frustrated (a forced to sleep in the field/forest)

Scenario	Hazards	Risks	Impacts
Above Normal (2) 30%	Flood Livestock outbreak High wind of thunder & lightning	Use of run off/condensate Increased depth of the basin Good body condition of livestock Stocking of feed Flash flood Human & livestock disease rampant Soil erosion	Use of run off/condensate Increased depth of the basin Good body condition of livestock Stocking of feed Flash flood Human & livestock disease rampant Soil erosion Destructive human destruction Human death Sheep's disease by skin burning disease Shortage of feed if extra dead (in less in old) Destructive crop land Uncomparable condition for livestock & reduced milk production Expensive Poor quality of water Soil erosion Insects and diseases of new born in human Insects and diseases of new born in human Insects and diseases of new born in human

Scenario	Hazards	Risks	Opportunities	Impacts
Below Normal (3) 25%	Drought Human & livestock disease Heat stress	Heat stress Human & livestock disease Heat stress	Quick recovery of livestock Good milk production It sustains livestock up to 'Karama' Good pasture growth as a result of sunshine Decreased complexity No further marketing use of pasture Decreased woman labor burden	Reduced milk production Reduced price Reduced water level Long travel distance to market for livestock Poor pasture quality Long distance to cut grass & fresh water to women Sick more in human & children may happen Child malnutrition by food and water shortage Infectious human disease due to human waste Calf and (Use Pasture/Drinking) (in less)

The 3 scenarios adopted for local CCA and contingency planning and development of advisories

For each scenario, major climate hazards and risks, associated impacts and opportunities were developed and based on the forecasts and developed by participants of the local PSP workshops. For normal and above normal rainfall scenarios (with a combined probability of 75% occurrence), flooding, disease, landslide and crop pests and diseases were major associated risks identified by participants. There was an agreement that this seasonal forecast will most probably be favorable for pasture growth and water harvesting. Given the uncertainties linked to forecasts, the participants also identified risks and possible impacts and strategies for 25% of the forecast which is below normal rainfall. Heat stress, water and pasture shortages and disease were identified as major probable risks associated with insufficient rainfall.

Having identified the possible hazards, impacts and opportunities, participants identified and developed alternative plans and advisories to address each of the 3 scenarios. As an illustration, the following were taken from the group discussions and presentations.

Actions to be taken	Advisories for different Community groups	Who will impl. ADVISORIES
- Feed conservation & storage Practices	- Select areas for enclosure & fencing - Prepare for hay making (savings)	- Clan leaders, community - HH, DAS
- Human food processing & storage	- Implement proper grazing plans - Selling surplus milk, butter	- Clan leaders, elders, 'fi@mat aba', comm. - HH (mainly women) - DAS
- Selling livestock	- Processing milk → - on time selling of livestock (good body cond.) - there is high market opportunity	- HH - DAS
- water harvesting & proper manag.	- Silt excavation, shed preparation - developing proper water use plan - Sanitation measures to clean areas from dead animals - maintenance of water entrance points - fencing water points	- Community - Clan leaders, water manag's committee - gov't (water office) - DAS
Sanitation (to prevent water born diseases)	- cleaning of water points surrounding - Cleaning water points (thankers) - use of water purifying chemicals - Constructing filtering (water) mech. at the entrance of ponds (water points) - boiling waters	- Clan leaders - Community - health office - extension workers (health)
malaria protective Net	- habituating awareness creation on the necessity to use Nets - indicating places that can provide Nets - Chemical spraying (DDT) - storing drugs - drying unusable water points - Grazing (medicine, supplementary feed....) - Vaccinating	- health extension workers - Clan leaders - Community - HH - DAS - health posts
MD, blood treating		- CATWS - HH - health (vet.) posts

Specific plans for dissemination of advisories and monitoring of implementation progress were also developed by workshop participants (the following table is presented as an illustrative example).

9. Dissemination Plan for Advisories			
Appropriate and effective Channels & Mechanisms	Who will disseminate (offices, structures, orgs.)	To Whom (Specific areas)	Where and when to disse
- meeting & discussions - daque	- Clan leaders elders - DAS, PADO - kado aba - PA (kebele) leader (Adm) - fiemat aba's	- halaydaqie, kurkura Arba, Sefhaqage (gonita birka), Andido & Angelille	- village level - before & at the beginning of the rainy season
- direct contact - daque	- Clan leaders elders - DAS PADO experts - women rep.	- buying & selling COO. - community	- village & - woreda center kebeles
- meeting & discussion - daque	- Clan leaders elders - DAS, PADO - water res. office - women representatives - water committees	- halaydaqie, kurkura Arba - sisebur, sidha qage (gonita birka), Andido, enthaso, Angelille	- village level - before & dur ing the rainy sea.
- meeting & discussion - daque - campaign - mini-medias - poster - awareness raising trainings	- health extension workers - health office - clan leaders - schools - health posts - water office	- other areas	- before & during rainy season - schools () - institutions - village
- meeting & discussion - daque - campaign - mini-medias - posters - trainings (awareness)	- clan leaders - health extension workers - health office	- the whole woreda	- at R.F. sea - during - school - institutions - villages
- daque - campaign - meetings	- CATWS, PADO, DAS - community - clan leaders elders - kebele admins	- the whole areas	- village - during & after rainy season
- campaign - meetings - daque - meeting - daque - campaign	- DAS, PADO - Clan leaders - CATWS, DAS, PADO - health posts	- whole area - whole area	- before & during rainy season ->>

Participants of the planning workshops were highly excited about the process. It was also the first time that meteorologists presented their forecasts and forecasting methodology to traditional weather forecasters, clan leaders and local pastoral communities. Blending the two systems helped win the trust and confidence of community members. As a follow-up of this exercise, there is a plan to conduct consultative meetings with local authorities and community leaders on

how to provide ongoing monitoring and implementation support for developed advisories. However, there is still a need to address the felt need to improve meteorological forecasts to meet growing community and household information needs. This requires working with the National Meteorology Agency to downscale and contextualize meteorological forecasts and create community-based information management and dissemination mechanisms to support local development and contingency planning and livelihood decision-making. There should be monitoring and evaluation of the process, especially the dissemination and acceptance of advisories by the wider community, in order to draw lessons and to strengthen community based early warning systems.

Amibara and Awash Fentale Participatory Scenario Planning, Afar Cluster:

Afar cluster conducted two participatory scenario planning processes, one that brought together Gewane, Gelallo and Amibara woredas, and the second focused on Argoba. A total of 102 community members attended the process across the two workshops. The PSP process was well-received by the participants, and noted as an important step in not only disaster preparedness and planning, but also to take advantage of potential opportunities within the seasons. Clan leaders were used to mobilize participants for the workshop, and as a result, many of the participants had already come to the process aware of key objectives and methodology. Forecasts for the season included normal to above normal rainfall.

Monitoring PSP in Afar Cluster: Following the PSP, CARE and AISDA conducted four follow-up workshops at woreda level to gauge the success of the PSP process, and to facilitate the dissemination of advisories at a local level. A total of 428 participants, including 160 women and 268 men attended the workshops, which included both government and community stakeholders. The meeting provided an opportunity to reflect on the effectiveness of the PSP approach and draw lessons for future PSPs. From the meeting, it was realized that most target community members have in one way or another received the advisories from friends, co-villagers, clan leaders, and youth in their community. At the same time, the need for institutionalizing the process to be more effective became apparent. Also apparent was the need for more clearly delineating roles and responsibilities among different stakeholders for both disseminating advisories and implementing actions. As in the Eastern Cluster, challenges were associated with the need for both institutionalizing PSP within the government early warning structures, and at the same time making those structures more inclusive and reflective of community interests.

Training of Trainers and Practitioners on Social and Behavioural Communication tool developed to address behavioural, attitudinal and socio-institutional constraints and limits to climate adaptation:

PRIME has adopted CARE's popular SAA (Social Action and Analysis) approach to address behavioral and socio-institutional barriers to climate change adaptation among pastoral households. In the reporting year, a 5-day training of trainers was organized in Dire Dawa (from 10-14 June 2014) for all IR2 technical staff on the method. The training focused on the methodological aspects and practical applications of the SAA approach to addressing behavioral, attitudinal and socio-cultural barriers limits to adoption of climate adaptive behaviors and practices. A total of 24 participants drawn from all the three clusters attended the training.

SAA is a community conversation technique that includes both norm holders and other wider target participants. The process allows stakeholders to deeply reflect on existing practices and social norms that form an obstacle to communities achieving particular development goals. In PRIME, SAA will focus on climate change adaptation. Key issues for discussion through the SAA methodology have been identified in previous livelihood adaptation dialogues and may include: the lack of savings culture; relations between power and herd size; herd management; and social dynamics such as women's decision-making power in the household. Positive practices, for example rotational dry and wet season grazing and customary management of water points, will be highlighted and promoted, with emphasis on their value for risk management. The SAA dialogues will also delve into the social and cultural norms that determine acceptable behavior, and how these norms establish restrictions on adaptive action by certain groups based on gender, age, disability and/or ethnicity.

Support to Regional Early Warning System in Afar Region: During the year, PRIME and the Disaster Prevention and Food Security Programs Coordination Office (DPFSCO) signed a Memorandum of Understanding against a broad workplan designed to strengthen the regional early warning and disaster risk response system, as well as incorporate forecasting information for disaster preparedness. DPFSCO has agreed to use the PRIME concept note system to develop and identify key activities, which will include the Region's engagement in and scale up of Participatory Scenario Planning processes, facilitating information exchange and communication among woreda, zone and regional counterparts, and strengthening aspects of the existing household economy analysis based early warning systems, according to priorities identified by the Region and not supported by other partners operational in the area, including PCDP and UNICEF. As per the MoU, CARE has organized a consultative meeting to strengthen the current community based early warning system in Afar and its linkages with the region.

Support Environmental Management of Reg 216

Prosopis clearing: Clearing of prosopis from potential range lands has continued in Afar cluster. As per the mitigation plan identified for the activity, significant and useful species were marked to avoid damage by the machine; controlled burning of cleared prosopis was permitted only in specific areas and at specific times. Fires were extinguished prior to abandoning the sites. Land leveling is finally made to restore the site disturbed during clearing. Clearing by machine is made only during the dry season to avoid heavy compaction and trampling of the soil. The local community is undertaking its part within a radius of work sufficient to protect them from approaching the machine. In case of emergencies or any injury, the machines are well equipped and operators are ready to give first aid on site on top of awareness raising made before the work starts.

Water point rehabilitations: As a core part of the enhancement work, environmental examinations are conducted to determine any potential impacts of the proposed water point rehabilitation. In a template prepared for this purpose, the likely impacts of each proposed activity in their respective clusters are evaluated to recommend decisions if the proposed activities under development are found to have a negative determination within a certain range. As concentrated floods are being directed to reservoir areas, catchment water shed management are considered for each site under development as a follow up activity to prevent soil erosion and detachment.

Harobake micro dam rehabilitation: Materials to fill the weak sections of the dam will be excavated from environmentally appropriate designated areas. Materials excavated from the reservoir area of the dam will be disposed to fill and balance the open areas from where the selected materials are excavated. From the subcontracted civil work to local contractors, environmental issues are clearly addressed in the contract document and will be monitored. The environmental protection office of the Zone is jointly working with PRIME and the elders' council of the rangeland in implementing and monitoring the environmental management actions. Flood diversion dykes and stabilization works are designed to guide the excess water spilled from the dam.

INTERMEDIATE RESULT 3: STRENGTHENED ALTERNATIVE LIVELIHOODS FOR HOUSEHOLDS TRANSITIONING OUT OF PASTORALISM

Key Result 3.1: TOPs employability increased through life skills, financial literacy and entrepreneurship training

Understanding Households Transitioning out of Pastoralism (TOPs) and Their Context

Literature review: Understanding TOPs and their context in all PRIME operational areas

During the year under review, Haramaya University completed a literature review on TOPS and Youth which was meant to create a better understanding among implementing partners on the knowledge of TOPs in their context. Primary data was collected using informal and formal Key Informant Interviews and field observations in three selected project areas. The data was collected through primary sources, was analyzed using a content analysis approach and summarized in the form of diagrams and tables. This review disclosed that the number of people who are transitioning out pastoralism (TOP) are increasing because recurrent droughts, conflicts, range degradation, declining productivity and accelerating population growth. In spite of the increasing employment opportunities created by private and government projects in the pastoralist areas of Ethiopia, TOPS are not getting into formal employment due to cultural barriers and lack of technical skills.

Localized youth-led mini labor market assessment in Eastern Cluster

PRIME carried out a localized youth-led mini labor market assessment in the Eastern cluster. The objectives of the assessment was to engage youth to conduct an employment and business opportunity survey in order to improve their understanding of dynamics and functions of local labor market systems and to stimulate their desire to take available employment opportunities in the locality. The assessment was conducted by 10 unemployed youth supported by Mercy Corps and ACPA. A total of 140 businesses, skill training centers, youth associations and local government institutions were interviewed. The below table depicts the list of businesses, skill training centers and associations that are contacted during the survey.

Business and institutions interviewed for the survey

	Type	No of private or public institutions	District/towns
1	Small Business	66	In major districts in eastern cluster
2	Large business/factories	12	DD, Jig, A/barre/ D/bur Melka jabtu
3	Cooperatives	24	Major districts/towns
4	Employment agencies	6	Jigjiga and Dire Dawa cities
4	Youth association	12	Most of the districts
5	Skill training centers	8	Jig, DD/ D/bur
6	Government institutions	12	Most of the districts
	Total	140	

The key findings of the assessment were the identification of several companies, including bridge and railway construction companies that may be potential employers of TOPS as shown in the table below.

Potential employers identified in eastern cluster through the assessment

	Business	Location	# of workers		
			Permanent	Temporary	Total
1	China Civil engineering and construction corporation	Dire Dawa	180	770	950
2	National Cement factory	Dire Dawa	54	660	714
3	Ture Cement factory	Dire Dawa	80	11	91
4	Aqua Dire bottling company	Dire Dawa	12	91	103
5	Fafan water bottling	Fafan/Gursum	12	42	54
6	Jigjig foam factory	Jigjiga	20	15	35
7	Hodan flour milling	Jigjiga	8	13	21
8	Dur Dur flour and bakery	Lafaisse/Awbarre	10	16	26
	Total		376	1618	1994

The assessment also identified the skillsets that major employers require TOPS to have in order for them to be eligible for employment, which led PRIME to design life skill and technical skill development interventions in partnership with public and private TVETs in the area. It is expected that more than 400 TOPs will have access to specific labor market information and skills that will give them a much higher chance to get regular employment.

Identifying and mapping of locations with high TOPs and youth concentration

CARE conducted identification and mapping of areas with high TOPs and youth concentrations in four Woredas of Zone 3 of Afar Cluster. The mapping took place from November 18th - 26th, and the methodology included key informant interviews with Woreda-level officials, experts, and focus group discussions with TOPs themselves. The mapping results show there are approximately 2,890 TOPs in Zone 3 that includes Gawane, Amibera, Awash Fentale and Dulesa. Among identified TOPs, only 13 percent of them are able to get jobs as daily laborers because of illiteracy, lack of training and skills to take jobs in other sectors.

Labor market assessment (LMA) conducted in all Clusters

PRIME commissioned a labor market assessment (LMA) that was conducted in all clusters in April 2014. The objective of the LMA was to uncover the skills in demand by the job market as well as the constraints and challenges that individuals (specifically individuals transitioning out of pastoralism) face as they look for sustainable work. The PRIME LMA was built on previous studies undertaken by PRIME including the TOP-focused employment and entrepreneurship market assessment (TEEMA) as well as several value chain assessments during the start-up phase of the program. The LMA employed a blend of qualitative and quantitative information to ensure that we are looking at the larger landscape for livelihoods.

Twelve lead assessors from CARE, AISDA, SOS Sahel, Mercy Corps Ethiopia and Mercy Corps East and West Africa regional staffs and 15 local enumerators undertook the assessment in respective clusters for two weeks. The methodology included a business survey, focus group discussions and key informant interviews. Accordingly, 400 business surveys, 12 focus group discussions and around 30 key informant interviews were conducted. The data collected are analyzed and report writing is completed and attached in Annex 3.

Profiling of public and private TVETs in all PRIME operational areas

Haramaya University completed a profile of Technical and Vocational Education and Trainings (TVETs) in all PRIME operational areas. Profiling these institutions is one of the principal steps before making the decision for partnership; it is important to know the profile of these institutions in PRIME intervention areas. Assessment and profiling were carried out on 18 TVETs and TVET-equivalent institutions operating in three clusters in Southern Oromiya (Borena and Guji Zone), Afar and Somali pastoral areas.

The assessment described the TVETs in terms of multiple dimensions and was summarized in an Excel database and a written report. The report includes information on the capacity of the institutions in terms of manpower and physical infrastructure (training facilities, laboratories, and demonstration rooms), apprenticeship programs, curriculum or training packages the institutions host, and external aspects such as admission requirements, the labor demand, collaboration with stakeholders, and the challenges and future plans of the institutions. The information collected helped us make an informed decision for the selection of the best TVET partners for PRIME's grant scholarship programs for short- term skill training for TOPs.

Assessed TVETs and Training Institutions by Towns/city where they are found

Town/city	Number
Yabello	5
Moyale	2
Negele Borena	4
Awash	1
Gewane	1
Dire Dawa	1
Jijiga	3
Werer	1
Total	18

Pre-Entrepreneurship and Pre-Employability Capacity Building

Work with Employment Agencies/Brokers

PRIME’s work with employment agencies in all clusters started at the beginning of year 2. Led by Mercy Corps with support from SOS Sahel, ACPA and CARE, PRIME focused on improving the quality of services provided by the employment agencies, scaling up their scope of service in target geographic areas, and supporting them to work more closely with TOPs in pastoral communities. Because of this continuous facilitation activity, it is expected that opportunities for TOPs to obtain decent job will be improved.



Summary of Employment Agencies identified in all clusters

Cluster	Number of EAs identified	
	Formal	Informal brokers
Southern Cluster (Borena & Guji)	17	2
Afar Cluster (Zone 3)	2	2
Eastern cluster 9-Fafan, Jerer & City Zone)	20	-
Total	39	4

PRIME’s Short-term vocational scholarship program for TOPS

The main objective of PRIME’s scholarship program for TOPs is to improve their life-readiness through short-term skills training that will assist them to secure stable employment or to create self-employment. According to PRIME’s labor market assessments, the majority of TOPs lack skill-sets demanded by employers. Therefore, PRIME partners in all clusters have identified short-term trainings (3-6 months) that can create job/business opportunities and make TOPs employable in the labor market. The selection of TVETs and partners for the training and apprenticeship was successfully completed and PRIME awarded scholarships for 310 men and women TOPs to attend various short-term skill trainings in PRIME’s four partner TVETs. In the southern cluster, 20 TOPs (out of 70) started hair-dressing training at Yabello Polytechnic College’s new department opened as a result of PRIME’s capacity building and financial assistance. Starting November 2014, remaining candidates in Afar and Eastern cluster will start training that lasts 3-6 months including electricity installation, cobbling, machinery operator, driving, catering, and hair-dressing among others. These short-term vocational trainings were identified during the labor market assessment to be in high demand by potential employers and are also good for self-employment. PRIME’s short-term vocational training program covers the full tuition fee and apprenticeship cost while awardees will cover other costs such as

transportation. (Note: In Afar, the current round of scholarships is for machinery operators and drivers (based on highest unmet demand from employers); therefore no women applied. In the next round of scholarships, TOPs women will be specifically targeted.)

Number of candidates awarded for PRIME’s short-term scholarship program

Location	Lead implementer	# of potential candidates			# of TVETs
		Male	Female	Total	
Afar cluster	CARE & AISDA	170	0	170	3
Eastern cluster	Mercy Corps	73	47	120	1
Southern cluster	Mercy Corps & SOS Sahel	4	66	70	1
	Grand Total	247	113	360	5

Once the TOPs are trained it is expected that the TVETs will facilitate apprenticeship and conduct research on how many of those trained obtained jobs or created their own employment. PRIME will further work with MFIs to facilitate access to finance for trained TOPs to startup their own business. PRIME, in year 3 will continue to grant scholarships for short-term skills training for TOPs.

Cost-sharing grant for Hello-jobs Service (Amasis-Belcash)

The project “Increased Employment Opportunities for the Pastoralist Population in Ethiopia” is a one-year pilot project, jointly implemented by Amasis Advertising and Publishing PLC, BelCash Technology Solutions PLC and Mercy Corps-PRIME, to provide a convenient and efficient channel that connects job seekers from target pastoralist population to employers using the mobile phone and web based technology. The three parties joined together to start the “HelloJob” service in the pastoralist areas of Somali, Oromia and Afar regions in Ethiopia. The project agreement was signed between Amasis and Mercy Corps in June 2014. Amasis provides the service content whereas BelCash provides the technology platform.

The “HelloJob” service registers job seekers through the phone and online and provides free access to the data for employers. Job seekers can call a number and have their profiles registered on the system. Employers can either make phone call or browse the web to find the job seekers. The system integrates Ethio telecom’s Telecom connectivity, BelCash’s information system set up and management, Amasis’s existing infrastructure (such as agents) and advertising/communications expertise.

How it works:

- A job seeker dials “8421” directly to the “HelloJob” call center and requests to be registered. The airtime will cost 3 birr per minute. Once the job seeker is received by the operator of the language of his/her choice, he/she will be assisted by the operator to fill out an online CV.
- Alternatively, an agent can dial *912#, fill out basic job seeker information, and receive a call back from the “HelloJob” operator who further assists the agent in completing the job seeker’s profile. Job seekers register for free and Agents will be paid for registering job

seekers. However, since an agent could register someone who does not really need a job in order to increase his/her income, an agent is required to pay a small fee (about 3-5 birr).

- The web-based method is free for those who have access to a computer and internet connection.

Main activities performed by Amasis during the reporting period

Specific Objective 1: Implement a sustainable technical platform that gives visibility and access for employment or training to people who seek employment in the pastoralist regions of Ethiopia

Project Rollout Planning and Preparation:

- 3 Somali-speaking call center operators were hired and trained in July 2014 to respond to and register profiles of job seekers from Somali region.
- Project manager hired
- IVR speech content has been drafted in August 2014 and its final review and implementation was made in September 2014.
- Roll out plan was developed to guide the step-by-step implementation of “HelloJob” in the target pastoralist areas. It was planned to test the technology and operation in one specific area first and expand from there.
- Introductory meetings were made with the concerned Somali Regional and Jijiga zonal government offices (Bureau of, Labor and Social Affairs Office, Micro and Small Enterprises) and the project received a support letter from the Bureau of Trade and Transport to implement its plan in the region.
- Setup and test the USSD System on selected location of the target areas

Jijiga was selected as the first location to conduct the testing and a delegation including Amasis’ CEO and BelCash’s marketing and operational advisors went to Jijiga to test the newly introduced USSD system in the pastoralist environment in August 2014. The testing process included recruitment of local merchants as “HelloJob” agents who can represent job seekers to request their registration using the USSD system.

Adjustment of the “HelloJob” technology to the needs of target pastoral population:

The USSD-based system was developed to register job seekers using local merchants as Job Agents. The system was tested with 7 recruited agents in Jijiga town in August 2014 and proved to be functional.

The online database system is being updated to include search and filter features for the target population. The finalized update will include a database of Job Seekers that are searchable by region up to zonal level, Employers that are operational in the target areas, and a list of local training institutions with the type of trainings they offer. The finalized online software will be rolled out by the end of October 2014.



Specific Objective 2: Ensure the registration of job seekers from target pastoral regions of Ethiopia on the “HelloJob” system

During the USSD testing period in Jijiga (Aug-Sept. 2014), a total 922 Job Seekers were registered by 7 Agents.

Challenges Encountered and Actions taken to overcome them

- The phone network in the Jijiga area does not have the level of expected stability and this affected performance of the “HelloJob” agents as well as that of call-center operators who call back the job seekers to complete their registration. To mitigate this problem, the call center operators call back the job seekers with different intervals and when necessary on different dates once they receive their contact information from the USSD application.

Amasis’s Planned Activities for Next Period

- Promote the ‘8421’ phone number to inform job seekers from the target population to call and have their profiles registered.
- Finalize integration of the target populations’ language on “HelloJob” IVR
- Initiate discussion with authorities and local key actors in Afar and Oromiya region to identify and design the roll out plan for the regions.
- Start operation in Afar and Southern Clusters

Unleashing potential of rural entrepreneurs in pastoral communities

Basic Business Skill for micro and small enterprises (SMEs) run by people with disability (PWD)

During the period under review, ECDD trained 31 (24 female and 7 male) SME members with disabilities on basic business management in Yabello Woreda. The objective of the training was to improve the business skills of persons with disabilities to run micro and small businesses. PRIME also conducted a two-day training to personnel of government and private banks as well as micro finance institution and teachers and administrators of TVET in Afar Cluster (Amibara, Gewane, and Awash) and Eastern Cluster (Jijiga). The overall objective of the training was to raise the general awareness towards disability inclusion in the services and products of these institutions.



