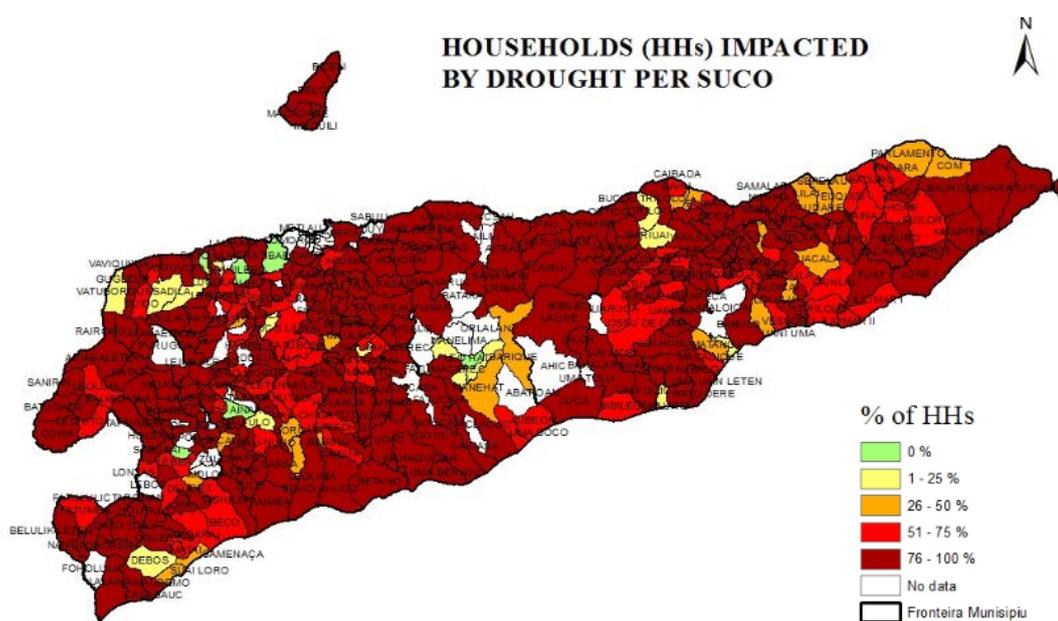




USAID
FROM THE AMERICAN PEOPLE

Effective Seed Storage in Timor-Leste (ESS)
Funded by USAID, Office for Foreign Disaster Assistance - OFDA

Quarterly Report
January 1 – March 31, 2015



Map of villages impacted by El Nino as per rapid assessment conducted by the Ministry of Agriculture and Fisheries (MAP). Mercy Corps and CRS ESS team provided technical assistance to MAP on the assessment together with FAO and CVTL, during the reporting period.

Country Contact	Headquarter Contact	Project Summary	
<p>Joanna Walshe Country Director</p> <p>Address: Rua Dr. Barros Gomes, Bidau Lecidere, Dili, Timor Leste. Ph. +670 3312726 Mob. +670 739 9045 Email. jwalshe@tl.mercycorps.org</p>	<p>Jared Rowell Senior Program Officer</p> <p>Address: 45 SW Ankeny, Portland, Oregon, USA Ph. +1(503) 896-5000 Fax. +1(503) 896-5011 Email. jrowell@mercy.org</p>	<p>Award No. AID-OFDA-G-11-00174</p> <p>Start Date 11 August 2011</p> <p>End Date 11 February 2017</p> <p>Report Date 30 April 2016</p> <p>Obligated \$4,522,499</p> <p>Amount</p>	

Program Summary

Since August 2011, Mercy Corps and partners through the USAID/OFDA funded Effective Seed Storage (ESS) in Timor-Leste program have successfully developed a market system for a metal-based seed storage system that is customized and locally manufactured. The program is designed as an intervention that addresses seed system insecurity, and ultimately food insecurity, in Timor Leste. The program is an effort to mitigate post-harvest storage losses of farm-saved seeds and also helps maintain better quality seeds to reduce underlying risk factors of availability, accessibility and utilization of productive seeds. This is in line with priority action four of the Hyogo Framework for Action. Since the program's first inception phase, there has been successful replication in 10 out of 13 districts in the country through an initial expansion in February 2013. In February 2014, the program incorporated a member-based financial institution model called Savings and Internal Lending Communities (SILC) to expand access to credit and promote a culture of savings among poor farming households (HH).

