

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

**Quarterly Report
April to June 2014**



Photo: Training of Trainers (ToT) workshop for Savings and Internal Lending Community (SILC)

Country Contact	Headquarters Contact	Program Summary
Joanna Walshe Country Director Address: Rua Dr. Barros Gomes, Bidau Lecidere, Dili, Timor Leste Ph. +670 3312726 Mob. +670 739 9045 Email. jwalshe@tl.mercycorps.org	Gabrielle Fox Program Officer Address: 45 SW Ankeny, Portland, Oregon, USA Ph. +1(503) 896-5000 Fax. +1(503) 896-5011 Email. gfox@mercycorps.org	Award No. AID-OFDA-G-11-00174 Start Date 11 August 2011 End Date 11 February 2015 Report Date 31 July 2014 OFDA obligated amount US\$ 2,522,499

Program Summary

The majority of farmers in the target districts of rural Timor-Leste rely on subsistence agriculture for their livelihoods. Unfortunately, poor seed quality and the lack of appropriate on-farm storage for the majority of farmers in this area results in a high percentage of post-harvest seed loss. These factors, combined with other challenges, such as climate change, low soil fertility, poor access to water, low levels of livelihood diversification, and the dominance of **traditional practices including 'slash and burn' (shifting) agriculture** put seed system security at risk over time. To address these problems, since 2011 Mercy Corps has been implementing the USAID/OFDA funded Effective Seed Storage (ESS) in Timor-Leste program. The program is designed to be sustainable through an innovative market-based approach to increase access to improved storage systems linked with capacity building of farmers and extension workers, and supporting activities to connect farmers with viable input and output markets.

The ESS program successfully introduced effective post-harvest seed storage solutions to 3,120 rural farmers in four sub-districts. Based on the success of the program and the continued need for seed system security throughout the country, Mercy Corps, in partnership with Catholic Relief Services (CRS), carried out a nation-wide expansion of the ESS program. The expansion targets neighboring districts/sub-districts of initial target areas that can be easily scaled up through the currently supported manufacturers. This report provides a summary of activities implemented during the period of April to June 2014.

Performance Summary

Sector: Agriculture and Food Security		Objective: Sustainable post-harvest protection of seeds and grain stocks improve crop production and livelihoods in rural Timor-Leste		
Beneficiaries Targeted	Original: 27,503 IDPs: 0	Expansion: 240,000 (no IDPs)	Budget: US\$ 2,522,499	
Beneficiaries Reached	Original: 34,993 ¹ IDPs: 0	Expansion: 125,309 ²	Amount Spent: US\$ 1,203,144.84	
Geographic Area (s)	At least 10 out of 13 districts of Timor-Leste			
Sub-Sector: Seed System Security				
OFDA Indicator	Baseline	Target	Progress (To Date)	End of reporting period
Projected increase in number of months of food self-sufficiency due to seed systems activities/ agricultural inputs for beneficiary households	46.6% of HHs are food insecure with 2 months of average food shortage	30% reduction in food insecure HHs and 30% reduction in average food shortage	End-line	July 2013 ³
Number of people benefiting from seed systems/agricultural inputs activities, by sex	0	240,000	125,309 ⁴ (33% female)	June 2014
Additional Indicators ⁵				
Percentage of beneficiaries	93% for improved variety ⁶	80% reduction from	End-line	July 2013

¹ Calculated from number of households (HHs) buying the seed storage system plus additional farmers/HHs trained in post-harvest training times average number of HH members in the target areas ((3,378 HH + 2,266 HH) * 6.2 Individual/HH) = 34,993 individuals)

² See footnote 4

³ This means that there is no update progress for this indicator since July 2013 (where the baseline report was available). The progress will be available during the end-line at the end of the program

⁴ The total number of beneficiaries reached from the pilot (41,429 individuals) plus total number individual benefited from the expansion to date (calculated from total household accessed the storage system and/or trained on BCC multiplied by average number of household members = 13,529 x 6.2 = 83,880)

⁵ Indicators have been adjusted based on the expansion proposal

reporting decreased post-harvest losses for seeds	growers report losses and 95% report losses of other varieties during storage	the baseline		
Increase in availability of quality seed during planting season	39% of improved variety seeds are lost during storage and 45% of other varieties	80% reduction from the baseline	End-line	July 2013
Number of farmers with access to BCC materials/training	0	40,000	20,211 ⁷ (39% female)	June 2014
Percentage of farmers adopting improved technique(s)	0	80%	End-line	July 2013
Number of farmers with access to improved seed storage system, by sex	0	40,000 (silos and/or GrainPro bags)	15,597 (silos) ⁸ and 5,873 (GrainPro bags) (43% female)	June 2014