Hands-on training motor-pump maintenance

Jobs created for youth after being trained in irrigation-pump maintenance

During the period under review, a preliminary assessment on the status of irrigated horticulture revealed that approximately 350 horticulture producers have no access to irrigation motor pump maintenance services in the southern cluster. Consequently, Mercy Corps and SoS Sahel carried out two rounds of trainings on pump maintenance to 21 semi-skilled youth and 3 government staff. The trainings were facilitated and conducted by technicians of Liben Woreda Irrigation Department. After the training, PRIME provided the maintenance toolkit for the 21

trainees on a cost-sharing basis enabling them to start offering a fee-based maintenance service which has enabled them to recover their startup costs and earn decent incomes.

PRIME has conducted post-training follow up to monitor how the trained TOPs were performing in their fee-based maintenance service. All of them said they have started providing motor pump maintenance services and since conception have maintained 94 broken motor pumps for agro-pastoralist households. They are charging between 100-350 birr depending on the type of service provided. Thus, the technicians are earning an average of 1,500 ETB per month. This systemic intervention has achieved a dual outcome: jobs were created for 21 youth and 500 agro-pastoralists now have access to pump maintenance services (resulting in reduced transaction cost and reduced disruption of production as a result of broken motor pump).

Jobs created after TOPs trained on Private Service Provider (PSP) models of Village Saving and Lending Associations (VSLA)

In order to improve the financial literacy of pastoralists, PRIME is implementing the private service provider model to form and expand VSLAs in the project's operational areas. After twelve PRIME financial services technical staffs from Mercy Corps, SoS Sahel, AISDA, CARE and ACPA trained as ToTs on the Private Service Provider model, the trained ToTs rolled out the training to 65 new entrepreneurial PSPs in Southern, Eastern and Afar cluster. Out of those trained, 45 qualified for PRIME transitional support (until they are certified). Transitional support includes TA, stipend payment for nine month and bicycles (as in kind grant). The opportunity created permanent job for these 40 PSPs.

Job fair organized in Southern cluster

Mercy Corps and SOS Sahel, in collaboration with Guji zone government offices (especially Labor and Social affairs and Youth and Sport Offices), organized a job fair in Negelle Borana town on June 12, 2014 attended by job seekers (TOPs), potential employers and employment placement agencies (EPAs). The job fair included a panel discussion designed to explore opportunities and discuss the challenges in the labor market system. Twenty potential employers, 6 EPAs and 68 job seekers (TOPs) attended the job fair and actively participated in the panel discussion. The discussion during the job-fair and panel discussion created awareness about integrating TOPs in the labor market and provided opportunities for TOPs to look for jobs and information about how to search for jobs.

Business opportunity analysis on aloe soap

During the 2nd quarter of year 2, an analysis on aloe soap making business opportunities was carried out in four Woredas of the Southern Cluster. A technical team from Mercy Corps, CARE and SOS Sahel participated in this assessment. The objective of the assessment was to determine whether to invite the Borena soap-making cooperatives and/or their union to apply for an Innovation and Investment Fund award or to provide the co-ops and/or the union with other programmatic support like market expansion and linkage, input supply and other capacity building activities. The study recommends programmatic support through market development and capacity building activities that will make their business viable and profit-oriented instead of providing IIF grants.

TOPs Cooperatives trained in solid waste management

ACPA has facilitated solid wastes management training for 140 (38) cooperative members (TOP's) organized to provide solid waste collection in Jijiga town. The objective of the training is to strengthen these cooperative to manage their business efficiently and expand coverage of the service so as to maximize profit. The training was conducted by trainers from Regional Urban Development and Construction Bureau & Jijiga City Municipality offices. The skill gained from the training is expected to increase income opportunities of the TOPs and improve solid waste management practice in the city.

Micro-franchise business for women to create income streams

The objective of this activity is to create self-employment opportunity for 300 women through the sale of fast moving consumable goods using a micro- franchising model. In this year, the identification of fast moving goods were completed Mercy Corps, ACPA CARE, AISDA and SOS Sahel in all clusters and wholesalers and retailers were identified for the activity. The selection of beneficiaries and subsequent business startup activities are expected to be completed in the next quarter.



Strengthening Institutions supporting Technical & Entrepreneurship Skills Development

Entrepreneurship, and basic business skill ToT training to One-Stop Centers and MSEs Agency staffs in the eastern cluster

PRIME hired a consultant to carry out basic entrepreneurship and basic skills trainings ('Creating Enterprises through Forming Entrepreneurs' (CEFE)) for 25 staffs from Jijiga and Degahabur "One-Stop" Centers in the eastern cluster. The CEFE methodology has been used worldwide to support low literacy entrepreneurs to build their business ideas, and improve their existing business. The objective of the training is to build capacity and enable One Stop Centers to provide skills development training for TOPs. One-Stop Centers act as resource points where TOPs go to get information on the labor market, employment and skills development.

Support MIS development to One-Stop Centers/MSEs agency in the eastern cluster

One-Stop Centers (OSCs) are units under the MSE Promotion Agency established to operate at kebele levels in the main urban centers such as Jijiga, Degahabur and Shinile town. Major duties of the OSCs are to register and organize unemployed youth into groups (MSEs) and provide business development services including business counseling, assistance in business planning and management and market linkages. One-Stop Centers are still in their infancy and faced by many challenges, such as lack of technical capacity and basic tools required to operate day-to-day activities. One of the fundamental challenges of these units is lack of management information infrastructure and systems and extremely limited knowledge of the staff about use of information management systems and techniques. Hence, PRIME identified that there is need to work towards improving OSCs operations by enabling them to use better information technology for their services. This support is expected to increase their capacity to efficient and effectively support the unemployed youth in their respective localities.

During the period under review, Mercy Corps consulted the MSE Promotion Agency and it was agreed that PRIME would support the development of MIS for OSCs. Mercy Corps and MSE Promotion Agency of Jigjiga and Degahabur subsequently signed a fixed obligation grant agreement to provide the MIS development on a cost-sharing basis. Accordingly, a consultant was hired to establish the MISs for seven OSCs. The consultant has completed the first phase/milestone (on-site field visits and design of the appropriate MIS) and started the second phase (software development). In the first quarter of year 3, software development will be completed and deployed on the computers procured by PRIME for this purpose. When the seven OSCs transition from manual operations to computer-based management information system, it is expected that they will serve more than 5,000 TOPs to obtain jobs, link with training opportunities and organize into MSEs to create self-employment.



Support Women Entrepreneurs to Expand Market Opportunities

In December 2013, PRIME (Mercy Corps) provided a cost-sharing grant to Dire Dawa Women Entrepreneurs Association (DWEA) to help them organize a bazaar during the ‘Kulubi St. Gabriel’ Pilgrimage. The Vice Mayor of Dire Dawa city administration officially opened the bazaar on December 25th 2013. Ethiopian Government officials from Somali regional state, Dire Dawa city administration and Oromia region attended in the opening ceremony of the bazaar. SMEs under the umbrella of DWEA and other business from around Dire Dawa areas participated and sold their product. Furthermore, seven income generating groups from PRIME intervention areas of eastern cluster were also invited to display their products and to learn from the event. More than 70,000 people visited the event and 70 SMEs earned a total revenue of 5,330,937.5 ETB.

(i) Official opening of the bazaar by the vice Mayor of Dire Dawa, (ii) portion of products available for sale in the bazaar and; (iii) one of the women associations at the bazaar



PRIME Supported National Women's Entrepreneurs trade fair

The 8th National Women Entrepreneurs trade fair was held in Jijiga, Somali Region from June 11 to 24, 2014. PRIME (Mercy Corps) contributed financially and technically to organize the trade fair. Twenty six businesses from 6 regions (Tigray, Amhara, SNNPR, Dire Dawa, Oromiya and Somali) participated. First Lady W/ro Roman Tesfaye and W/ro Zenebu Tadesse (Minister of the Ministry of Women, Children and Youth Affairs) officially launched the event. The regional women's association raised ETB 155,000 through the sale of entry tickets and the rent of business stalls, while businesses (9 WTAs and 17 private businesses) sold over ETB 3,205,000 worth of goods. Furthermore, 132 (47F/85M) people were employed temporarily and earned around ETB 230,000.00. Over 250 linkages with potential business relations/interests were discuss

Table 7: Key result/ achievements & figures from the Dire Woman's bazaar

SN	Indicator	Plan	Achieved
1	# of Business participated	45	70
2	# dates the bazar opened	7	12 (5 days were added to benefit from sales during the Ethiopian Christmas period)
3	Amount of revenue earned by SMEs from sales	1,550,000 ETB	5,330 937.5 ETB
4	Amount of revenue earned by DWEA from entrance fee	100,000.00	120,000.00 ETB
5	Temporary Job for youth created	150	100
6	Business experience sharing and discussion sessions among WTA, IGGs, large enterprises and entrepreneurs	-	7

Provision of Disability Awareness and Inclusion Training (DAIT)

DAIT for Personnel of Transformative Institutions

ECDD has conducted Disability Awareness and Inclusion Training (DAIT) to personnel of Government and Private Banks, Micro-Finance Institutions (MFIs) in Afar, Southern, and Eastern Cluster. The overall objective of the training was to raise the general awareness of the personnel in these institutions towards disability inclusion to develop approaches to benefit disabled pastoralists through inclusive financial services. A total of 38 (35 Male, 3 Female), that is 12 men in Afar Cluster, 17 (14 male, 3 female) in Southern Cluster, and 9 men in Eastern Cluster participated the training.

At the final session of the training participants developed a commitment plan aimed to make their services disability inclusive. Some highlights from these plans include: conducting awareness creation workshop on disability inclusive financial service, restructuring of premises and facilities to make accessible to persons with disabilities, arranging a special service window for customers with disabilities, promoting door-to-door saving service to persons with disabilities, introducing mobile and box savings for persons with disabilities, including persons

with disabilities association in loan committees, and publicizing success stories of clients with disabilities in MFI publication.

DAIT for Teachers and Administrators of TVET institutions

ECDD has conducted Disability Awareness and Inclusion Training (DAIT) to teachers and administrators of TVET colleges in Afar, Southern, and Eastern Cluster. The overall objective of the training was to raise the general awareness of the teachers and administrators in these institutions towards disability inclusion to benefit disabled pastoralists through inclusive TVET programs. A total of 60 (54 male, 16 female), that is 20 (16 male, 4 female) in Afar Cluster, 20 (16 male, 4 female) in Southern Cluster, and 20 (14 male, 6 female) in Eastern Cluster participated in the training.

At the final training session participants developed a commitment plan aimed to make their services disability inclusive. Major highlights include: conducting awareness creation workshop to leaders of kebele administration, families of persons with disabilities, and college staff; celebrating/organizing disability inclusion day; providing guidance and counseling services to students with disabilities; applying affirmative action in employment to provide job opportunities to persons with disabilities; posting disability awareness IEC materials in the college premises; assigning disability focal person; providing training on special-needs; making college premises accessible including modification of water facilities, installation of JAWS software for visually impaired students, identification of trainees with disability, inclusive curriculum development, and promotion work on inclusive TVET program.

DAIT for Trade Associations, Chambers of Commerce, Community-Based Organizations (CBO), Town Clan Associations, and Disabled People Organizations

ECDD delivered disability awareness and inclusion training to 21 participants (17 male, 4 female) in Eastern cluster, Jigjiga. Trainees included individuals from the Somali Region Women Entrepreneurs Association, Trade and Transport Bureau, Chambers of Commerce, and Community-Based Organizations (CBOs) such as Town Clan Associations and Disabled People Organizations. The objective of the training was to raise the general disability awareness and inclusion practice thereby developing disability inclusive approach within the target institutions and creating access to increased income and employment opportunity to persons with disabilities.

At the final session of the training participants developed a commitment plan aimed to make their services disability inclusive. Major highlights include: conducting an awareness creation workshop to association members and community, making use of the available opportunity to raise the issue of disability in meetings and public gatherings, conducting trainings on business development to encourage persons with disabilities, improving office lay-out to make it more accessible for persons with disabilities, promoting inclusive employment, and providing support towards action.

Basic Education Network supported to organize International Literacy day in pastoralist area

A network of national and international NGOs called BEN-E (Basic Education Network in Ethiopia) organized the International Literacy day celebration of 2014 in Ethiopia. This event is organized every year in the month of October and November to create literacy awareness and

organize many educational programs across the country involving local and international partners who are supporting literacy initiatives in their projects. The overall objective of this sub-activity is to facilitate the expansion of quality functional adult literacy in collaboration with key stakeholders through promotion of learning opportunities for the pastoralist community, especially focusing on youth and women.

Specifically organizing this annual event in collaboration with BEN-E will:

- strengthen partnership and collaboration between key government stakeholders and PRIME partners in adult learning and training;
- raise the awareness of the community towards the importance of literacy in getting better employment & entrepreneurship opportunities by training adults to graduate from literacy/numeracy courses

In the workshops that are to be held in Jijiga, Awash and Yabello representatives from ten different sector bureaus in each area and other local & international partners (approximately 300 people) working in these regions are expected to attend the discussion forums. Through this event it is anticipated to reach 2,000-2,500 beneficiaries who directly and indirectly will receive the message about the importance literacy, numeracy and how, where and when trainings are conducted at local levels.

Key Result 3.2: Increased income opportunities for TOPs

Capacity Building Transformative Institutions (TIs) for Financial Services

Exposure Visit to Global Islamic Microfinance Conference

During the 1st quarter of year 2, PRIME facilitated the Association of Ethiopian Micro-Finance Institutions (AEMFI) to participate in the Global Islamic Microfinance Conference in Dubai from October 6-8/2013. The main objective of the visit was for AEMFI to better understand Islamic financial products and propose policies for more inclusive financial services. The visit assisted AEMFI to meet and create a network with Islamic financial service industry actors and they are expected to play crucial role in lobbying for the development of financial inclusion of appropriate Islamic financial products in Ethiopia.

Sponsorship grant to AEMFI to host the AMFIN's Annual Conference under the theme "Inclusive Finance for Inclusive Growth and Transformation in Africa"

During the period under review, PRIME co-sponsored AEMFI to help organize the Africa Microfinance Network's 12th Annual Conference and General of Assembly in Addis Ababa. AMFIN is an institution representing different networks of microfinance institutions from 25 African countries. The main theme of this annual conference was "Inclusive Finance for Inclusive Growth and Transformation in Africa". The main objective of the conference, which brought together 250 participants from 35 countries, was to bring together different stakeholders including microfinance practitioners, social investors, policy makers, development partners and technical services providers to discuss the future expansion of inclusive finance in Africa.

Training on Islamic Financial Services

Al Maali Consulting and Training Group from Dubai facilitated an Islamic Financial Services training funded jointly by the PRIME and RAIN+ projects of USAID. The training helped

develop relationships between PRIME and the various regulators, financial service providers and leading players in the financial industry, including: NBE, AEMFI, Somali MFI, Afar MFI, RAISE MFI, Dire MFI, Harar MFI, OCSSCO, Oromia Int'l Bank and Commercial Bank of Ethiopia.

Capacity Building Training for federal and regional cooperative agency

Village-level financial services—such as RuSACCOs—present a big opportunity for poor households to access savings and lending products suited to their needs. This is especially true with Muslim populations, which are underserved by RuSACCOs. In response to these gaps, PRIME, AEMFI and Federal Cooperative Promotion Office organized and conducted a five-day training for 32 experts on Sharia-compliant financial products for households. The main objective of the training was to sensitize and train the federal and regional Cooperative Promotion Agency experts on inclusive finance, particularly Sharia-compliant products, policy and procedures pertaining to such financial products. It is expected that the trained experts will cascade the training to their respective locations to improve the quality of service and core functions of RuSACCOs in all regions particularly PRIME intervention areas.

Capacity Building Training for Regional Bureau Heads in Eastern and Southern cluster

The training built the capacity of the regional government to understand the market system approach that PRIME is currently implementing. Eight bureau heads and senior delegates from Eastern Cluster and 17 from Southern cluster attended a one-day training that mainly focused on the market development approach of PRIME for sustainable development and minimum economic recovery standards of development (MERS). PRIME had organized this training for senior officers in Afar regional governments previously, but unfortunately senior officials twice canceled the training in the last minute. In year 3 PRIME will organize the training for Afar Senior officials as the training is pertinent to get the buy-in on the facilitation approach by the regional government.

Exposure visit to Sudan facilitated for MFI leaders, AEMFI and NBE representatives

During the period under review, PRIME facilitated an exposure visit to Sudan's National Bank and MFIs (May 19-24, 2014). Nine delegates from NBE, AEMFI and different MFIs from PRIME operation areas traveled to Sudan to share experience and best practices of Islamic finance. The objective of the exposure visit was to build the capacity of microfinance institutions, industry association and policy makers through an exposure visit by sharing the experiences of Sudan (Central Bank and MFIs) which is a country with a good rating and track record in implementing inclusive financial services and different Islamic financial products at the MFI level. The exposure visit is expected to help develop more inclusive financial services like Sharia-compliant products that better serve the pastoralists and businesses working in pastoral areas that are predominantly Muslim.



Delegates from Ethiopia holding meeting at central bank of Sudan

RuSACCOs Strengthening, Expanding & Linking to promote inclusive financial service by organizing TOT training on Ru/SSACOs for Woreda Cooperative Promotion expert

Financial cooperatives (Ru/SSACOs) are a key leveraging point to promote and strengthen inclusive/Islamic financial services access to pastoral households and TOPs in project operational areas. To this end, PRIME conducted an assessment on Ru/SACCOs which found that there are several gaps in Ru/SACCOs in target regions in terms of capacity and market presence. Therefore, to bridge the gap, PRIME commissioned AEMFI's Inclusive Finance Training and Research Institute (IFTRI) to design a curriculum and conduct training of trainers training (TOT) for Woreda Cooperative Promotion Agency experts to strengthen existing Ru/SACCOs and form new Ru/SACCOs to promote inclusive financial service. The main objective of this TOT training was to strengthen the capacity of cooperative promotion agencies that have a direct mandate in establishing, certifying and supporting Ru/SACCOs.

Based on the TOR given, AEMFI developed a curriculum and training materials and subsequently conducted trainings in Afar (Awash) and Southern cluster (Yabello) in the last week of September 2014 and 48 woreda experts were trained. The training mainly focused on management of RuSACCOS, Sharia compliant product development and basic business skills for RuSACCOs. Similar training is set to be conducted during the last week of October for Somali region cooperative promotion experts. After the TOT is conducted, it is expected that cooperative promotion agencies will establish new RuSACCOs based on best industry standards and practices. In year 3, as a follow-on activity, PRIME is planning to further strengthen the woreda cooperative promotion agency through TA and micro-grant cascade training to members and by forming new RuSACCOs in areas where there currently are none.

Sponsorship grant to Association of Ethiopian Microfinance Institutions (AEMFI) to organize its biennial conference

PRIME co-sponsored AEMFI's biennial conference under the theme of "Inclusive finance for expanding opportunities to the financially excluded population". Inclusive finance is part of the financial sector transformation and the national Growth and Transformation Plan (GTP) of Ethiopia, so by sponsoring this conference MFIs will gain knowledge and share experience to implement the inclusive finance in their institutions. At the conference, research entitled "Inclusive Financial Services in Pastoral areas of southern Oromia, Afar, and Somali regions: Policy issues, Implementation Challenges, and Prospects" conducted by Haramaya University (under PRIME) was presented.

Financial Services: VSLAs & RuSACCOs Strengthening, Expanding & Linking

Design PRIME VSLA/RuSACCO strategy and methodology

PRIME conducted a two-day workshop incorporating participants from PRIME financial service technical team from MC, CARE, ACPA, SOS Sahel and ECDD. The objectives of the workshop were to design internal strategies and methods of expanding and linking VSLAs and RuSACCOs to improve the quality of delivery of their core service and products in all clusters. The workshop saw the development of a VSLA and Ru/SACCO activity plan for year 2.

Identification of existing VSLA and RuSACCOs

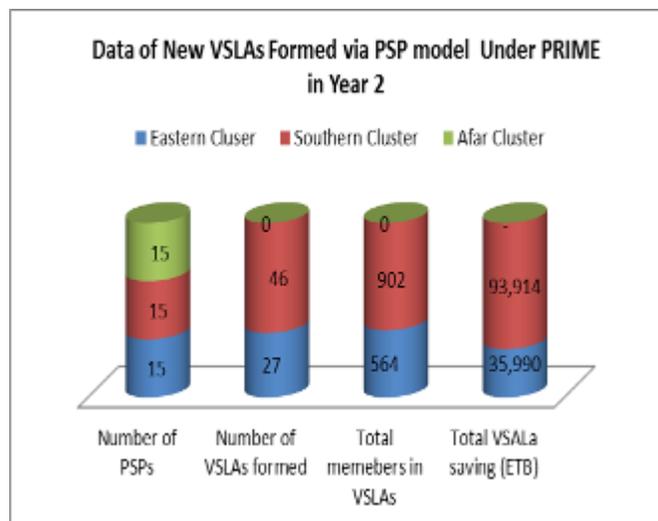
Identification and assessment of existing VSLA and RuSACCO was done during the first quarter year 2. Mercy Corps & SOS Sahel were engaged in identification in Southern cluster whereas CARE & AISDA were involved in Afar cluster. The objective of the activity was to analyze the constraints and opportunities of existing VSLA and RuSACCOs thereby to design interventions under PRIME to strengthen them. A series of discussions were also held at the grass roots level with each VSLA/RuSACCOs committee on knowledge, attitude and skills of committee and members towards RuSACCO/VSLA principles. In addition, secondary information on RuSACCOs was collected from cooperative promotion offices. As result, 30 VSLAs, and 30 RuSACCOs in 13 Woredas of the Southern cluster and 18 RuSACCO in Afar cluster were identified. In the subsequent quarter, Mercy Corps and ACAP completed the assessment of VSLAs and RuSACCOs in the Eastern cluster. The inventory revealed that the 98 RuSACCOs identified lack the required capacities to manage group financial services leading to low saving and lending volumes. PRIME is working with Woreda cooperative promotion agency to revitalize RuSACCOs in all clusters to increase access to finance for pastoralists and TOPs.

VSLA formation through the Provider Service Provider model

In order to increase financial literacy and access to finance, PRIME is pursuing the formation and expansion of VSLAs through the PSP model, a more cost effective and sustainable method to expand training and certifying PSPs. PSPs train VSLAs, for a fee, paid by the VSLAs, thus eliminating the need for long-term external technical support. This model has been piloted by CRS, and PRIME staff have attended training in the region to learn how to extend the PSP model to Ethiopia. The main advantage of this approach is that new VSLAs continue to be created (and supported) even after a project has ended.

During the 2nd quarter of the period under review, activities related to area mapping and selections of PSPs in all clusters were completed by Mercy Corps, ACPA, SOS Sahel, CARE and AISDA. PRIME then trained 65 unemployed TOPs and selected 45 entrepreneurial PSPs to start forming VSLAs in PRIME operation areas. PRIME is providing transitional technical and financial support for a one year period and during the certification process of the PSPs. To increase the coverage of PSPs in more areas, a second round of PSP selection started at the end of the financial year under review and more PSPs will be trained at the beginning of year 3.

The graphical presentation below shows the PSP coverage and achievements. From the total VSLA members, 70% are female.



Sharia-compliant training for RuSACCO management and members in the eastern cluster

Mercy Corps and ACPA jointly facilitated training for RuSACCOs in Eastern Cluster. The objective of this training was to improve rural financial service providers' core functions and develop sharia-compliant products for members of RuSACCOs. Mercy Corps and ACPA are working with the Woreda Cooperative Promotion Agency staff to revitalize RuSACCOs in the Eastern Clusters to increase access to finance for pastoralists and TOPs, while improving their financial literacy level. During the reporting period, 1,207 members (729 female) from 22 RuSACCOs were trained.

“Not knowing where to get a loan, we created our own loan services” quotes Saada Abdi Osman-Beneficiary of Sharia compliant loan of Dalsan RuSaCCo.

Harti sheik is one of the villages under Kebribayah District, where there are no loan service providers for income generating groups that were previously supported by RAIN project. PRIME facilitated the groups to form a formal RuSACCO, facilitating licensing, providing training on sharia compliance financial products and business skills training and continuous coaching. The women were trained in formal RuSACCO management, resulting in members of Dalsan RuSaCCo accessing Sharia-compliant loan products for the first time in their area. Due to their success, Dalsan RuSaCCO has attracted the attention of the regional government and the Regional cooperative agency visited them. They were audited and found that they were good in financial record keeping and taken as role model, their achievement broadcasted in the local media.

The group started saving with 35 members in the first year of PRIME, each member saved in the RuSaCCO as much as they could. After six months (beginning of year two of PRIME), the members started providing sharia-compliant loans to the RuSaCCO members. Initially six members got a loan amount of 10,000ETB (\$500 USD equivalent) each in the first round, the loan repayment period was 3 months. Since then the RuSACCO rolled out the second, third and fourth rounds of loan disbursement and each round 10 members got loan of 10,000 ETB each. By September 2014, 36 member of the RUSACCO have accessed sharia-compliant loans through their saving and credit services. Currently, the members have increased to 48, meaning 75% of Dalsan RuSaCCO members have accessed loans; their savings now increased to approximately 200,000 ETB (10,000 USD). The remaining 12 members will get a loan in the next three months.

