

United States Agency for International Development
Bureau for Democracy, Conflict and Humanitarian Assistance
Office of Food for Peace

Fiscal Year 2011: Title II Request for Applications
Supplementary Fiscal Year 2011 Title II Non-Emergency Programs Targeting Pastoral Areas in Ethiopia
New Country Specific Guidance
June 14, 2011

I. Background

In Ethiopia the United States Agency for International Development (USAID), through the Office of Food for Peace (FFP), plans to make funds available for non-emergency program activities. The purpose of the program is to assist in the implementation of the Government of Ethiopia's (GOE) Productive Safety Net Program (PSNP). In the Fiscal Year 2011 Request for Applications for Title II Non-Emergency Programs Targeting Pastoral Areas in Ethiopia (RFA) and this new standalone Country Specific Guidance, the focus is on Somali Region and the Borena zone of the Oromiya Region. The goals are to introduce the PSNP in some areas and to further the development of the PSNP in areas where it is already operating. The anticipated FFP funding for this program is approximately \$30 million annually for five years in up to two awards. This document supplements the Title II RFA dated June 14, 2011, with specific information on USAID/Ethiopia and FFP's programming priorities for this opportunity.

II. Food Security in Ethiopia

Chronic poverty and chronic food insecurity are widespread in Ethiopia. In recent years the GOE has issued emergency appeals to meet the consumption needs of all food insecure households and did not distinguish between food insecurity that was chronic and a reflection of general poverty versus that which was temporary and caused by specific shocks. In 2005, the GOE launched a Food Security Program (FSP), the largest component of which was the Productive Safety Net Program (PSNP). The PSNP was unique in that it distinguished between chronic and transitory food insecurity by targeting households that are chronically food insecure, e.g., regularly unable to produce or purchase enough food to meet their food needs, even during times of normal rain.

In the pastoral regions of the country, such as the Somali Region, the chronic nature of food insecurity is particularly severe. These areas are often the most vulnerable in the country. Multiple interrelated factors are contributing to food insecurity in pastoral, agro-pastoral, and riverine areas. Frequently occurring droughts are speeding up the degradation of household and community resilience as evidenced by continuous decline of rangeland, low livestock production and productivity, underdeveloped human and institutional capacities, and poor infrastructure limiting livelihood and other development opportunities. Frequent droughts, a symptom of increased climate variability, have reduced herd sizes and altered herd dynamics. Traditional livelihoods of pastoralists are under extreme pressure from cyclically occurring disasters, natural and manmade. In 2008, the PSNP was piloted in pastoral areas in order to learn how to put in place a more predictable and timely response mechanism that also would be capable of

addressing the chronic nature of the problem through community asset development. The government acknowledged the importance of the program and rolled out the PSNP to additional pastoral *woredas*¹ in 2010.

III. USAID/Ethiopia and FFP Programming Priorities

USAID/Ethiopia and FFP have supported the development and implementation of the PSNP, including the piloting of programmatic approaches in some pastoral areas. Awards made under this program cycle will focus on establishing the PSNP in *woredas* in Somali Region and the Borena zone of Oromiya Region identified by the GOE as being appropriate candidates for the PSNP. [Note: Applicants must provide evidence that the *woredas* included in their applications have been identified by the GOE as PSNP candidates.] There are challenges to implementing the PSNP in these remote areas, with poor roads, limited communications, complex livelihoods systems, scattered populations, and emerging government capacity. It is anticipated that as a result of these circumstances a large proportion of time and effort will be spent on the preparation for and development of the PSNP's implementation of basic core activities. Some aspects of the PSNP will require special attention and adaptation for these areas, such as beneficiary targeting and identifying appropriate public works. As the implementation of the PSNP becomes more established, activities could be expanded to incorporate nutrition and other aspects of food security, but the primary emphasis will remain establishing the core competencies of the PSNP such as food transfers, public works, and building the capacity of the local government to implement the PSNP.