Sector: Economic Recovery and Market Systems	Objective: Increased resilience to external shocks through enhanced financial capacity among target communities			
Beneficiaries Targeted	<u>Number of People Targeted:</u> 1,000 (<i>note the majority of these will likely overlap with existing program beneficiaries</i>) <u>Number of IDPs Targeted:</u> N/A			
Beneficiaries Reached	0			
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>End of reporting period</i>
Number of people, by sex, or MSEs newly receiving financial services due to USAID/OFDA support	0	1,000	0	June 2014
Percentage of financial service accounts/groups supported by USAID/OFDA that are functioning properly	0	TBD	0	June 2014
Total USD amount channeled into the program area through sub-sector activities	0	0	0	June 2014

Sector Summary

This quarterly report covers the project implementation from April through June 2014. During this reporting period, OFDA granted the ESS Modification No. 3 to include Savings and Internal Lending Community (SILC) activities into the program with a set of existing program beneficiaries to expand access to credit and promote a culture of savings among poor farming households. SILC membership provides savings-led financial services to communities that have

⁶ This refers to Sele, the introduced maize variety by the government Seeds of Life program

⁷ Calculated from number of households (HHs) trained up to previous reporting period (15,362 farmers) plus trained farmers during this reporting period (4,849 farmers)

⁸ The total number of 7,145 as reported previously plus additional of 4,152 households from this reporting period

little or no access to formal financial services, or where access to formal financial services is limited due to high transaction costs and other entry barriers. In addition to the benefit of increasing financial assets through loans, savings and profit generation, SILC provides training to group members in new skills such as bookkeeping, savings and lending policies, accountability, and good governance.

A. Seed Storage Systems

Additional 4,849 farmers were trained on effective seed storage systems. Despite the persistent challenges of working with local NGOs, in particular low organizational capacity and high staff turnover, both Mercy Corps and CRS continued to work with local partner organizations to increase community mobilization and provide Behavior Change and Communication (BCC) training to the target beneficiaries in target sucos⁹ within all target districts. To increase the capacity of local NGO partners, both CRS and Mercy Corps conducted trainings with their field staff. Between April and June 2014, CRS conducted a series of BCC Training of Trainers (ToTs) in Los Palos, Viqueque, and Baucau with Together in Development, Kolegas da Paz, and Caritas Baucau. Separately, Mercy Corps conducted similar ToTs with Ida Mos Maunfahe and Organizaçao Haburas Moris in Dili. Post training, Mercy Corps and CRS staff supervised several BCC trainings conducted by the local NGO staff to the target farmers, ensuring high quality training delivery.

To date, the project has reached a total of 127 sucos across the country. The BCC training workshops were held in the communities by local partner staff, often accompanied by CRS staff and/or a Ministry of Agriculture and Forestry (MAF) Suco Extension Officer. During this period, 4,849 farmers (2,944 male and 1,905 females) participated in BCC training, bringing the total to 20,211 farmers (39% females) trained.

Additional 4,300 farmers accessed seed storage silos; 2,048 also purchased GrainPro bags. In this quarter, a total of 3,945 silos were sold with vouchers (2,231 male and 1,714 female), and another 355 silos were purchased without vouchers. In addition, a total of 2,048 farmers (1,122 males and 926 females) also purchased GrainPro bags. In order to further decrease seed loss and also to promote the use of GrainPro bags, Mercy Corps and CRS have required that the GrainPro bags be purchased in combination with the 75kg silo (with large opening)¹⁰ ensuring a hermetic storage system.

Product diversification and linkage to kiosks were facilitated.