Saada Abdi Osman, one of the founding member of Dalsan RuSACCO, invested in a small utensils retail business after she took out a loan of 10,000 ETB. She said it was the first time she accessed a loan because she never knew where to get one. During a recent visit made by PRIME's technical team, she was quoted as saying “Not knowing where to get a loan, we created our own loan services”. She reported that within three months she made a profit of 3,500 ETB from the loan. Since then she has expanded her business and expanded her product offering to include utensils and clothes.

Financial Services: MFIs & Banks Strengthening, Expanding & Linking

Support Somali MFI to rollout Islamic loan product

During Year 2, PRIME signed an agreement with Somali MFI to rollout a loan product to livestock traders in eastern Somali Region. The product is unique in that it is 1) focused on livestock, 2) focused on SME level businesses, and is 3) sharia-compliant. The purpose of the agreement is to provide SMFI with technical and financial assistance to enable them provide Islamic loan (Murabaha) products to 25 livestock traders. A total of USD \$7,500 was advanced to SMFI to cover its operational overheads and then to on-lend \$10,000 USD for each of the 25 livestock trader.

SMFI has to-date disbursed 5,000,000 ETB approximately \$250,000 USD to 25 large and medium sized livestock traders in the region. The injection of this loan will enable traders to buy and export between 15,400-18,400 livestock from around 7,000 households over a period of one year (see Success Story in Annex 6).



Murabaha Product (Shoats) being transferred from SMFI to livestock trader

Plans are underway to sign agreement with Oromia MFI (OCSSCO) to roll out the same product to businesses and livestock traders in Borena and Guji zones of Southern Cluster. Due to long operational bureaucracy in OCSSCO, the agreement was not signed until end of this financial year. PRIME will continue to work with the MFI to facilitate loan product for traders in southern cluster. In year three, there is a plan to work and provide technical assistance to Commercial Bank of Ethiopia and Oromiya International Bank to develop Sharia-compliant products for large traders in Somali and Oromiya regions.

Linkage Forum and Financial Market Campaign to Promote Sharia Compliance Products in Southern and Afar Cluster: Financial Market campaign

During the period under review, PRIME facilitated a marketing campaign for an interest-free banking product of Oromiya International Bank (OIB). The objective of the campaign was to promote this product among the pastoral community such that they will open a savings account and later will have access to credit from OIB. As a result of the campaign, around 496 individuals and cooperatives opened accounts in OIB and mobilized saving of 6,367,103 ETB (USD \$315,000) that can be used for lending to the savers in demand.



OIB campaigning about their interest free product to individuals and business people

Financial Service Providers Forum in the Southern Cluster

To improve financial services for TOPs and pastoralists, Mercy Corps and SOS Sahel facilitated the creation of a forum to create linkages between micro-finance institutions and rural saving and credit cooperatives in Yabello, Dire, Miyo, Teltele, Moyale and Arero Woreda’s of Borena Zone. 181 (69 M and 112 F) members and leadership of MFI and SACCOs participated in the forum and discussed the financial service needs of pastoralists in the Zone. A total of 652 (590 F) members of six SACCOs opened saving account and saved 319,200ETB (\$16,000 USD) at Oromia MFI (OCSSCO). The remaining 5,721 SACCO members in that Zone are expected to open saving account in due course.

A similar forum to create linkages between micro finance institutions and rural saving and credit cooperatives was facilitated in Liben Woreda of Guji Zone. Representatives of ten RuSACCOs from Guji zone and leadership of Oromiya MFI and SACCOs participated in the forum and discussed the financial service needs of pastoralists in the Zone.

Forum participants and number of members of SACCOs targeted to link with MFI

S.No	Woreda	# SACCO attended the forum	# participants (Committees) attended the forum			Actual # of SACCO members		
			M	F	Total	M	F	Total
1.	Miyo	8	10	15	25	112	427	539
2.	Yabello	9	13	3	16	189	205	394
3.	Dire	12	18	39	57	311	502	813
4.	Moyale	34	7	27	34	467	2,432	2,899
5.	Teltele	15	9	20	29	66	862	928
6.	Arero	7	12	8	20	128	164	292
	Total	85	69	112	181	1,273	4,592	5,865

Forum on Interest Free Banking (IFB) in Afar Cluster

CARE, Mercy Corps and AISDA designed and facilitated forum in association with the Commercial Bank of Ethiopia (CBE) to raise the awareness of the community to access the existing IFB services at CBE. The targeted woredas were Awash Savat Kilo and Amibera (Awash Arba) as these woredas are market hubs in Afar Zone 3. A total of 300 business people, community elders, clan leaders, and influential people in and around Awash and Amibera woredas were invited to participate in the forum and a total of 194 (26 Women) participated.



IFB awareness creation forum in collaboration with CBE facilitated in afar

Participants included pastoralists, agro-pastoralists, small business owners, government employees, medium and large business owners, and civil society members. Senior experts in IFB from CBE headquarters were presented and explained the IFB product to participants in local languages (Amharic and Afar translation) and a led question and answer session. After the forum, 18 business owners (all male) opened IFB accounts at the Awash Savat Kilo CBE branch and deposited approximately 1,218, 500ETB (~\$70,000 USD).

Technical and financial support for establishment of Afar MFI (AMFI)

During the reporting period, Mercy Corps and CARE provided support for the establishment of Afar MFI. PRIME provided TA during the proposal development and review process of the application by NBE. A key requirement for the MFI to get license from the National Bank of Ethiopia (NBE) was to hire an experienced general manager and revise its business plan. In response to a request from AEMFI and AMFI, for the first year, PRIME pledged cost share the salary of the general manager. The general manager was hired and was accepted by NBE. Subsequently, in August, the NBE approved the establishment of the Afar MFI and granted the license to start operating in the region. PRIME will continue providing technical support during its setup and startup stage until it becomes fully functional.

PRIME provided assistance to Rays MFI which received its license from NBE to start operation

PRIME provided technical assistance to establish Rays MFI and National Bank of Ethiopia has given the permit and license to start operations in Somali region. RMFI is a fully privately owned company, with shareholders who desire to play a better role towards improving the financial service provision in rural and urban population in the region. Rays MFI established its head office in Addis Ababa and will open nine branches in the cities of Ethiopian Somali National Regional State (Jijiga, Gode, Kabri-Dahar, Dagahbour, Fik, Warder, Filtu, Shinile and Hargele) and Dire Dawa. Rays submitted a proposal to PRIME for support on establishing core business systems of the MFI and the proposal review is under way.

SMFI- Belcash mobile and agent banking project in Eastern cluster

Under PRIME's IIF mechanism, support is going to SMFI to pilot an innovative mobile and agent banking service in the Somali region. The initiative was expected to start during Year 1, but approval from the National Bank of Ethiopia (NBE) was recinded shortly after the agreement with PRIME was signed, due to unclear directives from the NBE. During Year 2, with technical input from PRIME, new directives were issued, allowing mobile and agent banking in Ethiopia. Shortly after, SMFI and Belcash's business plan was re-approved. After many delays from the National Bank and the President's Office, the remaining issues is related to SMFI's data storage at the national data center. However, Belcash has already started providing training to SMFI officers at the main and branch offices. Training for agents will be undertaken once they get final approval from the NBE. It is important to note that the delay caused by the NBE has severely impacted PRIME's job creation and financial services indicators, as these are both major outputs of the SMFI-Belcash agreement.

*Financial Services: Contingency/Emergency Financial Products & Services Development
TOT Training on Cash Transfer Programing*

In January 2104, PRIME sent its Alternative Livelihoods and Financial Service Advisors from Mercy Corps to attend a 5-day cash-transfer program TOT training organized by CaLP, in

Nairobi. The purpose of the training was for PRIME to strengthen its capacity to use cash transfer programs in emergency responses under PRIME.

Key Result 3.3: Market Access Expanded to Increase Employment Opportunities

Pro-Poor Small Ruminants Value Chain Development

Poultry production and poultry input supply assessment in Somali Region

During the reporting period, partner ACPA completed an assessment of potential areas for poultry production including identification of potential suppliers in five woredas i.e. Jijjiga, Guzum, Babile, Afdem and Maeso. The assessment finding helped to identify potential areas for poultry production in SRS and constraints and opportunity in poultry production and marketing.

Training and technical assistance to poultry producers on feed formulation and preparation

During the reporting period, PRIME partner ACPA facilitated a three-day training for 78 (56 F & 22 M) poultry producers from Jijjiga, Gursum, Babile, Afdem and Maeso on poultry feed formulation and preparation. The objectives of this training were to introduce the poultry producers' to feed preparation skills that would lead to increased poultry productivity.

Cost sharing grant for poultry input supplier expansion in Jijjiga

PRIME, through partner ACPA, awarded a cost-sharing grant to Friends Poultry Farm for business expansion activities. The objective of the cost-sharing grant is to expand poultry input and feed supply in the agro-pastoralist communities and for people transitioning out of pastoralism in the region. Friends Poultry Farm was awarded \$19,000 USD and the farm committed to invest \$40,000 USD. The poultry farm already started the expansion and the completion of the project is expected before end of 2014.

The expected results from this project are;

- Produce 1,478,340 eggs over five years reaching around 6,000 consumers
- Improve nutritional status of the region through provision of eggs and meat
- Create new employment opportunities and improve family income
- To improve productivity and competitiveness of poultry production, increase availability and accessibility of poultry inputs to 4,000 farmers over five years
- To improve the parent stock of the poultry production
- Increase income opportunity of poultry input suppliers
- Strengthen the market linkage between input suppliers and poultry producers

Pro-Poor Agriculture Value Chains

Competitive cost-sharing grant for agricultural input suppliers and post-harvest technology manufacturer

During the reporting period, PRIME-IR3 called for proposals to expand the businesses of traders involved in agricultural inputs and post-harvest technologies in all clusters. The overall objective of this activity is to help agro-pastoralists get access to improved quality agricultural inputs and with associated application knowledge and skill that will increase their productivity and income. The average size of grant for business expansion in \$6,500 USD, which is 30% of the total cost required for expansion.

Eastern Cluster: 8 applicants applied for the competitive grant, 5 applicants qualified and made it through the process of negotiation and out of the 5 qualified, 4 signed a cost-share grant agreement with PRIME. Three have completed all the milestones and are ready to open their doors for customers.

Two of the agricultural businesses (Mahato, Durdur & Hareed) are located in Fafan zone, Fafan town, approximately 30 km from Jigjiga town, an area where agriculture/farming has high potential, due to access to water (water level is near to the surface & small irrigation is taking place). The expansion is located in a good place where farmers can get access to agriculture inputs with lower transaction costs. These businesses will open their shop in the beginning of November 2014 and are expected to reach 3,000 Farmers as impact beneficiaries.

Southern Cluster: according to assessments made by Mercy Crops and SOS Sahel, like in other clusters, production and productivity of vegetable and crop in the southern cluster is constrained by an agricultural input shortage. To address this constraint, a call for proposal was made in the region to encourage businesses to expand their input supply business in new areas. To this end, from the businesses who applied for the grant, 5 businesses were qualified after rigorous pre-award due diligence. Two businesses had already started the expansion process and grant agreements for three businesses are currently underway.

Business linkage catalyzed and demand stimulated through frequent trade fairs

In order to strengthen market linkages, PRIME facilitated three Zonal and four District level trade fairs in collaboration with local chambers of commerce and zonal trade and industry offices. All PRIME IRs contributed to the planning of these trade fairs. The trade fairs improved linkages between wholesalers, local traders, input suppliers and service providers and facilitated practical market research for their products and services.

To stimulate demand, in some fairs PRIME provided vouchers to beneficiaries to buy inputs and new technologies at discounted prices. The value of the vouchers ranged from 30%-50% and beneficiaries paid the remaining amount to buy solar lanterns, fuel-efficient cook stoves, animal feed and a variety of improved vegetable and cereal seeds. Banks and MFIs also participated to promote their financial products allowing participants to open bank accounts at the event. At the seven zonal and district trade fairs organized in Year 2 a total of 4,174 beneficiaries bought improved inputs and over 85 businesses sold products for 2,112,400 ETB (\$108,000 USD).

The detail information of trade fairs is presented by cluster below.

Zonal level agricultural trade fair in Afar cluster

CARE, AISDA, SOS Sahel and Mercy Corps helped organize the first agricultural trade fair in Awash, Afar. A voucher scheme was also used to stimulate demand for new technologies and agricultural inputs. At the same time, the trade fair helped agricultural inputs and micro-solar suppliers to conduct actual market research. More than 3,000 people visited the event including more than 100 pastoralist and agro-pastoralist.



Afar zonal trade fair; official opening and inputs and micro-solar lantern suppliers displaying and selling

Borena/Yabello and Guji Zonal trade fairs

During the Afar and Borena trade fairs, more than 4,061 beneficiaries bought inputs and technologies such as micro-solar lanterns, seeds, animal feed and machinery. Three commercial and private banks and one MFI also participated in the event by promoting their products, offering services to open saving accounts at a temporary service window at the trade fair. Combined, more than 5,000 people visited the events, introducing beneficiaries to different inputs, making linkages to businesses that supply agricultural inputs and different technologies, and facilitating learning about financial institutions and their products. During the trade fair, a competition for “Best Borena Breed” was held and the best livestock exhibitors were awarded. To encourage people with disabilities who run small businesses, an award was given in front of hundreds of visitors and businesses.



Yabello trade fair; financial institutions inputs and micro-solar lantern suppliers displaying and selling

District-level agricultural trade fair in Eastern cluster

Mercy Corps and ACPA also organized trade fairs in Awbere and Degahabur woredas of SRS, where regional and local input suppliers displayed and sold their products to 1,899 farmers and agro-pastoralists. To create demand for inputs, PRIME used a voucher scheme encouraging beneficiaries to buy seeds, water harvesting technologies, postharvest storage bags and different farm tools and irrigation equipment at a discounted price. The demand created through these trade fairs gave input suppliers an opportunity to better understand their market and potentially expand their business to those locations.

Assessment of Irrigation potential in Eastern and Southern Clusters

During the reporting period, two sub-activities to do assessments on the irrigation potential in Eastern and Southern clusters were implemented by Mercy Corps, SOS, CARE and ACPA. The assessment in southern cluster was completed at the end of January 2014. The objective of this sub-activity was to identify the potential opportunities and constraints to enhancing the production and productivity of irrigated horticulture in order to create livelihood diversifications to increase income of pastoralists and agro-pastoralists in the PRIME operation areas. The initial assessment results reveal significant skills-gaps of good agronomic practices and on the management of irrigated horticulture among agro-pastoralist.

Post-harvest technology promotion and food-grain post-harvest management training in Afar cluster and southern cluster

Afar Cluster: The objective of the promotion and piloting of pit-storage grain bags (PSGB) is to popularize the technology and train agro-pastoralists on post-harvest food-grain management

practices that reduce post-harvest loss in Afar cluster. PRIME collaborated with a private manufacturer of PSG bags and trained 165 HHs (34 Female, 161 Male) on the proper use of the grain storage technology. 50 households were selected for the pilot and were given plastic bags for the activity. A successful PRIME led review of the results after a 2 month period demonstrated the efficacy of the technology to the participating households. This activity is expected to be replicated by more households in the next quarters. This activity was done in coordination with IR5.

Southern Cluster: Promotion of Postharvest Grain Storage Bag (PSB) technology was identified as a climate change adaptation strategy able to build households' resilience. Accordingly, training and demonstration of postharvest grain storage bags was conducted in partnership with the manufacturer in five kebeles of Liben and Goro Dola woredas of Guji zone. The training of 309 participants, which included agro pastoralists, government extension agents and two PRIME project staffs, focused on general postharvest grain management practices and proper use and installation of post-harvest storage bag.



Traditional storage practice



Storage practice after the technology

Proper pit preparation, storage bag installation and pit covering was demonstrated by the manufactures to all participants. From the trained agro pastoralists, 70 interested model households were selected to practically pilot and apply the technology. These households stored about 8 tons of food grain (wheat) as per the training. It is expected that the use of the technology by producers will reduce post-harvest loss of up to 30%. Implementation of this sub activity in Southern cluster has also created an opportunity for the storage bag manufacturer to understand the existing demand for storage technology in the region and he is now working to create linkages with the potential sales agents for his future business expansion. Post-training feedback and storage bag user feedback from producers and woreda extension experts indicated that implementation of the activity is timely and crucial as agro-pastoralist lack knowledge in postharvest management and access to technology. There is significant potential to scale up this technology in the region in year 3.

Exchange visit to Haramaya University integrated seed system development (ISSD) project

Quality seed of improved early maturing varieties hold the key to enhancing agricultural productivity and increasing agro pastoralists' capacities to adapt to a changing climate. However, the availability of, access to, and use of such improved seeds in agro pastoral areas is quite low, mainly due to a lack of sales outlets in the seed supply system in the pastoralist areas. Cognizant of this fact, PRIME facilitated an experience sharing visit to Haramaya University integrated seed system development (ISSD) local seed business project for agro pastoralists and staffs of Jijiga University and Somali Seed enterprise to set up similar initiatives in agro pastoral areas of the eastern cluster. Following the visit, Jijiga University is working on proposal and once it is completed PRIME will support the initiative of the university to set up localized seed businesses. Implementation of this activity will enhance HHs access to quality early maturing crop seeds and create alternative income for groups involved in the business.

Forum for vegetables market system actors facilitated

In Guji Zone, agro-pastoralists that produce vegetables using irrigation water have been facing a market problem for their produce. In response to this, PRIME IR3 team from Mercy Corps and SoS Sahel partnered with local government offices to facilitate market linkages between major actors of the vegetable market in the area. As a result of the activities, major producers and buyers discussed output market information during the harvesting season, as well as aggregation and logistics. Producers now know the buyers of their produce and how to contact them to arrange transactions before vegetables begin to degrade. After the forum was conducted vegetable producers were able to sell to six buyers instead of one, ensuring that they would get the best price for their product in the market. Based on the preliminary data from our monitoring at Gennale PA of Gorodolla woreda, in one month alone producers were able to sell about 25 Isuzu truck loads of tomato at the price of ETB 300-350 per box of tomato, higher than the average 150-200 EBT price for the same quantity.

USAID Agricultural Technology Marketplace (ATM): PRIME participated in the USAID's ATM event that was organized at the ILRI compound. PRIME demonstrated three innovative technologies: a post-harvest storage bag, the Camel Game, and the Livestock Market Information System (LMIS).

Climate Adaptive VCs – Assessment, Coordination and Learning on Efficient/Renewable Energy Technologies

Participation to global conference on rural energy access

Three PRIME team members participated in a global conference on rural energy access held in Addis Ababa. This opportunity has enabled them to learn about innovative technology developments in the energy sector like wind, biomass and improved cooking stoves. The team was also able to meet five new actors that started solar businesses who are interested in expanding their solar businesses in PRIME intervention areas.

Promote & Implement Efficient/Renewable Energy Technologies; Competitive cost-share grants to expand micro-solar supply business

During this reporting period, PRIME called for proposals to expand the businesses of traders involved in micro-solar technologies. Ten businesses were expected to be awarded the grant on a

competitive basis during the year 2 applications window. So far, five businesses have been selected and each selected businesses got up to 30 percent of the fund required to expand their business to new locations. It is expected that 20 percent of PRIME target beneficiaries will have access to micro-solar for lighting, mobile charging, power for radio sets and also create additional jobs for TOPs/youth and start new rural businesses.

Competitive cost sharing grant for regional micro-solar distributors in Southern cluster

The objective of this activity was to support businesses on a competitive basis to expand their micro-solar distribution business in the pastoralist areas of Southern Oromia and Afar regions and improve access to renewable energy to beneficiaries who are living off the main grid. A call for proposal was made and out of five applications received, three businesses qualified for a PRIME grant. After signing the agreement, businesses started their expansion activities and cost reimbursements were made by PRIME during the last quarter of year 2. Out of the three businesses that have



started expansion, DAYOD engineering has almost completed all milestones per the agreement and started distribution in Negelle town of Guji Zone. In addition DAYOD engineering has been conducting promotion in different woreda towns and big market sites of the cluster and also provided training to rural entrepreneurs in coordination with the PRIME project. Five rural solar business entrepreneurs interested in being sales agent for DAYOD started selling micro solar products to rural pastoralist areas. DAYOD engineering is also expanding its business in eastern cluster.

Competitive cost-sharing grant for business expansion to micro-solar distributors in Eastern Cluster

The overall objective of this activity was to catalyze the expansion of affordable solar markets in the Somali region. PRIME received proposals from 13 interested micro solar distributors to expand their business to pastoral areas of Somali region. The proposals were reviewed and two successful proposals from Haji Abas and DAYOD were selected to be regional distributors and pass through pre-award assessments. Haji Abas signed the cost share grant agreement with PRIME and completed the expansion in Jijiga town to create linkages with local businesses interested in selling in the areas of Jiggiga, Kebribayah, Deghabour, Awbare, Harshin, Gashamo, Tuli Guled districts closer to rural community. DAYOD's agreement is being reviewed and expected to be signed in early 2015. These expansions will create jobs and improve beneficiaries' access to solar products.

Rural microenterprises trained in photovoltaic (PV) solar home system installation and maintenance training

During the period under review PRIME facilitated two rounds of training on photovoltaic (PV) solar home system installation and maintenance for 69 (12 female) entrepreneurs that run microenterprises in the Southern cluster. The purpose of the training was to address the problem of inappropriate PV solar home system usage due to lack of operational and maintenance skill. The practically-oriented training was conducted in collaboration with the Woreda energy sector office and conduct by a private solar distribution firm called DAYOD engineering. The participants came from nine woreda. After the hands-on training, these entrepreneurs reported that their businesses performance was improved and that they were now providing fee-based maintenance for other PV users in their locality.

Piloting locally manufactured wind turbines

In order to pilot installations of locally-manufactured wind turbines, PRIME entered into an agreement with Wind Empowerment, Jigjiga Polytechnic College and Semarra University in Afar. Wind Empowerment is a UK-based association for the development of locally built small wind turbines for sustainable rural electrification. The major objectives of the pilot project are:

- to provide alternative source in the rural areas
- to create local job opportunities via building and maintenance of turbines

When the pilot project starts in Somali and Afar regions, three turbines (one Jijiga and two in Afar) will be installed. Up to 25 prospective graduate students from the college and university comprised from different fields of study (wood work, welding, electricity and also from business and entrepreneurship) and instructors in the college will be trained by Wind Empowerment. The turbines will be installed in a location where it is ideal to supply energy to a productive purpose among the local community. Prior to the training and installation a market assessment will be done to determine the levelised cost of energy (cost per Kwh throughout the lifetime of different power generation technology across a range of wind and solar resources relevant to Ethiopia) and to quantify the socio-economic benefits of the wind turbines to local communities. The pilot project is planned to last from November 2014 through May 2015.

Priorities for Next Year

3.1: TOPs employability increased through life skills, financial literacy and entrepreneurship training

- Awarding short term vocational scholarship program for youth, women and disabled TOPs in all clusters
- Exposure visits to areas where TOPs obtain best experience on climate change adaptive alternative livelihoods
- Facilitating apprenticeship opportunities for TOPs
- Financial Literacy and numeracy training via PSP model to RuSSACOs/VSLAs



3.2: *Increased income opportunities*

- Facilitation of availability and access to emergency and recovery loans during destocking
- Business expansion grant for agricultural inputs, solar technology, PSB, poultry, fodder, and aloe soap
- Identifying opportunity and work with institutions that support establishment of seed (crop and fodder) businesses
- Facilitation of investment forums

3.3: *Market Access Expanded to Increase Employment Opportunities*

- Continue facilitation of zonal and district trade fair
- Micro-franchising business opportunity for women and disabled TOPs
- Facilitation and assistance to new and existing MFIs to expand their service and develop inclusive financial products
- Linkage and loan facilitation with MFI/Banks for business like PVP, SMEs, Solar business, and disabled groups

INTERMEDIATE RESULT 4: ENHANCED INNOVATION, LEARNING AND KNOWLEDGE MANAGEMENT

Key result 4.1: Project performance enhanced through effective monitoring

Management Information System for PRIME: Ki-projects™ & Ki-metrics™

PRIME Management information systems (MIS) are comprised of web-based project management, performance measurement and information dissemination software applications. The MIS applications support PRIME's efforts to foster project integration, mainstream results based practices, increases quality and efficiency in activity design and promote transparency in program business management processes. These applications include Ki-projects™ and Ki-metrics™ for output and outcome level project management. During Year 2, these software applications were successfully custom-made to PRIME specifications and are now fully operational.

Ki-projects™

Consortium partner Kimetrica successfully launched this application for PRIME following an intensive software customization process. The tool is designed to increase PRIME's ability to foster a unified, efficient, and inter-active approach to project management and allow users to create reports by technical area, geographical area, or partner. Ki-projects™ offers multiple information management modules for sub-activity vetting, initiation, implementation tracking and reporting.