While the seed storage system proved to effectively improve food self-sufficiency, SILC membership provides savings-led financial services to communities that have little or no access to formal financial services and contributes to strengthening resilience among vulnerable families. In April 2015, Mercy Corps, its partner Catholic Relief Services (CRS), and five local NGOs worked to leverage the success of the program by expanding the improved storage system and SILC activities to further 'off-grid' communities and started promoting keyhole gardening as a diversified production system, with a special focus on vegetable production. The expansion of SILC and seed storage activities are targeting underserved communities within the existing target and neighboring districts/sub-districts. The inclusion of keyhole garden systems will not only further increase food self-sufficiency, but also serves as a nutrition sensitive agriculture component of ESS.

Performance Summary

Sector 1: Agriculture and Food Security		Objective: Increased food self-sufficiency through access to post-harvest storage system and promoting keyhole garden production system		
Beneficiaries Targeted	300,000 (IDPs: 0)	Overall budget (for all sectors): US\$4,522,499		
Beneficiaries Reached	280,433 (IDPs: 0)	Amount Spent (for all sectors): US\$3,209,431		
Geographic Area (s)	At least 10 out of 13 districts of Timor-Leste			
Sub-Sector 1: Seed System Security				
Sub-Sector 2: Improving Agricultural Production/Food Security				
OFDA Indicator	Baseline	Target	Progress	Last update
Projected increase in number of months of food self-sufficiency due to seed systems activities/agricultural input for beneficiary households	2.5 month ¹	>0	To be reported at the end of program ²	June 2015
Number of people benefiting from seed systems/agricultural input activities, by sex	0	300,000	280,433 ³ (47% female)	April 2016
Additional Indicators (adjusted according to Phase III proposal)				

¹ Recalculated from the baseline data during the Phase II Final Evaluation, especially to make adjustments from number of food security months into food self-sufficiency months.

² The Final Evaluation of Phase II reported that the surveyed respondents experienced an increase in number of months of food self-sufficiency by 2.1 months (84% increases from the baseline). The data for the Phase III beneficiaries will be collected during the survey at the end of program.

³ Calculated from total household accessed the storage system and/or accessed to promoted good practices (BCC) multiplied by average number of household members, during previous phases (5.7).

% of farmers reported increase of knowledge and practice in seed selection, drying and storage	0	80%	To be reported at the end of program ⁴	June 2015
Number of farmers with access to improved seed storage system	0	52,200	48,824	April 2016
Increase of Household Dietary Diversity Score (HDDS)	7 ⁵	9 ⁶	To be reported at the end of program	October 2015
Number of households with properly used keyhole garden	0	690	443	April 2016
Number of households replicating keyhole garden	0	690	0	June 2015

Sector 2: Economic Recovery and Market Systems		Objective: Increased resilience through access to credit and promoting culture of savings		
Beneficiaries Targeted	4,840 ⁷ (no IDPs)			
Beneficiaries Reached	2,856			
Geographic Area (s)	Ainaro, Manufahi, and Baucau			
Sub-Sector: Microfinance				
<i>OFDA Indicator</i>	<i>Baseline</i>	<i>Target</i>	<i>Progress (to date)</i>	<i>Last update</i>
Number of people, by sex, or MSEs newly receiving financial services due to USAID/OFDA support	0	4,840 (including also 1,000 of previous target)	2,856 members – 52% female	April 2016
Percentage of financial service accounts/groups supported by USAID/OFDA that are functioning properly	0	100%	100% of reported SILC groups	April 2016
Total USD amount channeled into the program area through sub-sector activities	0	0	0	April 2016
Additional Indicators				
% of participating households that have sold assets in the last 6 months to purchase foods or other basic needs	31%	Reduced by 50% from the baseline	To be reported at the end of program	June 2015
% of participating household saving every month	2%	100%	100% of reported 2,856 SILC members	April 2016
Increased average amount of household income	\$114.61	Increased by 30% from the baseline	To be reported at the end of program	June 2015

Sector Summary (Activities)

This quarterly report covers the ESS implementation period from January 1 through March 31, 2016. During the reporting period, the program continued implementing activities related to improved seed storage systems, keyhole garden promotion and providing capacity building to Savings and Internal Lending Community (SILC) groups. In addition, the ESS team assisted the Ministry of Agriculture and Fisheries (MAF) in conducting a drought impact assessment to assess the impact of El Niño on the food security situation across 402 sucos (villages) in Timor-Leste. Finally, as of this quarter, the supported blacksmiths are now using the completed e-vouchers.

⁴ On average 74% of farmers were reported adopting improved techniques by the Final Evaluation of Phase II. For the farmers supported during the Phase III, the progress will be included in the Final Evaluation at the end of program.