Geographic coverage should focus on PSNP approved *woredas* in Somali Region and Borena zone of Oromiya Region. USAID/FFP prefers to see a clustered *woreda* selection to ensure effective coordination, consolidation of activities, cost effectiveness and efficient and consolidated management. Further, accessibility/security assessments should be used to prioritize the selection of *woredas*. It is preferred for applicants to plan for complementarity with other USG funded programs in these areas. Site selection should be clearly explained and reflect a clear operational and technical comparative advantage. The application needs to describe clearly the livelihood zone categorizations of the *woredas* targeted, the dynamics of the different livelihood zones, and the program interventions specific to each livelihood zone.

Transfers

One of the major principles of the PSNP is the timely, predictable, and appropriate transfer of resources for PSNP beneficiaries for efficient household asset protection. In order to create an effective safety net, clients must be sure that they can depend on the PSNP at all times. Transfers can be considered predictable if PSNP clients have timely knowledge of their eligibility for the program, know what type of transfer (food/cash) they will receive, the size of the transfer and when they will receive it.

Commodity Transfers

¹ *Woredas* is Amharic for "districts."

The GOE provides a cereals-only food transfer, while FFP, through its PVO partners, has provided a complete food basket consisting of cereals, pulses, and vegetable oil (15 KG cereal, 1.5 KG pulses, and 0.45 KG vegetable oil per month). The complete food basket has been particularly important because the food-assisted *woredas* are the most food insecure with the least efficient market systems. The cereal portion of the food basket should consist of cereal(s) that is/are consistent with dietary preferences in the area of activity. The most commonly programmed cereals have historically been wheat and sorghum.

The proposed approach should also sufficiently list and show a nuanced understanding of the logistical challenges of implementing the PSNP and how these challenges can and will be mitigated over the life of the program.

Cash Transfers

The GOE provides cash transfers. FFP will not fund cash transfers to beneficiaries.

Public Works

The proposed public work interventions need to focus on critical pastoral livelihood elements that are locally appropriate, realistic, integrated, productive and manageable by the community. Interventions such as rangeland development and management should be based upon local capacity and knowledge and leverage locally available resources and other forms of government and partner support. **Integrated conservation and development of the key natural resources (such as water, pasture, and livestock) for pastoral livelihood enhancement should be the guiding principle.** The objective is to address needs that are chronic in nature and reduce the vulnerability of pastoral households. A combination of measures that demonstrate how to achieve impact in the short and longer terms should be built into the program. Therefore, the approach should be capable of addressing simultaneously the conservation and production aspects of the rangeland. The draft Community Based Rangeland Management (CBRM) Manual, developed by the Somali Regional State, Crop and Rural Development Bureau, can serve as a planning tool until the Pastoral Public Works guide is available. (A draft of this document is included with this guidance.)

Section 4.4 of the PSNP PIM states that for *woredas* supported by PVOs, the administrative budget is five percent of the base program costs, and the capital budget is 15 percent of the base program costs. The PSNP PIM also identifies the types of costs that a PVO can cover to meet the Capital/Administration (Cap/Admin) requirements. A template for the Cap/Admin is included with the guidance and must be submitted with the application to show that the requirements are met. Cap/Admin costs, like all other expenses, must comply with Section 202(e) and internal transport, storage and handling (ITSH) funding eligibility requirements.

Other Aspects of the PSNP and Food Security Program (FSP)

Linkage and complementarity. Given the vulnerability and complex needs of pastoral households, there is a need to demonstrate strong linkages and complementarity with other pastoral livelihood programs (funded by USAID or other donors). This will enhance the productivity and the results of the program.

Incorporating specific and relevant capacity building activities at all levels (e.g., *woreda*, *kebele*² and community). It is important to empower the local communities and institutions by enabling the participation of all stakeholders in program implementation and management. Further, capacity building at the community, *woreda*, zonal, and/or regional levels should focus on developing a system to ensure that enhanced capacity will be sustained even as staff turns over. The proposal needs to show clearly defined ways to measure the impact of the capacity building interventions – with milestones and benchmarks that can be monitored.