The beta version of Ki-projects™ was successfully rolled-out through on the job training for 98 PRIME consortium member staff located in all three operational clusters and Addis Ababa. The training accomplished several objectives including:

- Systems performance testing under conditions of intermittent power outage,
- Systems performance testing when accessed using EVDO (mobile) internet devices,
- End-user feedback on quality of user experience; and

Identification of design features of Sub-Activity Concept Note (SACN) and Sub-Activity Reports (SA-R) needing enhancements

The training sessions confirmed Ki-projects™ capacity to perform under varying conditions of infrastructure support and user feedback converged towards overall systems user-friendliness. The few minor and optional changes which were recommended to further enhance certain features of Ki-projects™, SACN and SA-R were addressed during and immediately after the completion of the training sessions. Further inputs from technical teams and managers have allowed Kimetrica to continue customization of certain features that will increase the utilization of the tool. Data entry of backlogs from existing SACN and SA-R was finalized during Year 2, though cleaning of data and verification of linkages between SACNs and SA-Rs will continue into the first quarter of Y3.

During Year 2, in addition to its planning function, the tool showed great relevance in helping PRIME raise awareness among consortium leaders and track their response to critical performance loopholes especially as they relate to the intensity of project implementation and the rate at which sub-activities were designed and reported, as well as comparing targets to actuals. Due to the dynamic and challenging nature of PRIME's operational realities, several new system design requirements have been identified during Year 2 and prioritized accordingly. In Year 3, Kimetrica will complete these features as respond as needed to the needs of PRIME's technical and management teams to fully and entirely rely on Ki-projects™ for all output level data capture, processing and reporting requirements, phasing out the current output tracking sheet used to ensure no information is lost while uploading SACNs and SA-Rs into the system.

Ki-metrics™

Ki-metrics™ was introduced to first-time users during year 2. The software allows PRIME to store and analyze outcome level data for performance measurement and reporting. The tool was successfully rolled-out during the annual survey for PRIME and proved useful in fast tracking the pace of data collection and analysis – allowing for field level and continuous data quality controls. In Year 3, Ki-metrics™ will be used to collect, store and analyze data from recipient institutions, strengthening reporting and credibility of performance information from them. It will also include modules for mid-term evaluation survey management and other needs PRIME may determine.

Ki-metrics™ will continue to be directly administered by Kimetrica and access and management of Ki-metrics™ will be limited to PRIME Learning and Knowledge Management advisors and senior managers only.

Spot Check methodology development and pilot

Spot checks are an unstructured observation method designed to generate rapid and reliable performance information especially when seeking to capture 'unreactive' practices. Kimetrica designed a spot check methodology for PRIME to help monitor the performance of consortium and recipient partners with regards to their compliance with approved project implementation modalities and their capacity to manage related operational risks. The methodology is also intended to help project managers capture best practices and lessons learned and generate feedback from partners on the quality of their relationship with PRIME. The spot check is a set

of easy-to-use tools which include questionnaires for key information interviews and field observation techniques.

The tool is comprised of five components including Data Quality Assessment (DQA), Consortium Partner Compliance (CPC), partner service quality feedback, best practices and partner portfolio planning. Spot checks use secondary data found in Sub-Activity reports, interviews with project teams and external stakeholders, and site visits.

Spot checks were piloted with consortium partners HAVOYOCO and ACPA and proved useful in informing management on strengths and weaknesses in data quality and related management procedures and giving feedback on partner perceptions of the quality of their relationships with consortium leadership. The main findings included:

- Consortium partner overall satisfaction with current PRIME information management tools and feedback mechanisms,
- Consistent use of Sub-Activity Concept Notes and Sub-Activity reports by all program staff for activity initiation and reporting,
- Overall level of satisfaction among project participants on PRIME's responsiveness to their needs, including clear efforts to integrate their priorities into activities,
- Additional guidance needs to be provided to staff to ensure higher quality data and management procedures are in place and variances are minimized; and
- Partner activity portfolio planning capacity needs to be strengthened in order to promote greater alignment with PRIME's financial and program target objectives.

The spot check findings have been shared with all consortium members and remedial measures are underway to strengthen areas requirement improvement. The spot check findings also showed that a more extensive DQA was required as soon as possible (the exercise was finalized before the end of Y2). Spot checks will continue to be administered quarterly across PRIME operational areas starting in Y3 with Kimetrica training field staff in their implementation.

Data Quality Assessment

Data quality assessment (DQA) is an evaluation methodology developed by USAID to promote high quality data and create a standardized approach to data management in all of its operations. The outcomes help managers understand the strengths and weaknesses of their data quality and provide actionable solutions to meet approved quality standards. Guided by the DQA checklist, Kimetrica evaluated PRIME's data quality against all five standards mandated by USAID. The exercise evaluated data across the entire spectrum of the project's IRs and generated recommendations which will strengthen data quality within all consortium partner operations. The assessment findings have provided project leaders with tangible evidence on existing knowledge and structural gaps, systems deficiencies and the implications of these shortcomings on the strengths of data generated through current processes. These evaluation actions were also helpful in promoting a shared understanding of PRIME's expectations for data quality, in increasing knowledge on internationally approved practices and procedures to achieve those requirements and raising awareness around issues that will ensue from non-compliance.

Some of the key recommendations of the Data Quality Assessment (DQA) include:

Item	Action
Finalize all fields in Indicator Reference Sheets and define protocols for:	Counting impact beneficiaries for all IRs
	Defining multipliers
	Data collection method for output & outcome level indicators
	Parties responsible for data collection and reporting
	Roll-out IRS through web interfaces and cluster level training
Update M&E plan	Update plan to show new M&E tools
	Include data management & safeguarding protocols
	Roll-out revised M&E plan
Recipient partner reporting	Finalize design and roll-out of institutional/recipient database
	Harmonize or integrate IIF procedures with overall PRIME activity approval, monitoring & reporting processes
	Design standardized reporting from institutional/recipient database
	Rolling training for recipient partners on PRIME data quality requirements
Ki-projects functionality	Offline database
	Evdo for staff
	Show sub-activity unique identifiers in “immediate result screen”
Data management & safeguarding	Assign database managers to clusters or refocus LKMs scope of work
	Finalize backlog data entry of CN and reports into ki-projects
	Perform systems test to remove errors, identify missing reports & match CN with report
	Create “permission” to change values in ki-metrics
Output level indicator value generation	Finalize relationship map of indicators with sub-activities to show parent/child relationships
	Develop algorithms in ki-projects for output value generation
Inconsistent & incomplete reports	Approve/close all pending and open reports in ki-projects
	Harmonize values (mostly targets) reported in word document with database screen (cases of mismatch)
	Put dates on all CN & reports
	Match report titles with CN
	Create a feature in ki-projects to send reminders to staff & supervisors when reports are due
Data traceability	Define means of data verification (e.g: attendance sheets & certificates)
	Attach means of data verification to all activity completion reports
	Define accessible storage space for hard copy documents
	Provide verifiable information on beneficiary location (from recipients)
Data verification Increase frequency & randomize:	Managers should check report completion before approval
	Avoiding quarterly reporting of outcome indicators for which data can be only reported annually

In Year 3, a taskforce will implement the recommendations generated through the DQA to ensure that PRIME data quality meets USAID's approved standards and staff capacity is built to make data management a shared responsibility of all technical and management teams within the project.

Recipient Partner Compliance and Performance Assessment

PRIME's overall performance is closely associated with that of institutions, organizations, and other private or semi-private enterprises through which the project works to expand market and economic opportunities to targeted beneficiary households. These *recipients* are a mix of for-profit and non-profit actors that are contracted by PRIME based on their reach and ability to expand/invest in difficult economic environments. Except for IR4, all other PRIME IRs are working with recipients.

PRIME has therefore a vested interest in tracking the growth, reach, and capacity to meet commitments of these recipients, as well as their compliance in terms of contracts and deliverables and the quality of relationships/linkages they create. The recipient assessment is a monitoring methodology designed by Kimetrica for PRIME to track this non-traditional group based on the projects' approach in facilitation. The methodology uses a combination qualitative and quantitative data capture tools to enhance project learning on strengths, weaknesses and challenges associated with this approach. During Year 2 the tool was successfully rolled out with PVPs, TVETs, and solar energy service providers located in all three clusters. Earlier in the year, these entities had received matching/competitive grants for business expansion and job creation objectives. Findings from the assessment are currently under analysis and will help increase management knowledge about which aspects of this investment method have successfully contributed to outcomes and bottlenecks will be identified to overcome during Year 3. These assessments may be replicated during Year 3 with other recipients.

Key result 4.2: Project decision making and adaptations based on strong evidence

Baseline report

Kimetrica finalized the baseline report, which provides descriptive and quantitative analysis on key knowledge areas of interest to PRIME in support of program decision-making and performance monitoring and measurement efforts. The analysis is disaggregated by wealth quartile, region and gender and the result of a quantitative survey administered with 1,095 households located in the drylands of Afar, Oromiya and Somali regions of Ethiopia. The main findings are summarized per the following thematic areas.

Household characteristics

- **Average Household size** increases with wealth for all three areas, and female headed households make up the majority of lower-wealth quartiles across all regions, peaking at 50 percent in Oromiya.

Livestock Productivity

- **Livestock ownership** correlates with wealth and the types and species owned vary by region. Somali region has the highest livestock holding across all wealth quartiles (WQ), while in Afar and Oromiya more than 60 percent among lower wealth quartiles do not own herds.
- **Herd growth** appears positive in Somali and Oromiya regions, but negative in Afar. Almost all households rely on pasture as their main source of animal feed, however, access to pasture increases with wealth.
- **Livestock sales** correlate with wealth, with the exception of small ruminants mostly marketed by lower WQ to meet their subsistence needs. Milk is the main by-product sold and sales of hides and skin is limited across all regions.

Household wealth status

- **Household expenditure** increases with wealth and Afar records the highest food-related expenditures at 65%.
- **Alternative sources of income** are mostly sought after by poorer households and correlates with livestock ownership levels.
- In Somali and Afar regions, households across all WQ benefit from some form of remittances and transfers, but these drop to only 15% in Oromiya.
- **Uptake of financial services** is low across all regions as well as savings. Loan amounts are less than USD 50 with Somali region recording the highest access level at 34% of households.

Support systems

- In addition to existing **traditional social and economic support systems**, **Community Animal Health Workers** followed by **veterinary stores** are the most commonly accessed services across all regions. Overall **human health service** coverage is very low across all regions and shows no correlation with wealth.
- **Access to information** is poorest in Afar and mostly conveyed through traditional leaders in Somali region.

Knowledge and decision-making

- **Women** remain central to household decisions related to nutrition and milk management.
- **Economic decisions** are typically made by men, with some evidence of joint decision-making across the regions, most notably in the Oromiya Region.

Nutrition

- **Dietary diversity** is lowest in Afar among all WQs, especially for pregnant and lactating women and children. Dietary diversity in Somali and Oromiya appear to be medium [based on scale used]. However, further investigation is needed to better qualify household level

characteristics of dietary diversity taking into account seasonality and quality of diversity. It is also important to note that dietary diversity (even if not of high quality/quantity) is ‘common’ during lean seasons.

- **Breastfeeding** is high across all wealth groups and regions with more than 97 percent of households with children under the age of two reporting that they breastfeed their children.

Vulnerability and Resilience

- **Food price inflation** was the biggest shock in both the Afar and Oromiya regions, while **drought** was the biggest shock in the Somali Region.
- Households in Afar and Oromiya are still recovering from previous shocks, though very few in Somali region lost their herds entirely.
- Higher income households across all regions have a higher tendency to choose livestock-related solutions to **changes in pasture and climate**.

Presentations of baseline results were given by Kimetrica at the PRIME annual review meeting (July 2014), and in Afar and Somali region (with results specific to the region) in Q8. Oromiya results presentation were postponed to take place in Q9. In addition, Kimetrica presented key results to USAID in late September 2014. In year 3, baseline tools and methodology will be reviewed in preparation for the mid-line survey to also be carried out by Kimetrica.

Annual survey

The annual survey is the means through which PRIME captures performance information on nineteen project outcome level FTF and custom indicators. The objective is to provide evidence of progress of PRIME’s interventions in moving households from extreme vulnerability to resilience. The survey is purely quantitative in nature, is not population-based and only targets households who directly participate in PRIME market facilitation activities.

The survey was conducted in September 2014, with a sample of nearly 600 households selected purposively and drawn from a sampling frame of 100 recipients operating across all project operational areas. All IRs are represented in the sample and their leaders contributed to the design of the survey methodology and data capture tools. The results are currently under analysis, though preliminary results for FTF and PPR outcome indicators are included at the beginning of this report. The results, when finalized, will provide PRIME with a status report on:

- Household livelihood profile
- Household economic well-being
- Smallholder livestock productivity
- Household nutritional wellbeing
- Household access and use of technology and management practices
- Household risk information management and decision-making
- Gender-based decision-making
- 360-degree evaluation for the project

SenseMaker

With matching funds, PRIME is testing the SenseMaker application to measure and monitor attitudes and behavior change for its nutrition work in all clusters. PRIME staff were trained in collecting stories and information from impact beneficiaries to have a baseline of attitudes related to nutrition. A pilot framework was developed and data was collected and a preliminary analysis was finalized during the quarter. Reflection sessions with IR4 and IR5 teams showed that the tool can be quite useful in collecting information – not just for nutrition work. The nutrition framework was revised based on the first experience of the pilot, and two additional frameworks were developed – one for monitoring attitudes and behaviors for listeners of the radio soap opera for change the nutrition team is developing, and one to monitor changes in attitudes and utilization of natural resource management (IR2) technologies, practices and information. Sample frameworks are attached to this report as Annex 4.

During Year 3, IR4 will lead the efforts in implementing monitoring through SenseMaker, collecting stories through youth groups already working with the project as well as university students. Analysis will continue to be led by a SenseMaker consultant, and key PRIME staff have been trained on doing basic analysis of data using the SenseMaker software by Cognitive Edge.

Market Facilitation Approach Monitoring

Mercy Corps and CARE, with technical assistance from Practical Action, developed tools to monitor PRIME’s market facilitation approach in order capture the effects of PRIME interventions. Traditional monitoring tools, while useful, often rely on slow feedback loops, fail to capture changes beyond the point of direct intervention or overlook some critical aspects of change in relationships and other dimensions of market systems. The lack of effective monitoring tools creates a challenge for teams and donors, limiting the ability of implementers to learn and adapt while also potentially undervaluing donor return on investment. In response, the PRIME team is pursuing three monitoring pilots in Somali region (financial services, traders/brokers, and animal health services) to track changes in two key areas – crowding in/replication and improved quality of market relationships.

Financial services

A financial services baseline survey was conducted during Year 2 with the participation of 13 financial institutions (2 public and 10 private banks as well as one Microfinance institution). The purpose of the survey was to identify the current Islamic products being offered in Somali region to measure the impact of PRIME’s investment in Murabaha products with Somali MFI contribution and observe whether replication/expansion of Sharia-Compliant products by other financial institutions takes place in the future. The survey results reveal that Commercial Bank of Ethiopia, Somali Micro-finance institution and Oromia International Bank adopted different Sharia-compliant products. However, only Commercial Bank of Ethiopia and Somali Micro-finance institution facilitate using Mudaraba and Murabaha Sharia-compliant products respectively. Similarly, most of the financial institutions assessed have planned to adopt Sharia-compliant products in their financial system. Financial institutions surveyed reported that the factors that motivated them to offer Sharia-compliant products include making the financial services inclusive to all, responding to high loan requests from big traders--especially from Muslim customers--and being competent in the banking business market.

Broker/trader relationships

Value chain projects have long measured a host of indicators meant to reflect relationship strength. Typical examples include the value, volume, frequency and duration of transactions between two specific actors, for instance, a farmers' cooperative and a lead trader or a lead trader and a major processing facility. While useful, these metrics overlook important factors associated with sustainable and durable business relationships, including factors such as trust, perceived fairness and loyalty. PRIME is testing an approach to better understand the strength of relationships between livestock brokers and traders to monitor the degree to which PRIME's interventions are contributing to long-term value chain sustainability and resilience.

A broker/trader relationship baseline survey conducted with three PRIME-supported livestock traders in order to detect changes in quality and relationship in terms of deal flow (volumes, values, frequency) as well as trust, perceptions of fairness and loyalty between livestock traders and their respective brokers. Livestock traders reported presence of better performance in the livestock sector than the last 2-3 years. Similarly these traders outlined occurrence positive changes in the past 12 months. Reportedly family/clan connection is the leading factor to start working relationships between livestock traders and brokers. However, trust and honesty are the main criteria that traders used to select brokers. The survey reveals that both livestock traders and brokers recognize the need to benefit from doing business with each other. Besides, traders not only have satisfaction with the timing and methods of payment that their brokers are offering but also the profit they are making from the livestock business through trading with the majority of their brokers.

The survey finding also shows that traders receive consistent respectful treatment from their brokers. Livestock traders understand when their brokers determine price and the majority are satisfied on the ways that their brokers determine price. The majority livestock traders believe that most of their brokers are honest not only in explaining decisions but also providing valid reasons for decisions that affect the livestock business. Besides, the majority of livestock traders know when most of their brokers make more or less profit than the expected at the final sale. The livestock traders disclosed that their brokers provide credit with competitive rate.

Private Veterinary Pharmacies

PRIME supports PVPs in Somali region to upgrade and expand their businesses. The project uses a range of tools including a small grants competition to identify partner PVPs. PVPs, in turn, work with and through CAWHs to meet pastoralist veterinary and health needs. PRIME's theory of change suggests that this targeted investment in a sub-set of PVPs will lead to replication in various forms – partner PVPs expanding their businesses and creating new outlets, CAHWs working with partner PVPs adopting PRIME-promoted activities or service behaviors and non-PRIME-supported PVPs and CAHWs adopting activities initially promoted via PRIME. To track change on those levels, PRIME is testing a combination of in-person and mobile-phone surveys. An SMS platform was developed and tested sending one question to 12 PRIME supported PVPs to ensure the platform is working and is manageable. The actual questions to be sent regularly to PVPs are currently being developed and non-PRIME PVPs are being identified to collect data and track whether replication is observed.

Milk Quality Analysis

This study led by Haramaya University aimed at identifying the milk quality problems, existing methods for quality analysis, testing methods, procedures and practices traders can use with affordable price and documenting simple, cost-effective and equipment that can be used on spot. The research was conducted in Afar and Eastern clusters, involving detailed desk research, key informant interviews and laboratory analysis. The study looked into the milk handling practice from site of production (pastoralist homesteads) to where it is collected in bulk (collection centers and cooperatives). The study identified infectious and non-infectious causes (agents/contaminants) involved in the degradation of milk quality as well as other major factors that contribute to actual milk quality problems along the dairy value chain. Based on the findings of the present study the following recommendations are made:

- Awareness should be created among dairy cow owner pastoralists through hands-on training and field visits as to the importance of adequate udder preparation, hygienic milking technique, use of clean dairy equipment, washing of utensils and milkers hands using properly treated water to improve the milk hygienic quality and shelf life.

- Awareness should also be created among the dairy cooperatives through hands-on training and field visits to consistently use platform milk tests including lactometer, alcohol and boiling test and use premium payment scheme for good quality milk to encourage hygienic milk handling practices.

- Efforts should be made to utilize the capacity of regional laboratories and linkages should be created between these laboratories and dairy cooperatives in terms of skill transfer and provision of technical assistance and commercial “milk diagnosis”.

- PRIME should consider provision of equipment such as aluminum containers (and technical assistance) in its use as a cooling method especially under such harsh conditions as the present study areas.

- Raw milk intended for consumption should be subjected to heat treatment at least equivalent to pasteurization temperature.

- If possible, potable water or boiled water should be available for effective cleaning and sanitizing of milk equipment and udder preparations, otherwise very well heat-treated water should be used for such purposes.

- Collaborative researches should be done with manufacturing enterprises for the design of aluminum and stainless steel containers for milk storage and transporting

- Creation of linkage between the dairy cooperatives and private veterinary pharmacies to increase the availability and use of equipment and reagents for milk quality testing.

- Regulation of the dairy development enterprise, establishment of standards and the use of effective enforcement are essential in order to fulfill the consumers' expectations of safe and wholesome milk and milk products

- Further researches should be done to determine the udder health problems in the milking cows, TAPC and Coliform counts in the milk collected, containers and water in the study area.

Market Research on Existing Insurance Products and Study of Best Practices/Lessons Learned

This assessment by Haramaya University had two phases: a preliminary case study and a questionnaire-based survey. In the case study phase, insurance companies, micro-finance institutions and NGOs supporting the micro-insurance products were assessed. The survey to pastoralists regarding their preference of insurance products and willingness to buy insurance products was conducted in Afar (55) and eastern cluster (67). The survey covered 4 woredas (Kebriebeyah, Awbare, Gursum, and Tuli gulied) in eastern cluster and 3 woredas (Awash Fentale, Gewane and Dulecha) in Afar cluster.

Recommendations to PRIME based on findings include:

Increase awareness of insurance products, as the first step for micro-insurance promotion among pastoralists. Dropout rates of pastoralists from insurance schemes are very high. This is largely related to the low level of awareness and education on insurance among pastoralists. Future interventions need to focus on the awareness creation of pastoralists before introducing the product. While enhancing the awareness of pastoralists on the importance of micro-insurance the role of clan leaders might also be crucial to convince the participation of pastoralists.

Importance of subsidies in market growth: Introducing micro-insurance to pastoralists is difficult, at least in the introduction stage of the product. Given the fact that the formal micro-insurance is new to pastoralists product pricing might be one of the reasons for low take up. This is particularly true in years where there are no payouts. Thus, government and NGOs may need to consider how to support the insurance product until a stage where there can be a reasonable level of awareness of the value of the product.

Cooperation for co-financing efforts: PRIME should emphasize to cooperate with the private and governmental insurance providers through co-financing in the design and introduction of insurance programs to pastoralist communities. In this respect, Somali Region Microfinance Institution (SMFI) has been in the process of introducing Takaful micro-insurance to eastern cluster pastoralists and it will be a golden opportunity for PRIME to cooperate with SMFI to pilot test this innovative Islamic compliance insurance in its operational areas.

Targeting better-off pastoralists as entry approach to the micro-insurance distribution: Pastoralists' traditional social insurance mechanisms rely heavily on better-off pastoralists insuring poorer households. However, there are no opportunities for better-off and middle wealth groups to access any form of formal insurance for their livestock assets. Providing formal insurance to protect the assets of wealthy groups is necessary to sustain existing informal

insurance mechanisms. Therefore, targeting wealthy pastoralists in introducing formal insurance will have dual effect of strengthening both the formal and informal insurance mechanisms in pastoralist contexts.

Effect of plastic grain storage bags combined with BCC on Household nutrition security of children under 5, lactating and pregnant women of Afar cluster

Haramaya University interviewed pastoralists and gathered grain samples for laboratory analysis. The study revealed that both plastic bag gain storage technology and BCC have brought about change in dietary habits and in better managing food items. Both interventions have created awareness of household nutrition and seen in a positive light by respondents. Having grain storage access was mentioned by respondents as being unequivocally important. Although most respondents that adopt plastic grain storage bags have a positive feeling about the technology, they highlighted the weaknesses and provided suggestions to curb shortcomings, such as the use of different materials to improve the effectiveness of the storage. The laboratory analysis is currently being conducted and the full report will include these results.

Gap analysis in the production and dissemination of animal health education materials

The objective of this research by Haramaya University is to look into the current production of AHEMs in the three clusters of PRIME. The study specifically aimed at assessing the type, quantity and quality of AHEMs (training materials, animal health extension booklets, brochures, and posters) produced by the government NGOs or other private actors that are directly or indirectly involved in animal health service delivery. Major actors developing/producing these materials as well as an extensive list of materials developed have been identified by this research. Interest from private actors (PVPs) in cost-sharing with government and/or NGOS the production and dissemination of said materials could be a model that PRIME could use in linking businesses/actors in the clusters. A final report of this analysis is currently under development.

Key result 4.3: Policy information base strengthened

Policy Analysis

Mercy Corps commissioned three policy analyses during Year 2 – a Leasing Regulatory Framework Analysis, Ethiopia’s Interest Free Banking Directive Analysis and an Analysis of the objectives, modalities and implications of the foreign currency directives in Ethiopia.

Leasing

The regulatory framework for leasing was first established in March 1998 by the Capital Goods Leasing Business Proclamation (No. 103/1998). This proclamation was revised by July 2013 proclamation, Capital Goods Leasing Business (Amendment) Proclamation (No. 807/2013). Findings from the analysis and recommendations for PRIME include:

The potential for the development of leasing as an alternative to lending is high in Ethiopia. Access to credit from financial institutions is challenging for many potential borrowers given limited capital and collateral, thus, leasing as an alternative financial product is attractive. There are overall 3 main types of leasing: “operational lease”, finance lease”, and “hire purchase”

lease. They generally vary in ownership rights and control of asset rights as well as responsibility for maintenance, damage and insurance. Leasing serves generally all sectors and can be applied for different size equipment.