⁵ Baseline HDDS is average of all survey respondents.

⁶ Target based on upper percentage of all respondents' HDDS.

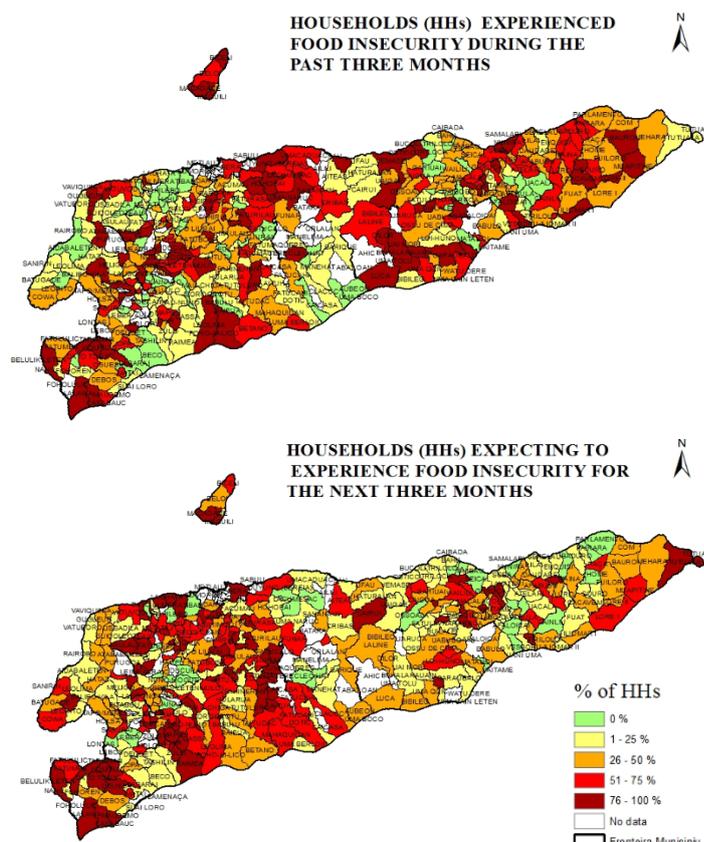
⁷ The majority of these will likely overlap Sector 1 beneficiaries

A. Drought Impact Assessment with the Ministry of Agriculture and Fisheries

As reported in the previous quarterly report, Timor-Leste is experiencing El Niño which has resulted in a prolonged drought. This year, El Niño is reported to be on par with the 1997-98 El Niño, one of the worst on record. In November 2015, the ESS team, MAF and Telemor (a telecom provider) collaborated to send a key message regarding El Niño via SMS to 339,182 recipients across the country. Since then, the team, in partnership with the UN-FAO, provided assistance to MAF to assess the impact of the drought on rural communities across the country.

The Rapid Drought Impact Assessment was conducted across 12 out of 13 districts utilizing government extension officers as enumerators. The assessment found the following devastating findings:

- Impact on Population: 72.9% (estimated 121,958 households) are impacted by the drought; 40.6% (estimated 62,717 households) experienced food insecurity during the last three months (December 2015 – February/March 2016) and 45.9% (estimated 68,183 households) expect to experience food insecurity in the next three months (March/April – June 2016).
- Impact on Animals: 21% (estimated 25,611 households) of the drought-affected households reported sick animals and 48% (estimated 60,430 households) of the drought-affected households reported animal deaths.
- Impact on Maize, Rice and Vegetable Production: 51% of households reported maize not growing well and 10% of the households reported that their maize crop failed. 43% of households reported rice not growing well and 6% of households reported that their rice crop failed. 49% of the households reported vegetables not growing well and 4.5% of the households reported that their vegetable crops failed. 9% (estimated 11,000 households) of the drought affected households expressed the need to plant more maize, rice, and vegetables over the next months, but they lack seeds.