Early response mechanism integration. Disaster Risk Management should build on the existing local community knowledge and focus on strengthening existing early warning systems and institutions for identification of early warning indicators and trigger levels. It will be important to identify clear linkage to appropriate strategies for using the contingency resources for early response at times of emergencies. The program should also be linked to other non-food early warning and response mechanisms implemented by others.

Mainstreaming the program design with ‘Do No Harm’ principles (resource conflict prevention and mitigation) and with gender considerations. Activities should consider the common conditions that are important to the welfare of the different social groups (i.e., clans, sub-clans, vulnerable minority clans, etc.). The interlocking relationship of the different livelihood groups in the targeted areas plus those in the vicinities across the *woredas* and regions should be considered. A description of such analysis must be incorporated into the program design and clearly addressed in the proposal. A conflict analysis should be completed and integrated into the planning processes to identify the likely drivers of conflict and the strategies to avert or mitigate repercussions. Conflict analysis tools and results should also be integrated in the monitoring and evaluation framework of the program. Gender mainstreaming is essential in the design and implementation phases to ensure the equal participation and benefits of both men and women.

Timeline

The GOE has confirmed that five-year awards are appropriate. Therefore, it is anticipated that in response to this RFA, awards will begin on or about September 1, 2011, and expire on or about August 31, 2016.

IV. Funding

FFP anticipates providing Section 202(e) funds to support programmatic costs. Allowable costs are outlined in FFP Information Bulletin 11-01, Eligible uses of Section 202(e) and ITSH funding. As an exception to FFP policy, applicants for this round of applications for Ethiopia are permitted to propose Section 202(e) funding levels not to exceed 20 percent of the total food aid program value of the application. FFP will not approve any applications that include monetization.

² The smallest administrative unit in Ethiopia. *woredas* are comprised of *kebeles*, and *kebeles* are comprised of communities.

V. Clarification of Requirements within the Request for Applications (RFA)

A. Host Country Agreement. The RFA sets forth requirements related to the Host Country Agreement. Applicants for an Ethiopia program should be aware that special circumstances exist with respect to host country agreements for Ethiopia. Guidance will be clarified at a later date. Applicants must obtain letters of support from regional and *woreda* food security officials in those regions and *woredas* where the applicant is proposing to work, and submit the letters of support with their application.

B. Registration. Applicants must be registered with the GOE in order to qualify for funding under the RFA. The application should specifically address this requirement.

C. Initial Environmental Examination Requirement. Previously, multi-year assistance program agreements fell under the Umbrella Initial Environmental Examination (IEE) of Strategic Objective 16 of USAID/Ethiopia's Mission-wide strategy. As this strategy will soon expire, each applicant will be required to submit an IEE as part of the application. The IEE must cover the entire range of activities the applicant is proposing to implement, including public works. Discussions with *woreda* officials will give the applicant an idea of the public works that are planned for the areas in which the applicant is proposing to work. Since the PSNP is still being established in many of the identified areas, it may be necessary to submit an interim IEE of illustrative activities until program activities are more completely identified.

NOTE: In addition to the RFA dated June 14, 2011, the following documents that were circulated to the Food Aid Consultative Group December 6, 2010 are relevant and should be referenced in preparing an application that responds to this solicitation:

- 1) Sample budgets and formats:
 - a. Comprehensive and Detailed Budget,
 - b. AER and Commodity Pipeline,
 - c. Executive Summary Tables,
 - d. IPTT template,
- 2) PSNP Program Implementation Manual;
- 3) Cap-Admin Template

In the event that a potential applicant has not received any of these documents, the applicant should contact via **email** Paula Bertolin (pbertolin@usaid.gov) or Bridget Ralyea (bralyea@usaid.gov) (and **copy** Juli Majernik (jmajernik@usaid.gov)).