The leasing sector is undeveloped; however, increasing concerted effort and commitment are demonstrated by the National Bank of Ethiopia (NBE) and the government for the development of the leasing sector. This is evidenced by the different actions taken over the last year, and the numerous initiatives that are underway. The regulatory framework for leasing was initially established in 1998, defining the three main types of leases but there was no leasing operation in the country other than few microfinance institutions conducting micro-leasing usually limited to small equipment to informal businesses. Various proclamations and directives necessary for the leasing sector have either been issued or are planned to be issued. In 2013, a proclamation and directives were issued that covered key elements of leasing operations – licensing and capital requirements. However, these directives by themselves were not adequate to provide the necessary framework and serve as guidance to leasing companies nor were they adequate for supervising and regulating the sector by NBE.

In mid-2014 NBE signed an agreement with the IFC for assistance in the development of Ethiopia's leasing sector. IFC's support to NBE focuses on improving the regulatory framework, which includes the development of various directives required to have a robust leasing sector, the development of operational manual (for NBE and leasing companies), and supervisory manual (for NBE). As part of the support to NBE, IFC identified the key gaps that exist in the leasing sector, and has planned some activities to close or minimize these gaps. Among the key gaps to be addressed are lack of capacity to supervise and regulate the leasing sector by NBE, and the lack of know-how in leasing at the leasing companies that have been recently formed by government support. Other legal and regulatory gaps identified (i.e., taxation, investment, accounting, etc.) are being referred to the appropriate government agencies by NBE. A number of other gaps are discussed in this report including, lack of appropriate management information systems (MIS), lack of funding, and lack of leasing awareness by the players in the leasing ecosystem that includes the potential lessor, lessee, and the supplier.

Five government initiated regional leasing companies have been established to begin leasing operations for the first time in Ethiopia. Driven by its commitment to meet the targets for industrial manufacturing sector, which includes agro-processing sub-sector, the GoE mandated the 5 largest regional administrations to co- invest in a leasing company with the largest MFIs in their respective regions. The five MFI-affiliated and government supported leasing companies have received their licenses, and are setting up their operations with various capacity building workshops and trainings being provided through NBE and others. Among the PRIME project regions, only OROMIA is served by one of these leasing companies, that is, Oromia Capital Goods Finance Business Share Company (OCGFC).

More recently, there has been an increasing interest from the private sector to establish leasing companies. This was revealed in most discussions conducted during this study. Evidently, growing number of inquiries are coming to NBE from both domestic and foreign investors pertaining to establishing a leasing company. There are two groups of investors who may be considered to be serious potential investors. At least one group or both may involve foreign co-

investors. While the financial sector is closed for foreign investment, the leasing sector has opened recently through a Proclamation to Amend the Investment Proclamation (No. 849/2014). Specific legislation concerning foreign investment in leasing is expected to be enacted soon. Both groups of investors are looking for more clarity in this area as well as in taxation and accounting. Further, these groups of potential investors are subscribing demand-driven leasing business model, unlike the five MFI-affiliated leasing companies whose focus is primarily the industrial manufacturing sector.

In the context of the current regulatory framework, there are possible options for PRIME intervention to support the development of leasing in the PRIME operation areas. In all the PRIME project regions – Oromia, Afar and Somali, access to credit is limited with somewhat better access in Somali. As pastoralists are becoming more settled access to credit, both loans and lease/Ijarah (equivalent to finance lease under the Islamic finance), become more critical. Leasing in particular would be more attractive since it does not tie-up capital and it is overall cost effective for the potential lessee.

Based on the current regulatory framework, the institutional options that PRIME may support in the development of leasing or Ijarah are limited. PRIME could establish partnerships with OCFGC, one of the five MFI-affiliated new regional leasing companies, in Oromia; Afar MFI, in Afar; and, Somali MFI and Rays MFI in Somalia. In addition, the private leasing companies that are still at early stages of formation may be potential institutions for PRIME’s partnership for the development of leasing in the project regions. As mentioned above, these private leasing companies are waiting for a pending legislation on further clarity on foreign investors’ participation in the leasing sector and on other issues (e.g., taxation). Thus, it is recommended that PRIME closely monitor the development of private leasing companies. PRIME could also consider facilitating the formation of a leasing company, including the involvement of a foreign co-investor (e.g., private equity firm) in the PRIME project regions.

Based on the current regulatory framework, it is not an option for PRIME to assist the development of leasing or Ijarah contract activity through a commercial bank. Presently, commercial banks can not engage in leasing activity, but may invest up to 20% of their capital in a leasing company. In line with NBE’s licensing requirements, a leasing company has to be a “stand alone” entity, formed as a share company in accordance with Ethiopia’s commercial code (i.e. requiring at least 7 investors).

In partnership with institutions above-mentioned, PRIME could provide support in addressing and closing the leasing sector gaps that currently exist in the PRIME project areas. This would entail the development and support of the leasing eco-system as a whole, to include the “lessor” (the leasing company), the potential “lessees” and the “suppliers”, with the aim to create leasing awareness in the community, identify the demand and supply for leasable assets, and build leasing expertise at the leasing companies. Once leasing operating manual is developed by NBE, it would be necessary to tailor the manual to local context. Technical-on site support, including appropriate MIS development, directly to the institutions would be crucial. Also critical, would be the availability of funding for leasing operations, which PRIME could consider to support in facilitating funds from other sources (e.g., private equity)

Finally, as the PRIME project has already established partnerships with private sector enterprises (e.g., Addis Kidan) and has done much work in the dairy value chain, it would make sense to consider strengthening this value chain through introducing leasing. It is also evident that milk production is important in all the PRIME regions. Further, PRIME could explore forming partnerships with select multi-purpose cooperatives in the PRIME project areas for the purpose of creating lease awareness among potential lessees.

Interest-Free Banking

The current directive for IFB (SSB/51/2011) is a 3-page document and includes the following points:

1. Only IFB windows are permitted, no fully-fledged interest free banks will be authorized
2. IFB entities need to follow Sharia law
3. IFB windows need to follow the same regulations as the other banks except on the interest rate, which does not apply

The directive is relatively simple thus leaving a lot of flexibility to the banks offering IFB products. Given the high level of flexibility, there is no effective control, from a regulatory perspective, as to what the banks are licensed to offer for an IFB window.

So far, three banks received licenses for IFB windows from NBE:

1. Oromia International Bank (OIB)
2. Commercial Bank of Ethiopia (CBE)
3. United Bank

Legal framework – current practices within IFB windows

Due to the lack of relevant legislation, each bank has adopted their own methodology, models and benchmarks for launching IFB products with little coherence or commonality in the market.

There are two international regulatory bodies in the Islamic finance industry, which have been widely used as standard setting bodies and benchmarks for Islamic and IFB products: the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) and International Financial Services Board (IFSB). Appendix 2 in the full IFB report details the role of these institutions and how they have been adopted in other countries.

In Ethiopia, OIB has opted to follow AAOIFI and both NBE and OIB have undertaken discussions with the IFSB on the possibility of implementing their standards at a national or institutional level. CBE looked into the UK, South African and Bahrain to develop their IFB product offering whereas, United Bank has based their products on Pakistan and Saudi Arabia. The above shows that the directive seems to be simplistic and leaves too much room for offering products that may not be aligned with the actual Ethiopian needs.

In their current state, IFB windows do not fully and effectively adhere to Islamic principles. Article 2.2 of the Ethiopian IFB directive states that IFB business “refers to banking business in which mobilizing or advancing funds is undertaken in a manner consistent with Islamic finance principles [...]”. Hence, in order to achieve Sharia compliance, IFB windows need to have an extra layer of governance to ensure that the principles outlined in the latter article are met.

In Ethiopia, NBE does not currently have internal experts to review and monitor IFB windows to make sure that they comply with article 2.2.

On the institutional level, only OIB has opted for a Sharia Supervisory Board (SSB) model. The latter is composed of 3 scholars two of whom have been drawn from the Ethiopian Islamic Affairs Supreme Council. In short, the Ethiopian Islamic Affairs Supreme Council has sound knowledge in Sharia law but lacks depth in financial expertise.

So far CBE and United Bank have not sought any Islamic expert advice to develop their Interest Free product offerings; instead they have relied on Internet desk research. These banks do not currently have any Sharia board or Sharia advisors. Nevertheless, United Bank intends to have an advisory board for “Sharia compliance” that will be composed of financial advisers rather than Sharia scholars, as it prefers to distance itself from the Ethiopian Islamic Affairs Supreme Council, thus avoiding affiliation with a specific stream of Islamic viewpoints. In time, these measures may reveal that relying purely on Internet desk research along with independent financial advisers may conversely affect their decision-making aptitudes in regards to Islamic finance frameworks. The lack of regulatory framework on the Sharia compliance question means that the products are at high risk of not complying with authentic Islamic principles.

Although, the access to Sharia expertise has been very limited, all 3 banks have already started offering Islamic financial products including current and savings accounts.

Capacity building/Training (knowledge sharing)

Skilled professionals are in short supply in the Islamic finance industry especially in Ethiopia. With IFB being relatively new, only a limited number of initiatives have been undertaken. Amongst these Mercy Corps has sponsored exposure trips to Sudan and the United Arab Emirates to help educate the industry players on IFB. There is a need for sustainable and continuous capacity building initiatives, which allows the on-going development of professionals in this sector. Capacity building is at the heart of the successful implementation and outreach of IFB products. Currently around 400 branches offer IFB products. Assuming that at least 5 employees per branch need to have IFB expertise, there is a demand for about 2,000-banking officers to have adequate IFB skills in the next 12 months.

Internally, no training strategy and quality assurance exists. All 3 banks use the same training model. Senior management, who have gained knowledge through workshops and readings from the Internet, train staff at local branches.

Furthermore, according to article 6.4 of the Ethiopian Licensing and Supervision of banking/insurance/micro financing business directive: A bank should “give training to directors at least once in a year on areas of financial analysis, corporate governance, applicable laws, regulations and directives, risk management and internal control.” And the bank “shall file certificate of training of directors with National Bank.” At the moment, there is no mention of IFB training for those banks with an IFB window or any reference to who should be allowed to deliver these courses (such as internationally accredited institutes or locally recognized training companies).

Public awareness

No awareness programs exist to reach out to the Muslim communities in Ethiopia. Prior to the launch of IFB, customers that did not want to receive interest on their savings would sign a waiver to the banks because of their religious beliefs. The fact that monies are deposited in accounts where clients waived their rights to receive interest does not mean that their deposits were now Sharia-compliant. Since there was nothing to state their funds were not used for financing projects on an interest basis and/or projects that contradict with Islamic principles. For instance, the bank may use these monies to provide loans on an interest basis for a project in the alcohol business.

All three banks with IFB windows stated that clients who have signed the waiver for their conventional banking account have not yet asked the banks to switch their monies to an IFB saving accounts. There is no data that explains why this might be the case. The IFB windows believe that some clients may not be aware that these products exist. None of the banks have formally informed their clients of the existence of IFB. And none of the 3 IFB windows have undertaken any campaigns to drive awareness among their current or potential clients.

Recommendations from the directive analysis are summarized in the table below:

Summary recommendations
<u>Legal framework</u> <ul style="list-style-type: none">• Develop IFB standards based on AAOIFI & IFSB• Create an IFB advisory Board within NBE• Provide guidance on IFB windows on setting up their own advisory board
<u>Capacity building initiatives</u> <ul style="list-style-type: none">• Setup IFB working group• Train a new breed of IFB experts based on International accredited programs• Develop adequate training programs for IFB in Ethiopia• The new breed of IFB experts to transfer the skills to local branches
<u>Public awareness</u> <ul style="list-style-type: none">• Design and plan public awareness programs for: existing clients, bankers and microfinance associations, universities, mosques and Ethiopian Islamic Affairs Supreme Council

Foreign Currency

Access to foreign currency has repeatedly been a challenge that has been raised by the Government of Ethiopia (GOE), the National Bank of Ethiopia (NBE), private banks, businesses of all sizes, and foreign investors. Due to Ethiopia's high rate of and dependency on imports for raw materials and finished products, which is approximately eight times the amount of its exports, the country suffers from a lack of foreign currency that is needed for the economic sector to scale and grow, including large-scale development projects such as road and dam infrastructure. In the most recent quarter (May 2014 to August 2014), the NBE reported that the total value of imports stood at USD 3.7 billion, which is a 23.3% increase from last year, 2013, at the end of the same quarter. Meanwhile, the current account balance stands at USD1.6 billion, which is attributed to the decline in net official transfers and a widening trade deficit at 23.3%.

As a result of this increasing trade deficit, Ethiopia is facing a foreign currency strain. In an effort to continually address the long-term shortage of foreign currency in the country, the NBE issued new directives in 1998 to regulate the foreign exchange (forex) market and to protect the banks from an unfair disadvantage of obtaining foreign currency. In recent years, as investment grows and as trade increases, access to foreign currency has become a major constraint for individuals and businesses reliant on the country's ability to exchange currency. Without access to foreign currency in a timely manner, Ethiopian businesses that depend on forex cannot scale and foreign investors become more hesitant to take investment risks, which altogether hinders the long-term economic growth of the country.

The analysis holistically examined the purpose behind the directives related to doing business and investment in Ethiopia; its unintended opportunities and/ or consequences on the economic sector; the challenges faced by the banks and the private sector as a result of foreign currency shortage; and recommendations to improve the foreign currency shortage for the country. As there are over 271 pages of the NBE directive pertaining to foreign currency and exchange, this analysis only covered directives directly related to doing business in Ethiopia and that potentially could affect PRIME recipients and impact beneficiaries who are part of the supply chain of business growth.

The directives aim to regulate foreign currency in a fair and consistent manner, but current directives continue to constrain the growth of local businesses and foreign investment. The majority of the complaints are related to the access of foreign currency in a timely manner that meets the needs of businesses. This seems to be the main issue, since the waiting time could be anywhere from 1 week to 8 months. Furthermore, micro and small businesses have a difficult time competing for foreign exchange.

From May 2014 to August 2014, there was a heavy strain on forex. As a result of the strain, many businesses who were not able to access forex these months complained that they lost out on many business opportunities.

Overall, the NBE acknowledges that there is a shortage and that this lack of foreign currency will continue until Ethiopia starts manufacturing more goods and relies less on imports. At the same time, the GOE has taken out massive loans to fund infrastructure projects in which they have to repay in foreign currency, which according to much of the private sector contributes to the strain. Banks understand that they are responsible for prioritizing their own reserve, which usually places exporters at the top of the list. Importers seem to suffer the most unless they are also bringing in exports or foreign currency through personal bank accounts or remittances. The foreign currency challenge seems to be a vicious cycle – where enterprises cannot flourish or sustain without access to foreign currency, yet enterprises and the economic sector, specifically manufacturing, must grow in order for the country to rely less on imports.

The foreign currency issue is one that will not be easily solved until the country can increase productivity, efficiency and quality of value-added goods that are exported; and negotiate the repayment of loans in a staggered timeline. There are some activities that could help ease the foreign currency strain and help increase productivity and efficiency for firms that rely on

foreign exchange. Below, some recommendations of activities that should be explored further are detailed.

1. Cost of production needs to decrease. Ethiopia needs to create more value-added products that the country can export, which means Ethiopia needs to find a way to get lower cost of raw materials when it is imported to decrease the overall cost of the final product. Analysis can be done of the raw materials that are requested the most among factories and enterprises and perhaps the Ministry of Trade and Ministry of Industry could consider special trade agreements for these materials. Investors looking for investment opportunities could consider the shortage of raw materials as an opportunity.
2. Foreign Exchange process streamlined. The banks complained about the amount of paperwork they need to review for one request. If the process were streamlined, businesses wouldn't have to spend great amounts of time filling out paperwork, stamping it, getting paperwork approved from several places. This would not only save time for the banks, but it would more importantly save time for the businesses that could focus on other productive tasks. The NBE could explore ways to help make the entire process less time consuming and more integrated.
3. Re-evaluate the reserve amount limit that the commercial banks can hold. Banks able to generate foreign currency through their clients have proven that they can secure trust from them and should be able to keep higher reserve if earned. The NBE should explore possibly increasing the 15% that commercial banks can hold at the end of each day.
4. Training for businesses to better understand the foreign exchange directives. It is commonly known among the business community that business owners must talk to several accountants and lawyers, and most importantly the NBE before beginning operations or new transactions, since each stakeholder may have a different interpretation of certain directives and amendments. While lawyers and accountants may say one thing, the final authority is the NBE. It would be helpful if the NBE considered hosting two workshops per year for the business community.
5. Targeted training and capacity for NBE. It seems like some of the directives were written the way they are because the NBE does not have the capacity to manage additional oversight. Building the capacity of NBE in specific core sectors that can help strengthen their ability to monitor, share knowledge and implement is critical in the long term.
6. Targeted training for commercial bank international banking divisions. In the same vein above, commercial bank international banking division (or trade division) need to strengthen their understanding of foreign currency, how to read applications more coherently, and to respond to requests in a more efficient manner.
7. Sell services in foreign exchange. Allow for more service industry sectors that are directly linked to tourism to accept payment in foreign currency cash and travellers cheque. The NBE should explore allowing high revenue earning tourism shops and businesses such as spas to apply for the ability to accept forms of foreign currency if they

meet certain criteria and terms. This could be a pre-approved system and would allow for more inflow, which could help the banks.

8. More activities to help the manufacturing priority sectors to improve efficiency, quality, and governance needs to be executed. This is already happening to a certain extent, but the efficiency of a value chain starts from the beginning and support at all levels needs to be coordinated. Training for staff who have opportunities to work in these priority sectors should be explored. Study tours for management teams could be facilitated.
9. Create a flourishing remittances environment. Remittances can help bring in a significant amount of inflow. However, investors and returning Diaspora need to be encouraged by the enabling environment and ‘doing business’ in Ethiopia must be competitive to the rest of the East African states. There are many rules and regulations that investors do not understand and /or are unclear, which is a risk for investors. For instance, the language around the foreign direct investment amount for joint ventures is unclear and when investors have to run to several offices to get clarification, they are discouraged.

Because of the sensitive nature of some of these issues, or their solutions, the full report will be available only upon request. The IR4 Leader or CoP can be contacted for further information.

Consultative Discussion and Interviews with Regional Research Institutions

Haramaya University identified the capacities of regional research institutions and the way by which they could work with PRIME. Discussion with relevant officials of regional research institutions and questionnaires were used to gather information. The research was conducted in the three regions that cover a total of nine institutions. These are Bule Hora University, Semerra University, Jijiga University, Yabello Pastoral and Agro-Pastoral Research Center of the Oromiya Agricultural Institute, Awash Melkasa Agricultural Research Center (MARC), Afar Region Pastoral and Agro-pastoral Research Institute (APARI), Somali Region Pastoral and Agro-Pastoral Research Institute (SOPARI), the Livestock, Crop and Rural Development Bureau and Yabello Veterinary Laboratory. The data are collected through the discussion held with relevant institutions and partnership assessment tools. The research team is now analyzing the data and the report will be completed this month.

Policy Research on Cross-Border Trade

Haramaya University identified the laws and institutions that govern the conduct of cross-border trade relevant to the productions and demands of the pastoral communities (these include import-export regulations, monetary regulations-especially with respect to currency used in cross-border trade, availability of custom duty posts, animal health institutions, quality control, infrastructure etc), examining the actual and potential legal, institutional, economic and political obstacles for cross-border trade and relationship between cross-border trade and resiliency of pastoralists in PRIME operational areas, investigating the modalities of transactions taking place across borders in PRIME operational areas (Afar-Djibouti, Ethiopian Somali-Djibouti, Ethiopian Somali-Somalia, Ethiopian Somali-Somaliland, Borana-Kenya), identifying the key actors in cross-border trade. According to the findings of the research available best alternatives for intervention in the expansion and increase of cross-border trade in livestock and livestock products, animal feed and other food items will be recommended.

The multi-disciplinary team established conducted field survey in Addis Ababa and the three clusters. Experts working relevant offices, traders, and pastoralists were interviewed. Policy and legal documents were collected and analyzed. The team is analyzing all collected data and the research report will be ready in Y3.

Policy Information Gap Analysis

This research is finalized and the policy analyses on various sectors were compiled in a single document. Thirty federal and regional government institutions are interviewed for key informant interviewing and/or for collection of policy and legal documents.

Findings and recommendations are summarized as follows:

Energy policy

- The national energy policy (NEP) does not address energy requirements for subsistence and development, especially energy requirements in pastoralist and semi pastoralist areas for modern productive activities. Thus, the Ministry of Water, Irrigation and Energy should give high priority to a new energy policy.

Because the problem of updating the policy or other document, the dearth of research and the limitations and gaps of the sector in general is properly considered, only if there is permanent institution (i.e. ministry or bureau whose responsibility is not frequently reorganized or changed) both at federal and regional governments. Even establishing a ministry only with this task makes the sector to get more attention. Moreover, the federal as well as regional governments should rethink over the need of cooperation in the sector, finance problem and lack of human resource to satisfy the energy needs of the society.

- The NEP did not address the issue of alternative and renewable energy sources such as wood-saving stoves, biogas, geothermal, solar and others, as it should be addressed. Despite for the huge need of alternative energy sources in pastorals and semi pastorals, none of the strategies (except the biofuel strategy) and programs in the country emphasized properly on the issue. Thus, future amendments and new enactments should include about alternative and renewable energy source in a more detailed manner.
- Regional states should prepare their own energy policy, strategies, programs and laws independently from but in collaboration with federal government.
- Finally, possibilities for lowering constraints of access to energy services by the pastoralists and semi pastoralists should be investigated.

Livestock and Livestock products trade policy

- At the federal level, pastoralists are not well-represented. In the pastoral development directorate of MoA, there are hardly any professionals having a pastoralist background.⁴ This inhibited the fair representation of their vested interests in the decision making process at a

⁴ Interview with Hailemariam Zara, Livestock Expert, Ministry of Agriculture

higher level. Therefore, advocacy activities should be done to get the interest of pastoralists represented at higher level of decision making.

- Lack of full-fledged national livestock policy inhibits a coordinated effort to address the challenges that the sector is facing for a long period of time. Policy advocacy should be done by PRIME or other interested NGOs or GOs to initiate the introduction of national livestock policy so that coordinated responses will be given to the challenges faced by the sector and the sector can contribute meaningfully to the improvement of the livelihood of the pastoralists and the development of the country at large. In this case, the policies and best practices of other countries should be examined. The sector's problem should be critically studied so that evidence based policies and laws will be introduced.
- There is a problem of clear guideline in the regional states as to the applicable standards required to get certificate of professional competence for entrepreneurs interested to engage in livestock trade. Therefore, further research shall be conducted to uncover the directives of regional states applicable in these circumstances, if any. This shall include providing training for MSEs or Cooperative Societies that receive support from PRIME as to the requirements to get certificate of professional competence. Providing meaningful assistance cannot be achieved without knowing these requirements and their cost implication.

Micro and small enterprises development and entrepreneurship strategy

- Access to finance, especially in Afar National Regional State, is a critical problem due to the absence of microfinance institutions in the region. In consultation with the regional government and the National Bank of Ethiopia, efforts should commence soon to start a financial service rendering via microfinance institutions. If this mission can succeed, it has to be strengthened by the establishment of one stop centers for the coordination of training, consultancy, financial service and identification of local market skills needs.
- Special measure should be taken into consideration in incorporating the special condition of pastoralists. In almost all regions in which PRIME operates, the national policies are adopted by the regions with no or very little effort to adapt it to the unique situation existed in respective regions. As it is understood from the MSE policy and the structure and power of the executive body of the government both at regional and federal level, the development of MSE sector is part of an urban development plan. This is of little significance for regions like Afar where majority of the population are not urban settlers. Therefore, it is recommended that the states' capacity should be enhanced so that a policy accommodative of the special conditions of the regions can be formulated.
- This report summarizes the content of policies and laws governing the MSEs sector and gives preliminary analysis of its impact to PRIME activities. It would be better if analysis of the impact of these policies and regulations on the development of MSEs themselves, on the competitiveness of the same in local and export market, their achievements in job creation using the combination of various analytical frameworks for the evaluation of MSE policies.

TVET Strategy

- The currently applicable law was promulgated based on the old TVET strategy. Further research should be conducted to examine its consistency with the new policy and provide for its improvement or amendment if it is found inconsistent. This will ultimately improve the regulatory environment in which TVETs operate as the latter is updated and incorporates current developments in the sector.
- The TVET Proclamation leaves various issues regarding the provision of TVET training, especially basic vocational training and junior technical and vocational training to their discretion. For instance, they have the discretion to determine the duration, language and content of the training taking into consideration their local needs and the country's development strategy. Therefore, for sustainable and successful implementation of activities of PRIME related with TVET training for ToPs, the working requirements and procedures at regional level should be researched and compiled systematically so that compliance with the mandatory rules can be ensured.
- There are various analytical frameworks for the evaluation of a TVET policy. A working paper commissioned by International Growth Center (ICG) compiles the necessary conditions for a successful TVET policy. These are: adopting a clear vision and leadership at the highest political level; improving forecasting and planning for skill needs, improving the quality of TVET; addressing the skill needs of the informal sector, facilitating the growth of the productive sector through technological learning and innovation; fostering partnership with all stakeholders, involving local communities and strengthening local management of TVET through the delegation of responsibilities to regional authorities. Based on these parameters, full scale evaluation of the TVET strategy should be carried out. In this case, review of best practices of other states and assessment of the realities on the ground should be carried out.