As reported in the previous quarterly report, the ESS team has started to focus on market promotion in order to reach a broader range of local markets. It was discovered that the market event, intended to encourage farmers to buy the silos directly from the blacksmiths, was ineffective and did not really develop the market system. For instance, the blacksmith production center was located too far from most of local markets, and blacksmith only sold silos in the market during the supported market event. Based on internal discussions between the ESS team, it was agreed that the program would benefit more from developing linkages between blacksmiths and retailers/kiosks, while promotional activities will be developed and delivered with kiosks as the point of sale. During this reporting period, market events were conducted to promote



⁹ Suco is local word for village

¹⁰ During the BCC training, the ESS team explains the importance of storing seeds in an airtight container, especially when using the large opening silo – by combining with internal airtight container (i.e. GrainPro bags, jerry can or used bottle with tight cap. The other silos purchased use an airtight PVC cap, thus do **not require additional 'internal' airtight container.** Mercy Corps and CRS are also assisting blacksmiths to design a new storage system for storing different seeds (i.e. different varieties of legume bean or maize) utilizing several used bottles as internal airtight containers with the silo as external storage unit.

storage systems that are sold through kiosks, not directly by the manufacturers. At the end of June 2014, a supported promotion through radio also started to air across the country. Currently 15 rural kiosks are participating in the sale of silos and GrainPro bags.

As also previously reported, it was realized that production and sale of diversified products is key for sustaining blacksmith business, and therefore the continued creation and production of different effective storage systems. Both Mercy Corps and CRS have encouraged and supported blacksmiths with different sample products they can produce. As a result some blacksmiths have started to produce and sell diverse products. These include systems for water storage and legume storage, watering cans, simple fish cooler boxes (with Styrofoam inside), etc.

B. Savings and Internal Lending Communities (SILC)

Amendments to Sub-award Agreement between Mercy Corps and CRS and between CRS and partners were finalized. After the Modification of Assistance Award No. 3 was granted by OFDA in mid-May 2014, Mercy Corps and CRS initiated an amendment to their agreement to include the modification's changes. As CRS was also working through one of their local partners to implement the SILC component, an amendment to their agreement was also established to incorporate the additional scope. The amendments were finalized and signed in June 2014. The team met several times to discuss SILC implementation, in particular to address dealing with the short project timeframe.

SILC target areas were selected. SILC target communities were selected based on the least developed sucos¹¹ in target districts of Baucau, Ainaro and Manufahi. These districts are existing sites of the ESS program. When selecting these sucos, the population density was also taken into account, ensuring that there will be enough scale for each SILC Field Agent to provide services. During this reporting period, SILC was promoted to stakeholders and community leaders in the districts, sub-districts and sucos. These socializations presented the SILC approach, and the program's plan to recruit Field Agents as SILC trainers was communicated. Informed by previous experiences in Timor-Leste and other countries, it was determined that members of savings and lending groups are often mostly women. Considering the local context, in which females trainers would be better suited to instruct other female participants, women were specifically targeted to be Field Agents. By openly communicating this, the recruitment of Field Agents was done in a transparent way that encouraged many female candidates to apply.

Field Agents were recruited and trained. The SILC ToT was carried out for a total of 26 individuals from Mercy Corps, CRS and Caritas Baucau, as well as Field Agent candidates. The ToT was facilitated by the new CRS Office Manager in Baucau who is also an experienced SILC master trainer. Initially, it was planned to invite a master trainer from CRS headquarters for this ToT, however, with this master trainer within the ESS team, the project can benefit from having an expert on staff. Additionally, based on previous experiences of CRS, the project design was slightly modified to recruit Field Agents as volunteers or trainers, not as project staff, as a way to develop their skills as Private Service Providers (PSPs) for SILC. During the duration of the project (up to February 2015), the program will provide performance-based remuneration to the Agents while building their capacity and outreach. It is expected that after the program, they can work as independent trainers and charge the supported groups for their services. Post training, Field Agent candidates were tested and, among them, five were selected by Mercy Corps and four by CRS based on the final exam scores as well as their attitudes and facilitation skills.

Monitoring and Evaluation

Mercy Corps and CRS conducted a Customer Feedback Survey in May 2014. The survey was taken among silo customers from four districts, with 150 farmers responding. Its purpose was to obtain feedback from the users of the purchased silos. The report will be ready to share during the next reporting period.

¹¹ Those sucos where living standards are the lowest have less access service and resources

During this reporting period, Mercy Corps updated the Standard Operating Procedure for vouchers and silos distribution, and associated forms were improved and incorporated feedback from Mercy Corps' internal auditor. The M&E officers also continue to conduct cross checks of the voucher and silo distribution lists to verify accuracy using beneficiary forms submitted by the local NGO partners.