Based on these findings, the following are recommended actions by relevant government agencies:

SHORT TERM ACTIONS	MEDIUM TO LONG TERM ACTIONS
<ul style="list-style-type: none"> • Maintain inter-ministerial coordination to monitor impact of the El Niño and a potential La Niña. • Immediate food basket (nutritious food) distribution targeted to HHs already experiencing food insecurity during the past 3 months (Dec – Feb) and those who will be food insecure during 	<ul style="list-style-type: none"> • Expand the promotion of climate smart agriculture and appropriate water conservation systems, for example: <ul style="list-style-type: none"> - Conservation agriculture - Rainwater harvesting - Keyhole gardening - Perma garden/permaculture

<p>the next three months.</p> <ul style="list-style-type: none"> • Timely delivery of the social safety net payments (i.e. elderly, veterans, and people with disability). • Ensure that school feeding is operational (timely release of funds) to all schools in the country. • Intensive monitoring of all aldeias (communities) and sucos, especially the households that are already food insecure and report immediately to relevant ministries. • Ensure the continuity and timely delivery of the animal vaccination program and disease control through Suco Livestock Agents. • Establish water reservoir to collect rainwater or dig wells in the drought affected areas. • Expand and intensify planting in areas with second season and areas with available water (i.e. utilize the existing irrigation system that has water). • Continuous monitoring and publication of agrometeorological information (i.e. precipitation, winds) targeting farmers. • Consider seed distribution to farmers who do not have seeds or use vouchers to access seeds. 	<ul style="list-style-type: none"> • Identify and promote local drought tolerant maize seeds (i.e. <i>batar lais</i>, <i>batar ain naruk</i>); implement the seed system to secure seed availability through private sector; promote improved seed storage systems and good practices in seed management at farm-level. • Promote Nutrition Sensitive Agriculture through: <ul style="list-style-type: none"> - Diversified household food production - Social Behaviour Change Communication (SBCC) • Review food basket distribution system (i.e. cash transfer vs food basket). • Strengthen M&E system to regularly monitor food and nutrition insecurity. • Promote improved animal husbandry system and management. • Develop private sector to invest in input supply (i.e. food, vaccines, medicines, market) for livestock. • Review and promote water reservoir system to harvest rain water. • Strengthen agrometeorological data collection and utilization to inform farmers.
---	---

B. Improved Seed Storage (ISS) Activity

From January through March 2016, CRS continued work with local partners organizing community meetings, beneficiary registration and increasing community awareness for the ESS project for improving seeds storage, keyhole garden and SILC. Since Phase III of ESS program started last year, the project has reached communities in 49 least developed sucos across ten districts.

During this reporting period, 3,578 beneficiary households were selected, and 2,615 participated in the Behavior Change Communication (BCC) trainings and therefore received vouchers from the program to be redeemed at participating producers



A beneficiary showing her voucher (left) and a blacksmith scanning it (right).

or retailers. A total of 1,044 silos were redeemed with vouchers used by beneficiaries across the target communities. As of this reporting period, all blacksmith are using the electronic vouchers for silo distributions.

C. Savings and Internal Lending Communities (SILC) Activity

During this period, Mercy Corps and CRS recruited 32 new SILC field agents. Trainings were conducted separately; one was completed in Baucau and another in Same. A five-day training was carried out covering skills related to community mobilization, forming and managing SILC groups, and record keeping.



A new SILC field agent practicing on how to use SILC flipbook in Same

In addition, from January to March 2016, a total of 71 SILC groups were formed by Field Agents with 866 members. To date, the total accumulated savings across the 71 SILC groups is around \$41,034 with outstanding loans of \$23,640.



Samacao SILC group in Laisorulai Debaixo, Baucau

D. Keyhole Gardens (KHG) Activity

During this reporting period, both Mercy Corps and CRS teams facilitated Farmer Field School (FFS) training to target beneficiaries. Following the training, 314 keyhole gardens were established. This quarter saw the number of keyhole gardens increase sharply in comparison with the previous quarter. This is likely due to field staff gaining confidence and improving their skills to promote the farming system.

Anecdotally, as target communities experience El Nino induced drought, the team has found that the keyhole gardens are more drought resistant compared to regular home gardening. The following pictures show successful keyhole gardens in several communities despite the prolonged drought.



Com Village in Lautem is one of the most impacted areas during the El Nino. This family benefited from the keyhole gardens and are convinced that it is a climate-smart farming system. The family has now built four keyhole gardens on their rocky land.



Successful keyhole gardens in the village of Manya II in Lautem District near the coast. This area was also highly effected by El Nino, but villagers using this method are successfully growing vegetables.

Monitoring and Evaluation (M&E)

USAID Timor-Leste Visited Manufahi

During the reporting period, the Director of Economic Growth and Agriculture Officer from the USAID mission in Timor-Leste visited Manufahi to monitor the progress of ESS implementation in the field. The visit was part of a joint visit organized by different implementing organizations funded by USAID. During the visit to Mercy Corps ESS site, the USAID team met with one of the blacksmiths in Betano and shared and discussed the sustainability of the SILO production after the end of the program. They also visited one SILC group in Manufahi town, talked with the member of Cablaci group about the SILC system in their group, and discussed saving and loans activities.