Ethiopian Water Resources Management Policy

The overall goal of Water Resources Policy is to enhance and promote all national efforts towards the efficient, equitable and optimum utilization of the available water resources of Ethiopia for significant socio-economic development on sustainable basis. The policy implementation differs from region to region. The pastoral regions are especially constrained by poor human resource and inefficient utilization of the available resources which needs more attention. The development of commercial farms in the pastoralist areas also limit the access of the pastoralists to water and pasture. This resulted in competition over the scarce resource and finally conflict.

The policy has also given some emphasis to pastoralists, recognizing that many Ethiopians are engaged in livestock production. The policy recognizes livestock water supply as an integral part of the overall water supply. Promoting the availability of water nearer to pastoralists; fostering efficient and sustainable development; and maintenance of livestock water supply systems are the objectives the policy have for pastoralists. The policy is also aimed at making the pastoralists self-reliant by harmonizing and promoting the user pay principle with the willingness and ability to pay for livestock water supply. Pursuant to this principle the pastoralists will pay for livestock water supply in the future in order to insure its sustainability. But the strategy designed for the implementation of the policy is somewhat silent as to how these objectives will be achieved.

The policy has also indicated that irrigation could be used for the development of the grazing lands for livestock. But the close reading of the strategy designed for the implementation of the policy indicate that irrigation is designed from crop production point of view for food self-sufficiency, giving little emphasis to livestock production. In relation to the Trans-boundary waters, focus is given for waters crossing neighboring countries. But nothing has been raised in the policy and strategy documents in relation to equitable and reasonable use of rivers crossing two or more regional states, which are potential conflict areas especially in the pastoral community. The existing legal provisions simply talk about the administration and regulation of such waters. There is no clear cut way by which such rivers are equitably used among the upstream and the downstream communities. There are such rivers in the pastoralist areas which are of potential for hydroelectricity; Genale and Gibe are some of such rivers. The policy says nothing, however, about the right of the pastoralists in relation to exploitation of such rivers. There is also no special compensation scheme for the pastoral community while exploiting such rivers. If the normal expropriation law is applied it does not fulfill the requirements for compensation. Such interpretations will have bad consequences in that the pastoralists will not have another alternative.

The section of the policy dealing with the pastoralists is strongly related with the goals of IR1 (increasing the productivity and competitiveness of the livestock production). The section discusses water supply which increases the productivity of the livestock. This makes the policy relevant for PRIME. In IR2, PRIME will support the excavation of the existing water points, Support Soil and water management and conservations. In order to achieve this, working in cooperation with water-related institutions and observing the available policies and laws are very important.

Land policy

Policies and laws which deal with the problem of land tenure in particular exist at both national and regional level but they are not implemented due to the absence of regulations, directives and even institutional set up. Even though the government has recognized the problems of the pastoralists', issues such as compensation, certification as well as conflict and gender empowerment in land use which are the burning issues of the pastoralists remain unsolved. This shows that the constitutional provision in relation to the pastoralists' right to grazing land and other policy documents in relation to land are yet to be implemented. The Oromia National Regional State Rural Land Administration and Land Use Proclamation recognize the right of the pastoralists to communal customary rights to access to grazing land. But it is yet to be practiced in that the regulation and directives for implementing such rights of the pastoralists are lacking. The Region also lacks separate land policy and Laws for pastoralist; they are treated in similar fashion with the crop producers. In Afar National Regional State Rural Land Administration Policy of 2008 recognizes the pastoralists' right to certification on communal basis and Promised Land holding certificate that signifies the inviolability of such a right. The same applies in the Somali National Regional State. In all the three regions right to get certificate remains on paper.

In Afar and Somali National Regional states, the implementation of the policy will not be an easy task. It will face challenges as it will get support. One of the challenges that could hinder the implementation of the land policy could be differentiation between the communal and the private holdings. Similarly equal benefit sharing from communal holdings may not be easy task.

In relation to the Somali National Regional State the proclamation of land administration and use was issued in 2013. The regulations and the directives to implement the proclamation and the land policy are not issued so far. The problem in Somali National Regional State is aggravated because of the absence of independent office that follows up the implementation of the regional state land policy and laws. The responsibility is shouldered on a small department of the Natural Resource Management under the regional State's livestock and Pastoral Development Bureau.

Pursuant to the land use and administration proclamation of both Afar and Somali National Regional States, agro-pastoralists seem to have more right than pastoralists. Agro-pastoralists have the right to be compensated for what the government will take over for investment or other purpose based on public interests. Even the literal reading of the two Regional States' proclamations indicates that the agro-pastoralist can ask land as of right, unlike the pastoralists, once he or she is of 18 years old. Of course, any pastoralist who is 18 years old and who wants to practice farming can also ask farming land as a right.

Forest Development, conservation, and utilization policy and strategy

The implementation of the forest policy differs from region to region. In pastoralists and the agro-pastoralist regions the policy is not taken seriously. In Somali Regional State, for example, deforestation for charcoal production has resulted in the depletion of the forest resources and ultimately to losses of the fodder to the livestock. Although the Forest Development, Conservation and Utilization Policy and Proclamation number 542/2007 included provisions for the ownership of natural forests by local communities, access to state forests is still highly restricted. Although there are laws and policies which deal with the forest management, they are hardly put into action. In addition, there is no any regulation to implement the Federal Forest Proclamation. There is, of course, good example of community participatory forest managements such as the Bale Forest Management Project. The forest proclamation allows for forests to be designated as either private or state owned. State forests may, pursuant to the Forest Proclamation, be given as concessions for privately managed plantations or retained for conservation management by government organizations in collaboration with local communities. There is also policy gaps in relation to the management of forest resource found between two regional states. If regional states failed to properly administer the forest resource it would be, however, the mandate of the federal government through the ministry of agriculture. But both the policy and the proclamation are silent as to how the benefit from such forest resources is shared among the concerned regional states. There are real cases of such types throughout the country in general and in the pastoralist area in particular. The Dessa forest that is found between Afar and Tigray National Regional States is the best example.

The other area that the policy and the forest proclamation deal with is the community that lives in the state forest. Encouraging farmers/ agro-pastoralists that live within, and around protected forest areas through the grant of permits and technical assistance enabling them to engage in the production of honey, spices, wild coffee and fodder by way of participatory forest development and management is one of the objective of the policy. If it is found necessary, according to the proclamation, relocation of the community living within the forest area to a place more suitable for living is an option. But both the proclamation and the policy say nothing about the compensation scheme available for the community to be relocated. Protection of the forest resource is not bad, similarly entertaining the interest of the community, at least by preparing

proper compensation schemes, should have been dealt with properly. In addition, both the policy and the proclamation guaranteed the benefit that pastoralists or agro-pastoralists such as production of honey, spices, wild coffee and fodder in both the protected and productive state forests. But both documents failed to include other benefit sharing mechanism when the productive forest is being exploited. Failure to deal with such issues may discourage the local community in the protection and development of the forest resources. The other very important gap in the forest policy is the encouragement of large scale investments such as farming, mining, water works, and irrigation and Dam construction in state forests. Large scale farming in such big forest resources will even be against the objectives of the forest policy itself in that such big investment requires deforestation.

Climate Change and Disaster Preparedness and Prevention policy

Recently, the DRM framework of the country has been re-structured, changing the previously followed traditional reactive post-emergency response and relief work to pro-active ex-ante preparedness and disaster risk reduction. Institutionally, the mandate to oversee DRM related activities, including early warning and food security issues, have been given to the newly established DMFSS office

Although the structural and institutional DRM changes have taken place at the federal level according to the BPR reform in Afar, Somali, and Oromia regions the restructuring has not effectively taken place. Each region operates on the basis of different institutional framework assuming different mandate and powers ranging from coordinating to law making. This institutional gap, together with the non-existence of structure linking federal and regional DRM institutions with relevant sectoral bureaus and institutions, have made the DRR activities fragmented and uncoordinated. Lack of integration in all sectors of government and civil society, lack of coordination and cooperation among development partners and among government branches and the lack of a coherent & comprehensive approach to DRM are the main challenges to the implementation of the new BPR DRM framework. Furthermore, the failure to integrate various traditional informal institutions and indigenous knowledge is a significant factor that undermined the effectiveness of the current DRM response.

BPR has also had a major negative impact on capacity and resources of governmental institutions engaged in DRM. It has resulted in reduction of expert staffs of DRM offices. As a result, many of the current staffs in DRM offices including the federal DMFSS are new and/or lack significant practical experience in disaster risk management. After BPR many of the new woreda (district) level staffs do not have significant expertise in DRR. Moreover, woreda and zonal level offices don't possess adequate expertise, and the essential capacity to undertake effective DRM activities. The lack of capacity and coherent strategy has added to the lack of coordination among the different line ministers and agencies working on DRR and Climate Change. These institutional and technical capacity gaps need to be effectively addressed and linkage between DRM institutions, line ministers, civil societies and NGOs should be strengthened for effective DRM. Currently, the early warning system is decentralized to woreda level, particularly with regards to slow-onset risks such as drought and food insecurity. However, lack of communication among different bodies of government and lack of scientific and technologically supportive mechanisms to review and update the early warning data collection has made the DRM ineffective. Therefore, communication among the kebele (community), woreda, and

federal levels is at the core of the early warning system and must be strengthened for its effective functioning. Moreover, to enhance the data collection system at the local level and strengthen multi-hazard EWS, capacity building activities need to be strengthened. Currently, there is a widespread recognition among government and development partners of the need to develop a more unified, transparent, coordinated and objective early warning system that has a system of checks and balances.

Along with capacity building for the EWS, there is a clear need to strengthen the entire contingency planning process, including the development of contingency plans at all levels, formulation of objective and transparent “triggers” for the plans and integration of the plans into the EWS. These would significantly resolve the existing problem with the delayed response to disaster and boost the prevention aspect of DRM. In addition, the fragmented and uncoordinated strategies towards DRM could easily be integrated and coordinated.

Moreover, tackling the existing financial and technical incapacity of offices and staffs is a major issue that needs adequate attention. Especially, having observed the negative impact of centralization of resources at the federal level, measures should be taken by the government and partners to enhance the availability of resources for timely response to disaster. In addition, availability of resources should be guaranteed to undertake all DRM activities. Therefore, there is a need to assess the best mechanisms for logistics and funding. The government should establish the necessary financial framework to effectively undertake all DRM activities.

Furthermore, tackling the lack of expertise could be undertaken by developing and promoting programs that boost the availability of expertise on DRM. As such partners and government should endeavor to strengthen and expand undergraduate DRM and sustainable development program like the one existing at Bahir Dar University. Continued support by all stakeholders for applied research and studies on DRM related issues conducted by other Ethiopian research institutes is important to further the DRM agenda in the country and to build capacity of local institutions.

The 2013 DRM policy of Ethiopia, as reported by different institutions, is said to have effectively addressed the above issues. However, since the document is not yet publicly available and not yet implemented, much can't be said about the comprehensiveness of this policy document. Thus, further study should be conducted to assess the impact of the policy on the existing fragmented, uncoordinated and ineffective DRM, the opportunities it provides & its comprehensiveness in closing the existing gaps.

With regard to climate change policies and laws of the country, Ethiopia is making a progress to effectively address the problem by integrating the issue in its development endeavor as witnessed from the CRGE strategy. In addition different governmental institutions are required to integrate the issue in their decision making and are expected to extensively participate in building up a green economy as can be inferred from EPACC. The Implementation of CRGE is progressing at both regional and federal level. Although, the zonal and regional bureaus are not well acquainted with the overall objective of the CRGE, extensive awareness creation activities are being undertaken by the federal government. Nonetheless, especially at zonal level, little awareness about CRGE exists among the Borena zonal land administration and environmental protection

bureau. At regional level the Afar, Oromia and Somali regional has adopted their own regional plan to adapt to climate change documents. However, due to lack of finance, capacity and/or commitment, the implementations of the strategies identified in the documents have been undermined. Lack of strong coordination mechanisms both at the federal and regional level has significantly contributed to non-execution of the plans.

Currently the CRGE and EPACC are considered pillar documents relating to climate change. The government has shown strong commitment to implement these. A strong linkage and coordination structure is created among different federal line ministers to ensure implementation. Likewise, though not as strong as the one existing at federal level, progress is made to link and effectively coordinate efforts made at federal level and regional level including linking line bureaus and offices at regional level. However, further effort need to be undertaken to effectively link the federal, regional, zonal, woreda and district level offices. The participation of the community should enhance linkage and communication. In addition, to effectively determine areas that need intervention, comprehensive assessment of the capacity, financial, and technical ability of participating institutions should be conducted. This would significantly contribute to the effective implementation of the CRGE and EPACC at all levels.

Key result 4.4: Information dissemination and coordination improved

External communication and coordination

In an effort to continue coordination with other USAID projects in Ethiopia, PRIME is working closely with LMD in formulating policy recommendations in the areas of livestock and how these relate to markets and nutrition. A coordinated response for the New Alliance policy commitments was drafted together by the LMD and PRIME COPs, including the following recommendations:

- Clarification on opportunities for public-private partnerships for infrastructure
- Privatization of animal health services and its implications
- Leasing proclamation for access to finance clarifications
- Feed and fodder issues
- Traceability
- Access to land
- Fortification of foodstuffs

In addition, PRIME has met with the AKLDP project to link resources that can help PRIME the organization of a ‘feed matters’ learning event, and presentation of the livestock proclamation to multi-stakeholder groups in Somali Regional State.

Learning briefs

PRIME commissioned through Kimetrica six learning briefs during Year 2. Drafts were completed and are under review for completion during Year 3 for the following topics:

- Access, availability and utilization under PRIME and nutrition implications
- Private Veterinary Pharmacies
- Measurement Tools
- Fodder EMMA and Fodder barrier analysis synthesis

- PRIME’s approach to Financial Services
- Innovation and Investment Fund

Communication Plan

A final draft of the PRIME communications plan was revised during Q6 and will be shared among key PRIME consortium partner representatives to get their comments and suggestions before launching it and sharing with the wider PRIME community. In addition, PRIME one-pagers have been reviewed to tailor them to wider audiences and are in the process of being re-designed. Weekly updates for consortium members, USAID and other partners continue as planned.

Internal communication and coordination

Intranet

In response to PRIME’s need for an internal information dissemination and sharing platform for project consortium partners, Kimetrica designed an intranet portal for the project. Design has been a collaborative process with regular feedback sessions between the software development team and PRIME IR4 staff. The site has gone through multiple iterations that will generate a learning portal with themes and layout customized to PRIME’s needs. The portal will be a one-stop knowledge hub for the consortium with key learning resources available to all users. Similarly, consortium members will have up to date information on planned events, access to best practices and the latest news unfolding in PRIME intervention areas. During Year 2, PRIME also requested USAID’s website governance permission to develop the intranet portal into a website that can be shared with the wider public.

PRIME-wide Review Meeting

ACPA hosted the PRIME Review Meeting held in Dire Dawa in July 2014. 170 participants of different PRIME consortium partners joined the event. The key results from the review meeting included:

- IRs drafting activity prioritization plan
- Outstanding problems were raised and solved
- Ideas were exchanged across clusters and IRs
- PRIME baseline survey and spot check results were presented and discussed within the team

LKM workshops

Quarterly LKM workshop took place in Q6 and Q7 to orient recently hired IR4 staff in Afar and Addis Ababa. The LKM workshop in Q7 focused on FTF indicators, especially those LKM staff had found some issues in calculating. Quarterly workshops will continue through Year 3.

Cluster coordination and partners’ meetings

Cluster coordination meetings and partners’ management meetings continued during the quarter. Partners’ meetings focused on providing consortium partners with the most up-to-date information on concept note development, reporting, and spending. Cluster coordination meeting objectives were revised to ensure these include strategic planning at the cluster level, as well as reflection sessions with the different technical teams to continue high quality programming.

Clusters are facilitating these meetings at a monthly/bi-monthly basis. Partners' meetings will continue on a monthly basis.

Key result 4.5: Two-way communication channels strengthened

Review meetings and joint monitoring with government

During Year 2, Eastern and Southern clusters have planned review meetings with government officials at regional and district level. Reviews will take place during Year 3 along with joint monitoring efforts.

Community Scorecard

CARE has planned training for PRIME LKM staff on forward accountability and the community scorecard tool, identifying trainers within their staff. Early in Year 3 training will take place as well as plans for piloting in specific areas/sectors.

Priorities for Year 3

- Rolling out solutions to recommendations/issues identified through the internal DQA
- Continue spot checks in all regions and for all partners
- Preparation for midterm review of PRIME by USAID
- Piloting plans for community scorecard
- Review meetings with government
- Intranet deployment (and follow up on website possibility)
- Rolling out of SenseMaker tool for nutrition and piloting NRM's framework

INTERMEDIATE RESULT 5.0: NUTRITIONAL STATUS OF HOUSEHOLDS IMPROVED

Key result 5.1: Knowledge, Awareness and Practices around Household Nutrition

Improved Counseling & Community Support

The PRIME Nutrition team partnered with the regional health bureaus to introduce Essential Nutrition Actions (ENA) trainings, community conversations and identified information, education and communication (IEC) material gaps, as part of improving nutrition counseling, education and awareness support. ENA has seven “doable” actions that can easily integrate with health services and community level counseling and support. PRIME focused on strengthening local capacity to implement the three key ENA program components as recommended by government (Health facility level, Community-level and Behavioral Change communication) through trainings, IEC material prioritization & design and logistical and technical support to cascade the training to kebeles in PRIME operational areas.

At the beginning of the year, PRIME nutrition team conducted a rapid assessment to explore and audit the existing nutrition counseling, communication and education services at health facility and community level. The assessment found that, generally, health workers are not providing proper counseling and education on maternal and child nutrition. In addition, health facilities

lacked ENA, Behavior Change Communication (BCC) materials such as poster with key messages, critical contact point care and the quick reference guide for health workers and community volunteers used for nutrition counseling and education. However, the assessment team noted in some centers, non-nutrition health messages were available though they were not appropriate for the context in terms of local language and the pictures used; as they were mainly posters meant for the highland community. Additionally, PRIME conducted a complementary rapid assessment on parents' aspirations for their children to determine motivational factors. Determining motivational factors are critical in developing relevant, compelling and interesting nutritional messages that align with the aspirations of parents. The detailed findings were reported in the previous quarters.

Following the above assessments, PRIME partnered with regional health bureaus to organize ENA trainings to equip skills and knowledge of frontline health workers to improve maternal and child health nutrition counseling, communication and education services at health facility and community level. PRIME's Training of Trainers (TOT) are instrumental to leading the process of cascading the trainings to woreda and kebele levels. In year 2, a total of 723 health workers and 3,468 community members received ENA TOT and community training, respectively, in all the 3 clusters. The trainings were facilitated using the ENA national standard training modules. None of the health workers trained had received ENA training before, yet they were expected to conduct activities on ENA at their workplace. Clearly, the training was useful in building the health workers capacity to deliver ENA. As it was noted from general reflection and the post-test evaluation, the training objectives were well met. At the end of each training, health workers developed action plans detailing how ENA will be cascaded to the community level.

PRIME will continue support for ENA trainings and refreshers, contextualizing counseling and education and communication materials for health facilities and engaging the regional health bureaus on the importance of nutrition counseling, education and communication at facility and community level in the coming year, to ensure nutrition education, communication and counseling is an integral part of services provided at the health facility and community.

Training in Food Utilization

During the reporting period, PRIME conducted two complementary assessments, *Barrier Analysis on Dietary Diversity Practices* and *Assessing Indigenous Nutritious Food* to deepen understanding of indigenous nutrition diet as well as the existing behaviors/practices and barriers on preparation and serving of diversified diet/different groups of foods at household level. Following the results of the assessments (reported previously), PRIME undertook various interventions to improve knowledge, awareness and actions to improve dietary diversity including behavior change communication campaigns on dietary diversity, cooking demonstrations, introduction of keyhole gardening and leveraging IR1, IR3 and the PRIME Innovation and Investment Funds to benefit nutrition outcomes including support to post-harvest storage bags to reduce grain loss, improve animal nutrition for increased milk availability through fodder for milking livestock and improved incomes of pastoral communities.

Post-harvest Storage Technology Bags

With the aim of increasing food security and improving nutrition through appropriate food storage, PRIME IR3&5 promoted, trained and piloted postharvest food grain storage locally

called Pit Storage Grain Bag (PSGB) in partnership with experienced private sector/businessman in Bonta Kebele of Amibara Woreda. Over 160 agro pastoralists (including 6 persons with disability) and three Woreda extension experts attended the training on postharvest food grain management practices in general as well as training on the proper use and installation of PSGB technology. Of the 160 agro pastoralists that attended the training and the promotion event, 50 model and interested households were selected for piloting the use of PSGB technology; these are households using the technology as per the training provided. The training and promotion offered practical field based demonstration on proper pit preparation, storage bag installation and pit covering led by the private, thus further cementing the relationship between the local agriculture extension workers, the private supplier, and the PSGB clients.



Furthermore, the extension workers and the private business agreed to scale-up the activity to other kebeles. Post-event feedback from agro-pastoralists and Woreda extension experts indicated that the implementation of the activity was crucial and timely as agro-pastoralists lack postharvest knowledge/skill and had no access to such storage technologies before.

This activity is a perfect example of Ag-Nutrition linkages, where PRIME's economic development expert, the government development/extension agents, the private sector and the nutrition team, worked together to improve nutrition and food security in the community. Likewise, the USAID-funded SPRING project visited the project site to document the activities. Representatives of SPRING spoke highly of this activity and found the government official very pleased with the initiative.

Promotion of Keyhole gardening technology

To improve dietary diversity and micronutrients availability in water scarce areas, PRIME trained and promoted keyhole gardening (KHG), a technology that conserves and uses grey (waste water) in the production of fruits and vegetables for household consumption.



A two-day introductory training was organized for extension workers and households trained in the Southern cluster. A Total of 42 participants received the training, which provided technical concepts and skills on the technology for different types of extension agents including DAs, Health Extension Workers (HEWs), school teachers and model community members, including a practical session on constructing the KHG. Moreover, the KHG was demonstrated in the recent Ag-Trade fair in Southern cluster, which had a participation of over 250 individuals.

The keyhole gardening technology is new to PRIME areas; as a result, only two woredas (Gorodola and Liben woredas of Guji zone) were selected for piloting the technology. Based on lessons from these two woredas, PRIME will look at possibilities of scaling up KGH in other areas. All participants of the training were selected from their respective woredas based on their willingness to build the keyhole garden in their homes, promote at health center & health post, and in the farmers training center (FTC). The training was conducted in coordination with the respective woreda office and a private seedling producer. The keyhole gardening technology was adapted from Catholic Relief Services's work in Dire Dawa, funded by USAID.

Cooking demonstrations

PRIME Nutrition team conducted cooking demonstrations as part of the trade fairs in Afar and Southern clusters. The purpose of the cooking demonstration is to provide knowledge and skills on preparing locally available/indigenous diet based on the findings of the indigenous assessments conducted by PRIME to improve utilization of diet for pastoralist and agro-pastoralists households.

An estimated total of 4000 community members attended the trade fair, at which cooking demonstration shows. We believe this indicates a high level of exposure to new cooking techniques for more nutritious food. A private local supplier of fortified flour was also invited to the trade fair to display their products and demonstrate ways of using the flour in cooking. The local supplier provided diversified flour-based foods for complementary feeding made from local food like Mofe in Afar and Porridge for Borena.

Behavior Change Communications (BCC)

PRIME implemented a series of behavior change activities through both traditional channels such as the health and extension networks and edutainment channels. At the beginning of the year, PRIME conducted several Barriers Analysis Assessments to identify behavioral determinants so as to implement effective BCC messages, strategies and supporting activities. Moreover, PRIME conducted Information Consumption Survey to deepen the understanding of ways in which communities receive and prefer getting information.

Based on the findings of the Information Consumption Survey, the most important channels recommended by the findings to reach effectively communities in PRIME areas with BCC messages are through extension and community workers network such as health workers, Development Agents, female friends and neighbors, religious leaders, and via radio and television. Accordingly, PRIME developed a BCC strategy and interventions, ensuring messages are relevant, compelling and interesting for the target groups while delivering through appropriate and unique channels.

Training and Capacity building of the Circus and Theater Shows

PRIME hired an Inter-Generational Communications/Drama Expert to build the capacity of the local community theaters and enhance PRIME's educational messages in a theatrical production. The consultant delivered the following outcomes:

1. Changed the performance and delivery structure of shows in order to pass on messages in a more efficient manner. For example, prior to consultancy, the local productions communicated messages during breaks in the circus acts. With the help of the consultancy, the company is now using circus acts to communicate the messages during the performance as well.