Coordination

Government and partners' coordination meetings. During this quarter, CRS and Mercy Corps participated in the quarterly harmonization meeting to help improve the coordination and communication between the government and development partners. Harmonization meetings are part of the quarterly activity progress updates held both at the district and national levels. Mercy Corps has also actively participated in the formulation of the Zero Hunger Challenge¹² action plan of the KONSSANTIL (Inter-Ministerial Council of Food Security and Nutrition of Timor-Leste) where ESS activities and targets are incorporated into the plan.

ESS partners coordination meetings. In April 2014, Mercy Corps and CRS conducted the quarterly coordination meeting to discuss several issues, including market events and marketing activities, development of the SILC implementation plan and a review of project targets and next steps. Post meeting, CRS and Mercy Corps held coordination meetings with their respective local NGO partners. The meetings were conducted to share progress of the program, identify obstacles as well recommendations for better implementation, and action planning.

Blacksmith quarterly meetings. In April 2014, Mercy Corps facilitated a blacksmith quarterly meeting in Dili with all supported blacksmiths from Mercy Corps' target districts. This quarterly meeting was used to share experiences in producing diversified seed storage design (i.e. storage for legume seeds) and coordination of bulk purchasing for materials (i.e. metal sheets, PVC caps, etc.) between blacksmiths. The blacksmiths coordination meeting for the Eastern Districts was held in June 2014 at the CRS Baucau office, to discuss successes and obstacles for further project improvement. At this meeting, the ESS project staff provided an update on how to maintain silo quality and increase production. The Mercy Corps Project Manager also provided a short refresher training on product pricing.

During both meetings, the ESS team communicated to all the blacksmiths that although coordination among them is encouraged, no specific geographic or administrative boundary has been determined for this project. All blacksmiths compete with one another in order to meet demands. For example, farmers with vouchers from Ainaro district can redeem their vouchers with a blacksmith either from Ainaro or from another district). This clarification was made to increase competition, both in terms quantity and quality, among them.

From the meeting in Baucau, it was also discovered that during the last reporting period, the availability of some essential materials, in particular PVC caps (used to create airtight storage systems), was limited in the markets. A follow up market assessment by Mercy Corps staff found that this happened with most of the imported products that were shipped through the port in Dili. Further investigation found that the port had prioritized processing materials needed for the CPLP¹³ countries summit meeting held in Dili in July 2014. Fortunately this situation was only temporary.

¹² Zero Hunger Challenge (ZHC) is an internationally acclaimed planning platform initiated by the UN Secretary General at the Rio+20 Conference on Sustainable Development in June 2012 in response to the global problem of hunger and malnutrition. The platform provides a guidance for governments and other stakeholders to address hunger and malnutrition through its Five Pillars (100% access to adequate food all year round; zero stunted children less than 2 years of age; all food systems are sustainable; 100% increase in smallholder productivity and income; and zero loss or waste food). Timor-Leste is one of the first countries in the region which utilizes the platform through KONSSANTIL to develop an action plan to fight hunger and malnutrition in the country. ESS activities and targets are well-suited into Pillar number one and five.

¹³ Group of Portuguese Speaking Countries

From the Field

Jose Lopes is 35 years old and lives with his wife and five children in O'omucano, Suco Suro. He has been growing maize as his main livelihood for many years.

He is one of the ESS direct beneficiaries and has attended the Behavior Change and Communication training on how to use the silo and conduct better post-harvest handling. According to Jose, the training was very useful as it is superior to the traditional methods he had been practicing. Jose stated that since before Timor-Leste's independence from Indonesia, he has been storing corn in oil drums without removing the seeds from the cobs. He had not practiced seed selection **and didn't store** seeds separately from grains [for food]. He said he used to select the planting seeds randomly and only do it when he was ready to start the planting season. Because of these poor practices, his seeds were affected by weevils which resulted in seed shortage. Many times, he and his family needed to seek alternative sources to obtain seeds, such as in the local market or from neighbors, which are often unreliable.



Jose had this to say about the ESS program: “The project and its techniques are very essential for farmers and my family, particularly in teaching us how to secure seeds for the future. The project helps us feel capable in ensuring seed availability every planting season”.

Jose is particularly empowered by the knowledge that seed selection should be done immediately after drying and not only before the planting season. He is also a strong advocate to other farmers to use large opening silo with GrainPro bags for seed storage because he has seen its benefits.