OFDA Visited Lautem

In March, the ESS team hosted the OFDA Regional Advisor to visit to Lautem to get a better sense of how El Nino has impacted farmers in the country. The advisor also visited the ESS project areas most affected by El Nino. One of the areas that was most affected was Ilomar sub-district on the southern coast of the district where CRS set up a successful SILC group. This community has since started a number of keyhole gardens with the assistance of ESS. The advisor also visited several communities impacted by El Nino that were able to successfully plant and grow keyhole gardens during the El Nino period (some had harvested five times or more). It was observed during the visit that families grew items such as bok choy, carrots, mustard greens and spinach even with the severe drought and, in some cases, the keyhole garden was the only place they were able to grow that season.

From the Field

Beneficiary Story (1)

Joanna do Santos is a mother of four from Letefoho in Manufahi and has experienced a challenging life. She feels grateful, however, that someone introduced her to SILC. The group has helped her to not only to save extra income, but to also borrow money with a low interest rate. It was her previous bad experiences that encouraged her to participate in her SILC group. She explained that, "One day my son asked me to send him money to pay school fees in Dili. I had no idea on what to do, so I borrowed from my neighbor with the condition that I had to pay interest as much as the total amount that I borrowed." She explained that at that time, she had no choice but to agree to these conditions.



Joanna's family is like other rural community members in the country where their livelihoods mostly relying on income from their small-scale farm. "I sometimes have to work in my neighbor's gardens in order to get extra money to feed my family," says Joanna.

Joanna's SILC group is under the supervision of Manuel, a Field Agent. She mentioned that SILC helped her and her family survive. Though she was not convinced of it initially, she says, "I certainly gained more and more interest over time, and now I have been with the group for ten months." (Story and Photo by Acacio Barreto, SILC Master Trainer)

Beneficiary Story (2)

Mr. Estanislau da Silva is a keyhole garden promoter in Bibiello, Sub District of Viqueque Villa in Viqueque District. During the rainy seasons, he planted several types of crops including maize, cassava, sweet potato and

papaya. All crops grew well, but as his farming plot is approximately 3km away from home, he had to travel far to care for the crops and it took time to travel by foot.

“I heard about the keyhole garden opportunity from the village chief and attended the training. In the training, field staff from Kolega da Paz (KDP) encouraged me and explained to me the benefits of a keyhole garden.” One of key features of keyhole gardening that interested him so much was that the garden is established using locally available materials.

“I then started collecting the material and built a keyhole garden at home. I also received initial seeds from field staff. Whenever I sow seeds in my keyhole garden, they grow well,” Estanislau explained. He added that keyhole gardening is easy to maintain and as it is located nearby the house, his wife can easily collect the vegetables when needed. “My wife doesn’t need to spend a lot of time and travel far when the family needs fresh vegetables,” he said.



He further explained the benefits of the system, “Normally we throw away gray water, but now we use it for the keyhole garden and there are fewer pests because the plants are far from the ground.” Estanislau mentioned that his family consumed most of the vegetables, but he was able to make \$10 in extra income from the first harvest. He has now two keyhole gardens in his backyard.

Beneficiary Story (3)

Brigida Lobato da Silva is a 52 year-old woman from Laisorulai Debaixo, Baucau District. She is a member of a SILC group called Rai Fini Samacao, which started in November 2015. She recently took a \$50 dollar loan to be paid back within three months to support her micro business activity, selling vegetables and fruits at local market.



She believes that “being involved in a group is very helpful to me regarding how to understand and be able to save money together in group because I had no experience and information previous to this. The savings benefit the community and are considered the best way to start to save and get loans within groups. It is better to apply for a very low interest rate and the impressive thing is, members are involved in the discussion and decide everything, including the interest rate. Within three months, the loaned money is mostly used to run small businesses by the group such as for buying and selling betel nut, onion, mango, and so forth. The money is also used for children to go to school and in response to other the family needs.”

She continues, “This program is the very first saving activity in our community and is an easy way to pool money together and allow the group to be responsible for their own money. Another very beneficial thing for the community is that, since emergencies come up frequently, there is now an easy way to access a loan or social fund. We also increase our knowledge as a group and pool money effectively together. It allows for vulnerable people to save one or two dollars a week and so it is considered easy and affordable in terms of accessibilities for any urgent needs.”