2. Strengthened and improved the performance skills of the circus team to better communicate PRIME's messages. A workshop for acting/performance workshops was conducted for the circus team to increase their performance skills which helped the company communicate PRIME's messages in a more constructive way.

3. Created a script outlines and developed storylines, which focused on PRIME messages of: 1) Promoting fodder for milking livestock during the dry season to promote milk availability for children over 6 months; 2) maternal and child nutrition, promotion the '1000 days' concept and dietary diversity; and 3) exclusive breastfeeding and complimentary feeding for under 6 and over 6 months respectively.

To date, PRIME partners conducted approximately 65 circus and theater shows, which reached and audience of over 29,000 individuals on 3 main topics 1) Infant Young Child Feeding (IYCF) 2) dietary diversification and, 3) enhancing equitable decision making for improved nutrition outcome. An audience feedback after the performances has been positive, with almost 100% of the audience surveyed understanding and recalling the messages communicated in the production. PRIME has developed tools to monitor nutrition behavior change and determine the effectiveness of the messages.

Development of Soap Opera for Social Change

The Soap Operas for Social Change (SOSC), taps into the strong Ethiopian tradition of oral storytelling, and harnesses the power of stories not only to entertain, but also to provide “edu-tainment”. Mercy Corps and Warner Bros. are working together to ensure that the program has tangible impact for all of the stakeholders involved in Soap Operas for Social Change.

MC Ethiopia team Visit to Warner Bros.

Following the visit by six Mercy Corps staff (3 from Ethiopia, 3 from Mercy Corps HQ) made to Warner Bros (WB) Studio in Burbank, CA in April, with the objective of building the skills of Mercy Corps Ethiopia’s social marketing staff, as well as local creative talent, and assist them in the development of compelling marketing tools (tactics, creative stories and ideas) and entertainment to enhance the competitiveness of healthful versus unhealthful behaviors.

Meracy Corps and Warner Bros further developed a framework and timeline for concrete partnership deliverables. As a result, four Warner Bros. volunteers—with engagement from key

stakeholders throughout the studio and its community—are providing pro bono expertise in marketing and scriptwriting, which included travel to Ethiopia to work with local creative talent and Mercy Corps Ethiopia staff.

Local Writers' workshop

Following the LA visit, the Ethiopia SOSC production team organized writers' workshop for two days in Addis Ababa. The workshop was organized with two main objectives 1) familiarizing writers with the objective of the SOSC and 2) cascading the learning and skills the teams received from WB trip. As a result, during the two day workshop, a total of 12 local writers from Afar, Somali and Borena zone attended the workshop. The workshop helped participants to understand deeper the five behavioral themes of PRIME nutrition which are 1) Fodder provision for milking livestock during dry season 2) Increase demand for animal health extension services 3) Increase consumption of diversified diet for maternal and children >the age of 6 months 4) Infant young child feeding practice and, 5) Enhance equitable decision making for improved household nutrition

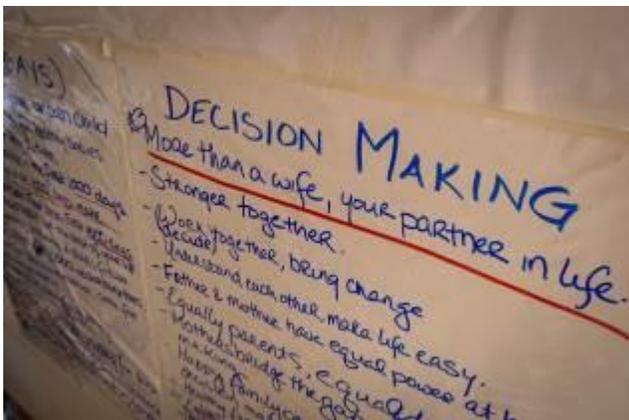
The workshop also deliberated on how behavioral themes would blend with SOSC stories. In addition, the facilitators (using the season 1 episodes summary developed in LA), supported local writers to further develop episode summaries for each of the three regions.

Workshop on Marketing and Script writing



As a follow up to the initial activities, four Warner Bros volunteers made a ten-day trip to Addis Ababa and Yabello from July 8-17/2014. During the trip, twelve writers and five marketers, were trained in best practices in creative script writing and marketing, with the goal of leveraging the professional experience of Warner Bros. to support the roll out of nutrition messages. As a result, the team developed episode summaries and a marketing strategy for the first season of the SOSC drama.

The trip also provided an opportunity for Warners Bros to deepen their understanding of the local context of PRIME operational areas. The team met with different community groups, local government officials and visited health facilities, livestock market, the radio stations, and the milk collection centers in Yabello.



SOSC Drama Production

In preparation for the launch of the SOSC, PRIME finalized the introductory scripts of episode 1 to 4 of the serial radio drama. In line with the framework of partnership, the locally written scripts/episodes were reviewed by Christopher Mack, Vice President, Warner Bros' writers workshop. After the reviews, scripts

were translated into Afari, Somali and Afan Oromo. The target is to produce 20 episodes, that will start airing in late 2014.

Development of marketing material

Alongside the SOSC production schedule, PRIME developed a marketing plan. The team finalized the design of SOSC poster and logos which will be printed during the next quarter. These products are the key for promoting SOSC drama shows. In addition, posters and print materials with nutrition messages and promotional marketing will be developed to further reinforce the drama show awareness and reach the beneficiaries with nutritional messages.

Appropriate BCC printing materials identified

Based on the findings of the IEC material audit that recorded the lack of nutrition promotional materials in the majority of health centers in PRIME areas, PRIME identified appropriate BCC material for production for the following 5 PRIME nutrition behavioral themes, which deploys an approach of layering messages using the various channels and ensure message consistence.

- Fodder provision for milking livestock during dry season
- Increase demand for animal health extension services
- Increase consumption of diversified food for maternal and children >the age of 6 months
- Infant young child feeding practice
- Enhance equitable decision making for improved household nutrition.

Key result 5.2: Increased/Sustained Availability of and Access to Milk & livestock products

Improved Availability and Quality of Animal Feed for Nutrition

Crop residue conservation training

Animal milk, one of the most nutritionally complete foods, plays a critical role in the diet of pastoralist children, and findings from the USAID Milk Matters project have demonstrated a direct link between fodder availability and access to milk during the dry seasons, and child nutrition. In line with these findings, PRIME trained three agriculture extension workers and 32 agro pastoralist community members (50



percent women) in crop residue conservation technique for agro-pastoralists in Kebibayah and Erer Gota districts. The crop residue conservation technique is a process of preserving crop residues to use them as animal feed during pasture scarcity, especially for milking-livestock but households have also reported using the technique for fattening their livestock for sale. The technique involves cutting, chopping and putting crop residues in a plastic bag, and burying them in a silo for three months. After three months, the residues, which are otherwise wasted, are turned into nutritious animal feed.



The agro-pastoralists in Erer Gota district already knew about the benefits of the technique but they lacked the expertise to conserve the residues. The training provided them with hands-on experience to turn crop residues into nutritious animal feed. From the monitoring visit conducted in both districts other community members have started to emulate the practice from the PRIME trained households.

PRIME will further provide the necessary support not only to enable the trainees to continue conserving crop residues for feed but also to diffuse the technique to the rest of community members.

Feed production and conservation Training

Through HAVOYOCO, PRIME trained 15 (6 males and 9 females) agro-pastoralists and 2 DAs of Fafan zone on feed production and conservation technique. The focus of this training was on how community can increase the availability and access of animal feed during the feed shortage. The training highlighted how communities can improve the productivity of the livestock particularly milk and dairy products, which are crucial to the household nutrition and food security. DAs and the PRIME team identified agro-pastoralists who have land and access to irrigation and volunteers to disseminate this technology to others. The training has both practical and theoretical aspects. The trained farmers have promised to share the practical learning they got from the training with other farmers, starting with their neighborhood. In addition, DAs were trained to equip them with practical skills on the technology to teach other farmers. DAs were also assigned to provide regular technical support for the trained model agro-pastoralists.

Promotion of fodder for milking livestock during the dry seasons

Fodder vouchers and promotional events



PRIME used a mix of methods including targeted fodder vouchers, fodder input supply strengthening (refer to IR1 activities) competition and prize-giving and edutainment through community theatre to increase demand and strengthen input supply, especially, during the dry season to improve milk availability among pastoral households. A series of fodder promotional events with a theme of forage conservation and supplementary feeding for better milking animal were conducted in all the 3 clusters in collaboration with concerned government offices.

PRIME partnered with local community theatre groups and woreda officials in Afar, Guji and Somali region to raise awareness and engage communities on behaviour change for feeding milking livestock especially during the dry season. PRIME community theatre shows deployed

various acting and performance shows through circus drama and songs to actively engage the crowd. The question and answer competition sessions were most popular, igniting a lot of participation from the crowd. PRIME rewarded 3 to 4 winners with fodder vouchers valued at 1500 birr fodder or 200kg fodder per location. The community theatre shows reached over 29,000 individuals. At the end of each show, volunteers were invited to the stage and asked to share their experience and learning. Government development agents (DAs) also used the platform to inform the role of DAs in providing technical support to farmers. The table below shows messages promoted by target audience to increase fodder availability.

Target audience	Messages
Development Agents and Ag-technical experts	<ul style="list-style-type: none"> ➤ Focusing on the fodder extension package through: <ul style="list-style-type: none"> • Promoting drought resisting forage seeds • Bridging the gap in the demand and supply of fodder • Supporting and improving communal grazing system • Awareness rising on fodder conservation and utilization. • Promoting feeds for milking livestock
Livestock traders	<ul style="list-style-type: none"> • Practicing healthy feeding system while fattening the livestock. • Investing to build local feed lot and dairy business
Households (especially with children <2 years)	<ul style="list-style-type: none"> • Preserving, conserving and purchasing fodder for more milk, and fattening livestock. • Utilizing fodder to increase household income. • Correlation between fodder for milking livestock, milk availability and child nutrition

Additionally, through the emergency fodder intervention PRIME benefited 24,875 livestock (milking livestock benefited most) from 12,788 households through the distribution of 18,000 quintal of hay grass and 12,000 quintal of concentrated feed distributed (see more details in Crisis Modifier section). The distribution targets households with milking livestock and children. Moreover, PRIME identified seven agro-pastoral model farmers in Afar and linked them with fodder suppliers. The suppliers also seized the opportunity to promote/market their fodder to crowds attending the community theatres shows in the Afar and the south cluster.

Improved Animal Health Services for Nutrition

Following the barrier analysis on animal health extension services assessments, which found out the services of community animal health workers (CAHWs) and private vet services as critical animal health services for pastoral communities, PRIME undertook extensive behavioral campaigns to improve demands for services through CAHWs and private vet services and other support activities to strengthening animal health services. The latter is reported in IR1 section of this report.



Camel Caravan show and private veterinary pharmacists' engagement

PRIME organized a week-long Camel Caravan in Afar region. The camel caravan used 30 camels wearing banners bearing nutrition messages in Amharic and Afar languages, and appear in parades passing through residential villages & homes, businesses and open areas to capture community's attention. The campaign was organized with the objective of promoting animal health service seeking behaviors for better nutrition outcomes.

The campaign reached a total of 3,032 community members of which 1,523 are female. The PRIME team designed this locally-appropriate edutainment method to disseminate different nutrition-related messages. Thus, in this campaign, the team developed key messages related to promotion of animal health service seeking behavior for improved nutrition, and disseminated them through the camel caravan show, drama, music, spot messages, and question & answer sessions. Apart from the promotion of the animal health service seeking behavior, the campaign also addressed fodder and child feeding practices.

The community members have the opportunity to read the messages, see the pictures, ask others what the parade was about and receive the nutrition messages delivered during the parade. At the end of the parade, the camels congregate at a specific location where a local theater group stages dramas that deliver nutrition messages. The messages are reinforced with discussions on the theme of the caravan. The camel caravan is commonly known and used in Afar for transportation and migration, and hence culturally appropriate, but this was the first of its kind to be used as communication strategy in promoting nutritional messages in the area. Therefore, it became an eye-catching event and attracted a lot of people.

Key result 5.3: Strengthened Local Capacity for Supporting Improved Nutrition

Workshop on Ag-Nutrition sensitive Approach (Leveraging workshop)

Agriculture extension workers are a valuable source of information and expertise for many small scale farmers/livestock herders in Ethiopia. PRIME conducted workshops on Ag-Nutrition sensitive approach, leveraging development and extension workers as critical stakeholders in nutrition. The two-day workshop in each of the clusters was attended by a total of 118 government extension workers from zonal and woreda offices. The sectors that were represented include health, education, women affairs, and pastoral development office. The workshop objective was to get government buy-in for nutrition sensitive interventions, explore areas of integration/ leveraging points, introducing the concept of agriculture to nutrition pathways, and develop initial action plan on better integration to enhance nutrition outcome.

The workshop explored the existing practice and challenges in implementing nutrition-sensitive interventions and developed solutions to overcome the existing problem. Overall, participants from the three clusters revealed that they perceived nutrition activities as mainly the responsibility of health workers and were not familiar with the idea of ag-nutrition pathways. Some sector offices reported having a focal person for nutrition but none had been actively implementing any nutrition-sensitive interventions – which they reported to have a better understanding of after the training. The following are actions that were planned during the workshop:

- Establish nutrition committee and plan for quarterly reflections and review at woreda level;
- Participants from different sectors will continue to be primary contact persons for nutrition interventions;
- PRIME team should extend the leveraging workshop initiative to sectors not represented in the workshop;
- Through woreda sector offices enhance community level extension agents on nutrition sensitive interventions.

Training school teachers on the concept of ‘First 1000 days’

The ‘First 1000 days’ period refers to the time from the start of conception until a child is two years old. The purpose of the training is to convey the basic concepts to school teachers as change agent and a key source of educational information for most rural communities. The teachers were also required to promote the 1000 days concept to school club members and to embed these ideas into young people prior to them becoming parents.

The training was conducted in coordination with the Borena zone education office with eight selected model schools that have school clubs with the potential to disseminate nutrition messages. The two-day training was facilitated by resource person from Borena zone health office and PRIME field-based technical advisor. In total, 26 teachers participated in the training, which wrapped up with the development of an action plan on how to cascade the training to school clubs and engage in community-level promotional activities.

School Clubs for Good Practice of Livestock Husbandry and Better Nutrition Practice

The school clubs workshops were successfully conducted in the eastern cluster, particularly Faafan zone. The workshop reached a total of 98 school club members from Jigjiga, Hadow, Dhagaxle, Lafaciise, Gobyaray, Qabribayax and Hartashekh. The purpose of the training was to equip the students with better knowledge and skill about livestock husbandry techniques and encourage them to help their families and other students in their community.

Following the training, club members anticipate reaching 1800 pastoralist and agro-pastoralists to improve their knowledge and practice of animal husbandry.

Challenges:

- Local theatre groups lack equipment and materials for the theatre performance. Hence, PRIME is planning for material support, in addition to the on-going technical support through the international consultant.
- The slow process in signing the MoU with regional health bureau in Somali region meant delay in planned activities in the Eastern cluster. Now that RHB and Mercy Corps agreed to resume the activities, PRIME plans a more aggressive implementation of activities in the cluster during Year 3.

Priority activities for the next quarter:

- Coordination and leveraging workshop within PRIME and government
- Nutrition add-on training through VSLA

- Cascading ENA training to Kebele level
- Productions and distributions of SOSC marketing materials
- Pre-launching promotional events through road show and radio spot
- SOSC launching at regional level
- Promotion of dietary diversity through cooking demonstrations promotion
- Promotional events on the 5 key behavioral themes

INNOVATION AND INVESTMENT FUND (IIF)

The \$5 million Innovation and Investment Fund (IIF) was designed to support activities across all Intermediate Results through targeted investments in the form of technical assistance, matching grants, service contracts with private-sector, government and non-government stakeholders. Targeted investments made in partnership with other stakeholders will leverage program and partner resources to catalyze sustainable growth. In general, the IIF will require a minimum 50% co-investment from partners on average across the portfolio. Through this mechanism, the IIF will buy down risk associated with new business ventures or approaches, giving partners the confidence to invest in new initiatives, and ultimately expediting regional economic growth and increasing employment. The overarching goal of the IIF is to catalyze sustainable improvements in industry capacity, expanded supply chains, increased sector competitiveness and a strengthened financial services industry. Ideally this will be done by encouraging other investors to crowd-in to the market as clear pathways to profitability and growth are demonstrated through the mechanism.

Jijiga Export Slaughter House (JESH)

During Y1, PRIME signed an agreement to support the establishment of this new meat processing plant in Faafan. The two major objectives of this activity are to create easily accessible market linkage for livestock traders who currently depend on cross border trade on live animals, most which are done without going through the Ethiopian Revenue and Customs Authority, and to create direct employment opportunities for 144 Ethiopians as well as several rounds of indirect employment in the form of auxiliary supplies and sub-contracting. The establishment of this new slaughterhouse with a throughput capacity of 200 large ruminants and 2000 small ruminants and the capability to export 12,000 metric tons of red meat per year when at full capacity of commercial operations.

Major achievements during Year 2 at JESH include:

- 1. Construction progress:** the JESH facility is about 60% completed. The different buildings under construction are:

Warehouse/Office block

The warehouse is 85% completed. There was some delay in first floor slab concrete casting due to lack of available and qualified electrician to complete the power, data and telephone facilities.

Production Hall for sheep/goat and cattle/camel

This facility is 60% completed. At present, the concrete casting of the floor of the production hall is imminent. Preparation of the slaughtering equipment foundation is also being

prepared. Once completed, installation of the equipment and electricity will start and continue until mid-November. Production trial is expected to start by end of January 2015.

Chillers, blast freezers, and storage freezers

The refrigeration halls foundations and floors civil works is progressing well. This is the most involving and will require the arrival of the refrigeration panels to complete. The refrigeration equipment, panels and doors (total of 15 containers (40ft) have arrived in Dire Dawa dry port. JESH is currently involved in the customs clearance of the goods.

Waste Water treatment plant

Civil work is very complex. Digging the ponds began 3 months ago but had to be suspended due to the rainy season. It could not go beyond 5M depth before hitting water. The design requires depth of 5.5m. The project engineer is redesigning the depth considering the new development.

Staff Changing rooms, laundry, Showers, toilets, kitchen and cafeteria

Two structures to house staff area are almost completed. The kitchen equipment, dish washers and sterilizers, industrial laundry machines and cafeteria furniture have been procured and will be shipped soon and installed before end of November and tested by mid December 2014.

Boiler room and Refrigeration and Power Distribution building

Civil works for the boiler room has started and is expected to be complete by the end of December 2014. Project experts will be coming to Faafan to install the Boiler equipment. The Refrigeration and Power distribution building is 55% completed and is expected to be ready by end of December 2014.

2. **Financing:** The project successfully have raised ETB 34.9m from equity and bank financing to close the funding gap that was needed to complete the civil construction work on the site.
3. **New shareholder:** Eng. Mukhtar Sheikh Omer, a native of Jigjiga and a civil engineer by profession
4. **Contribution to the local community – temporary and permanent jobs created:** The project currently employs about 90 people, all of whom are involved in different aspects of the construction. We have actively included women in the construction work as there are very few other employers in the Faafan
5. **Environmental Impact Assessment completed and signed off by USAID:** In March 2014, an independent consultant completed the EIA and developed a mitigation plan. The three main recommendations were:
 - Establishing a solid waste disposal site and operational procedures in disposing the solid waste;

- Establishing waste water handling as per the JESH approved and designed waste water treatment plant – making sure that what is designed will be implemented on the site and that operational procedures will assure the;
- Redesigning the cooling system to replace the R22 coolant with alternative coolant that will be in line with the recommendations and international protocols of which Ethiopia is signatory.

Challenges faced during the last 12 months

The biggest challenge the project faced was delayed financing. Agreement for additional (non-PRIME) financing was signed on 22 May 2014 but only became operational on 19 August 2014 when the first disbursement was made. The slow disbursement rate has delayed the project, it had a huge impact in moving forward with the civil work needed on the plant before the rainy season began.

Somali Micro Finance Institute (SMFI) and BelCash

Last year, PRIME signed an agreement with the Somali Microfinance Institution (SMFI) to fund the Financial Inclusion for the People of Somali Region in Ethiopia (FIPSRE) project. The FIPSRE project is a 3-year initiative that will be implemented jointly with the PRIME project, Somali MFI and a private sector partner BelCash Technology Solutions PLC. The PRIME project will provide financial support for the pilot and then first year project implementation phase, while the private sector partners will provide over 75% of the cost-share during this period.

There are three main objectives of this partnership:

1. 50% of mobile phone owners in Somali Region have access to financial services by February 2016.
2. 25% increase on the income of 3000 poor women and men who are engaged in self-employment activities using loans received from the SMFI by the end of the project period.
3. 65% of the BelCash Account holders in Somali Region use 1 additional service through their mobile bank accounts by the end of the project period.

Due to the delay from the National Bank of Ethiopia (NBE) in issuing an amended directive on all mobile banking activities in Ethiopia, the pilot has not yet begun. The revised directive came out at the end of February 2014. Accordingly the National Bank asked SMFI and Belcash to revise the proposal to reflect the changes in the directive. SMFI and Belcash revised and submitted their proposal to the bank in April.

The NBE approved the proposal in June. The approval was given with the condition that the data be stored at the National Data Centre. There was a lot of discussion between the Somali Regional Government and the Prime Minister's Office in order to approve this request. Since the National Data Centre did not approve the request, SMFI and Belcash went to re-appeal to NBE and the bank gave approval for SMFI to host the data at Belcash's site just for the pilot phase. The 3 month pilot is expected to start in November 2014.

Barwako Milk Processing Factory - Jijiga

PRIME's IIF committee approved the request for funding from Barwako Milk Processing Factory in Jijiga. The project supports the establishment of a milk processing plant designed to have an initial throughput capacity of 10MT of raw camel and cow milk and produce pasteurized milk and acidified milk products (yoghurt) for both local and export consumption. Barwako aims at entering the dairy industry, focusing on milk collection from pastoralists and agro pastoralists in several woredas of Ethiopian Somali Regional State, process the milk into consumer packaged milk products and market/distribute the products to several urban markets in Ethiopia and Somaliland. PRIME provided technical assistance to Barwako's management to develop a feasibility study and business plan to submit to the IIF committee. The committee approved 49% of the requested fund from Barwako. This approval was given with conditions that Barwako has in place the necessary mitigation plans following an Environmental Impact Assessment and fulfill the pre-award conditions laid out in the IIF manual.

PRIME contracted a consultant to carry out the Environmental Impact Assessment and the Environmental Review Report was submitted to and approved by USAID's environmental officer. Barwako has also fulfilled the required pre compliance requirements and agreement is now finalized and ready to be submitted to USAID for approval. We expect to sign the agreement before the end of October 2014.

The investment will immediately create 40 full-time jobs for employees of the Barawaqo Dairy. This investment will have a significant impact on the local economy of Somali region by increasing income to an estimated \$604 per households per year from milk sales for over 3,500 households.

An EIA was completed and approved by USAID in Oct 2014. Recommendations from this report will be implemented beginning in Year 3.

Private Equity Leveraging Service

The first RFP under the IIF for private equity leveraging service was published in October 2013. The IIF committee evaluated proposals from 8 firms, shortlisted 3 firms and awarded the contract to **RENEW LLC**. The contract between RENEW and PRIME was signed in May 2014. As this is an innovative partnership, standard contract formats needed to be revised significantly to be compliant with USAID regulations. PRIME is considering a case study to share the lessons learned around this operational aspect of market facilitation programming.

Under the PRIME Private Equity Leveraging Services Program, PRIME seeks to help unlock equity financing to fill Ethiopia's vast "missing middle." In pursuit of this, the team is implementing an innovative investment facilitation model that channels direct investments from a global network of impact angel investors and investment fund partners into established and promising businesses impacting PRIME areas.

The impact of the program includes employment creation, access to locally-produced goods, and increased productivity and resilience through adoption of new technology and best practices. The

program attracts investors because of its local presence, commitment to high-quality investment analysis, and turnkey investment services that help foreign investors overcome the barriers that historically have deterred them from investing in Ethiopia.

The objectives of the program are as follows:

- Promote the growth of 12 to 15 qualifying livestock and related businesses that are in or integrally connected to rural areas in the Afar, Oromia and Somali regions of Ethiopia
- Attract and co-invest \$5 to \$10 million in private sector financing, primarily from a global network of impact angel investors and impact funds
- Create more than 2,000 direct jobs
- Generate a projected \$42.5 million in revenue over five years
- Promote a better foreign investment environment

The program is designed to provide in-country support to investors across all steps of the investment process. The first phase in the process, which has been the focus of the team over the past four months since the project commenced, is pipeline development.

APS

The IIF released an Annual Program Statement in December 2013 outlining the procedures for application to the IIF and the types of businesses that PRIME would be interested in supporting. During Year 2, this was the primary method for identifying businesses that the IIF would consider for investment. The IIF committee evaluated several applications and awarded 2 applicants.

AGP Poultry

The objective of this investment is to strategically expand AgFlow Poultry's products and services into underserved woredas of Ethiopia's Guji and Borena Zones. Targeted woredas include Arero, Yabelo, Teltele, Liben, Abaya, and Dire, with operational support based in the greater Oromia and SNNPR regions. PRIME funds will be used to finance a new breeding and hatching facility and franchise SMEs to fill critical distribution gaps in the live chicken and feed value chains.

This three-year \$9M expansion will be co-financed by PRIME, equity investors (Flow Equity, AfricaGulf), loan capital (Acumen Fund), and operational revenue once the business is profitable in Year 2. The PRIME contribution totals \$1.2 million. The new company, AGP Poultry, is expected to impact 30,000 households over the lifetime of the grant while improving the poultry industry's rural productivity and competitiveness.

Key results will include:

- Household income increased by \$400 per 30,000 households from access to quality chicken breeds, poultry feed, and poultry management training
- 50 new SMEs ("outgrowers") created to efficiently serve rural target market
- Enabling environment improved for SMEs through comprehensive start-up and ongoing technical support
- 200 new jobs generated for PRIME target groups

- 30,000 outgrowers and end-users applying new feed processing and poultry management practices
- 10x increase in productivity to incubate 500,000 eggs/month
- \$7.8 million leveraged in private sector investments

PRIME will conduct Environmental Impact Assessment in November to ensure the facility has the necessary mitigation procedures in place that are in compliance with both GoE and USAID's regulation before signing the agreement.

Addiskidan Milk Processing Factory

The IIF committee reviewed and approved an application for funding from another Milk Processing Factory in Awash, Afar region. The project will establish a medium-size modern milk processing facility by collecting milk from pastoralists and agro pastoralists around Awash Fentale district and distribute for consumers in Afar urban areas, West Hararghe and East Shewa zones of Oromiya region. The project is anticipated to create market access for 25,000 households and job opportunity for 45-50 people in the area.

Request for Applicants (RFA) – Research into Use

The RFA for small grants was released in December 2013 focused on bringing information, technologies, and practices that had been previously researched or tried, into greater use and then feeding the results back into the wider body of knowledge. No applications were received under this RFA.

USAID FORWARD

CARE initiated activities in its role as the capacity-building organization for non-financial aspects of program management and implementation. CARE's Organizational Capacity-building Advisor introduced the two-fold focus of CARE Ethiopia's capacity-building work in PRIME, which includes examining a) the capacity of individual organizations that are part of PRIME to achieve their objectives, and b) the capacity of the consortium as a unit to achieve objectives of the program. CARE's Capacity-building Advisor presented CARE's methodology during the partner's meeting on December 3rd 2013, including a quick briefing on CARE's capacity-building assessment tool. The orientation was followed by one-on-one discussions with IR leaders and deputies to support adaptation of CARE's mechanism to the PRIME context.

CARE also hosted a one-day workshop to roll out and provide greater understanding of the Organizational Capacity Assessment Tool. Twenty-one participants, representing senior leadership and management staff from across all consortium organizations, attended the training (12 from Addis and 9 from the field). As a direct outcome of the workshop, partners have provided further feedback on the OCAT to contextualize it to the PRIME context, and have made a commitment to engage in the capacity-building process beginning with application of the tool in Year 3. The CARE capacity building advisor and MC Finance and Compliance Capacity-building Advisor have done OCA for AISDA and ACPA.

PRIME carried out organizational and capacity-building support initiatives for Aged and Children Pastoralist Association (ACPA) in Jijiga and for the Afar Integrated and Sustainable Development Association (AISDA) in Afar as part of the USAID Forward objectives. The two

partners have developed their action plans, and submitted them to MC and CARE. Their action plans were reviewed and feedback has been provided, with a common understanding reached for the next phase of the implementation process. Rating results for the two partners in the key area of Financial Management can be found in Annex 8 of this report.

Mercy Corps provided organizational and capacity building support to PRIME partners to Disaster Prevention and Preparedness Bureau Somali Region (DPPB) and Haramaya University (HU). As part of capacity building initiatives, a one-day refresher training on Financial Management and Donor (USAID) Rules and Regulations was provided to HU Finance, Operations and Program representatives. Out of the three participants, one woman was involved in the session. The objective of the training was to improve HU's understanding of and capacity to implement USAID compliance requirements and PRIME financial management processes. The workshop was designed on the basis of the need initiated from HU and the recommendation given to HU as per the gaps identified during monitoring visits conducted by Mercy Corps.

A comprehensive financial monitoring visit was also conducted with DPPB with the objective of reviewing its financial management status, compliance requirements, implementation progress and providing coaching to DPPB staff working on PRIME. The visit report was prepared and shared with both partner (DPPB) and MC PRIME managements for corrective actions on recommendations stated on the report. During the fourth quarter MC also assessed the financial performance of PRIME partners from both PRIME Finance and Capacity Building Team perspectives, and produced summarized report from assessment results and presented to management. The report formed part of the decision-making tools used in determining Year 3 budget levels and implementation priorities for partners. On the basis of these performance and capacity analyses; two PRIME partners--ACPA and HAVOYOCO—received budget increases over previously planned for Year Three, and two partners—HU and ECDD—received recommendations to cut Year Three budgets. All other partners remained at the approximate level planned for Year 3.

CROSS-CUTTING THEMES

Gender Integration

Capacity building on gender mainstreaming

PRIME developed its gender integration strategy anchored on a twin-track approach (gender mainstreaming and women empowerment) in the first year of implementation. The strategy provides vivid illustration of steps to consider ensuring each activity under each IR is at minimum 'gender-aware' and at best 'gender-transformative'. At the beginning of the second year, a two-day training on the strategy was provided to 66 staffs (59 m/7F) in all clusters (about 60% of PRIME staff). Following the training, examples of a series of good practices under the title "what works for women" detailing lessons on pastoral areas gender work were selected and distributed to staff. As there has been an increase in staffing, there is a plan to conduct a second round of trainings at the beginning of Year 3. During the Y2 review meeting, PRIME sex disaggregated data per IR was presented with emphasis on understanding the activities the project is most or less inclusive and consciously track beyond number integration.

Specific thematic area gender briefers were developed and shared to create a common understanding on what it takes to mainstream gender. One example is a one-page brief on 'Gender and Competitive Grants in PRIME'. The guidelines showed why it was important to look at gender relations in the process of competitive grant – from announcement to agreement signing and post-agreement monitoring. PRIME has a mission to ensure that businesses supported by the project set higher priority to equitable growth by paying attention to working with or benefiting women. During Year 3 implementation, PRIME has a plan to support selected private business actors enhance their awareness on gender, support their analysis process of what gender means to their business and develop action plan to make their business more equitable. Milk and milk product actors will be high priority.

Inclusive NRM

PRIME has made a conscious decision to ensure that men's and women's voices were heard during the priority identification process on the resources around their community. The community dialogues were conducted with men and women separately and a joint forum was organized for common interface. The men and women groups later discussed on which issues to focus and develop a community action plans. Following this activity women are being admitted in the NRM traditional management structures in huge numbers in all clusters (505 women as of July 2014). These management structures are key in facilitating or hampering access to different segments of the community and as such improving their governance is essential. CARE has worked with community groups for a very long period of time and understands that being in the meeting is not equivalent with participation in key decisions. Hence, it has finalized its preparation to provide a 'Climate Smart Women Leadership Training and Mentoring Program'. The training will provide women participating in a predominantly male dominated system; solid technical skills on tabling their community's agenda and find solidarity with grass-root level women. The meeting will also serve as a forum to explore alternative structures that facilitate women to voice their concerns, preferences, and receive information on continuous basis. The training will begin in Afar in early Y3. In addition to this, PRIME's gender advisor is also actively working with the USAID funded LAND project to establish a 'Women and Land Rights' taskforce which will assist at providing policy suggestions during the consultation and land certification process in pastoral areas.

High-gender Return Intervention/Designs

While the debate on whether gender equality can be achieved through women's economic empowerment is still being scrutinized, there is a significantly large evidence to show that women with more economic resources access have a greater voice and negotiation power in her household. There is even more evidence showing that with more economic resources in their hand, women tend to do well to ensure that the greater portion of their resources goes to their family's nutrition. For PRIME women's economic empowerment is one of the tools for achieving gender equality and as such there are specific activities designed for predominantly women beneficiaries/actors. Some of these interventions are listed below (you can find the detailed report under each IR indicated by the side):

1. Village Saving and Lending Associations (VSLAs)
2. Micro-franchising business
3. Scholarships for trainings in urban areas

4. Milk centers capacity strengthening
5. Trade fare for women entrepreneurs
6. Access to financial services (Afar MFI establishment)

One example is the trade fair conducted in the Somali Regional State capital Jigjiga. The bazaar was organized with a goal to enhance visibility of women entrepreneurs and provide opportunity for cross-regional business linkages. PRIME supported Somali Women Traders Association financially and technically to host the 8th National Women Traders Trade Faie. Women entrepreneurs from 6 regions (Tigray, Amhara, SNNPR, Dire Dawa, Oromia & Somali) have participated. The event has received big media attention. First Lady W/ro Roman Tesfaye and W/ro Zenebu Tadesse (Minister of the Ministry of Women, Children and Youth Affairs) officially launched the event – more information can be found in the IR3 section of this report.



Gender and Nutrition

PRIME conducted in-house research to further explore the linkage between household decision-making and nutrition and how it is manifested in the daily lives of pastoral communities. The Gender Advisor led the FGD discussions in all clusters. Men and women FGD discussions were conducted with a total of 102 (77W/35M) people. The major findings of the study were categorized by the following five themes:

Theme 1: Child Nutrition perception and practice. Although the knowledge on supplementary feeding after 6 months is improving, for mothers in rural Afar particularly, the beginning of the supplementary feeding is not based on counting the age of the child but rather on the child's proactive move. This is to mean that a child is ready for supplementary feeding if she/he tries to grab food from the common plate. This is more likely to be so during the time when the child is starting to grow teeth and the child puts anything in the mouth to sooth the itching.

Theme 2: Self-care = 'selfish'. The majority of the female focus group participants felt that eating nutritious food or taking care of themselves is considered selfish or 'what women in urban areas do'. Pregnant and lactating mothers do not consume food based on

what their body needs for supporting healthy growth for their baby and maintain their own health.

Theme 3: **Housing spending priorities.** Men and women were asked to rank day to day spending as per their priority and as per their spouses. Interestingly, what came out of the exercise is that both sexes do not trust the other is capable of making good decisions. And the assumptions around their spouses' ability guide how much resource is availed. This is particularly true when the man is the breadwinner. Since the men thought their wives will spend the money on household 'beautification', they tend to give them small amount of money--just enough to cover basic needs. However the men also trust that their wives know how to make the small resources last longer.

Theme 4: **Negotiating the 'unknown'.** Open communication on household income and expenditure between couples is limited. It is often guided by assumptions and discussions are limited to the short term. Planning together is rare. Women do not know the amount of income the family has but they make their own assumptions. Husbands think that since the discussion on what is needed is on daily basis and they try to limit the amount their wives would like, that the negotiation often ends up with conflict.

Theme 5: **Working mothers - the challenge to do it all.** Most of the mothers in the focus group discussions at health centers – OTPs are working mothers. While they struggle to put food on the table, their infant children are often raised by their older daughters often as young as 7-15 years. The girls are also forced to drop out of school.

One of the interventions PRIME is planning is a social communication component developed in partnership with Warner Bros. As part of the radio serial drama, messages around the findings above are embedded in the dialogues/scripts.

Understanding transformative gender work in pastoral areas

As part of its overall mission of becoming a learning organization on women empowerment and gender, CARE is currently undertaking a regional research on compiling its lessons on what is working well to address the practical needs of girls and women (with in the infrastructure poor pastoral area) and what transformative potentials exist for gender (focusing on the relational component) with in drought prone pastoral areas. CARE recognizes that the distinction between practical needs and strategic needs of women and girls is not a clear and dry dichotomy. One contributes for the betterment or advancement of the other or vice-versa. PRIME will be one of the projects that will be reviewed. As the gender component lead for PRIME, CARE plans to share the findings and lessons with all consortium partners.

DISABILITY

PRIME partner ECDD focuses on the promotion of inclusive development for people with disabilities, mainstreaming disability issues in government and projects. During Year 2, ECDD was involved in the identification and participation of disabled job seekers in job fairs in Southern cluster and Afar. Disability inclusion was among the issues discussed in a panel discussion held at the job fairs, raising the general awareness of participants and potential employers on disability issues and opportunities for persons with disabilities. ECDD has also

provided Disability Awareness and Inclusion Training for personnel of transformative institutions; teachers and administrators of TVET institutions; and members of trade associations, chambers of commerce, community-based organizations, town clan associations, and disabled people organizations. At the end of each training, participants drew commitment plans to make services more inclusive:

- Transformative institutions (eg. banks, MFIs) planned to conduct awareness creation workshops on disability inclusive financial services, restructuring of premises and facilities to make them accessible, arrange special service window for customers with disabilities, and promote door-to-door saving service to persons with disabilities, and publicize success stories of clients with disabilities in MFI publications.
- TVETs staff planned to organize disability inclusion day; provide guidance and counseling service to students with disabilities, apply affirmative action in employment to provide job opportunities to persons with disabilities; posting disability awareness IEC materials in their premises; make college premises accessible including modification of water facilities, and installation of JAWS software for visually impaired students.
- Associations/community organizations planned to raise disability issues in their meetings and public gatherings, conduct trainings on business development to encourage persons with disabilities, improve office set up to make accessible for persons with disabilities, and promote inclusive employment.

Moreover, ECDD is working on identification of persons with disabilities through case findings and school linkages to identify possible interventions with them, especially for entrepreneurship and training. ECDD participates of the selection of persons with disabilities in micro-franchising and TOP scholarship opportunities financed by PRIME’s IR3. More details are in the IR3 section of this report.

CHALLENGES AND LESSONS LEARNED

Challenges

- Emergency situations in all three clusters of PRIME: Due to poor rainfall during the primary rainy season in all three regions, PRIME had to intervene with emergency response which has constrained some activities and performance during the fourth quarter of the year.
- Adoption of the market system facilitation approach continued to be a challenge during year 2. Past development interventions in the PRIME target areas often relied on modifying humanitarian interventions of direct service and/or production inputs provision on both individual household and institutional level. Hence the expectations of majority of public and private development stakeholders are shifted towards receiving direct financial support and services as opposed to support for creation functional market linkages lead by the market actors themselves. This dependency perpetuation attitude is widespread and often attributed to “culture” created.

PRIME is aware that the transformational attitude and focus on supporting and facilitating sustainable market linkages for pro-poor market development and increased resilience, needs time to be adopted by communities, local authorities and the internal and external

development players. After starting implementation of several major development activities during Year 2 of PRIME, it seems that the understanding and appreciation of the facilitative approaches is increasing. The activities such as: competitive business expansion cost share grants, the support for the development of the NLMIS, facilitation support of the regional and local trade fairs have all placed the implementation responsibilities within the supported institutions and PRIME as a development agent have remained in a supporting role, providing the needed TA, facilitation services and in the case of the business expansion grants, provided support for covering some fixed and one off costs for the expansions.

- Another challenge that PRIME encounters is the established common practice of development and humanitarian agents to routinely hire or financially compensate local government employees in technical and decision making position for their involvement in implementation of the activities. The tendency of development agents to focus on actions that clearly mostly benefit the improvement of the capacity of local public institutions and sometimes and income of the public employees is an obvious one. This problem is challenging since in many instances pressure is exerted to continue such practices and collaboration by local public agencies is declined in the contrary. While PRIME has a clear mandate to support the improvement of local public agencies capacity to provide necessary services and business environment propulsive for pro poor market development, the efficiency of PRIME support would be much better if the collaboration with the local government is based on genuine partnership in which both sides bring human, technical and financial resources to the table. ACPA in particular noted progress on this issue in that over the course of the year some of the more dedicated beneficiaries stopped requesting per diem when they realized the value of the trainings being provided.
- Erratic, unexpected rainfall patterns across Eastern and Southern Clusters have delayed water point rehabilitation. Some amounts of water were found in the water points that were planned under rehabilitation, which prevented the reinforcement and expansion efforts. A number of critical water point rehabilitation activities including the Harobake pond were delayed and postponed.
- Dependence on centrally aggregated forecasts from the National Meteorological Agency for Participatory Scenario Planning meant that communities did not have strong scientific forecast information to inform the process. PRIME is still using the methodology to support communities to think through uncertainties and possibilities for the upcoming seasons, considering the performance of the previous season.
- Continuous and ongoing government meetings and conflict particularly in Southern Cluster have caused unnecessary delays in the implementation of planned dialogues and community Livelihood Adaptation and NRM action plans.
- The key challenge IR3 is facing is caused by the approval delays from the National Bank of Ethiopia for the mobile banking project. Although approval had been given at the time of project signing in November 2013, shortly thereafter approval was rescinded for all projects of that nature, nation-wide. This was due to some members of the NBE holding the opinion that this type of project allowed foreigners to become involved in financial services, which is

not allowed under Ethiopian Law. While the NBE Board debated the issue, no mobile banking projects moved forward. Eventually the Board came up with a compromise solution – technology platform providers are required to sell their technology to the partnering financial institution within 5 years. We began moving forward our mobile banking project again, but we await a final letter from NBE regarding approval of data storage to fully begin the pilot. Training and other allowable activities have started, but no product testing or rollout can be done without this final letter. However this delay has directly affected PRIME’s job creation indicator, and the financial services indicator, as these are both major outputs of the SMFI-BelCash agreement.

- The process of signing the Nutrition MoU with regional Health Bureau in Somali region meant that there were severe delays in planned activities in the East Cluster. Although it appeared to be signed in May, two days after signature, the approval was rescinded. Final approval was given at the end of August. Now that the regional Health Bureau and Mercy Corps have agreed to resume the activities, PRIME plans a more aggressive implementation of activities in the east cluster.
- In December 2013, USAID and PRIME held a review of the FtF indicators set at the outset of the project. The indicators required were revised, disaggregations clarified, and PPR indicators added. One of the outcomes of that meeting was that PRIME would be allowed to change the targets in the FTFMS when it opened in May/June. However, the system was not re-opened, and PRIME spent much of the year working against a different set of targets. By the time the system reopens in Nov 2014, it will be too late to change Year 2 targets. This makes it look as though PRIME did not appropriately target for Year 2.
- Because the information system Ki-Projects became fully functional only in Year 2, PRIME had a large backlog of activity reporting that need to be inputs into the system. This has made data-gathering challenging, as data it has resulted in gathering data from multiple information sources, and at times requiring results to be adjusted. This should be solved in Year 3.
- When using facilitation approaches, the project must move at the pace of the business or organization that is implanting the activity, not PRIME’s pace. This can be extremely frustrating when trying to meet donor deadlines for information or results.
- The innovative nature of PRIME activities has stretched both Mercy Corps and PRIME’s understanding of existing contracting tools, and the compliance issues related to them. Although everyone worked hard to come to workable solutions, it should be noted that the agreements for JESH (Yr 1) and RENEW (Yr 2) in particular had significant learning curves for all involved, and because of their successful outcome should perhaps be shared in the wider USAID and NGO community.

Lessons learned

- As USAID development activity PRIME has several basic interventions type of actions to its disposal. Those are: trainings (including experience sharing study tours), publishing educational materials and awareness building campaigns, conducting research, provision of technical assistance, facilitation of workshops and granting financial support to actions and

activities implemented by partners and beneficiaries. When developing and implementing the various types of activities PRIME is learning that some of them are very complex from an implementation stand point and cannot be implemented in the timeframe anticipated. This is due to the low capacity of the target beneficiary base to participate in both implementation and administering the interventions and lack of registered agribusiness enterprises (input suppliers, feedlots, livestock trading enterprises, milk processors, milk consolidators, veterinarian services providers etc.) that are the primary target as recipients for that type of activities. This is especially valid for the competitive cost-shared grants for business expansion, which are inevitably linked to the benefiting groups to administer the support according USAID and Ethiopian regulations (financial, managerial and environmental). PRIME will step up its assistance to the key beneficiary groups to improve their capacity to participate in this type of activities.

- Lack of technical expertise is also evident in some of the target areas. Identification of appropriate local vendors for training and technical assistance services needed for implementation is a challenge that PRIME will address by sourcing such expertise in other regions of Ethiopia.
- Participatory Scenario Planning can benefit from integration with the government Early Warning systems under the DPPB and DPFSCO structure and systems. PRIME has identified DPPB as the appropriate structure under which to institutionalize Participatory Scenario Planning, while strengthening the government early warning systems to be more inclusive of community structures. PRIME has learned that government early warning committees can be much more effective if they benefit from linkages with key stakeholders in the community that have "live" access to critical information. This includes Rangeland Council members with knowledge of pasture, water and mobility, Health Extension Workers with knowledge of disease outbreak, and community animal health workers with knowledge of animal disease are among some of the key stakeholder groups who require representation in the structure. PRIME is moving forward with strengthening this in the upcoming year.
- Indigenous weather forecasting and disaster monitoring systems can provide useful hints on how economic and socio-cultural activities in pastoral areas are organized in space and time.
- Scientific and community-based validation of seasonal climate forecasts and warnings are critical to ensure that the data being generated and disseminated to communities and businesses is reliable and useful.
- The need to engage regional DPPFSOs as co-organizers and co-owners of Participatory Scenario Planning processes will ensure effective monitoring of early warning indicators as well as sustainable transition of the process into the hands of the local government.
- For effective tracking and monitoring of early warning indicators, PRIME needs to strengthen and revitalize local community-based early warning committees by encouraging inclusion of rangeland councils and traditional weather forecasters in committees.

- Gada leaders, the most senior leadership of the Borena, were deemed to be critical for engagement in aspects of the rangeland management planning process, particularly around negotiating internal interests among diverse land users within the rangeland unit, and negotiating community land rights with government. As the Gada are the most respected and powerful leaders of the Borena and Guji, and are also important negotiators, inclusion of this institution alongside the rangeland council, or *dhedas*, was successful in gaining government support for the rangeland system approach to land use and management at a zone level.

V. FINANCIAL SUMMARY

PRIME EXPEDITURE SUMMARY REPORT AS OF SEPTEMBER 30, 2014

Per IR	AMOUNT (USD)
IR 1	\$4,312,087.00
IR 2	\$3,648,740.00
IR 3	\$1,972,903.00
IR 4	\$2,871,221.00
IR 5	\$1,067,528.00
Crisis Modifier*	\$1,869.00
GRAND TOTAL	\$13,874,348.00

Per Funding Stream	
GCC	\$4,375,582.00
FtF	\$8,034,667.00
Nutrition	\$1,462,230.00
Crisis Modifier	\$1,869.00
GRAND TOTAL	\$13,874,348.00

* Please note that \$240,940 of CM funds were utilized for Round 1 of the Borena fodder distribution, but the payment for these activities was not made until Oct 2014, and therefore will be reported in the next quarterly report.

List of Annexes for PRIME's Annual Report

Annex 1 – IR1

- 1A. Summary information on the livestock markets assessed in Fafan, Siti, Jarar and Babile Oromia Zones
- 1B. Summary of Improvement needs of the assessed livestock markets in ESRS
- 1C. Summary of Current Physical Status of Afar Zone 3 Livestock Markets
- 1D. Summary of the Competitive Cost Sharing Business Expansion Fixed Obligation Grants for PVP Expansion
- 1E. A brief operational guideline on market-based emergency drought response in PRIME Project areas
- 1F. Draft process maps for emergency crisis modifier
- 1G. Environmental Assessment Report for JESH
- 1H. Environmental Assessment Report for Barwako

Annex 2 – IR2

- 2A. GCC Presentation to USAID
- 2B. TOR for Zonal OPAC
- 2C. Draft TOR for Regional OPAC
- 2D. OPAC Meeting minutes
- 2E. Haro Boke rapid assessment report

Annex 3 – IR3

- 3A. Labor Market Assessment report
- 3B. Eligibility criteria for Agri-inputs distributors
- 3C. Solar and agri-input screening and evaluation score sheets
- 3D. Fixed obligation applicant profile
- 3E. Borena Trade Fair summary
- 3F. TVET Profile report

Annex 4 – IR4

- 4A. Leasing policy analysis
- 4B. IFB policy analysis
- 4C. HU Milk quality analysis
- 4D. HU Policy gap analysis
- 4E. Spot check methodology and results
- 4F. Kimetrica's baseline presentation
- 4G. Annual survey tool
- 4H. SenseMaker Nutrition and Soap opera frameworks
- 4I. Baseline Financial Services in Somali region

Annex 5 – IR5

- 5A. Fodder Barrier Analysis
- 5B. Consumption survey
- 5C. Warner Bros. quarterly report

Annex 6 – Success stories

Annex 7 – Match report

Annex 8 – USAID Forward results